

***NEW PALTZ CENTRAL SCHOOL DISTRICT***

***GENERAL PURPOSE  
FINANCIAL STATEMENTS***

***JUNE 30, 2022***

NEW PALTZ CENTRAL SCHOOL DISTRICT  
TABLE OF CONTENTS  
JUNE 30, 2022

	<u>PAGE</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	5
District-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	19
Statement of Fiduciary Net Position – Fiduciary Funds	21
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	22
Notes To The Financial Statements	23
Required Supplementary Information:	
Schedule Of Revenues, Other Sources, Expenditures, Other Uses and Changes in Fund Balance Compared To Budget – General Fund	54
Schedule of Changes in the Total OPEB Liability	56
Notes to Required Supplementary Information	57
Schedule of Proportionate Share of the Net Pension Asset/Liability	58
Schedule of Employer's Pension Contributions	59
Supplemental Schedules:	
Combining Balance Sheet – Non-Major Governmental Funds	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds	61
Schedule Of Change From Adopted Budget To Final Budget	62
Real Property Tax Limit	63
Capital Projects Fund – Schedule Of Project Expenditures	64

NEW PALTZ CENTRAL SCHOOL DISTRICT  
TABLE OF CONTENTS  
JUNE 30, 2022

	<u>PAGE</u>
Net Investment In Capital Assets	65
Single Audit Reports:	
Schedule Of Expenditures Of Federal Awards	66
Notes To Schedule Of Expenditures Of Federal Awards	67
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	68
Independent Auditors' Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance	70
Schedule Of Findings And Questioned Costs	73
Summary Schedule Of Prior Audit Findings	74
Report on Extraclassroom Activities Funds:	
Independent Auditors' Report	75
Statement Of Assets, Liabilities and Fund Balance-Cash Basis	78
Statement Of Cash Receipts, Disbursements and Changes In Fund Balance-Cash Basis	79
Notes To Financial Statements	80

## INDEPENDENT AUDITORS' REPORT

To The Board of Education of the  
New Paltz Central School District  
New Paltz, New York

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the New Paltz Central School District, New York, as of and for the year ended June 30, 2022, 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, each major fund and the aggregate remaining fund information of the New Paltz Central School District, New York, as of June 30, 2022, and the changes in financial position for the year then ended in conformity 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 New Paltz Central School District, New York, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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 New Paltz Central School District, New York'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.

### **Auditors' Responsibility 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 New Paltz Central School District, New York'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 New Paltz Central School District, New York'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 and other required supplementary information on pages 5 through 10 and 48 through 53, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New Paltz Central School District, New York's financial statements as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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. The supplementary information and the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Matters**

The prior year summarized comparative information has been derived from the District's June 30, 2021 financial statements and, in our report dated October 11, 2021, we expressed an unmodified opinion on those financial statements.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2022 on our consideration of the New Paltz Central School District, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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 New Paltz Central School District, New York's internal control over financial reporting and compliance.

*Cooper Arias, LLP*

Mongaup Valley, New York  
October 10, 2022

NEW PALTZ CENTRAL SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

---

This section of School District’s annual financial report presents its discussion and analysis of the District’s performance during the fiscal year ending June 30, 2022. The section is a summary of the School District’s financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction. It should be read in conjunction with the School District’s financial statements, which immediately follow this section.

**Financial Highlights**

- The District’s financial reserves remained relatively level for the 2021-2022 school year. Details include:
  - Continued funding the Workers Compensation Reserve at \$800,000
  - Continued funding the Unemployment Reserve at \$493,275
  - Slight decrease in encumbrances from \$1,484,974 to \$1,100,336
  - Increase of Appropriated Fund Balance from \$1,500,000 to \$1,900,000.
  - Decrease in Unappropriated Fund Balance to 4.21% (from \$3.2M to \$2.9M).
- During the 2022-2023 school year, the District will continue working to create a long-range financial plan for the District, which includes reserve and fund balance planning.
- The Food Service revenues were slightly less than the expenses during the 2021-2022 school year. This was with the help of money from the General Fund and federal money received for supply chain issues.

After several years of losses due to new federal regulations and a resulting fund balance of essentially zero, the General Fund started (out of necessity) to support the Food Service program in 2013-2014. It should be noted that starting in 2014-15, all of the employee benefits attributable to the Food Service program were charged to the program. Many of these had been charged to the General Fund in the past.

- The District had one remaining bond outstanding which was paid off in 2018-2019. In March 2019, the School District issued a new \$50.0 Million bond, but due to a bond premium the amount to be repaid is down to \$47.45 Million. This will be paid off over 16 years.

\$700,000 from the Capital Reserve was used to offset a portion of the \$52.9 Million. Additionally, another \$900,000 was paid out of the general fund in 2017-2018 and an additional \$1.3 Million is was paid out of the 2018-2019 budget. The resulting amount to be borrowed was \$50.0 Million which is referenced above. The new debt payments will start in 2019-2020 and will align with retiring debt (mentioned above) from the previous bonds as well as remaining bond premium in the Debt Service Fund so there will be no increase on the tax levy in 2019-20, 2020-2021 or any future years due to the new bonds.

- The voters approved a \$52.9 Million bond referendum in March 2015. The project started in the 2014-2015 school year and is in the final stage at the time of this writing. This was financed through BANs during the years of construction and then the final cost was converted to a bond in 2019-2020. The first \$15 Million in BANs was borrowed during the 2015-2016 school year. This was increased to \$30 Million in 2016-2017 and to \$45 Million in 2017-2018. \$47.45 Million in bonds were issued in March 2019.

**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 financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.

NEW PALTZ CENTRAL SCHOOL DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more detail* than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the 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.

<b>Figure A-1: Major Features of the District-Wide and Fund Financial Statements</b>			
	District-wide Statements	Fund Financial 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, cafeteria and transportation expenses.	Instances in which the District administers resources on behalf of someone else
Required financial statements	. Statement of net position . Statement of activities	. 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/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term;
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 liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

NEW PALTZ CENTRAL SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

***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 and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities 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 and liabilities – 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 District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities. In the District-wide financial statements, the District's activities are 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.

***Fund Financial Statements***

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as a fund for scholarship monies) 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 basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others. 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 its operations.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Financial Analysis of the District as a Whole**

The following schedule shows the Net Position for the School District as of June 30, 2022 and 2021.

	Page #	<b>2022</b>	<b>2021</b>
<b>Assets</b>			
Cash	12	\$11.05	\$13.29
Receivables, inventory	12	\$3.48	\$2.51
Net Pension Asset	12	\$25.54	\$0.00
Capital assets	12	\$69.83	\$70.48
<b>Total assets</b>		<u>\$109.90</u>	<u>\$86.28</u>
<b>Deferred Outflow of Resources</b>	12	<b>\$48.33</b>	<b>\$24.18</b>
<b>Liabilities</b>			
Payables	13	\$1.36	\$1.41
BANS payable	13	\$0.00	\$0.00
Other liabilities	13	\$3.10	\$3.43
Non-current Liabilities			
Lease Payables		\$0.20	\$0.00
Serial Bonds	13	\$40.94	\$43.19
Unamortized Bond Premium	13	\$3.56	\$3.84
Compensated Absences	13	\$0.24	\$0.26
Judgments and Claims	13	\$0.31	\$0.56
Total OPEB Liability	13	\$176.80	\$140.23
Net Pension Liability	13	\$0.00	\$3.73
<b>Total liabilities</b>		<u>\$226.51</u>	<u>\$196.65</u>
<b>Deferred Infow of Resources</b>		<b>\$42.78</b>	<b>\$20.52</b>
<b>Note: Assets - Liabilities = Net Position</b>		<b>(\$111.06)</b>	<b>(\$106.71)</b>
<b>Net position</b>			
Net investment in capital assets	13	\$26.39	\$24.73
Restricted	13	\$3.07	\$3.08
Unrestricted - reportable	13	(\$140.52)	(\$134.51)
<b>Total net position</b>		<u><b>(\$111.06)</b></u>	<u><b>(\$106.70)</b></u>
<i>Note: totals may not add due to rounding.</i>			

The District's net position shows a deficit mainly due to the liability for post-retirement obligation for health insurance.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Governmental Activities/ *Changes in Net Position***

The District's net position due to government activities decreased by \$4,356,162 (Figure A-3).

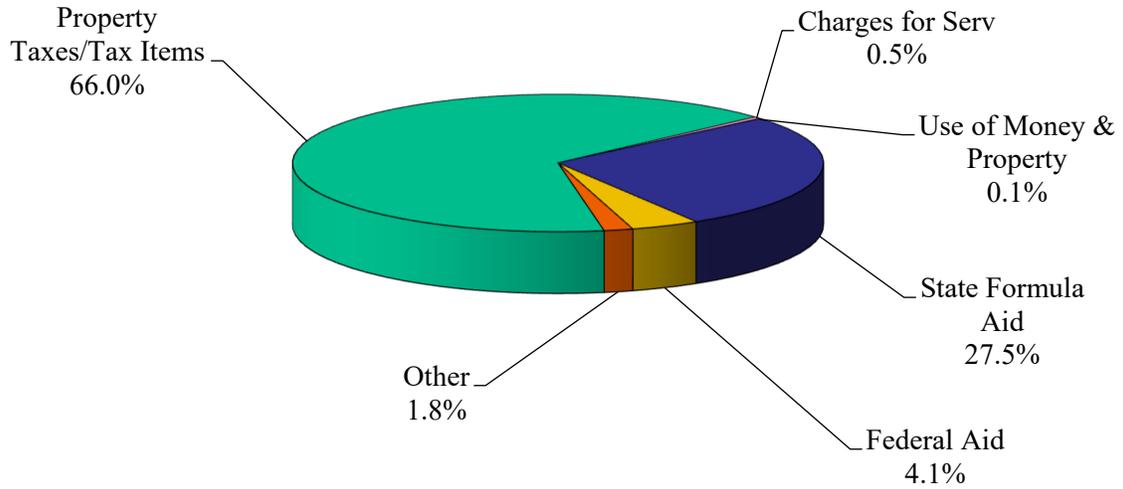
	Page #	2022	2021
<b>Revenues</b>			
Property taxes and tax items	14	\$ 45.59	\$ 46.10
Charges for services	14	\$ 0.32	\$ 0.28
Use/Sales of Money and Property	14	\$ 0.01	\$ 0.05
Misc Local Sources	14	\$ 1.14	\$ 0.89
State formula aid	14	\$ 18.97	\$ 16.40
Federal Aid	14	\$ 2.86	\$ 1.31
Premium on obligations	14	\$ -	\$ -
Food sales & surplus	14	\$ 0.01	\$ 0.01
<b>Total revenues</b>		<u>\$ 68.90</u>	<u>\$ 65.04</u>
<b>Expenses</b>			
General support	14	\$ 8.01	\$ 7.78
Instruction	14	\$ 55.17	\$ 68.46
Pupil Transportation	14	\$ 7.35	\$ 6.84
Debt Service	14	\$ 1.43	\$ 1.54
School Lunch Program	14	\$ 1.29	\$ 1.15
<b>Total expenses</b>		<u>\$ 73.25</u>	<u>\$ 85.77</u>
Excess (deficiency) of revenues over expenses	14	\$ (4.35)	\$ (20.73)
<b>Increase (decrease) in net position:</b>		<u>\$ (4.35)</u>	<u>\$ (20.73)</u>
<i>Note: totals may not add due to rounding.</i>			

The decrease in net position was due mainly to the increase in the Total OPEB Liability.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

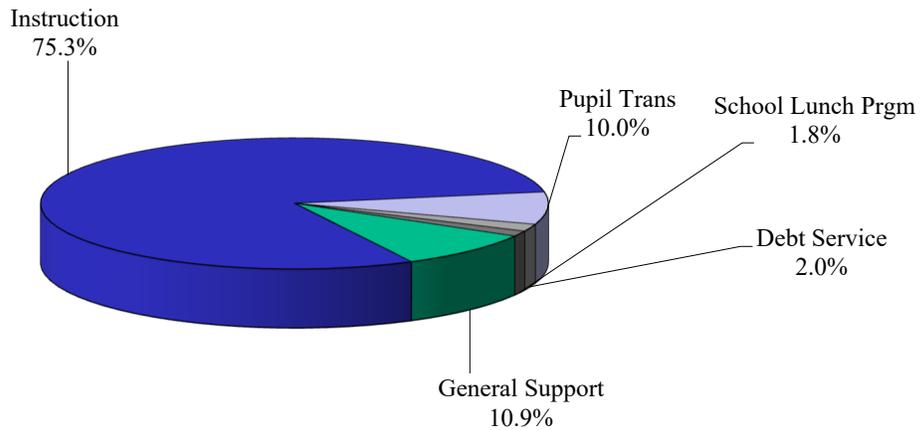
**Figure A-4**

**Sources of Revenues for Fiscal Year 2021-2022**



**Figure A-5**

**Expenses for Fiscal Year 2021-2022**



NEW PALTZ CENTRAL SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Financial Analysis of the District’s Funds**

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a General Fund balance of \$8.65 Million; a \$.36 Million decrease from last year’s ending fund balance of \$9.02 Million. The School Lunch Fund had a decrease of \$19,861, the Capital Fund did not change, the Debt Service Fund had a decrease of \$.49 million and the Miscellaneous Special Revenue Fund had a decrease of \$42,885. Due to the implementation of GASB 84, the Extraclassroom Activities and Scholarship Activity were reported in the Miscellaneous Special Revenue Fund for the first time in fiscal 2021.

**General Fund Budgetary Highlights**

The District’s budget for the General Fund anticipated that revenues would be \$1.5 Million less than expenditures. The actual results for the year were showed that revenues were less than expenditures by \$.36 Million. This is due, in part, to the combination of remote, hybrid and modified in-person instruction, as the COVID-19 pandemic continued.

- Actual revenues were \$65.4 Million, \$3.34 Million less than budgeted.
- Actual expenditures and encumbrances were \$66.5 Million, \$4.8 Million less than the final budget.

**Long-Term Debt**

During the 2018-2019 school year the District paid off a final outstanding bond. The District issued a new \$47.45 Million bond during the 2018-19 school year. The total amount of long-term debt owed is reflected in Figure A-6

<i>Figure A-6</i>			
<i>Outstanding Long-Term Debt (in millions of dollars)</i>			
(Financed with property taxes)	Reference Page #	Total	
		School District	
		2022	2021
General obligation bonds & notes	42	\$40.94	\$43.20
Unamortized Bond Premium	42	\$3.56	\$3.84
Judgments and Claims	42	\$0.31	\$0.56
Compensated absences	42	\$0.24	\$0.26
Total OPEB Liability	42	\$176.80	\$140.23
Lease Payable	42	\$0.21	\$0.00
Net Pension Liability (Asset)	47	\$0.00	\$3.73

**Contacting the District’s Financial Management**

This financial report is designed to provide the District’s citizens, taxpayers, customers, and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office; New Paltz Central School District - New Paltz, NY 12561; Phone 845-256-4010.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30,

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 6,921,690	\$ 8,916,045
Cash - Restricted	4,128,232	4,369,702
Accounts Receivable	4,900	10,136
State And Federal Aid Receivable	2,565,717	1,813,569
Due From Other Governments	884,554	630,645
Inventory	28,502	60,961
Total Current Assets	14,533,595	15,801,058
Non-Current Asset		
Net Pension Asset	25,318,021	-
Right to Use Asset, net	218,395	-
Capital Assets, net	69,829,157	70,481,390
Total Non-Current Assets	95,365,573	70,481,390
TOTAL ASSETS	109,899,168	86,282,448
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	17,086,643	17,722,760
OPEB Liability	31,250,429	6,461,008
TOTAL DEFERRED OUTFLOWS OF RESOURCES	48,337,072	24,183,768

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30,

(Continued)

	<u>2022</u>	<u>2021</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 617,117	\$ 601,796
Accrued Liabilities	738,897	807,378
Other Liabilities	203,711	-
Due To Other Governments	60,681	670,625
Due To TRS	2,614,663	2,386,421
Due To ERS	202,858	292,321
Unearned Revenues	<u>18,470</u>	<u>81,535</u>
 Total Current Liabilities	 <u>4,456,397</u>	 <u>4,840,076</u>
 Non-Current Liabilities		
Due Within One Year:		
Serial Bonds	2,370,000	2,255,000
Unamortized Bond Premium	284,621	284,621
Total OPEB Liability	2,600,000	2,000,000
Lease Payable	53,853	-
Due Beyond One Year:		
Serial Bonds	38,570,000	40,940,000
Unamortized Bond Premium	3,273,137	3,557,758
Total OPEB Liability	174,198,098	138,230,608
Lease Payable	164,542	-
Compensated Absences	239,100	262,713
Judgments and Claims	306,293	556,642
Net Pension Liability	<u>-</u>	<u>3,726,339</u>
 Total Non-Current Liabilities	 <u>222,059,644</u>	 <u>191,813,681</u>
 TOTAL LIABILITIES	 <u>226,516,041</u>	 <u>196,653,757</u>
 DEFERRED INFLOWS OF RESOURCES		
Pensions	32,450,707	8,551,599
OPEB Liability	<u>10,330,471</u>	<u>11,965,677</u>
 TOTAL DEFERRED INFLOWS OR RESOURCES	 <u>42,781,178</u>	 <u>20,517,276</u>
 NET POSITION		
Net Investment In Capital Assets	26,387,387	24,727,854
Restricted	3,072,244	3,080,844
Unrestricted	<u>(140,520,610)</u>	<u>(134,513,515)</u>
 TOTAL NET POSITION	 <u>\$ (111,060,979)</u>	 <u>\$ (106,704,817)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

FUNCTIONS/ PROGRAM	<u>PROGRAM REVENUES</u>				<u>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</u>	
	<u>EXPENSES</u>	<u>CHANGES FOR SERVICES</u>	<u>OPERATING GRANTS AND DONATION</u>	<u>CAPITAL GRANTS AND CONTRIBUTION</u>	<u>2022</u>	<u>2021</u>
General Support	\$ 8,095,273	\$ -	\$ -	\$ -	\$ (8,095,273)	\$ (7,780,497)
Instruction	55,168,087	323,422	2,634,936	-	(52,209,729)	(66,785,999)
Pupil Transportation	7,354,725	-	76,635	-	(7,278,090)	(6,737,790)
Debt Service	1,436,667	-	-	-	(1,436,667)	(1,544,667)
School Lunch Program	<u>1,289,729</u>	<u>75,116</u>	<u>868,497</u>	<u>-</u>	<u>(346,116)</u>	<u>(691,298)</u>
 TOTAL FUNCTIONS AND PROGRAMS	 <u>73,344,481</u>	 <u>398,538</u>	 <u>3,580,068</u>	 <u>-</u>	 <u>(69,365,875)</u>	 <u>(83,540,251)</u>
 GENERAL REVENUES						
Real Property Tax					42,798,877	43,189,020
Other Tax Items					2,785,830	2,912,491
Investment Earnings					16,277	33,484
Sale Of Property and Compensation For Loss					24,723	12,212
Miscellaneous Local Sources					1,097,685	850,747
State Sources					<u>18,286,321</u>	<u>15,804,588</u>
 TOTAL GENERAL REVENUES					 <u>65,009,713</u>	 <u>62,802,542</u>
 CHANGE IN NET POSITION					 (4,356,162)	 (20,737,709)
 TOTAL NET POSITION- Beginning of Year					 <u>(106,704,817)</u>	 <u>(85,967,108)</u>
 TOTAL NET POSITION- End of Year					 <u>\$ (111,060,979)</u>	 <u>\$ (106,704,817)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	<u>GENERAL</u>	<u>SPECIAL AID</u>	<u>SCHOOL LUNCH</u>	<u>NON-MAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2021 TOTALS</u>
<b>ASSETS</b>						
Cash	\$ 5,608,954	\$ 434,088	\$ 475,304	\$ 403,344	\$ 6,921,690	\$ 8,916,045
Cash - Restricted	2,746,975	-	-	1,381,257	4,128,232	4,369,702
Accounts Receivable	-	4,900	-	-	4,900	10,136
Due From Other Funds	2,396,809	-	-	-	2,396,809	2,081,670
State And Federal Aid Receivable	618,800	1,504,354	162,447	280,116	2,565,717	1,813,569
Due From Other Governments	884,554	-	-	-	884,554	630,645
Inventories	-	-	28,502	-	28,502	60,961
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u>\$ 12,256,092</u>	<u>\$ 1,943,342</u>	<u>\$ 666,253</u>	<u>\$ 2,064,717</u>	<u>\$ 16,930,404</u>	<u>\$ 17,882,728</u>
 <b>LIABILITIES FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 604,697	\$ 8,298	\$ 202	\$ 3,920	\$ 617,117	\$ 601,796
Accrued Liabilities	117,967	2,424	-	-	120,391	146,590
Other Liabilities	-	154,285	-	49,426	203,711	-
Due To Other Governments	60,488	-	193	-	60,681	670,625
Due To Other Funds	-	1,778,335	618,449	25	2,396,809	2,081,670
Due To Teachers' Retirement System	2,614,663	-	-	-	2,614,663	2,386,421
Due To Employees' Retirement System	202,858	-	-	-	202,858	292,321
Unearned Revenues	-	-	18,470	-	18,470	81,535
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<u>3,600,673</u>	<u>1,943,342</u>	<u>637,314</u>	<u>53,371</u>	<u>6,234,700</u>	<u>6,260,958</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	<u>GENERAL</u>	<u>SPECIAL AID</u>	<u>SCHOOL LUNCH</u>	<u>NON-MAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2021 TOTALS</u>
FUND BALANCES						
Non-spendable:						
Inventory	\$ -	\$ -	\$ 28,502	\$ -	\$ 28,502	\$ 60,961
Restricted:						
Repairs	3,700	-	-	-	3,700	3,700
Unemployment	493,275	-	-	-	493,275	493,275
Workers Compensation	800,000	-	-	-	800,000	800,000
Retirement - ERS	1,000,000	-	-	-	1,000,000	1,000,000
Retirement - TRS	450,000	-	-	-	450,000	450,000
Capital Projects	-	-	-	1,282,758	1,282,758	1,282,758
Scholarships	-	-	-	325,269	325,269	333,869
Assigned:						
Encumbrances	1,100,336	-	-	-	1,100,336	1,484,974
Appropriated	1,900,000	-	-	-	1,900,000	1,500,000
Unappropriated	-	-	437	403,319	403,756	935,988
Unassigned	<u>2,908,108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,908,108</u>	<u>3,276,245</u>
 TOTAL FUND BALANCES	 <u>8,655,419</u>	 <u>-</u>	 <u>28,939</u>	 <u>2,011,346</u>	 <u>10,695,704</u>	 <u>11,621,770</u>
 TOTAL LIABILITIES, AND FUND BALANCES	 <u>\$ 12,256,092</u>	 <u>\$ 1,943,342</u>	 <u>\$ 666,253</u>	 <u>\$ 2,064,717</u>	 <u>\$ 16,930,404</u>	 <u>\$ 17,882,728</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
WITH THE STATEMENT OF NET POSITION  
JUNE 30, 2022  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	<u>2022</u>	<u>2021</u>
Total Fund Balance – Governmental Funds	\$ 10,695,704	\$ 11,621,770
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets and accumulated depreciation at June 30, 2022 are \$94,132,274 and \$24,303,117, respectively.</p>	69,829,157	70,481,390
<p>Leased assets used in governmental activities are expensed in the initial year of the lease term in the governmental funds. In the full accrual financials, the assets are capitalized and amortized over the term of the lease. The cost of leased assets and accumulated amortization at June 30, 2022 are \$227,167 and \$8,772, respectively.</p>	218,395	-
<p>Proportionate share of long-term asset and liability associated with participation in State Retirement Systems are not current financial resources or obligations and are not reported in the governmental funds</p>		
<p>Net Pension Asset 25,318,021  Deferred Outflows of Resources 17,086,643  Net Pension Liability -  Deferred Inflows of Resources <u>(32,450,707)</u></p>	9,953,957	5,444,822
<p>Long-term asset and liability associated with the OPEB liability are not current financial resources or obligations and are not reported in the governmental funds</p>		
<p>Deferred Outflows of Resources 31,250,429  Deferred Inflows of Resources (10,330,471)  Total OPEB Liability <u>(176,798,098)</u></p>	(155,878,140)	(145,735,277)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
<p>Serial Bonds (40,940,000)  Unamortized Bond Premium (3,557,758)  Leases Payable (218,395)  Compensated Absences (239,100)  Judgments And Claims <u>(306,293)</u></p>	(45,261,546)	(47,856,734)
<p>Accrued interest on debt is reported in the statement of net position, regardless of when due. In the governmental funds, interest is not reported until it is due.</p>	<u>(618,506)</u>	<u>(660,788)</u>
Net Position of Governmental Activities	<u>\$ (111,060,979)</u>	<u>\$ (106,704,817)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2022  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	GENERAL	SPECIAL AID	SCHOOL LUNCH	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2021 TOTALS
<b>REVENUES</b>						
Real Property Taxes	\$ 42,798,877	\$ -	\$ -	\$ -	\$ 42,798,877	\$ 43,189,020
Other Tax Items	2,785,830	-	-	-	2,785,830	2,912,491
Charges For Services	258,834	-	-	64,488	323,322	276,880
Use of Money and Property	14,290	-	46	1,941	16,277	33,484
Sale of Property and Compensation For Loss	24,723	-	-	-	24,723	12,212
Miscellaneous Local Sources	1,011,869	-	3,197	124,697	1,139,763	892,130
State Sources	18,286,321	385,821	12,357	280,116	18,964,615	16,402,808
Federal Sources	253,117	1,750,539	856,140	-	2,859,796	1,306,497
Sales	-	-	75,116	-	75,116	11,514
<b>TOTAL REVENUES</b>	<b>65,433,861</b>	<b>2,136,360</b>	<b>946,856</b>	<b>471,242</b>	<b>68,988,319</b>	<b>65,037,036</b>
<b>OTHER FINANCING SOURCES</b>						
Other Financing Sources	-	-	-	227,167	227,167	-
Interfund Transfer In	-	95,605	225,000	-	320,605	724,433
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>65,433,861</b>	<b>2,231,965</b>	<b>1,171,856</b>	<b>698,409</b>	<b>69,536,091</b>	<b>65,761,469</b>
<b>EXPENDITURES</b>						
General Support	6,105,953	-	-	-	6,105,953	5,111,245
Instruction	33,278,437	1,976,629	-	232,395	35,487,461	33,413,670
Pupil Transportation	4,935,645	76,635	-	-	5,012,280	3,486,498
Employee Benefits	17,630,815	178,701	280,630	-	18,090,146	17,158,219
Debt Service:						
Principal	1,763,772	-	-	500,000	2,263,772	2,150,000
Interest	1,763,570	-	-	-	1,763,570	1,869,600
Cost of Sales	-	-	911,087	-	911,087	666,879
Capital Outlay	-	-	-	507,283	507,283	92,756
<b>TOTAL EXPENDITURES</b>	<b>65,478,192</b>	<b>2,231,965</b>	<b>1,191,717</b>	<b>1,239,678</b>	<b>70,141,552</b>	<b>63,948,867</b>
<b>OTHER USES</b>						
Interfund Transfers Out	320,605	-	-	-	320,605	724,433
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<b>65,798,797</b>	<b>2,231,965</b>	<b>1,191,717</b>	<b>1,239,678</b>	<b>70,462,157</b>	<b>64,673,300</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(364,936)</b>	<b>-</b>	<b>(19,861)</b>	<b>(541,269)</b>	<b>(926,066)</b>	<b>1,088,169</b>
<b>FUND BALANCE - Beginning of Year</b>	<b>9,020,355</b>	<b>-</b>	<b>48,800</b>	<b>2,552,615</b>	<b>11,621,770</b>	<b>10,533,601</b>
<b>FUND BALANCE - End of Year</b>	<b>\$ 8,655,419</b>	<b>\$ -</b>	<b>\$ 28,939</b>	<b>\$ 2,011,346</b>	<b>\$ 10,695,704</b>	<b>\$ 11,621,770</b>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

Total Net Change in Fund Balances – Governmental Funds	\$	<u>2022</u> (926,066)	\$	<u>2021</u> 1,088,169
--	----	--------------------------	----	--------------------------

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

Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.

Depreciation Expenses	(1,149,776)			
Capital Outlay	<u>501,521</u>	(648,255)		(785,948)

Proceeds from the sale of capital assets are reported as revenues in the governmental funds. In the statement of activities, the revenues are reduced by the net book value of the disposed assets.

	(3,978)			-
--	---------	--	--	---

Repayment of principal on long term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Serial Bonds	2,255,000			
Leases	<u>8,772</u>	2,263,772		2,150,000

Bond premiums are reported in the governmental funds as revenues in the year the bonds are issued. However, on the statement of activities, the premiums are added to the outstanding bond liability and amortized over the life of the bonds.

Amortization Expense		284,621		284,621
----------------------	--	---------	--	---------

In the statement of activities, long-term liabilities are reported when the liability is incurred regardless of when the payments are due. In the governmental funds, expenditures for these items are reported by the amount of financial resources used (paid).

Compensated Absences	23,613			
Judgments And Claims	<u>250,349</u>	273,962		19,529

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

(Continued)

		<u>2022</u>	<u>2021</u>
(Increases) decreases in proportionate share of net pension asset/liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.			
Teachers' Retirement System	3,735,119		
Employees' Retirement System	<u>774,016</u>	4,509,135	(2,424,170)
(Increases) decreases in the OPEB liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.			
Total OPEB Liability		(10,142,863)	(21,110,222)
In the governmental funds, proceeds of long term debt are reported as revenues. In the statement of net position, the proceeds increase the long term liability, and no revenue is recognized in the statement of activities.			
Leases		(227,167)	-
In the governmental funds, leased assets are expensed in the initial year of the lease. In the full accrual financials, the asset is capitalized as a "right to use" asset and amortized over the term of the lease.			
Right to Use Asset	227,167		
Amortization Expenses	<u>(8,772)</u>	218,395	-
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.			
Current Year Accrued Interest	(618,506)		
Prior Year Accrued Interest	<u>660,788</u>	<u>42,282</u>	<u>40,312</u>
Change in Net Position of Governmental Activities		<u>\$ (4,356,162)</u>	<u>\$ (20,737,709)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2022

	<u>CUSTODIAL FUND</u>
ASSETS	
Cash	\$ <u>          -</u>
TOTAL ASSETS	<u>          -</u>
LIABILITIES	
Agency Liabilities	<u>          -</u>
TOTAL LIABILITIES	<u>          -</u>
TOTAL NET POSITION	\$ <u><u>          -</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2022

	<u>CUSTODIAL FUND</u>
ADDITIONS	
Taxes Collected For Other Governments	\$ <u>8,000</u>
TOTAL ADDITIONS	<u>8,000</u>
DEDUCTIONS	
Taxes Paid To Other Governments	<u>8,000</u>
TOTAL DEDUCTIONS	<u>8,000</u>
CHANGE IN NET POSITION	-
NET POSITION - Beginning Of Year	<u>-</u>
NET POSITION - End Of Year	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the New Paltz Central School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**Financial Reporting Entity**

The New Paltz Central School District is governed by the Education Law and other laws of the State of New York. The governing body is the Board of Education. The scope of activities included within the accompanying financial statements are those transactions which comprise School District operations, and are governed by, or significantly influenced by, the Board of Education.

Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The financial reporting entity includes all funds, account groups, functions and organizations over which the School District officials exercise oversight responsibility. Oversight responsibility is determined on the basis of the financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

1. Included in the Reporting Entity

Based on the foregoing criteria and the significant factors presented below, the following organizations, functions or activities are included in the reporting entity:

a. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the New Paltz Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are included in the Miscellaneous Special Revenue Fund. Separate audited general purpose financial statements (cash basis) of the extraclassroom activity funds can be found within this report.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Joint Venture**

The New Paltz Central School District is a component district in the Ulster County 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.

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.

A BOCES budget is comprised of separate budgets for administrative, program and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school district's enrollment as defined in Education Law Section 1950(4)(b)(7).

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component School Districts pay tuition or a service fee for programs in which its students participate. 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. Separate audited financial statements can be obtained by contacting the BOCES' business office.

**Basis of Presentation**

1. 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. 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 a particular function.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 operation or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund financial statements

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

*a. General Fund*

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

*b. Special Revenue Fund*

Special Revenue Funds are used to account for the proceeds of specific 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:

1. 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.
2. School Lunch Fund – used to account for transactions of the School District lunch, breakfast, and milk programs.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports the following non-major governmental funds:

a. *Miscellaneous Special Revenue Fund*

The Miscellaneous Special Revenue Fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

b. *Capital Projects Fund*

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

c. *Debt Service Fund*

The Debt Service Fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

Additionally, the District reports the following fund type:

a. *Fiduciary Fund*

This fund is used to account for assets held by the government in a trustee or custodial capacity.

*Custodial Fund* – used to account for fiduciary activities that are not required to be reported in a private-purpose trust fund.

**Basis of Accounting/Measurement Focus**

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

**Property Taxes**

Calendar

Real property taxes are levied annually by the Board of Education no later than September 1<sup>st</sup>, and became a lien on September 1<sup>st</sup>. Taxes are collected during the period commencing September 1<sup>st</sup> and ending November 4<sup>th</sup>.

Enforcement

Uncollected real property taxes are subsequently enforced by the County. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the School District no later than the forthcoming April 1<sup>st</sup>.

**Budgetary Procedures And Budgetary Accounting**

Budget Policies

The budget policies are as follows:

The School District administration prepares a proposed budget for approval by the Board of Education for the following governmental fund types:

I. General Fund

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

Appropriations are adopted at the program level.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. Appropriations lapse at the fiscal year end. 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 District had \$262,251 of supplemental appropriations for the year ended June 30, 2022.

Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year. Encumbrances are reported as assigned fund balance in the General Fund.

Budget Basis of Accounting

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

**Cash and Cash Equivalents**

For financial statement purposes, the District considers all highly liquid investments of three months or less as cash equivalents.

**Inventory**

Inventories of food and/or 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.

**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 be immaterial.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Capital Assets**

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by the District is \$5,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<b><u>ASSET CLASS</u></b>	<b><u>ESTIMATED USEFUL LIVES</u></b>
School Buildings	50
Site Improvements	20
Machinery & Equipment	5-20

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

**Unearned Revenue**

Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when sources are received by the School 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 School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recognized.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Vested Employee Benefits**

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

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 on the pay rates in effect at year-end.

For the District-wide statements, the current portion is the amount estimated to be used in the following year, in accordance with GAAP. For the governmental funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System. In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District's employees may become eligible for these benefits if they reach 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-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance in the fund financial statements by recording its share of insurance premiums as an expenditure in the year paid. In the District-wide statements, the liability is reported at actuarially calculated amounts (See Note 10).

**Interfund Activity**

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these Notes.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Equity Classifications**

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) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

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

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

Order of Use of Net Position:

When an expense is incurred for which both restricted and unrestricted resources are available, the Board will assess the current financial condition of the District and determine which classification of net position will be charged.

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

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 balance includes inventory recorded in the School Lunch Fund of \$28,502.

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

**Unemployment Insurance**

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. This reserve is accounted for in the General Fund.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Repair

Used to pay the cost of repairs to capital improvements or equipment. The Board of Education may establish the reserve by majority vote. Voter approval is required to fund the reserve and expenditures may only be made after a public hearing. This reserve is accounted for in the General Fund.

Workers' Compensation

Used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. This reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. This reserve is accounting for in the General Fund.

Retirement Contribution

Used to reserve funds to finance contributions to the NYS Employees Retirement System and NYS Teachers Retirement System. This reserve is accounted for in the General Fund.

Capital Projects

Proceeds of debt that are restricted for use per the specifics of the debt issue. This reserve is accounted for in the Capital Projects Fund.

Scholarships

Proceeds of contributions that are restricted by the donor to the payment of scholarships. This reserve is accounted for in the Miscellaneous Special Revenue Fund.

Committed – includes amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the District's highest level of decision making authority before the end of the fiscal year, and requires the same level of formal action to remove the constraint. The Board of Education is the decision making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The District has no committed fund balances as of June 30, 2022.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned – includes amounts that are subject to a purpose constraint that represents an intended use established by the government’s highest level of decision making authority, or by their designated official. The purpose of the assignment 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 generally includes encumbrances in the General Fund and appropriated fund balance. The Board of Education is the decision making authority that can, by resolution, assign fund balance. The District reported encumbrances of \$1,100,336 as assigned fund balance in the General Fund as of June 30, 2022.

Unassigned – represents the residual classification for the General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the district’s General Fund budget for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

**Order of Use of Fund Balance:**

When resources are available from multiple fund balance classifications, the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**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 standards issued by GASB:

GASB 87 – *Leases*

GASB 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*

GASB 92 – *Omnibus*

GASB 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No.32*

**Future Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following standards that will become effective in future fiscal years:

GASB 91 – *Conduit Debt Obligations*, effective for the year ending June 30, 2023

GASB 93 – *Replacement of Interbank Offered Rates*, effective for the year ending June 30, 2022, except for the removal of LIBOR as an appropriate benchmark interest rate, which is effective for the year ending June 30, 2023.

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

GASB 96 – *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023.

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

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Deferred Outflows/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 government has three 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 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 second item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience. The District reports \$17,086,643 in deferred outflows of resources related to pensions and \$31,250,429 in deferred outflows of resources related to the Total OPEB Liability as of June 30, 2022.

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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension system not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs. The District reports \$32,450,707 in deferred inflows of resources related to pensions and \$10,330,471 in deferred inflows of resources related to the Total OPEB Liability as of June 30, 2022.

The reporting of deferred outflows of resources and deferred inflows of resources related to pensions resulted in a net decrease of \$15,364,064 to unrestricted net position as of June 30, 2022.

The reporting of deferred outflows of resources and deferred inflows of resources related to the Total OPEB Liability resulted in a net increase of \$20,919,958 to unrestricted net position as of June 30, 2022.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Insurance**

The District participates in a risk sharing pool to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The District's estimated share of the liability for unbilled and open claims was \$306,293 as of June 30, 2022.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENT

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 differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds. These differences are reconciled in the financial statements.

**Total fund balances of governmental funds vs. net position of governmental activities:**

Total fund balances of the District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. The 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 sheet.

**Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities:**

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

1. Long-term revenue differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities report 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.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL  
FUND STATEMENTS AND DISTRICT-WIDE STATEMENT (Continued)

2. Capital related differences:

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

3. Long-term debt transaction differences:

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

NOTE 3 – PARTICIPATION IN BOCES

During the year ended June 30, 2022, the New Paltz Central School District was billed \$5,063,800 for BOCES administrative and program costs.

The School District's share of BOCES aid amounted to \$1,430,860.

General purpose financial statements for Ulster County BOCES are available from the BOCES administrative office.

NOTE 4 – CASH AND INVESTMENTS

The New Paltz Central School District's investment policies are governed by State statutes. In addition, the District has its own written investment policy. New Paltz Central School District monies must be deposited in FDIC-Insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 4 – CASH AND INVESTMENTS (Continued)

Collateral is required for 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 New York State and states other than New York and their municipalities and school districts.

The District’s aggregate cash balances include balances not covered by depository insurance at year end, collateralized as follows:

Collateralized with securities held by the pledging financial institution, or its trust department, but not in the District’s name. \$ 11,729,233

NOTE 5 – CAPITAL ASSETS

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

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENTS/ RECLASSIFICATIONS</u>	<u>ENDING BALANCE</u>
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 334,877	\$ -	\$ -	\$ 334,877
Construction In Progress	<u>48,402,611</u>	<u>-</u>	<u>-</u>	<u>48,402,611</u>
Total non-depreciable historical cost	<u>48,737,488</u>	<u>-</u>	<u>-</u>	<u>48,737,488</u>
Capital assets that are depreciated:				
Buildings	36,320,525	-	943	36,319,582
Improvements	2,089,432	-	-	2,089,432
Machinery and Equipment	<u>7,233,804</u>	<u>501,521</u>	<u>749,553</u>	<u>6,985,772</u>
Total depreciable historical cost	<u>45,643,761</u>	<u>501,521</u>	<u>750,496</u>	<u>45,394,786</u>
Less accumulated depreciation:				
Buildings	17,462,323	672,329	943	18,133,709
Improvements	1,505,041	71,676	-	1,576,717
Machinery and Equipment	<u>4,932,495</u>	<u>405,771</u>	<u>745,575</u>	<u>6,985,772</u>
Total Accumulated Depreciation	<u>23,899,859</u>	<u>1,149,776</u>	<u>746,518</u>	<u>24,303,117</u>
Total historical cost, net	<u>\$ 70,481,390</u>	<u>\$ (648,255)</u>	<u>\$ 3,978</u>	<u>\$ 69,829,157</u>
Depreciation expense was charged to Governmental functions as follows:				
General Support		\$ 64,602		
Instruction		454,479		
Pupil Transportation		<u>630,695</u>		
		<u>\$ 1,149,776</u>		

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 6 – INTERFUND TRANSACTIONS

Interfund balances at June 30, 2022 are as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>	<u>INTERFUND REVENUES</u>	<u>INTERFUND EXPENDITURES</u>
General Fund	\$ 2,396,809	\$ -	\$ 320,605	\$ -
Special Aid Fund	-	1,778,335	-	95,605
School Lunch Fund	-	618,449	-	225,000
Miscellaneous Special Revenue Fund	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>2,396,809</u>	<u>2,396,809</u>	<u>320,605</u>	<u>320,605</u>
TOTALS	<u>\$ 2,396,809</u>	<u>\$ 2,396,809</u>	<u>\$ 320,605</u>	<u>\$ 320,605</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The District typically transfers funds from the General Fund to the Capital Projects Fund to finance ongoing Capital Projects and to the Special Aid Fund to cover expenses that are not reimbursed by Federal or State Grants.

The District typically loans resources between funds for the purpose of relieving cash flow issues.

NOTE 7 – INVENTORY

Inventory in the School Lunch Fund at June 30, 2022 consisted of the following:

Food & Supplies	<u>\$ 28,502</u>
-----------------	------------------

NOTE 8 – LIABILITIES

**A. Pension Plans and Post-Employment Benefits**

General Information

The New Paltz Central School District participates in New York State and Local Employee’s Retirement System (ERS), and the New York State Teachers’ Retirement System (TRS). These Systems 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.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8 – LIABILITIES (Continued)

Plan Descriptions

Teachers' Retirement System (TRS)

As an employer, you make contributions to the New York State Teachers' Retirement System, a cost sharing, multiple employer defined benefit pension plan administered by the New York State Teachers' Retirement Board. The System provides retirement, disability, withdrawal and death benefits to plan members and beneficiaries as authorized by the Education Law and Retirement and Social Security Law of the State of New York. The System issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

Employees' Retirement System (ERS)

The New York State and Local Employees' Retirement System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute, and benefits to employees are governed by the New York State Retirement and Social Security Law (NYRSSL).

The system issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, Gov. Alfred E. Smith State Office Building, Albany, New York 12244.

Funding Policy

Plan members who joined the Systems before July 27, 1976 are not required to make contributions. Those joining after July 27, 1976 and prior to January 1, 2010, with less than ten years of service, are required to contribute 3% of their salary.

Those joining the NYSERS on or after January 1, 2010 and before April 1, 2012, contribute 3% of their salary throughout their entire working career. Those joining after April 1, 2012 contribute 3% of their salary through March 31, 2013, and beginning April 1, 2013, contribute at rates ranging from 3% to 6%, dependent upon their salary, for their entire working career.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 8 – LIABILITIES (Continued)

Those joining the NYSTRS on or after January 1, 2010 and before April 1, 2012 contribute 3.5% of their salary throughout their entire working career. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, dependent on their salary, for their entire working career.

For the NYSTRS, employers are required to contribute at an actuarially determined rate, currently 9.80% of the annually covered payroll for the fiscal year ended June 30, 2022. Rates applicable to the fiscal years ended June 30, 2021 and 2020, were respectively 9.53% and 8.86%. For the NYSERS, the NYS Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

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

	<u>ERS</u>	<u>TRS</u>
2022	\$ 1,003,955	\$ 2,379,586
2021	1,059,088	2,199,743
2020	1,052,826	2,016,753

**B. Indebtedness**

1. Long-Term Debt

a. Long-Term Debt Interest

Interest expense on long-term debt consisted of the following:

Interest Paid	\$ 1,762,100
Less: Interest Accrued in the Prior Year	(660,788)
Amortization of Bond Premium	(284,621)
Plus: Interest Accrued in the Current Year	<u>618,506</u>
Total Expense	<u>\$ 1,435,197</u>

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8 – LIABILITIES (Continued)

b. Changes

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

	BALANCE <u>07/01/21</u>	ADDITIONS	DELETIONS	BALANCE <u>06/30/22</u>	AMOUNTS DUE WITHIN <u>ONE YEAR</u>
Serial Bonds- General Obligations	\$ 43,195,000	\$ -	\$ 2,255,000	\$ 40,940,000	\$ 2,370,000
Unamortized Bond Premium	3,842,379	-	284,621	3,557,758	284,621
Compensated Absences	262,713	-	23,613	239,100	-
Total OPEB Liability	140,230,608	53,037,916	16,470,426	176,798,098	2,600,000
Judgments And Claims	556,642	-	250,349	306,293	-
Leases Payable	<u>-</u>	<u>227,167</u>	<u>8,772</u>	<u>218,395</u>	<u>53,853</u>
TOTAL	<u>\$ 188,087,342</u>	<u>\$ 53,265,083</u>	<u>\$ 19,292,781</u>	<u>\$ 222,059,644</u>	<u>\$ 5,308,474</u>

Additions and deletions to compensated absences and judgments and claims are shown net since it is impractical to determine those amounts separately.

c. Maturity

The following is a summary of maturity of indebtedness:

<u>PURPOSE</u>	<u>ISSUE DATE</u>	<u>FINAL MATURITY</u>	<u>INTEREST RATE</u>	<u>OUTSTANDING 06/30/22</u>
Capital Improvements	2019	2035	3.00%-5.00%	<u>\$ 40,940,000</u>

GENERAL OBLIGATIONS

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2022	\$ 2,370,000	\$ 1,649,350
2023	2,485,000	1,530,850
2024	2,610,000	1,406,600
2025	2,740,000	1,276,100
2026	2,880,000	1,139,100
2027-2031	16,495,000	3,589,300
2032-2035	<u>11,360,000</u>	<u>688,350</u>
TOTAL	<u>\$ 40,940,000</u>	<u>\$ 11,279,650</u>

2. Short-Term Debt

The School District had no short-term debt activity for the year ended June 30, 2022.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

The New Paltz 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; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties.

B. Other Items

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

C. COVID - 19

In the early months of 2020, the COVID – 19 pandemic spread quickly around the world, causing significant shutdowns of economic activity. As a result, the District had to switch to remote learning and incurred unanticipated costs related to the conversion. Additionally, the District recognized some savings related to budgeted activity that was no longer needed. In fiscal 2022, the District returned to in-person learning but the ultimate cost of the shutdown and the effect, if any, on future tax levies and State and Federal funding sources cannot be determined at this time.

NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS

The District provides post employment coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements.

**General Information about the OPEB Plan**

*Plan Description* - The healthcare plan is a defined benefit OPEB plan that provides benefits for employees of the District who have reached certain levels of employment with the District. The plan is a pay as you go funding plan. The plan is a single-employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

*Benefits Provided* – The District provides healthcare benefits for retirees, their dependents and surviving spouses. Retirees with 10 years of service contribute 5% towards single coverage and 15% towards family coverage. Surviving spouses may participate in the plan by contributing 100% of the premiums.

*Employees Covered by Benefit Terms* – At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	242
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	<u>647</u>
	<u><u>889</u></u>

**Total OPEB Liability**

The District’s total OPEB liability of \$176,798,098 was measured as of March 31, 2022, using an actuarial valuation as of June 30, 2021.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Measurement Date	March 31, 2022
Salary Scale	3.44%
Discount Rate	2.83%
Initial Healthcare Cost Trend Rate	6.10%
Ultimate Healthcare Cost Trend Rate	4.37%

The actuarial cost method used was Entry Age Normal, Level Percent of Pay.

The discount rate was based on Fidelity Municipal Go AA 20 Year Bond rate.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, without separate Contingent Survivor mortality, fully generational using scale MP-2021.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

**Changes in the Total OPEB Liability**

Balance at June 30, 2021		\$ 140,230,608
Changes for the Year -		
Service Cost	3,926,454	
Interest	3,215,097	
Changes of Benefit Terms	-	
Differences between expended and actual experience	45,896,365	
Changes in assumptions or other Inputs	(13,947,586)	
Benefit Payments	<u>(2,522,840)</u>	
Net Changes		<u>36,567,490</u>
Balance at June 30, 2022		<u>\$ 176,798,098</u>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.83%) or 1 – percentage point higher (3.83%) than the current discount rate:

	1% Decrease (1.83%)	Current Assumption (2.83%)	1% Increase (3.83%)
Total OPEB Liability	<u>\$ 214,226,955</u>	<u>\$ 176,798,098</u>	<u>\$ 147,760,188</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trends Rate* – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current discount rate:

	Decrease (5.10-3.37%)	Current Assumption (6.10-4.37%)	1% Increase (7.10-5.37%)
Total OPEB Liability	<u>\$ 144,647,650</u>	<u>\$ 726,798,098</u>	<u>\$ 219,360,868</u>

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

**OPEB Expense and 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 \$12,812,909. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 30,070,032	\$ 1,192,397
Changes of assumptions or other inputs	549,687	9,138,074
Contributions subsequent to the Measurement Date	<u>630,710</u>	<u>-</u>
Total	<u>\$ 31,250,429</u>	<u>\$ 10,330,471</u>

District contributions subsequent to the measurement date of \$483,504 will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2023	\$ 10,374,111
2024	9,915,137
2025	-
2026	-
2027	-
Thereafter	<u>-</u>
TOTAL	<u>\$ 20,289,248</u>

**NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

**Pension Plan Descriptions and Benefits Provided**

Detailed descriptions of the New York State and Local Employees’ Retirement System (ERS) and the New York State Teachers’ Retirement (TRS) are included in Note 8-A to the financial statements.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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

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 pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	April 1, 2021	June 30, 2020
Net pension asset/(liability)	1,751,813	23,566,208
District's portion of the Plan's total net pension asset/(liability)	0.0214300%	0.135993%

For the year ended June 30, 2022, the District recognized pension expense of \$238,968 for ERS and \$(1,354,322) for TRS. At June 30, 2022, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 132,667	\$ 3,248,352	\$ 172,077	\$ 122,437
Changes of assumptions	2,923,580	7,751,418	49,332	1,372,662
Net difference between projected and actual earnings on pension plan investments	-	-	5,736,454	24,664,474
Changes in proportion and differences between the District's contributions and proportionate share of contributions	325,129	123,053	50,862	282,409
District's contributions subsequent to the measurement date	<u>202,858</u>	<u>2,379,586</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,584,234</u>	<u>\$ 13,502,409</u>	<u>\$ 6,008,725</u>	<u>\$ 26,441,982</u>

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

District contributions subsequent to the measurement date of \$202,858 for ERS and \$2,379,586 for TRS will be recognized as a reduction of the net pension liability in the year June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
2022	\$ -	\$ (3,045,392)
2023	(321,036)	(3,636,209)
2024	(560,873)	(4,549,144)
2025	(1,447,427)	(5,976,833)
2026	(298,015)	1,110,830
2027	-	-
Thereafter	<u>-</u>	<u>777,590</u>
<b>TOTAL</b>	<b><u>\$ (2,627,351)</u></b>	<b><u>\$ (15,319,158)</u></b>

Actuarial Assumptions

The total pension liability as of the measurement date was measured by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The valuations used the following significant actuarial assumptions:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Interest rate	5.90%	6.95%
Salary scale	4.4%	1.95%-5.18%
Inflation rate	2.7%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015-March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020, applied on a generational basis.

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.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

The long term 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 each the target asset allocation percentage and by adding expected inflation. Best estimates of the long term expected real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement date	<u>ERS</u> March 31, 2022	<u>TRS</u> June 30, 2021
Asset Type:		
Domestic Equity	3.30%	6.8%
International Equity	5.85	7.6
Real Estate	5.00	6.5
Real Assets	5.80	-
Domestic Fixed Income	-	1.3
Global Bonds	-	0.8
Global Equities	-	7.1
Opportunistic/ARS Portfolio	4.10	-
Credit	3.78	-
Private Equities	6.50	10.00
Private Debt	-	5.9
High Yield Bonds	-	3.8
Real Estate Debt	-	3.3
Cash Equivalents	(1.00)	(0.2)
Fixed Income	-	-

Discount Rate

The discount rate used to calculate the total pension liability was 5.90% 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 employees will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Sensitivity to the Proportionate Share for the Net Pension Liability to the Discount Rate Assumption

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 5.90% 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-percentagepoint lower (4.90% for ERS and 5.95% for TRS) or 1-percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

<u>ERS</u>	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
Employer’s proportionate share of the net pension asset (liability)	\$ (4,509,148)	\$ 1,751,813	\$ 6,988,806
	1% Decrease <u>(5.95%)</u>	Current Assumption <u>(6.95%)</u>	1% Increase <u>(7.95%)</u>
<u>TRS</u>			
Employer’s proportionate share of the net pension asset (liability)	\$ 2,472,390	\$ 23,566,208	\$ 41,293,577

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	<u>ERS (in thousands)</u> April 1, 2021	<u>TRS</u> June 30, 2020
Valuation date		
Employers’ total pension liability	\$ (223,874,888)	\$ (130,819,415,417)
Plan Net Position	<u>232,049,473</u>	<u>148,148,457,363</u>
Employer’s net pension asset/(liability)	<u>\$ 8,174,585</u>	<u>\$ 17,329,041,946</u>
Ration of plan net position to the Employer’s total pension asset/(liability)	103.65%	113.2%

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
 OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30 represent the projected employer contribution for the period of April 1 through June 30, based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$202,858.

For TRS, employer and employee contributions for the fiscal year ended June 30 are paid to the System in September, October, and November through a state aid intercept. Accrued retirement contributions as of June 30 represent employee and employer contributions for the fiscal year 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 \$2,614,663.

NOTE 12 – LEASES

Liabilities

The District has entered into lease agreements that do not qualify as a short term lease or an installment purchase under GASB 87 and, therefore, have been reported as a liability equal to the present value of future minimum lease payments. The District’s current leases reported as long term liabilities are as follows:

<u>PURPOSE</u>	<u>START DATE</u>	<u>END DATE</u>	<u>INTEREST RATE</u>	<u>PAYMENT</u>	<u>OUTSTANDING 06/30/22</u>
Equipment	4/2022	4/2026	3.92%	\$8,772	<u>\$218,395</u>

The following is a summary of future minimum lease payments:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2023	\$ 53,853	\$ 7,600
2024	56,002	5,451
2025	58,237	3,216
2026	<u>50,303</u>	<u>908</u>
TOTAL	<u>\$ 218,395</u>	<u>\$ 17,175</u>

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2022

NOTE 12 – LEASES (Continued)

Interest expense on leases consisted of the following:

Interest Paid	\$ 1,470
Less: Interest Accrued In Prior Year	-
Plus: Interest Accrued In Current Year	<u>-</u>
 TOTAL EXPENSE	 <u>\$ 1,470</u>

Assets

The District has reported right to use assets as a result of implementing GASB 87. Right to use assets are initially reported at an amount equal to the initial lease liability, and amortized over the life of the related lease.

Right to use asset balances and activity for the year ended June 30, 2022 were as follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>
Right to use assets:				
Leased equipment	\$ <u>-</u>	\$ <u>227,167</u>	\$ <u>-</u>	\$ <u>227,167</u>
Total right to use assets	<u>-</u>	<u>227,167</u>	<u>-</u>	<u>227,167</u>
Less accumulated amortization:				
Leased equipment	<u>-</u>	<u>8,772</u>	<u>-</u>	<u>8,772</u>
Total Accumulated Depreciation	<u>-</u>	<u>8,772</u>	<u>-</u>	<u>8,772</u>
Right to use assets, net	<u>\$ -</u>	<u>\$ 218,395</u>	<u>\$ -</u>	<u>\$ 218,395</u>

Amortization expense was charged to  
 Governmental functions as follows:

General Support	<u>\$ 8,772</u>
-----------------	-----------------

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 13 – TAX ABATEMENTS

The District is subject to a tax abatement agreement entered into by the Ulster County Industrial Development Agency pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York. For the year ended June 30, 2022, the District received \$493,374 in tax abatement payments, which resulted in abated property taxes totaling \$330,728.

NOTE 14 – EVENTS OCCURRING AFTER REPORTING DATE

The District has evaluated events and transactions that occurred between June 30, 2022 and October 10, 2022, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 15 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Fund Balance

The District's unassigned fund balance in the General Fund is in excess of the amount permitted by law. New York State Law limits the unassigned fund balance to 4% of the subsequent year's adopted budget.

NOTE 16 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2022, the New Paltz Central School District implemented GASB Statement No. 87, *Leases* (GASB 87). As a result of the implementation of GASB 87, the District now reports a right to use asset and lease liability in the Statement of Net Position (See Note 12). The implementation has no effect on the beginning net position in the statement of activities or the beginning fund balance in the governmental fund financial statements.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, OTHER SOURCES, EXPENDITURES, OTHER USES AND CHANGES IN FUND BALANCE -  
 BUDGET TO ACTUAL - GENERAL FUND  
 YEAR ENDED JUNE 30, 2022  
 (WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED JUNE 30, 2021)

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>REVISED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>	<u>2020 ACTUAL</u>
REVENUES					
Local Sources:					
Real Property Taxes	\$ 42,685,200	\$ 42,685,200	\$ 42,798,877	\$ 113,677	\$ 43,189,020
Other Tax Items	2,850,000	2,850,000	2,785,830	(64,170)	2,912,491
Charges For Services	228,200	228,200	258,834	30,634	172,734
Use of Money and Property	25,000	25,000	14,290	(10,710)	21,793
Sale of Property and Compensation For Loss	20,000	20,000	24,723	4,723	12,212
Miscellaneous Local Sources	370,000	370,000	1,011,869	641,869	816,854
State Sources:					
Basic Formula	17,243,000	17,243,000	14,111,712	(3,131,288)	11,640,216
Lottery Aid	-	-	2,405,799	2,405,799	2,366,771
BOCES	1,752,400	1,752,400	1,430,860	(321,540)	1,508,535
Other	489,900	489,900	337,950	(151,950)	289,066
Federal Sources	<u>2,849,900</u>	<u>3,112,151</u>	<u>253,117</u>	<u>(2,859,034)</u>	<u>-</u>
TOTAL REVENUES	68,513,600	68,775,851	65,433,861	(3,341,990)	62,929,692
OTHER FINANCING SOURCES					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,600</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>68,513,600</u>	<u>68,775,851</u>	<u>65,433,861</u>	<u>(3,341,990)</u>	<u>63,136,292</u>
FUND BALANCE					
Appropriated Fund Balance	1,500,000	1,500,000			
Appropriated Reserves	-	-			
Prior Year Encumbrances	<u>-</u>	<u>1,484,974</u>			
TOTAL FUND BALANCE	<u>1,500,000</u>	<u>2,984,974</u>			
TOTAL REVENUES, OTHER FINANCING SOURCES AND FUND BALANCE	<u>\$ 70,013,600</u>	<u>\$ 71,760,825</u>			

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, OTHER SOURCES, EXPENDITURES, OTHER USES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL -  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2022  
 (WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED JUNE 30, 2021)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	ENCUMBRANCES	VARIANCE FAVORABLE (UNFAVORABLE)	2021 ACTUAL
EXPENDITURES						
General Support:						
Board of Education	\$ 77,600	\$ 136,377	\$ 117,274	\$ 476	\$ 18,627	\$ 68,739
Central Administration	289,400	338,471	331,155	-	7,316	271,669
Finance	504,800	635,600	573,663	20,260	41,677	479,807
Staff	345,600	499,882	413,094	35,917	50,871	338,123
Central Services	3,430,200	4,886,024	3,558,868	411,878	915,278	2,995,040
Special Items	1,010,800	1,106,557	1,111,899	-	(5,342)	957,867
Instructional:						
Instruction, Administration and Improvement	2,675,100	2,628,721	2,403,202	119,134	106,385	2,306,904
Teaching:						
Regular School	16,966,200	17,285,427	16,345,736	189,674	750,017	15,456,318
Programs For Children With Handicapped Conditions	10,789,100	10,275,379	8,957,812	79,265	1,238,302	8,606,597
Occupational Education	1,190,000	1,134,254	1,132,020	-	2,234	1,121,472
Special Schools	-	-	-	-	-	63,600
Instructional Media	2,001,900	2,152,167	1,828,459	149,799	173,909	2,220,164
Pupil Services	2,913,400	2,895,902	2,611,208	39,581	245,113	2,275,567
Pupil Transportation	4,797,600	5,472,289	4,935,645	54,352	482,292	3,419,497
Employee Benefits	19,054,800	18,475,675	17,630,815	-	844,860	16,858,476
Debt Service:						
Principal	1,759,000	1,755,000	1,763,772	-	(8,772)	850,000
Interest	1,762,100	1,762,100	1,763,570	-	(1,470)	1,869,600
<b>TOTAL EXPENDITURES</b>	<b>69,567,600</b>	<b>71,439,825</b>	<b>65,478,192</b>	<b>1,100,336</b>	<b>4,861,297</b>	<b>60,159,440</b>
OTHER USES						
Interfund Transfers Out	446,000	321,000	320,605	-	395	516,971
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<b>\$ 70,013,600</b>	<b>\$ 71,760,825</b>	<b>65,798,797</b>	<b>\$ 1,100,336</b>	<b>\$ 4,861,692</b>	<b>60,676,411</b>
<b>NET CHANGE IN FUND BALANCE</b>			<b>(364,936)</b>			<b>2,459,881</b>
<b>FUND BALANCE - Beginning of Year</b>			<b>9,020,355</b>			<b>6,560,474</b>
<b>FUND BALANCE - End of Year</b>			<b>\$ 8,655,419</b>			<b>\$ 9,020,355</b>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY  
 YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 3,926,454	\$ 3,459,013	\$ 2,746,183	\$ 4,627,367	\$ 3,999,815
Interest	3,215,097	2,841,059	4,434,157	4,513,373	4,210,448
Changes of Benefit Terms	-	26,044,252	-	-	-
Differences Between Expected and Actual Experience	45,896,365	(5,961,983)	(41,942,431)	5,694,812	4,141,464
Changes of Assumptions	(13,947,586)	2,748,437	21,642,214	(6,716,493)	3,132,154
Benefit Payments	<u>(2,522,850)</u>	<u>(1,934,017)</u>	<u>(2,362,164)</u>	<u>(1,888,512)</u>	<u>(1,747,948)</u>
Net Change in Total OPEB Liability	36,567,480	27,196,761	(15,482,041)	6,230,547	13,735,933
Beginning Total OPEB Liability	<u>140,320,608</u>	<u>113,033,847</u>	<u>128,515,888</u>	<u>122,285,341</u>	<u>108,549,408</u>
Ending Total OPEB Liability	<u>\$ 176,798,098</u>	<u>\$ 140,230,608</u>	<u>\$ 113,033,847</u>	<u>\$ 128,515,888</u>	<u>\$ 122,285,341</u>
Covered Employee Payroll	<u>\$ 31,676,800</u>	<u>\$ 30,400,000</u>	<u>\$ 31,746,246</u>	<u>\$ 29,359,235</u>	<u>\$ 29,359,235</u>
Total OPEB Liability as a Percentage of Covered Payroll	558.13%	461.28%	356.05%	437.74%	416.51%

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.**

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2022

Changes of Benefit Terms

None

Changes of Assumptions or Other Inputs

The change in the discount rate is as follows:

June 30, 2022 Measurement Date:	2.83%
June 30, 2021 Measurement Date:	2.27%

The salary scale changed from 3.11% to 3.44%.

Trust Assets

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

NEW PALTZ CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY  
YEAR ENDED JUNE 30, 2022

<u>TRS System</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The District's proportion of the net pension asset (liability)	0.135993%	0.134057%	0.134909%	0.131739%	0.131636%	0.129046%	0.136756%	0.133272%
The District's proportionate share of the net pension asset (liability)	\$ 23,566,208	\$ (3,704,353)	\$ 3,504,950	\$ 2,382,197	\$ 1,000,565	\$ (1,382,138)	\$ 14,204,618	\$ 14,845,632
The District's covered employee payroll	23,082,298	22,762,444	22,518,540	21,458,886	20,859,993	20,193,241	20,542,648	19,931,484
The District's proportionate share of the net pension asset (liability) as a percentage of covered employee payroll	102.10%	16.27%	15.56%	11.10%	4.80%	6.84%	69.15%	74.48%
Plan Fiduciary net position as a percentage of the total pension liability	113.2%	97.8%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
<u>ERS System</u>								
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The District's proportion of the net pension liability	0.0214300%	0.022079%	0.0218138%	0.0215308%	0.0216544%	0.0214192%	0.0217489%	0.022195%
The District's proportionate share of the net pension asset (liability)	\$ 1,751,813	\$ (21,986)	\$ (5,776,417)	\$ (1,525,520)	\$ (698,883)	\$ (2,012,599)	\$ (3,490,752)	\$ (749,801)
The District's covered employee payroll	7,112,767	7,408,697	7,312,874	7,051,696	6,735,574	6,406,749	6,347,451	6,321,113
The District's proportionate share of the net pension liability as a percentage of covered employee payroll	24.63%	0.30%	78.99%	21.63%	10.38%	31.41%	54.99%	11.86%
Plan Fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.7%	90.7%	97.9%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS  
 YEAR ENDED JUNE 30, 2022

TRS System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 2,379,586	\$ 2,199,743	\$ 2,016,753	\$ 2,391,469	\$ 2,102,971	\$ 2,444,791	\$ 2,677,624	\$ 3,602,233	\$ 3,238,866	\$ 2,270,807
Contribution in relation to the contractually required contribution	<u>2,279,586</u>	<u>2,199,743</u>	<u>2,016,753</u>	<u>2,391,469</u>	<u>2,102,971</u>	<u>2,444,791</u>	<u>2,677,624</u>	<u>3,602,233</u>	<u>3,238,866</u>	<u>2,270,807</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Contribution as a percentage of covered employee payroll	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%	11.84%

ERS System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,003,955	\$ 1,059,088	\$ 1,052,826	\$ 1,029,373	\$ 1,024,721	\$ 974,838	\$ 1,122,388	\$ 1,196,326	\$ 1,277,654	\$ 1,040,893
Contribution in relation to the contractually required contribution	<u>1,003,955</u>	<u>1,059,088</u>	<u>1,052,826</u>	<u>1,029,373</u>	<u>1,024,721</u>	<u>974,838</u>	<u>1,122,388</u>	<u>1,196,326</u>	<u>1,277,654</u>	<u>1,040,893</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Contribution as a percentage of covered employee payroll	14.11%	14.30%	14.40%	14.60%	15.21%	15.22%	17.68%	18.93%	N/A	N/A

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2022

	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>	<u>MISCELLANEOUS SPECIAL REVENUE</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>				
Cash	\$ 255,464	\$ 11,827	\$ 136,053	\$ 403,344
Cash - Restricted	1,055,988	-	325,269	1,381,257
Due From State and Federal	<u>280,116</u>	<u>-</u>	<u>-</u>	<u>280,116</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,591,568</u>	<u>\$ 11,827</u>	<u>\$ 461,322</u>	<u>\$ 2,064,717</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 3,920	\$ -	\$ -	\$ 3,920
Due to Other Funds	-	-	25	25
Other Liabilities	<u>49,426</u>	<u>-</u>	<u>-</u>	<u>49,426</u>
<b>TOTAL LIABILITIES</b>	<u>53,346</u>	<u>-</u>	<u>25</u>	<u>53,371</u>
<b>FUND BALANCES</b>				
Restricted:				
Capital Projects	1,282,758	-	-	1,282,758
Scholarships	-	-	325,269	325,269
Assigned:				
Unappropriated	<u>255,464</u>	<u>11,827</u>	<u>136,028</u>	<u>403,319</u>
<b>TOTAL FUND BALANCES</b>	<u>1,538,222</u>	<u>11,827</u>	<u>461,297</u>	<u>2,011,346</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,591,568</u>	<u>\$ 11,827</u>	<u>\$ 461,322</u>	<u>\$ 2,064,717</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2022

	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>	<u>MISCELLANEOUS SPECIAL REVENUE</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
REVENUES				
Charges for Services	\$ -	\$ -	\$ 64,488	\$ 64,488
Use of Money and Property	-	1,616	325	1,941
Miscellaneous Local Sources	-	-	124,697	124,697
State Aid	<u>280,116</u>	<u>-</u>	<u>-</u>	<u>280,116</u>
TOTAL REVENUES	280,116	1,616	189,510	471,242
OTHER FINANCING SOURCES				
Other Financing Sources	<u>227,167</u>	<u>-</u>	<u>-</u>	<u>227,167</u>
TOTAL REVENUES AND OTHER SOURCES	<u>507,283</u>	<u>1,616</u>	<u>189,510</u>	<u>698,409</u>
EXPENDITURES				
Instruction	-	-	232,395	232,395
Debt Service:				
Principal	-	500,000	-	500,000
Capital Outlay	<u>507,283</u>	<u>-</u>	<u>-</u>	<u>507,283</u>
TOTAL EXPENDITURES	507,283	500,000	232,395	1,239,678
NET CHANGE IN FUND BALANCE	-	(498,384)	(42,885)	(541,269)
FUND BALANCE - Beginning of Year	<u>1,538,222</u>	<u>510,211</u>	<u>504,182</u>	<u>2,552,615</u>
FUND BALANCE - End of Year	<u>\$ 1,538,222</u>	<u>\$ 11,827</u>	<u>\$ 461,297</u>	<u>\$ 2,011,346</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET  
YEAR ENDED JUNE 30, 2022

ADOPTED BUDGET	\$ 70,013,600
ADDITIONS:	
Encumbrances From Prior Year	1,484,974
Appropriated Reserves	-
Supplemental Appropriations	<u>262,251</u>
FINAL BUDGET	<u>\$ 71,760,825</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 REAL PROPERTY TAX LIMIT  
 YEAR ENDED JUNE 30, 2022

SECTION 1318 OF REAL PROPERTY TAX LAW CALCULATION

2022-2023 Voter Approved Expenditure Budget		<u>\$ 68,999,093</u>
Maximum allowed (4% of Budget)		<u>\$ 2,759,964</u>
General Fund Balance subject to Section 1318 of Real Property Tax Law:		
Unrestricted Fund Balance:		
Assigned Fund Balance	\$ 3,000,336	
Unassigned Fund Balance	<u>2,908,108</u>	
Total Unrestricted Fund Balance		5,908,444
Less:		
Appropriated Fund Balance	1,900,000	
Encumbrances included in Assigned Fund Balance	<u>1,100,336</u>	
Total Adjustments		<u>3,000,336</u>
General Fund Balance subject to Section 1318 of Real Property Tax Law:		<u>\$ 2,908,108</u>
Actual Percentage		4.21%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 SCHEDULE OF PROJECT EXPENDITURES  
 CAPITAL PROJECTS FUND  
 YEAR ENDED JUNE 30, 2022

<u>PROJECT TITLE</u>	<u>I PROJECT EXPENDITURES I</u>					<u>I METHODS OF FINANCING I</u>				<u>FUND BALANCE 6/30/2022</u>	
	<u>ORIGINAL APPROPRIATIONS</u>	<u>REVISED APPROPRIATIONS</u>	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>UNEXPENDED BALANCE</u>	<u>STATE AID</u>	<u>LOCAL SOURCES</u>	<u>DEBT PROCEEDS</u>		<u>TOTAL</u>
Safety And Security	\$ 500,000	\$ 500,000	\$ 244,536	\$ -	\$ 244,536	\$ 255,464	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 255,464
District Wide Project	52,900,000	52,900,000	51,619,212	-	51,619,212	1,280,778	-	3,911,270	48,990,700	52,901,970	1,282,758
Leased Equipment	227,167	227,167	-	227,167	227,167	-	-	227,167	-	-	-
Smart School Bond	957,000	280,116	-	280,116	280,116	-	280,116	-	-	-	-
				<u>\$ 507,283</u>							<u>\$ 1,538,222</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
NET INVESTMENT IN CAPITAL ASSETS  
FOR THE YEAR ENDED JUNE 30, 2022

Capital Assets, Net	\$ 69,829,157
Less: Outstanding Bonds	(40,940,000)
Unamortized Bond Premium	(3,557,758)
Plus: Unspent Debt Proceeds	<u>1,055,988</u>
Net Investment in Capital Assets	<u>\$ 26,387,387</u>

NEW PALTZ CENTRAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022

<u>GRANTOR AGENCY</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH GRANTORS NUMBER</u>	<u>EXPENDITURES CURRENT YEAR</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through State Dept. of Education:			
National School Lunch Program	10.555	N/A	\$ 700,528
School Breakfast Program	10.553	N/A	74,321
COVID-19 - Emergency Operational Cost Reimbursement Program	10.555	N/A	3,235
COVID-19 - Supply Chain	10.555	N/A	<u>39,200</u>
Total Child Nutrition Cluster			817,284
COVID-19 - Pandemic EBT Administrative Costs	10.649	N/A	2,404
Passed Through State Dept. of Health and Human Services:			
Commodity Supplement Food Program (Non-cash)	10.565	N/A	<u>36,452</u>
TOTAL U.S. DEPT. OF AGRICULTURE			<u>856,140</u>
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education			
IDEA, Part B	84.027A	032-22-0999	518,175
IDEA, Pre-School	84.173A	033-22-0999	<u>20,879</u>
Total Special Education Cluster			<u>539,054</u>
Title I	84.010A	021-22-3420	230,889
Title IIA	84.367A	147-22-3420	45,450
Title III, Part A	84.365A	293-22-4289	7,582
Title IVA	84.424A	204-22-3420	17,686
COVID-19 – Cares Act - ESSER I	84.425D	5890-21-3420	219,967
COVID-19 - CRRSA - ESSER II	84.425D	5891-21-3420	762,419
COVID-19 - Cares Act - GEER I	84.425C	5895-21-3420	33,112
COVID-19 – CRRSA - GEER II	84.425C	5896-21-3420	125,000
COVID-19 - ARP - ESSER III	84.425U	5880-21-3420	<u>22,459</u>
TOTAL DEPARTMENT OF EDUCATION			<u>2,003,618</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 2,859,758</u>

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

1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the New Paltz Central School District. The New Paltz Central School District’s reporting entity is defined in Note 1 to the District’s financial statements. All federal financial assistance passed through other governmental agencies are included on the schedule.

The District has elected to use the 10% de minimis direct cost rate allowed under the Uniform Guidance for COVID-19 – CRRSA – ESSER II. The District has elected not to use the 10% de minimis direct cost rate for any of the other programs.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the District’s financial statements.

3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Federal financial assistance revenues are reported in the District’s financial statements as follows:

Governmental Funds:	
General Fund	\$ 253,079
Special Aid Fund	1,750,539
School Lunch Fund	<u>856,140</u>
TOTAL	<u>\$ 2,859,758</u>

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

To the Board of Education of the  
New Paltz Central School District  
New Paltz, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities each major fund, and the aggregate remaining fund information of New Paltz Central School District, New York, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise New Paltz Central School District, New York's basic financial statements, and have issued our report thereon dated October 10, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered New Paltz Central School District, New York'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 New Paltz Central School District, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of New Paltz Central School District, New York's internal control.

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

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

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

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

### **Purpose of This Report**

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

*Cooper Arias, LLP*

Mongaup Valley, New York  
October 10, 2022

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

To the Board of Education of the  
New Paltz Central School District  
New Paltz, New York

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the New Paltz Central School District, New York's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the New Paltz Central School Districts, New York's major federal programs for the year ended June 30, 2022. The New Paltz Central School Districts, New York'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 New Paltz Central School District, New York complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 New Paltz Central School District, New York and to meet our ethical requirements, 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 on the New Paltz Central School District, New York's compliance with the 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 New Paltz Central School District, New York's federal programs.

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

*Cooper Arias, LLP*

Mongaup Valley, New York  
October 10, 2022

NEW PALTZ CENTRAL SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 2022

Summary of Auditors' Results:

1. The auditors' report expresses an unmodified opinion on the financial statements of the New Paltz Central School District.
2. No significant deficiencies were disclosed during the audit of the financial statements of the New Paltz Central School District.
3. No instances of non-compliance material to the financial statements of the New Paltz Central School District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. The auditors' report on compliance for the major federal award programs for the New Paltz Central School District expresses an unmodified opinion on all major federal programs.
5. There were no significant deficiencies disclosed during the audit of internal control over major federal award programs for the New Paltz Central School District.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516 (a) are reported on this schedule.
7. The programs tested as major programs included:
 

COVID-19 - Cares Act ESSER	84.425D
COVID-19 - CRRSA ESSER II	84.425D
COVID-19 - Cares Act GEER	84.425C
COVID-19 - CRRSA GEER II	84.425C
COVID-19 - APR – ESSER III	84.425U
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The New Paltz Central School District was determined to be a low-risk auditee.

Findings – Financial Statements Audit

None

Findings and Questioned Costs – Major Federal Awards Program Audit

None

NEW PALTZ CENTRAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2022

There were no audit findings in prior years.

## INDEPENDENT AUDITORS' REPORT

To the Board of Education of the  
New Paltz Central School District  
New Paltz, New York

### **Opinions**

We have audited the accompanying statements of assets, liabilities and fund balance – cash basis, of the Extraclassroom Activity Funds of the New Paltz Central School District as of June 30, 2022, and the related statements of cash receipts, disbursements and changes in fund balance – cash basis for the year then ended, and the related notes to the financial statements, which collectively comprise the financial statements of the Extraclassroom Activity Funds of the New Paltz Central School District as listed in the table of contents.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position – cash basis, of the Extraclassroom Activity Funds of the New Paltz Central School District as of June 30, 2022, and the changes in financial position – cash basis, for the year then ended in accordance with the basis of accounting described in Note 2.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 entity, 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.

### **Emphasis of Matter—Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are 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 the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

## **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 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, 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 entity'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 entity'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.

*Cooper Arias, LLP*

Mongaup Valley, New York  
October 10, 2022

NEW PALTZ CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUND  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE-CASH BASIS  
JUNE 30, 2022

ASSETS	
Cash	<u>\$ 91,131</u>
 TOTAL ASSETS	 <u>\$ 91,131</u>
 FUND BALANCE	 <u>\$ 91,131</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCE - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

<u>ACTIVITY</u>	CASH BALANCE <u>07/01/21</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	CASH BALANCE <u>06/30/22</u>
Class of 2020	\$ 295	\$ -	\$ 295	\$ -
Class of 2021	3,761	-	3,761	-
Class of 2022	1,293	27,349	22,056	6,586
Class of 2023	543	12,913	12,811	645
Class of 2024	-	295	-	295
Class of 2025	-	164	-	164
Asian Culture Club	5	-	-	5
Band-HS	2,764	2,751	2,150	3,365
Cheerleading	123	-	-	123
Chorus	502	5,371	5,871	2
Climate Club	-	234	-	234
Drama Club	5,735	3,944	3,015	6,664
Middle School Drama Club	7,685	1,446	4,337	4,794
Environmental Club	348	-	-	348
Girls Lacrosse	736	-	-	736
Gay Straight Alliance	256	100	-	356
Girls Softball	600	-	-	600
Swimming	282	-	-	282
Interest	41	10	-	51
International Club	3,423	-	-	3,423
Mathletes	220	-	-	220
Model UN	326	-	-	326
Musical	15,829	11,345	11,165	16,009
National Honor Society	3,524	1,100	750	3,874
Nordic Ski Team	876	-	-	876
Peer Leadership	1,499	430	800	1,129
Poetry Club	143	-	-	143
Middle School School of Rock	-	535	396	139
Student Government Association	7,926	254	679	7,501
Middle School Student Council	1,225	620	648	1,197
Snow Club	1,769	-	-	1,769
Swim Club	247	-	-	247
Technology Club	563	-	-	563
Track Club	1,682	3,542	2,261	2,963
Varsity Baseball	3,562	-	-	3,562
World Language	1,552	-	-	1,552
Cross Country	455	-	-	455
Yearbook	10,599	8,888	6,427	13,060
Middle School Yearbook	6,900	1,328	1,500	6,728
Students for Unity	145	-	-	145
<b>TOTALS</b>	<b>\$ 87,434</b>	<b>\$ 82,619</b>	<b>\$ 78,922</b>	<b>\$ 91,131</b>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW PALTZ CENTRAL SCHOOL DISTRICT  
HIGH SCHOOL EXTRACLASSROOM ACTIVITY FUND  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1 - DESCRIPTION OF OPERATIONS

Student activity funds are defined by the New York State Education Department as “funds raised other than by taxation, or through charges of a Board of Education, for, by or in the name of a school, student body or any subdivision thereof.”

Activity funds are raised and expended by student bodies to promote the general welfare, education, and morale of all pupils, and to finance the normal, legitimate extracurricular activities of the student body organization.

The Superintendent of the District has responsibility and authority to implement all policies and rules pertaining to the supervision and administration of school activity funds in accordance with established policies and rules of the District’s Board of Education.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. **Basis of Accounting**

The books and records of the High School Extraclassroom Activity Fund of New Paltz Central School District are maintained on the cash basis of accounting. Consequently, receipts and related assets are recognized when received rather than when earned, and disbursements are recognized when paid rather than when the obligation is incurred.

B. **Interest Income**

Interest earned from the investment of the activity fund is posted to the Student Government Association.

C. **Bank Charges**

All bank service charges have been charged to the respective activity fund.