

Pulaski Academy and Central School District

**Financial Statements with
Independent Auditors' Report**

Year Ended June 30, 2023

Pulaski Academy and Central School District

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June 30, 2023

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Independent Auditors' Report

Board of Education
Pulaski Academy and Central School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pulaski Academy and Central School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Pulaski Academy and Central School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pulaski Academy and Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 Pulaski Academy and Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pulaski Academy and Central School District's ability to continue as a going concern for a reasonable period of time

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress - other post-employment benefits – last 6 fiscal years, the schedule of revenue, expenditures and changes in fund balance – budget and actual – general fund, the schedules of District contributions – NYSTRS & NYSERS pension plans – last 9 fiscal years, and the schedules of District's proportionate share of the net pension liability – NYSTRS & NYSERS pension plans – last 9 fiscal years on pages 5-12 and 53-57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pulaski Academy and Central School District's basic financial statements. The accompanying schedule of change from adopted budget to final budget and the real property tax limit – general fund, net investment in capital assets, schedule of project expenditures – capital projects fund and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of change from adopted budget to final budget and the real property tax limit – general fund, net investment in capital assets, schedule of project expenditures- capital projects fund and schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2023, on our consideration of Pulaski Academy and Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control

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over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pulaski Academy and Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pulaski Academy and Central School's internal control over financial reporting and compliance.

Stackel + Navarra, CPA, PC

Watertown, NY
September 25, 2023

**Pulaski Academy and Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

The following is a discussion and analysis of the Pulaski Academy and Central School District's financial performance for the fiscal year ended June 30, 2023. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

- The School District's net position decreased \$566,313 or 1.0 percent as a result of this year's operations.
- Total cost of all the School District's programs was \$31,074,841 in fiscal year 2023.
- During the year, the School District had expenses for governmental activities that were \$566,313 more than the \$30,508,528 generated in general revenues and other program revenues.
- The general fund reported a profit this year of \$715,789.

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

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District, reporting the School District's operations in more detail than the district-wide statements. The fund financial statements concentrate on the School District's most significant funds with all other non-major funds listed in total in one column.
- 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 School District's budget for the year.

**Pulaski Academy and Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

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

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

	Fund Financial Statements		
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> •Statement of net position •Statement of activities 	<ul style="list-style-type: none"> •Balance sheet •Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> •Statement of fiduciary net position •Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the School District's assets, deferred outflows of resources, liabilities and

**Pulaski Academy and Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

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

- Over time, increases or decreases in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the School District's overall financial health, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the School District's activities are shown as Governmental activities: Most of the School 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 School District's funds, focusing on its most significant or "major" funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The School District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

- **Governmental Funds:** Most of the School 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 School District's programs. Because this information does not encompass the additional long-term focus of the district-wide financial statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

**Pulaski Academy and Central School District
Management's Discussion and Analysis
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- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others. Pulaski Academy and Central School Group Benefits Trust which provides dental benefits is included in this fund. 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.

Financial Analysis of the School District as a Whole

The School District's combined net position changed from a year ago, decreasing from \$(54,176,967) to \$(54,743,280). Our analysis below focuses on the net position and changes in net position of the School District's governmental activities.

Changes in Net Position from Operating Results

	<u>Governmental Activities and Total School District</u>			
	<u>Beginning</u>	<u>Ending</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Current and Other Assets	\$ 21,111,392	\$ 12,663,882	(8,447,510)	-40.00%
Capital Assets, Net	34,791,310	34,137,326	(653,984)	-1.90%
Total Assets	55,902,702	46,801,208	(9,101,494)	-16.30%
Deferred Outflows of Resources	23,273,378	19,923,137	(3,350,241)	-14.40%
Total Assets and Deferred Outflows of Resources	79,176,080	66,724,345	(12,451,735)	-15.70%
Long-term Liabilities	92,436,847	96,617,849	4,181,002	4.50%
Other Liabilities	2,274,707	2,097,332	(177,375)	-7.80%
Total Liabilities	94,711,554	98,715,181	4,003,627	4.20%
Deferred Inflows of Resources	38,641,493	22,752,444	(15,889,049)	-41.10%
Total Liabilities and Deferred Inflows of Resources	133,353,047	121,467,625	(11,885,422)	-8.90%
Net Position				
Net Investment in Capital Assets	20,444,944	22,032,202	1,587,258	7.76%
Restricted	6,944,712	8,068,446	1,123,734	16.20%
Unrestricted	(81,566,623)	(84,843,928)	(3,277,305)	-4.02%
Total Net Position	\$ (54,176,967)	\$ (54,743,280)	\$ (566,313)	1.00%

**Pulaski Academy and Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Changes in Net Position from Operating Results

	<u>Governmental Activities and Total School District</u>			
	<u>Fiscal Year ended</u> <u>6/30/2022</u>	<u>Fiscal Year Ended</u> <u>6/30/2023</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Revenues				
Charges for services	\$ 504,646	\$ 513,745	9,099	1.80%
Operating grants and contributions	2,839,578	3,193,046	353,468	12.40%
General Revenues				
Property taxes and other tax items	7,430,389	7,594,887	164,498	2.20%
State aid	18,139,245	18,075,865	(63,380)	-0.30%
Use of money & property	87,707	473,242	385,535	439.60%
Other	<u>743,264</u>	<u>657,743</u>	<u>(85,521)</u>	-11.50%
Total Revenues	<u>29,744,829</u>	<u>30,508,528</u>	<u>763,699</u>	2.60%
Expenses				
General support	4,486,932	5,116,306	629,374	14.00%
Instruction	21,437,690	23,307,524	1,869,834	8.70%
Pupil transportation	1,724,944	2,068,129	343,185	19.90%
Debt service - interest	443,419	305,999	(137,420)	-31.00%
Cost of sales - food	<u>234,591</u>	<u>276,883</u>	<u>42,292</u>	18.00%
Total Expenses	<u>28,327,576</u>	<u>31,074,841</u>	<u>2,747,265</u>	9.70%
Increase (Decrease) in Net Position	<u>\$ 1,417,253</u>	<u>\$ (566,313)</u>	<u>\$ (1,983,566)</u>	-140.00%

District-Wide Statements

Pulaski Academy and Central School ended the 2022-2023 school year in sound condition once again. Finances, facilities, equipment and programs continue to be reviewed and maintained or improved. Fund balance remains healthy and the district has utilized reserves to meet future financial liabilities along with increases in state aid. State and federal aid appears to be maximized through programming and reporting.

The Smart Schools Bond Act of 2014 was passed in the 2014-15 Enacted Budget and approved by the voters in a statewide referendum held during the 2014 General Election. The Smart Schools Bond Act authorized the issuance of \$2 billion of general obligation bonds to finance improved educational technology and infrastructure to improve learning and opportunity throughout the State. Pulaski's total allocation is \$1,209,470. The funding available under the Smart Schools Bond Act is a one-time allocation, not an annual amount. These funds will not expire, but once they are expended, no additional funds will be made available. In order to build capacity and to stay within our budgetary expenditures for maintenance and sustainability, the district anticipates allocating the remaining funds towards an upgrade of our outdoor security camera system.

**Pulaski Academy and Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Financial Analysis of the School District's Funds

As the School District completed the year, its governmental funds reported a combined fund balance of \$10,045,372 which is \$626,374 higher than last year's total. The fund balance in the General Fund increased by \$715,789.

The School Food Service Fund balance increased by \$25,687.

General Fund Budgetary Highlights

The School District's General Fund ended its 2023 fiscal year with expenditures and other uses of \$26,453,254 which was less than the total budgeted amount of \$28,999,195. Encumbrances to be carried over to next year totaled \$31,429.

Discretionary expenditures remained stable or declined while mandated expenditures such as health care costs and retirement contribution rates continue to drive budget increases.

Revenues and other sources were \$314,043 more than budgeted.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2023, the School District had \$52,990,496 invested in capital assets, including land, land improvements, buildings, buses, furniture, and equipment.

	<u>Capital Assets</u> <u>(Net of Depreciation)</u>		<u>Percentage</u> <u>Change</u>
	<u>6/30/2023</u>	<u>6/30/2022</u>	
Land	\$ 190,525	\$ 190,525	0.0%
Buildings	32,548,273	33,329,838	-2.30%
Furniture, equipment, vehicles	<u>1,398,527</u>	<u>1,270,947</u>	10.00%
	<u>\$ 34,137,325</u>	<u>\$ 34,791,310</u>	1.90%

Additions to fixed assets totaled \$590,441.

**Pulaski Academy and Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Long-Term Debt

At year-end the School District had \$12,085,000 in bonds outstanding versus \$14,350,000 last year.

Outstanding Long-Term Debt

	<u>6/30/23</u>	<u>6/30/22</u>	Percentage increase (decrease)
Serial bonds	<u>\$12,085,000</u>	<u>\$14,350,000</u>	(18.7)%

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

Interest paid	\$ 411,486
Less prior year's interest accrued	(79,104)
Plus current year's interest accrued	69,860
Less net amortization of bond premium/bond cost	<u>(96,243)</u>
	<u>\$ 305,999</u>

Next Year's Budget

The School District adopted a General Fund budget of \$30,495,000 for fiscal year 2024, which is an increase of \$1,576,000 or 5.4 percent over 2023. Budgeted revenues from real property taxes increased \$90,780 or 1.3% from the 2022-2023 budget. Total budgeted state aid is \$2,145,241 higher than the previous year's budget. It is anticipated that \$555,000 of fund balance will be used to fund expenditures. The greatest increase in expenditures budgeted was for employee compensation and benefits. This is a result of increases in wages, and health insurance premiums.

Factors Bearing on the District's Future

Student enrollment has leveled off.

The property tax rate remains regionally average. Property assessments have remained steady while the equalization rate has decreased from .79 to .67 for the Town of Richland.

Recently there has been a historic investment in public education through federal COVID-19 relief funds and from New York State's commitment to fully phase in Foundation Aid to all schools. For Pulaski, the amount of federal funds received from March 2020 through September 2024 will total \$4,264,015. As of June 30, 2023, Pulaski has used \$2,997,203 and has \$1,266,812 remaining of federal grant funds. All federal funds must be expensed by September 2024. For the school year 2022-2023, Pulaski's foundation aid increased by 3.6% or \$411,027. For the school year 2023-2024 Pulaski's foundation aid is projected to increase by 16.01% or \$1,897,569.

**Pulaski Academy and Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023**

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about the report or need additional financial information, contact the District Office, Pulaski Academy and Central School, 2 Hinman Road, Pulaski, New York.

Pulaski Academy and Central School District
Statement of Net Position
Governmental Activities
June 30, 2023

Assets

Cash		
Unrestricted	\$ 3,356,155	
Restricted	7,017,656	
Receivables		
Accounts receivable	2,234	
State and Federal aid	1,683,623	
Due from other governments	9,167	
Inventories	4,009	
Right-to-use assets, net	591,038	
Capital assets, net	<u>34,137,326</u>	
 Total Assets		<u>\$ 46,801,208</u>

Deferred Outflows of Resources

Pensions	7,075,918	
Other postemployment benefits	<u>12,847,219</u>	
Total Deferred Outflows of Resources		<u>\$ 19,923,137</u>

Liabilities

Payables		
Accounts payable	101,515	
Accrued liabilities	871,307	
Due to teachers' retirement system	974,441	
Due to employees' retirement system	79,186	
Due to other governments	70,883	
Long-term liabilities		
Due and payable within one year		
Lease liability	36,651	
Bonds payable, net	2,461,243	
Due and payable after one year		
Lease liability	56,656	
Compensated absences payable	72,852	
Bonds payable, net	10,318,261	
Other postemployment benefits liability	80,983,245	
Net pension liability - proportionate share	<u>2,688,941</u>	
Total Liabilities		<u>\$ 98,715,181</u>

Deferred Inflows of Resources

Pensions	615,203	
Other postemployment benefits	<u>22,137,241</u>	
Total Deferred Inflows of Resources		<u>\$ 22,752,444</u>

Net Position

Net investment in capital assets	22,032,202	
Restricted	8,068,446	
Unrestricted (deficit)	<u>(84,843,928)</u>	
Total Net Position		<u>\$ (54,743,280)</u>

Pulaski Academy and Central School District
Statement of Activities and Changes in Net Position - Governmental Activities
For the Year Ended June 30, 2023

		Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and
	Expenses	Services	Grants	Changes in
				Net Position
Functions/Programs				
General support	\$ 4,696,149	\$ -	\$ -	\$ (4,696,149)
Instruction	23,307,524	385,685	2,725,425	(20,196,414)
Pupil transportation	2,068,129	-	-	(2,068,129)
Debt service	305,999	-	-	(305,999)
School lunch program	697,040	128,060	467,621	(101,359)
Total Functions and Programs	<u>\$ 31,074,841</u>	<u>\$ 513,745</u>	<u>\$ 3,193,046</u>	<u>(27,368,050)</u>
General Revenues				
Real property taxes				6,384,067
Other tax items				1,210,820
Use of money and property				473,242
Sale of property and compensation for loss				9,436
Miscellaneous				600,458
State sources				18,075,865
Medicaid reimbursement				47,849
Total General Revenues				<u>26,801,737</u>
Change in Net Position				(566,313)
Total Net Position - Beginning of year				<u>(54,176,967)</u>
Total Net Position - End of year				<u>\$ (54,743,280)</u>

Pulaski Academy and Central School District
Balance Sheet - Governmental Funds
June 30, 2023

	General	Special Aid	School Food Service	Capital	Debt Service	Miscellaneous Special Revenue	Total Governmental Funds
Assets							
Cash							
Unrestricted cash	\$ 2,136,195	\$ 15,055	\$ 134,805	\$ -	\$ 1,070,100	\$ -	\$ 3,356,155
Restricted cash	6,665,444	-	-	19,310	-	332,902	7,017,656
Receivables							
Accounts receivable	449	1,699	86	-	-	-	2,234
Due from other funds	275,179	-	-	-	-	-	275,179
State and Federal aid	1,340,861	301,696	41,066	-	-	-	1,683,623
Due from other governments	9,167	-	-	-	-	-	9,167
Inventories	-	-	4,009	-	-	-	4,009
Total Assets	\$ 10,427,295	\$ 318,450	\$ 179,966	\$ 19,310	\$ 1,070,100	\$ 332,902	\$ 12,348,023
Liabilities							
Payables							
Accounts payable	\$ 100,549	\$ 711	\$ 255	\$ -	\$ -	\$ -	\$ 101,515
Accrued liabilities	801,447	-	-	-	-	-	801,447
Due to other funds	-	255,869	-	19,310	-	-	275,179
Due to other governments	-	61,870	9,013	-	-	-	70,883
Due to teachers' retirement system	974,441	-	-	-	-	-	974,441
Due to employees' retirement system	79,186	-	-	-	-	-	79,186
Total Liabilities	1,955,623	318,450	9,268	19,310	-	-	2,302,651
Fund Balances							
Nonspendable	-	-	4,009	-	-	-	4,009
Restricted	6,665,444	-	-	-	1,070,100	332,902	8,068,446
Assigned	586,429	-	166,689	-	-	-	753,118
Unassigned	1,219,799	-	-	-	-	-	1,219,799
Total Fund Balances	8,471,672	-	170,698	-	1,070,100	332,902	10,045,372
Total Liabilities and Fund Balances	\$ 10,427,295	\$ 318,450	\$ 179,966	\$ 19,310	\$ 1,070,100	\$ 332,902	\$ 12,348,023

**Pulaski Academy and Central School District
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023**

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
Assets				
Cash				
Unrestricted	\$ 3,356,155	\$ -	\$ -	\$ 3,356,155
Restricted	7,017,656	-	-	7,017,656
Accounts receivable	2,234	-	-	2,234
Due from other funds	275,179	-	(275,179)	-
State & Federal aid receivable	1,683,623	-	-	1,683,623
Due from other governments	9,167	-	-	9,167
Inventories	4,009	-	-	4,009
Land, buildings and equipment (net)	-	34,137,326	-	34,137,326
Right-to-use assets	-	591,038	-	591,038
Total Assets	<u>\$ 12,348,023</u>	<u>\$ 34,728,364</u>	<u>\$ (275,179)</u>	<u>\$ 46,801,208</u>
Deferred Outflows of Resources				
Pensions	\$ -	\$ 7,075,918	\$ -	\$ 7,075,918
Other postemployment benefits	-	12,847,219	-	12,847,219
Total Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ 19,923,137</u>	<u>\$ -</u>	<u>\$ 19,923,137</u>
Liabilities				
Accounts payable	\$ 101,515	\$ -	\$ -	\$ 101,515
Accrued liabilities	801,447	69,860	-	871,307
Compensated absences payable	-	72,852	-	72,852
Bonds payable - net	-	12,779,504	-	12,779,504
Due to other funds	275,179	-	(275,179)	-
Due to other governments	70,883	-	-	70,883
Due to teachers' retirement system	974,441	-	-	974,441
Due to employees' retirement system	79,186	-	-	79,186
Lease liability	-	93,307	-	93,307
Other postemployment benefits liability	-	80,983,245	-	80,983,245
Net pension liability - proportionate share	-	2,688,941	-	2,688,941
Total Liabilities	<u>\$ 2,302,651</u>	<u>\$ 96,687,709</u>	<u>\$ (275,179)</u>	<u>\$ 98,715,181</u>
Deferred Inflows of Resources				
Pensions	\$ -	\$ 615,203	\$ -	\$ 615,203
Other postemployment benefits	-	22,137,241	-	22,137,241
Total Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ 22,752,444</u>	<u>\$ -</u>	<u>\$ 22,752,444</u>
Fund Balance/Net Position				
Total Fund Balance/Net Position	<u>10,045,372</u>	<u>(64,788,652)</u>	<u>-</u>	<u>(54,743,280)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position	<u>\$ 12,348,023</u>	<u>\$ 54,651,501</u>	<u>\$ (275,179)</u>	<u>\$ 66,724,345</u>

Pulaski Academy and Central School District
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2023

	General	Special Aid	School Food Service	Capital	Debt Service	Miscellaneous Special Revenue	Total Governmental Funds
Revenues							
Real property taxes	\$ 6,384,067	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,384,067
Other tax items	1,210,820	-	-	-	-	-	1,210,820
Charges for services	385,685	-	-	-	-	-	385,685
Use of money and property	412,728	-	3,789	1,801	45,601	9,323	473,242
Sale of property and compensation for loss	9,436	-	-	-	-	-	9,436
State sources	18,165,874	491,722	20,987	-	-	-	18,678,583
Sales	-	-	128,060	-	-	-	128,060
Miscellaneous	388,584	-	11	-	-	211,863	600,458
Federal sources	-	2,143,694	404,386	-	-	-	2,548,080
Medicaid reimbursement	47,849	-	-	-	-	-	47,849
Surplus food	-	-	42,248	-	-	-	42,248
Total Revenues	27,005,043	2,635,416	599,481	1,801	45,601	221,186	30,508,528
Expenditures							
General support	3,375,348	49,624	257,193	-	-	217,889	3,900,054
Instruction	11,899,298	2,230,002	-	-	-	-	14,129,300
Pupil transportation	1,382,930	22,248	-	-	-	-	1,405,178
Community services	587	-	-	-	-	-	587
Employee benefits	6,870,521	413,713	39,718	-	-	-	7,323,952
Debt service							
Principal	2,265,000	-	-	-	-	-	2,265,000
Interest	411,488	-	-	-	-	-	411,488
Cost of sales	-	-	276,883	-	-	-	276,883
Capital outlay	-	-	-	169,712	-	-	169,712
Total Expenditures	26,205,172	2,715,587	573,794	169,712	-	217,889	29,882,154
Excess (deficiency) of Revenues Over Expenditures	799,871	(80,171)	25,687	(167,911)	45,601	3,297	626,374
Other Financing Sources and Uses							
Operating transfers in	164,000	80,171	-	167,911	-	-	412,082
Operating transfers out	(248,082)	-	-	-	(164,000)	-	(412,082)
Total Other Sources (Uses)	(84,082)	80,171	-	167,911	(164,000)	-	-
Excess of Revenues and Other Sources Over Expenditures and Other Uses	715,789	-	25,687	-	(118,399)	3,297	626,374
Fund balance - Beginning of year	7,755,883	-	145,011	-	1,188,499	329,605	9,418,998
Fund balance - End of year	\$ 8,471,672	\$ -	\$ 170,698	\$ -	\$ 1,070,100	\$ 332,902	\$ 10,045,372

Pulaski Academy and Central School District
Reconciliation of Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2023

Statement #4A

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

Net Change in Fund Balances - Total Governmental Funds	\$ 626,374
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Capital Related Items

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period, net of related losses on disposal of capital assets.

Capital outlays	\$ 590,441	
Depreciation expense	<u>(1,244,425)</u>	(653,984)

Governmental funds report capital outlays under a right-to-use agreement for a period of time as expenditures. However, in the Statement of Net Position, right-to-use assets are reported at cost, net of amortization, over the term of the leases.

Right-to-use assets	196,915	
Amortization expense	<u>(532,455)</u>	(335,540)

Long-Term Debt Transactions

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period.	2,265,000
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At the inception of leases that are payable over a term in excess of one year, revenue is recognized in the governmental funds. Revenue is not recognized in the Statement of Activities and a lease liability is recognized in the Statement of Net Position. The principal portion of lease payments are recorded as decreases in the lease liability in the Statement of Net Position. These payments are recognized as expenditures in the governmental funds.

Lease liability payments	43,182
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Bond premiums are recognized in the year created in the governmental funds but are amortized over the life of the bonds in the Statement of Activities. This is the amount of bond premium amortization in the current period.	96,244
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Long-Term Revenue and Expense Differences

(Increases) decreases in accrued compensated absences 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.	4,570
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On the Statement of Activities, the actual and projected long term expenditures for post-employment benefits are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefits.	(2,103,220)
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Pulaski Academy and Central School District
Reconciliation of Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2023

Statement #4A

(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 expenditures in the governmental funds.

Teachers' Retirement System	(132,159)	
Employees' Retirement System	<u>(386,024)</u>	(518,183)

Accrued interest is not recorded in the governmental funds, but is reported in the Statement of Activities. This is the effect of the accrual in the current year.

9,244

Change in net position of governmental activities

\$ (566,313)

See notes to financial statements.

Pulaski Academy and Central School District
Statement of Fiduciary Net Position
For the Year Ended June 30, 2023

	Other Employee Benefit Trust <u>Fund</u>
Assets	
Cash and cash equivalents	\$ 325,528
Liabilities	
Accrued benefits payable	<u>1,930</u>
Net Position	
Restricted for employee and retiree health benefits	<u><u>\$ 323,598</u></u>

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Other Employee Benefit Trust <u>Fund</u>
Additions	
Contributions	
Employer	238,346
Members	<u>33,165</u>
Total contributions	271,511
Interest income	<u>10,952</u>
Total additions	<u>282,463</u>
Deductions	
Benefits	253,380
Administrative	<u>16,602</u>
Total deductions	<u>269,982</u>
Net increase in fiduciary net position	12,481
Net Position - Beginning of year	<u>311,117</u>
Net Position - End of Year	<u><u>\$ 323,598</u></u>

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

1 – Summary of accounting policies:

The financial statements of Pulaski Academy and Central School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. Those principles are prescribed by the Government Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below:

A) Reporting entity:

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

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

The accompanying financial statements present the activities of the District and other organizational entities determined to be included in the District’s financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District’s reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District’s reporting entity.

i) Extraclassroom Activity Funds

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

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

ii) Pulaski Academy and Central School Group Benefits Trust

The Group Benefits Trust provides dental benefits to employees and retirees of the District. The Board of Education exercises general oversight of the trust. The trust is organized as a separate entity from the District. The District accounts for the trust activities in a fiduciary fund.

B) Joint venture:

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

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

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

During the year, the District was billed \$4,857,394 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$1,941,433.

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

C) Basis of presentation:

i) 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

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grant and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ii) Funds 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:

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources such as Federal and State grants, that are legally restricted to expenditures for specified purposes, child nutrition and school store operations or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties. The Special Revenue Funds classified as major are:

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.

School Food Service: Use to account for transactions of the lunch and breakfast programs.

Miscellaneous Special Revenue Fund – This fund is used to account for transactions of activities for which the District has administrative control, but the activities are not part of the District's operations. Included in this fund are the extraclassroom activity funds and scholarship funds.

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

The District reports the following fiduciary funds:

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

There is one class of fiduciary funds:

Other Employee Benefit Trust Fund: Pulaski Academy and Central School Group Benefits Trust provides dental benefits to enrolled individuals.

D) Measurement focus and basis of accounting:

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

The district-wide 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, state aid, 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 state aid is recognized in the fiscal year it is appropriated by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the fiscal year as it matches the liquidation of related obligations.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgements, compensated absences, pensions, and other post-employment benefits which are recognized as expenditures to the extent they have

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E) Property taxes:

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to November 1.

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

F) Restricted resources:

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

G) Inter-fund transactions:

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

In the district-wide statements, the amounts reported on the Statement of Net Position for inter-fund receivables and payables represent amounts due between different fund types. Eliminations have been made for all inter-fund receivables and payables between the funds.

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

Refer to Note 10 for a detailed disclosure by individual fund for inter-fund receivables, payables, expenditures, and revenues activity.

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

H) Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I) Cash and Investments:

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

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

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

J) Accounts Receivable:

Receivables are shown net of an allowance for uncollectible accounts, when applicable. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K) Inventories and prepaid items:

Inventories of food in the School Food Service Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

method. A current asset for the prepaid amounts is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A reserve for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of the fund balance is not available for other subsequent expenditures.

L) Other assets/restricted assets:

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayments are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

In the district-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

M) Capital assets:

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2002. For assets acquired prior to July 1, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 50,000	Straight line	20-50 years
Vehicles, furniture and equipment	\$ 5,000	Straight line	5-20 years

The School District does not possess any infrastructure.

N) Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has 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

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

measurement period between the District's contributions and its proportion 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.

In addition to liabilities, the statement of net position or balance sheet 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 or fund balance that applies to a future period 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 proportion share of total contributions to the pension systems 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.

O) Pension Obligations

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS) (the Systems).

Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a Statute. The New York State TRS issued a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

Employees' Retirement System (ERS)

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

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law.

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>
2022-2023	\$ 246,051	\$ 878,916
2021-2022	\$ 316,929	\$ 825,154
2020-2021	\$ 293,867	\$ 741,738

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

Pulaski Academy and Central School District
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For the Year Ended June 30, 2023

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

At June 30, 2023, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2023 for ERS and June 30, 2022 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) 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, 2022	June 30, 2021
Net pension asset/(liability)	\$ (1,780,587)	\$ (908,354)
District's portion of the Plan's total net pension asset/(liability)	0.008303%	0.045923%

For the year ended June 30, 2023, the District recognized its proportionate share of pension expense of \$622,412 for ERS and the actuarial value \$821,824 for TRS. At June 30, 2022 the District's reported deferred outflows of resources and deferred 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>
Difference between expected and actual experience	\$ 189,646	\$ 951,840	\$ 50,006	\$ 18,202
Changes of assumptions	864,768	1,762,054	9,557	365,911
Net difference between projected and actual earnings on pension plan investments	-	1,173,680	10,461	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	84,471	107,611	47,037	114,029
District's contributions subsequent to the measurement date	79,186	1,862,662	-	-
Total	<u>\$ 1,218,071</u>	<u>\$ 5,857,847</u>	<u>\$ 117,061</u>	<u>\$ 498,142</u>

District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended March 31, 2024 for ERS and June 30, 2023 for TRS. Other amounts reported as deferred outflows of resources, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Notes to Financial Statements
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	<u>NYSERS</u>	<u>NYSTRS</u>
Year ended:		
2024	250,226	711,339
2025	(75,829)	368,199
2026	361,155	(160,193)
2027	486,273	2,288,932
2028	-	282,874
Thereafter	-	5,893

Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Interest rate	5.90%	6.95%
Salary scale	4.40%	1.95% - 5.18%
Decrement tables	April 1, 2015- March 31, 2020	July 1, 2015- June 30, 2020
	System's Experience	Systems Experience
Inflation rate	2.90%	2.40%
Projected cost of living adjustments	1.50%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 Systems' experience with adjustments for mortality improvements based on MP-2021. For TRS, annuitant mortality rates are based on July 1, 2015- June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

For ERS, the actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015- March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015- June 30, 2020.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real

Pulaski Academy and Central School District
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For the Year Ended June 30, 2023

rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

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

<u>ERS</u>	<u>Target Allocation</u>	<u>Long-term expected Real rate of return*</u>
Asset class:		
Domestic equities	32%	4.30%
International equities	15%	6.85%
Private equities	10%	7.50%
Real estate equities	9%	4.60%
Opportunistic/ ARS portfolio	3%	5.38%
Real assets	3%	5.84%
Fixed income	23%	1.50%
Cash	1%	0.01%
Credit	<u>4%</u>	5.43%
Total	100%	

*Real rates of return are net of the long-term inflation assumption of 2.5%.

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Notes to Financial Statements
For the Year Ended June 30, 2023

	<u>TRS</u>	<u>Target Allocation</u>	<u>Long-term expected Real rate of return*</u>
Asset class:			
Domestic equities		33%	6.5%
International equities		16%	7.2%
Global equities		4%	6.9%
Real estate equities		11%	6.2%
Private equities		8%	9.9%
Domestic fixed income securities		16%	1.1%
Global bonds		2%	0.6%
Private debt		2%	5.3%
Real estate debt		6%	2.4%
High-yield bonds		1%	3.3%
Cash equivalents		<u>1%</u>	0.3%
Total		100.0%	

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

(1) Excludes equity- oriented and long – only funds. For investment management purposes, these funds are included in domestic equities and international equities, respectively.

Discount Rate

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

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

The following presents the District’s proportionate share of the net pension asset/(liability) as of June 30, 2023 calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District’s proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9% for ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

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	1% Decrease <u>(4.9%)</u>	Current Assumption <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
<u>ERS</u>			
Employer's proportionate share of the net pension asset/(liability)	\$ (4,302,916)	\$ (1,780,587)	\$ 327,112
	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)	\$ (8,375,454)	\$ (908,354)	\$ 371,427

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2023 is \$632,075 for ERS and \$1,011,075 for TRS.

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$79,186.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$974,441.

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

P) Unearned credits:

The District reports unearned credits on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned credits arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned credits is removed and revenue is recognized.

Q) Vested employee benefits:

Compensated absences consist of unpaid accumulated annual vacation time:

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.

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

R) Other benefits:

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

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

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

S) Short-term debt:

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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

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

T) Accrued liabilities and long-term obligations:

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

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

U) Equity classifications:

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

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

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

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

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

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

Nonspendable – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes inventory recorded in the School Food Service Fund of \$4,009.

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:

Workers' Compensation

According to General Municipal Law §6-j, all expenditures made from the workers' compensation reserve fund must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability Reserve Fund

According to General Municipal Law §6-p, expenditures made from the employee benefit accrued liability reserve fund must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

Retirement Contributions Reserve Fund

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payments into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

Pulaski Academy and Central School District
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Capital Reserve Fund

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

Restricted fund balance includes the following:

General Fund:	
Employee Benefit Accrued Liability	\$ 72,852
Retirement Contributions - NYSERS	4,612,736
Retirement Contributions - NYSTRS	781,192
Workers' Compensation	698,664
Capital Reserve	500,000
Debt Service Fund	1,070,100
Miscellaneous special revenue	<u>332,902</u>
Total restricted funds	<u>\$ 8,068,446</u>

Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision-making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2023.

Assigned – Includes amounts that are constrained by the District’s intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year’s budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$31,429. Appropriated fund balance in the General Fund amounted to \$555,000. Any remaining fund balance in other funds is considered assigned. As of June 30, 2023, the District’s General Fund encumbrances were classified as follows:

General support	\$ 18,223
Instruction	11,151
Pupil Transportation	<u>2,055</u>
Total	<u>\$ 31,429</u>

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

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

Net Position/Fund Balance:

Net Position Flow Assumption:

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

Fund Balance Flow Assumption:

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

Order or Use of Fund Balance:

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

V) Implementation of New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2023, the District implemented the following new standards issued by GASB.

Pulaski Academy and Central School District
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GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023.

2 – Explanation of certain differences between fund statements and District-wide statements:

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

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

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

B) Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities:

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

i) Long-term revenue and expense differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

ii) Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on 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 fund statements and depreciation expense on those items as recorded in the Statement of Activities.

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iii) Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the 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.

iv) Pension differences:

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

v) OPEB differences:

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

3 - Stewardship, compliance and accountability:

Budgets

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

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

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2023.

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

Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

4 – Cash (and cash equivalents) – custodial credit, concentration of credit, interest rate, and foreign currency risks:

Cash

The District's aggregate bank balances, which totaled \$236,062, were covered by depository insurance at year-end.

Restricted cash and investments represent cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$6,665,444 restricted for various fund balance reserves in the general fund, \$1,070,100 restricted for debt reduction in the debt service fund and \$332,902 restricted for extraclassroom and scholarships in the miscellaneous special revenue fund.

Investment and Deposit Policy

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

Interest Rate Risk

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

Pulaski Academy and Central School District
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Credit Risk

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

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

Custodial Credit Risk

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

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

Investment pool:

The District participates in the Cooperative Liquid Assets Securities System – New York (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 3-A and 5-G, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS investment and collateral policies are in accordance with General Municipal Law, Sections 10 and 11.

Total investments of the cooperative at June 30, 2023 are \$8,463,692,945 which consisted of \$2,530,081,947 in repurchase agreements, \$4,872,964,328 in U.S. Treasury Securities, and \$1,060,646,670 in collateralized bank deposits, with various interest rate and due dates.

The above amounts represent the fair value of the investment pool shares. The Lead Participant of NYCLASS is the Village of Potsdam. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

The amount of \$10,463,277 deposit with NYCLASS is included as cash in the financial statements.

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

The following amounts are included as unrestricted and restricted cash:

<u>Fund</u>	<u>Balance</u>
General	\$ 8,653,485
School Lunch	\$ 129,946
Capital	\$ 19,310
Debt Service	\$ 1,070,100
Miscellaneous Special Revenue	\$ 279,040
Fiduciary	\$ 311,396

6 – Receivables:

Receivables at year-end for individual major funds and non-major funds, including the applicable allowances for uncollected accounts, are as follows:

<u>Description</u>	<u>Governmental Activities</u>		<u>School</u>	<u>Total</u>
	<u>General</u>	<u>Special Aid</u>	<u>Food Service</u>	
Accounts receivable	\$ 449	\$ 1,699	\$ 86	\$ 2,234
State and Federal aid	1,340,861	301,696	41,066	1,683,623
Due from other governments	9,167	-	-	9,167
	<u>\$ 1,350,477</u>	<u>\$ 303,395</u>	<u>\$ 41,152</u>	<u>\$ 1,695,024</u>

District management has deemed the amounts to be fully collectible.

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

7 – Capital assets:

Capital asset balances and activity were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 190,525	\$ -	\$ -	\$ 190,525
Capital assets being depreciated				
Land improvements	605,133	-	-	605,133
Buildings	49,020,307	169,712	-	49,190,019
Vehicles, furniture and equipment	3,071,710	420,729	297,095	3,195,344
Total depreciated assets	52,697,150	590,441	297,095	52,990,496
Less accumulated depreciation for				
Land improvements	605,133	-	-	605,133
Buildings	15,690,469	951,277	-	16,641,746
Vehicles, furniture and equipment	1,800,763	293,149	297,095	1,796,817
Total accumulated depreciation	18,096,365	1,244,426	297,095	19,043,696
Total depreciated assets, net	34,600,785	(653,985)	-	33,946,800
Capital assets, net	\$ 34,791,310	\$ (653,985)	\$ -	\$ 34,137,325

General support	\$ 142,086
Instruction	811,222
Pupil transportation	291,118
	<u>\$ 1,244,426</u>

8 – Right-to-use assets

The District is in possession of assets for which it paid for the right to use the assets over a period of time. The present value of the lease is amortized over the term of the lease using the straight-line method. The right-to-use asset, net is computed as follows:

Right-to-use	\$ 1,520,058
Less amortization	<u>(929,020)</u>
Right-to-use assets, net	<u>\$ 591,038</u>

Amortization expense for the year ended June 30, 2023 was \$532,455.

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

9 – Long-term obligations:

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

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

Noncurrent liability balances and activity for the year are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within 1 Year</u>
Long-Term Liabilities:					
Serial bonds payable	\$ 14,350,000	\$ -	\$ 2,265,000	\$ 12,085,000	\$ 2,365,000
Premium on bonds	790,748	-	96,244	694,504	96,243
Total long-term liabilities	<u>15,140,748</u>	<u>-</u>	<u>2,361,244</u>	<u>12,779,504</u>	<u>2,461,243</u>
Other long-term liabilities					
Lease liability	136,489	-	43,182	93,307	36,651
Compensated absences payable	77,422	-	4,570	72,852	-
Other postemployment benefit obligation	77,082,188	3,901,057	-	80,983,245	-
Net pension liability - proportionate share	-	2,688,941	-	2,688,941	-
Total other long-term liabilities	<u>77,296,099</u>	<u>6,589,998</u>	<u>47,752</u>	<u>83,838,345</u>	<u>36,651</u>
	<u>\$ 92,436,847</u>	<u>\$ 6,589,998</u>	<u>\$ 2,408,996</u>	<u>\$ 96,617,849</u>	<u>\$ 2,497,894</u>

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

Bonds payable is comprised of the following:

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Serial bonds - 2016	3/3/2016	6/15/2027	1.0 - 5.0%	\$ 3,305,000
Serial bonds - 2016I	6/15/2016	7/15/2032	2.0 - 2.25%	6,185,000
Serial bonds - 2013	9/25/2013	6/15/2028	2.5 - 4.0%	660,000
Serial bonds - 2017F	11/9/2017	6/15/2029	2.0 - 5.0%	1,935,000
				<u>\$ 12,085,000</u>

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

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

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>
2024	2,365,000	320,287	96,243
2025	2,435,000	248,525	96,243
2026	1,745,000	173,725	96,243
2027	1,790,000	129,350	96,243
2028	970,000	87,544	94,189
2029-2032	2,780,000	128,707	215,343
	<u>\$ 12,085,000</u>	<u>\$ 1,088,138</u>	<u>\$ 694,504</u>

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

Interest paid	\$ 411,486
Less: Interest accrued in the prior year	(79,104)
Plus: Interest accrued in the current year	69,860
Less: Net amortization of bond premium/bond cost	(96,243)
Total interest on long-term debt	<u>\$ 305,999</u>

10 – Interfund transactions – Governmental Funds:

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Interfund transactions and balances are as follows:

	<u>Receivable</u>	<u>Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 275,179	\$ -	\$ 164,000	\$ 248,082
Capital	-	19,310	167,911	-
Debt service	-	-	-	164,000
Special aid	-	255,869	80,171	-
Total Governmental Funds	<u>\$ 275,179</u>	<u>\$ 275,179</u>	<u>\$ 412,082</u>	<u>\$ 412,082</u>

During 2022-2023, the General Fund transferred \$80,171 to the Special Aid Fund for the District's share of the special education summer school program its students attended.

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

11 – Post-employment benefits obligation payable:

Plan description

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

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 3 to 15 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2023 approximately \$2,261,501 was paid on behalf of 156 retirees.

Benefits Provided

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

Employees Covered by Benefit Terms – At June 30, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	156
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>177</u>
Total plan members	<u><u>333</u></u>

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

Net OPEB Liability

The District's total OPEB liability of \$80,983,245 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%																								
Salary Increases	Based on New York State TRS assumptions first used in the June 30, 2021 valuation and or ERS assumptions effective on April 1, 2020. Sample rates are as shown below:																								
	<table><tr><td><u>Service</u></td><td><u>TRS</u></td><td><u>ERS</u></td></tr><tr><td>0</td><td>12.3%</td><td>8.8%</td></tr><tr><td>5</td><td>5.2%</td><td>5.0%</td></tr><tr><td>10</td><td>4.3%</td><td>4.2%</td></tr><tr><td>15</td><td>3.6%</td><td>3.6%</td></tr><tr><td>20</td><td>2.9%</td><td>3.3%</td></tr><tr><td>25</td><td>2.5%</td><td>3.3%</td></tr><tr><td>30</td><td>2.2%</td><td>3.3%</td></tr></table>	<u>Service</u>	<u>TRS</u>	<u>ERS</u>	0	12.3%	8.8%	5	5.2%	5.0%	10	4.3%	4.2%	15	3.6%	3.6%	20	2.9%	3.3%	25	2.5%	3.3%	30	2.2%	3.3%
<u>Service</u>	<u>TRS</u>	<u>ERS</u>																							
0	12.3%	8.8%																							
5	5.2%	5.0%																							
10	4.3%	4.2%																							
15	3.6%	3.6%																							
20	2.9%	3.3%																							
25	2.5%	3.3%																							
30	2.2%	3.3%																							
Discount Rate	4.13% High Grade Index																								
Healthcare Cost Trend Rates																									
Medical	6.75% for 2023 decrease to an ultimate rate of 4.14% by 2076																								
Dental	3.5% for 2023 decrease to an ultimate rate of 3.0% by 2076																								
Part B Reimbursement	3.06% for 2023 increasing to an ultimate rate of 4.14% by 2076																								

Mortality rates were based on the Pub-2010 Teachers and General Employees Headcount-Weighted table, as appropriate, with adjustments for mortality improvements based on MP-2021.

Retirement participation rate assumed that all eligible employees will elect health coverage with the District at retirement. For current retirees, actual spousal coverage is used. For future retirees, 50% of employees are assumed to elect spousal coverage at retirement.

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

The discount rate was based on the S & P Municipal Bond 20 -year.

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

Changes in the Total OPEB Liability

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

	Total OPEB Liability
Balance at June 30, 2022	\$ 77,082,188
Changes for the year:	
Service cost	2,519,181
Interest	2,780,113
Changes of benefit terms	(765,056)
Difference between expected and actual experience	43,840
Changes of assumptions or other inputs	1,475,927
Benefit payments	(2,152,948)
Net Changes	3,901,057
Balance at June 30, 2023	\$ 80,983,245

Changes of benefit terms reflect changes in assumptions and other inputs including a change in the discount rate from 3.54% in 2022 to a 4.13% in 2023.

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

The following presents the District's 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 (3.13%) or 1 percentage point higher (5.13%) than the current discount rate:

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB Liability	\$ 95,199,406	\$ 80,983,345	\$ 69,645,965

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

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 healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 68,026,698	\$ 80,983,245	\$ 97,714,515

Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$4,256,168. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 968,171	\$ (43,677)
Changes of assumptions	<u>11,879,048</u>	<u>(22,093,564)</u>
Total	<u>\$ 12,847,219</u>	<u>\$(22,137,241)</u>

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

For the year ended:

2024	\$ (278,070)
2025	(273,591)
2026	(3,374,999)
2027	(2,790,232)
2028	(2,790,237)
Thereafter	217,107

12 – Unrestricted Fund Balance:

Unrestricted fund balance in the general fund consists of the following at June 30, 2023:

Designated for subsequent year's expenditures	\$ 555,000
Reserve for encumbrances	31,429
Unreserved	<u>1,219,799</u>
Total unrestricted fund balance general fund	<u>\$ 1,806,228</u>

13 – Risk management:

General

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

**Pulaski Academy and Central School District
Notes to Financial Statements
For the Year Ended June 30, 2023**

Consortiums and self-insured plans

The District participates in consortiums and self-insured plans, 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.

14 – Commitments and contingencies:

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

15 – Tax abatements:

The County of Oswego enters into various property tax abatement programs for the purpose of economic development. The District property tax revenue was reduced \$240,048. The District received payment in lieu of tax (PILOT) payments totaling \$311,497.

16 – Subsequent Events:

The District has evaluated events and transactions that occurred through September 25, 2023, the date on which the financial statements were available to be issued.

Pulaski Academy and Central School District
Required Supplementary Information
Schedule of Funding Progress
Other Post-Employment Benefits Plan - Last 6 Fiscal Years
For the Year Ended June 30, 2023

SS #1

Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability						
Service cost	\$ 2,519,181	\$ 3,701,718	\$ 3,376,823	\$ 2,173,335	\$ 1,563,512	\$ 1,633,979
Interest	2,780,113	2,097,697	2,309,361	2,786,541	2,659,538	2,459,157
Changes in benefit terms	(765,056)	-	(575,259)	-	(1,294,220)	-
Differences between expected and actual experience in the measurement of the total OPEB liability	43,840	233,721	1,331,560	293,616	(116,477)	-
Changes of assumptions or other inputs	1,475,927	(21,285,120)	(12,046,788)	20,900,927	9,725,318	(3,479,488)
Benefit payments	<u>(2,152,948)</u>	<u>(2,147,925)</u>	<u>(2,054,278)</u>	<u>(2,437,032)</u>	<u>(2,521,330)</u>	<u>(1,796,461)</u>
Net change in total OPEB liability	3,901,057	(17,399,909)	(7,658,581)	23,717,387	10,016,335	(1,182,813)
Total OPEB liability - beginning	<u>77,082,188</u>	<u>94,482,097</u>	<u>102,140,678</u>	<u>78,423,291</u>	<u>68,406,956</u>	<u>69,589,769</u>
Total OPEB liability - ending	<u>\$ 80,983,245</u>	<u>\$ 77,082,188</u>	<u>\$ 94,482,097</u>	<u>\$ 102,140,678</u>	<u>\$ 78,423,291</u>	<u>\$ 68,406,956</u>
Covered payroll	<u>\$ 9,266,010</u>	<u>\$ 9,163,838</u>	<u>\$ 9,291,070</u>	<u>\$ 8,362,943</u>	<u>\$ 7,271,632</u>	<u>\$ 9,186,327</u>
Total OPEB liability as a percentage of covered payroll	874.00%	841.20%	1016.90%	1221.30%	1078.50%	744.66%

The District does not have assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

See paragraph on supplementary schedules included in independent auditors' report.

Pulaski Academy and Central School District**Required Supplementary Information****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance With Budgetary Actual</u>
Revenues				
Local Sources				
Real property taxes	\$ 7,262,376	\$ 7,262,376	\$ 6,384,067	\$ (878,309)
Other tax items	279,988	279,988	1,210,820	930,832
Charges for services	370,601	370,601	385,685	15,084
Use of money and property	123,625	123,625	412,728	289,103
Sale of property and compensation for loss	10,000	10,000	9,436	(564)
Miscellaneous	<u>185,000</u>	<u>185,000</u>	<u>388,584</u>	<u>203,584</u>
Total Local Sources	8,231,590	8,231,590	8,791,320	559,730
State Sources	18,404,410	18,404,410	18,165,874	(238,536)
Medicaid Reimbursement	<u>55,000</u>	<u>55,000</u>	<u>47,849</u>	<u>(7,151)</u>
Total Revenues	26,691,000	26,691,000	27,005,043	314,043
Other Financing Sources				
Operating transfers in	<u>164,000</u>	<u>164,000</u>	<u>164,000</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>\$ 26,855,000</u>	<u>\$ 26,855,000</u>	<u>\$ 27,169,043</u>	<u>\$ 314,043</u>
Appropriated Fund Balance				
Prior years' surplus	\$ 1,092,000	\$ 1,092,000		
Prior years' encumbrances	-	80,195		
Appropriated reserves	<u>972,000</u>	<u>972,000</u>		
Total Appropriated Fund Balance	<u>2,064,000</u>	<u>2,144,195</u>		
Total Revenues, Other Financing Sources and Appropriated Fund Balance	<u>\$ 28,919,000</u>	<u>\$ 28,999,195</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified basis of accounting consistent with accounting principles generally accepted in the United States of America.

See paragraph on supplementary schedules included in independent auditors' report.

Pulaski Academy and Central School District

Required Supplementary Information

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual And Encumbrances
Expenditures					
General Support					
Board of education	\$ 34,910	\$ 28,796	\$ 24,620	\$ 130	\$ 4,046
Central administration	225,039	235,518	234,127	-	1,391
Finance	325,713	332,847	313,717	13,798	5,332
Staff	102,889	122,464	111,038	-	11,426
Central services	2,040,107	2,279,546	2,135,717	4,295	139,534
Special items	587,892	559,353	556,129	-	3,224
Total General Support	3,316,550	3,558,524	3,375,348	18,223	164,953
Instruction					
Instruction, administration and improvement	818,064	747,130	716,508	6,395	24,227
Teaching - regular school	5,752,043	5,690,311	4,989,118	131	701,062
Programs for children with handicapping conditions	3,928,150	3,924,764	3,625,976	-	298,788
Occupational education	805,420	805,420	805,420	-	-
Teaching - special school	240,470	245,045	154,463	-	90,582
Instructional media	836,538	949,059	852,612	4,625	91,822
Pupil services	1,014,663	1,047,777	755,201	-	292,576
Total Instruction	13,395,348	13,409,506	11,899,298	11,151	1,499,057
Pupil Transportation	1,514,864	1,529,844	1,382,930	2,055	144,859
Community services	14,780	14,780	587	-	14,193
Employee benefits	7,735,971	7,542,142	6,870,521	-	671,621
Debt Service	2,741,487	2,676,488	2,676,488	-	-
Total Expenditures	28,719,000	28,731,284	26,205,172	31,429	2,494,683
Other Financing Uses					
Transfers to other funds	200,000	267,911	248,082	-	19,829
Total Expenditures and Other Financing Uses	28,919,000	28,999,195	26,453,254	\$ 31,429	\$ 2,514,512
Net change in fund balance			715,789		
Fund balance - beginning			7,755,883		
Fund balance - ending			\$ 8,471,672		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified basis of accounting consistent with accounting principles generally accepted in the United States of America.

Pulaski Academy and Central School District
Required Supplementary Information
Schedules of District Contributions
NYSTRS Pension Plan
Last 9 Fiscal Years
For the Year Ended June 30, 2023

SS #3

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 878,918	\$ 825,154	\$ 741,738	\$ 843,270	\$ 769,807	\$ 956,953	\$ 1,036,649	\$ 1,365,240	\$ 1,241,665
Contributions in Relation to the Contractually Required Contributions	<u>878,918</u>	<u>825,154</u>	<u>741,738</u>	<u>843,270</u>	<u>769,807</u>	<u>956,953</u>	<u>1,036,649</u>	<u>1,365,240</u>	<u>1,241,665</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 8,567,944	\$ 8,546,201	\$ 7,785,991	\$ 7,926,837	\$ 7,450,049	\$ 7,774,428	\$ 7,801,945	\$ 7,788,019	\$ 7,629,774
Contributions as a Percentage of Covered-Employee Payroll	10.26%	9.66%	9.53%	10.64%	10.33%	12.31%	13.29%	17.53%	16.27%

Schedules of District Contributions
NYSERS Pension Plan
Last 9 Fiscal Years
For the Year Ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 246,051	\$ 316,929	\$ 293,867	\$ 240,826	\$ 258,825	\$ 290,261	\$ 291,466	\$ 325,479	\$ 324,234
Contributions in Relation to the Contractually Required Contributions	<u>246,051</u>	<u>316,929</u>	<u>293,867</u>	<u>240,826</u>	<u>258,825</u>	<u>290,261</u>	<u>291,466</u>	<u>325,479</u>	<u>324,234</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 2,691,062	\$ 2,360,404	\$ 2,094,525	\$ 2,161,773	\$ 1,858,754	\$ 1,840,394	\$ 1,932,514	\$ 1,869,621	\$ 1,915,475
Contributions as a Percentage of Covered-Employee Payroll	9.14%	13.43%	14.03%	11.14%	13.92%	15.77%	15.08%	17.88%	16.93%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

See paragraph on supplementary schedules included in independent auditors' report.

Pulaski Academy and Central School District
Required Supplementary Information
Schedules of District's Proportionate Share of the Net Pension Liability
NYSTRS Pension Plan
Last 9 Fiscal Years
For the Year Ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability (Asset)	0.047337%	0.045923%	0.046097%	0.044947%	0.045480%	0.048491%	0.050394%	0.051904%	0.015674%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 908,354	\$ (7,958,005)	\$ 1,273,791	\$ (1,167,722)	\$ (822,391)	\$ (368,578)	\$ 539,742	\$ (5,391,126)	\$ (5,756,146)
District's Covered-Employee Payroll	\$8,567,944	\$ 8,546,201	\$ 7,785,991	\$ 7,926,837	\$ 7,450,049	\$ 7,774,428	\$ 7,801,945	\$ 7,788,019	\$ 7,629,774
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	10.60%	93.12%	16.36%	14.73%	11.04%	4.74%	6.92%	69.22%	75.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	88.00%

Schedules of District's Proportionate Share of the Net Pension Liability
NYSERS Pension Plan
Last 9 Fiscal Years
For the Year Ended June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability (Asset)	0.008303%	0.007489%	0.007448%	0.006402%	0.006512%	0.007374%	0.006841%	0.007075%	0.006935%
District's Proportionate Share of the Net Pension Liability (Asset)	\$1,780,587	\$ (612,208)	\$ 7,417	\$ 1,695,276	\$ 461,425	\$ 238,001	\$ 642,762	\$ 1,135,614	\$ 234,277
District's Covered-Employee Payroll	\$2,691,062	\$ 2,360,404	\$ 2,094,525	\$ 2,161,773	\$ 1,858,754	\$ 1,840,394	\$ 1,932,514	\$ 1,869,621	\$ 1,915,475
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	66.17%	25.94%	0.35%	78.42%	24.82%	12.93%	33.26%	60.74%	12.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	100.00%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

See paragraph on supplementary schedules included in independent auditors' report.

**Pulaski Academy and Central School District
Supplementary Information
Schedule of Change from Adopted Budget to Final Budget
And the Real Property Tax Limit - General Fund
For the Year Ended June 30, 2023**

SS #5

Change from Adopted Budget to Final Budget

Adopted Budget	\$ 28,919,000
Add: Prior year's encumbrances	<u>80,195</u>
Final Budget	<u><u>\$ 28,999,195</u></u>

Section 1318 of Real Property Tax Law Limit Calculation

2023-24 subsequent year's voter-approved expenditure budget	
Maximum allowed (4% of 2023-24 budget of \$30,495,000)	<u>\$ 1,219,800</u>

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

Unrestricted fund balance:

Assigned fund balance	\$ 586,429
Unassigned fund balance	<u>1,219,799</u>
Total unrestricted fund balance	<u>1,806,228</u>

Less:

Appropriated fund balance	555,000
Encumbrances included in assigned fund balance	<u>31,429</u>
Total adjustments	<u>586,429</u>

General Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 1,219,799</u></u>
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Actual percentage	4.00%
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See paragraph on supplementary schedules included in independent auditors' report.

Pulaski Academy and Central School District
Net Investment in Capital Assets
June 30, 2023

SS #6

Capital assets, net		\$ 34,137,325
Deduct:		
Premium on bonds payable	\$ 680,123	
Short-term portion of bonds payable	2,240,000	
Long-term portion of bonds payable	<u>9,185,000</u>	
		<u>12,105,123</u>
Net investment in capital assets		<u>\$ 22,032,202</u>

See paragraph on supplementary schedules included in independent auditors' report.

Pulaski Academy and Central School District
Schedule of Project Expenditures -
Capital Projects Fund
For the Year Ended June 30, 2023

SS#7

PROJECT TITLE	Expenditures					Methods of Financing					Fund Balance June 30, 2023
	<u>Original Appropriation</u>	<u>Revised Appropriation</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Unexpended Balance</u>	<u>Proceeds of Obligations</u>	<u>State Sources</u>	<u>Local Sources</u>	<u>Total</u>	
Elementary Water Main Break	\$ 109,500	\$ 88,261	\$ -	\$ 88,261	\$ 88,261	\$ -	\$ -	\$ -	\$ 88,261	\$ 88,261	\$ -
MS/HS Boiler Circulating Pumps	<u>87,000</u>	<u>81,451</u>	<u>-</u>	<u>81,451</u>	<u>81,451</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,451</u>	<u>81,451</u>	<u>-</u>
	<u>\$ 196,500</u>	<u>\$ 169,712</u>	<u>\$ -</u>	<u>\$ 169,712</u>	<u>\$ 169,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,712</u>	<u>\$ 169,712</u>	<u>\$ -</u>

See paragraph on supplementary schedules included in independent auditors' report.

STACKEL & NAVARRA, C.P.A., P.C.
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Mark B. Hills, C.P.A.

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 *Government Auditing Standards*

Board of Education
Pulaski Academy and Central
School District
Pulaski, 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 Pulaski Academy and Central School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Pulaski Academy and Central School District's basic financial statements, and have issued our report thereon dated September 25, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pulaski Academy and Central School District's internal control over financial reporting (internal control) as a basis for designing the 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 Pulaski Academy and Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Pulaski Academy and Central School District's internal control.

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

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

any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pulaski Academy and Central School District's financial statements are free of 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 determination of financial statement amounts. 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.

Stackel + Navarra, CPA, PC

Stackel & Navarra, C.P.A., P.C.
Watertown, NY
September 25, 2023

STACKEL & NAVARRA, C.P.A., P.C.
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**Independent Auditors' Report on Compliance for Each Major Program and on Internal Control
Over Compliance Required by the Uniform Guidance**

Board of Education
Pulaski Academy and Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pulaski Academy and Central School District'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 Pulaski Academy and Central School District's major federal programs for the year ended June 30, 2023. Pulaski Academy and Central School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

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 Auditors' 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 been 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.

Stackel & Navarra, CPA, PC

Watertown, NY
September 25, 2023

**Pulaski Academy and Central School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

	<u>Assistance Listing Number</u>	<u>Agency or Pass-through Number</u>	<u>Expenditures</u>
Passed-through NYS Education Department:			
<u>U. S. Department of Education</u>			
<u>Federal Grantor/Pass-through</u>			
<u>Grantor Program or Cluster Title</u>			
Special Education Cluster:			
Preschool Grants (IDEA Preschool)			
IDEA – Part B (Section 619)	84.173	0033-23-0716	\$ 17,185
COVID-19-IDEA-Part B (Section 619)	84.173X	5533-22-0716	3,293
Grants to States (IDEA, Part B)			
IDEA – Part B (Section 611)	84.027	0032-23-0716	278,523
COVID-19-IDEA- Part B (Section 611)	84.027X	5532-22-0716	<u>50,504</u>
Total Special Education Cluster			<u>349,505</u>
Education Stabilization Fund:			
COVID-19 – Governor’s Emergency			
Education Relief Fund	84.425C	5896-21-2360	11,067
COVID-19-Elementary and			
Secondary School Emergency Relief	84.425D	5891-21-2360	292,053
COVID-19-ARP -Elementary and			
Secondary School Emergency Relief	84.425U	5884-21-2360	309,205
COVID-19-ARP -Elementary and			
Secondary School Emergency Relief	84.425U	5883-21-2360	67,008
COVID-19-ARP -Elementary and			
Secondary School Emergency Relief	84.425U	5882-21-2360	79,111
COVID-19-ARP-Elementary and			
Secondary School Emergency Relief	84.425W	5218-21-2360	3,861
COVID-19-ARP -Elementary and			
Secondary School Emergency Relief	84.425U	5880-21-2360	<u>674,070</u>
Total Education Stabilization Fund			<u>1,436,375</u>
Title I – Grants to Local Educational			
Agencies	84.010A	0021-23-2360	296,511
Title IIA – Supporting Effective Instruction			
State Grants	84.367	0147-23-2360	40,157
Title IV A – Student Support and Academic			
Enrichment Program	84.424	0204-23-2360	<u>21,146</u>
Total U. S. Department of Education			<u>2,143,694</u>

Pulaski Academy and Central School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

	<u>Assistance Listing Number</u>	<u>Agency or Pass-through Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed-through NYS Education Department			
COVID-19: Pandemic EBT Admin. Costs	10.649		<u>1,257</u>
Child Nutrition Cluster:			
Non-cash Assistance (food distribution)			
National School Lunch Program	10.555		<u>42,248</u>
Cash Assistance			
National School Lunch Program	10.555		260,106
Summer Food Service Program for Children	10.555		16,454
COVID-19 – Supply Chain Assistance			
Grant	10.555		53,846
School Breakfast Program	10.553		<u>72,723</u>
Cash assistance subtotal			<u>403,129</u>
Total Child Nutrition Cluster			<u>445,377</u>
Total U.S. Department of Agriculture			<u>446,634</u>
Total Federal Awards Expended			<u>\$ 2,590,328</u>

See Notes to Schedule of Expenditures of Federal Awards.

**Pulaski Academy and Central School District
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

1 – Summary of certain significant accounting policies:

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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

Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

2 – Subrecipients:

No amounts were provided to subrecipients.

3 – Food distribution:

Nonmonetary assistance is recorded in the schedule at the fair market value of the commodities received and disbursed. The District was granted \$42,248 of commodities under the National School Lunch Program (CFDA 10.555).

4 – Other Disclosures:

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

Pulaski Academy and Central School District
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' opinion(s) issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditors' opinion(s) issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR-200.516(a) ? yes X no

Identification of major programs:

<u>Name of federal program</u>	<u>CFDA Number</u>
--------------------------------	--------------------

COVID-19- Elementary and Secondary School Emergency Relief	84.425D
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COVID-19-ARP- Elementary and Secondary School Emergency Relief	84.425U
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COVID-19- ARP- Elementary and Secondary School Emergency Relief Homeless Children	84.425W
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COVID-19 – Governor's Emergency Education Relief Fund	84.425C
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Dollar thresholds used to distinguish between Type A and Type B Programs	<u>\$750,000</u>
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Auditee qualified as low risk? X yes no

**Pulaski Academy and Central School District
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section II - Financial Statements Findings

None

Section III - Federal Award Findings and Questioned Costs

None

**Pulaski Academy and Central School District
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023**

Prior Audit Findings:

None