

**Hyde Park Central
School District, New York**

Financial Statements and
Supplementary Information

Year Ended June 30, 2015

Hyde Park Central School District, New York

Table of Contents

	Page No.
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
District-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	16
Reconciliation of Governmental Funds Balance Sheet to the District- Wide Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Special Aid Funds	22
Statement of Assets and Liabilities – Fiduciary Fund	24
Notes to Financial Statements	25
Required Supplementary Information	
Other Post Employment Benefits	
Schedule of Funding Progress - Last Three Fiscal Years	54
New York State Teachers' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability	55
Schedule of Contributions	56
New York State and Local Employees Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability	57
Schedule of Contributions	58
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	59
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	60
Schedule of Revenues Compared to Budget	62
Schedule of Expenditures and Other Financing Uses Compared to Budget	64
Capital Projects Fund	
Comparative Balance Sheet	68
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	69
Project-Length Schedule	70
Special Aid Fund	
Comparative Balance Sheet	72
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	73
Debt Service Fund	
Comparative Balance Sheet	75
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	76

Hyde Park Central School District, New York

Table of Contents (Concluded)

	<u>Page No.</u>
Non-Major Governmental Funds	
Combining Balance Sheet	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	79
School Lunch Fund	
Comparative Balance Sheet	81
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	82
Special Purpose Fund	
Comparative Balance Sheet	83
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	84
Supplementary Information	
Analysis of Change from Adopted Budget to Final Budget	85
Section 1318 of Real Property Tax Law Limit Calculation	85
Schedule of Net Investment in Capital Assets	86
Federal Programs	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	87
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance	89
Schedule of Expenditures of Federal Awards	91
Notes to Schedule of Expenditures of Federal Awards	92
Summary Schedule of Prior Audit Findings	93
Schedule of Findings and Questioned Costs	94

Independent Auditors' Report

**The Board of Education of the
Hyde Park Central School District, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Hyde Park Central School District, New York ("School District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2015, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General and Special Aid funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

555 Hudson Valley Avenue, New Windsor, NY 12553 | Tel: 845.220.2400 | Fax: 845.220.2424 | www.odpkf.com

O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Emphasis of Matter

We draw attention to Note 2F and Note 3E in the notes to financial statements which disclose the effects of the School District's adoption of the provisions of GASB Statement Nos. 68 "*Accounting and Financial Reporting for Pensions*" and 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date*". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 22, 2015 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

O'Connor Davies, LLP

O'Connor Davies, LLP
New Windsor, New York
September 22, 2015

Hyde Park Central School District

Management's Discussion and Analysis (MD&A) June 30, 2015

Introduction

The following is a discussion and analysis of Hyde Park Central School District's (District) financial performance for the fiscal year ended June 30, 2015. This section is a summary of the District's financial activities based on currently known facts, decisions or conditions. It is also based on both the district-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

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

- The first two statements are district wide financial statements that provide both short term and long term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column.
- The governmental fund 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.
- Also noteworthy on the district-wide financial statements for the year ended June 30, 2015, is the implementation of the provisions of GASB Statement No. 68 for the first time. This pronouncement established new accounting and financial reporting requirements associated with the School District's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS"). Under the new standards, cost-sharing employers are required to report in their district-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At June 30, 2015, the School District reported in its Statement of Net Position a liability of \$1,203,305 for its proportionate share of the ERS net pension liability, while also reporting a pension asset of \$23,330,906 for its proportionate share of the TRS net pension asset. More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in note 3, E in the notes to financial statements.

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

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

	<u>District-wide</u>	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of revenues, Expenditures and Changes in Fund Balance	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short term and long term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long term liabilities included	All assets and liabilities both short term and long term; funds do not currently contain capital assets, although they can
Type of inflow/out flow 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

Notes to the Financial Statements:

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

- **Governmental Funds:** Most of the District's 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 fund statements provide a detailed short term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long term focus of the district wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those 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.

District-Wide Financial Analysis

The District's net position at June 30, 2015 is \$2,851,172. This is a \$1,851,558 decrease from last year's net position of \$4,702,730. The following table provides a summary of the District's net position:

	June 30,	
	2015	2014
Current Assets	\$ 28,376,560	\$ 28,290,096
Capital Assets, net	68,041,721	69,006,049
Net Pension Asset	23,330,906	-
Total Assets	119,749,187	97,296,145
Deferred Outflows of Resources	6,684,662	-
Current Liabilities	9,837,856	20,828,955
Long-term Liabilities	97,707,055	71,764,460
Total Liabilities	107,544,911	92,593,415
Deferred Outflows of Resources	16,037,766	-
Net Position		
Net investment in capital assets	41,917,826	39,768,607
Restricted for		
Workers compensation	340,885	339,413
Tax certiorari	2,661,585	2,651,736
Retirement system contribution	4,219,069	2,140,677
Repairs	101,610	101,170
Unemployment benefits	103,429	102,984
Capital projects	620,634	939,276
School lunch	64,148	96,587
Debt service	3,660,795	3,646,711
Special purposes	35,470	37,990
Unrestricted	(50,874,279)	(45,122,421)
Total Net Position	\$ 2,851,172	\$ 4,702,730

The largest component of the School District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending.

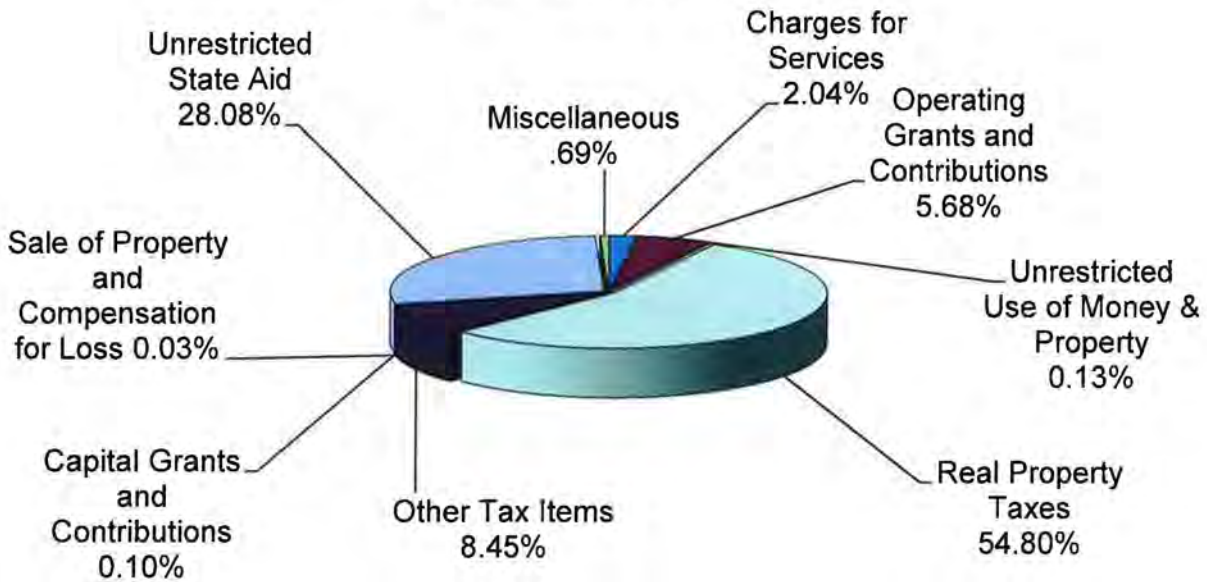
Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. There is a negative balance of unrestricted net position, which is \$50,874,279, a result of the recognition of the OPEB liabilities. Overall, net position decreased by \$1,851,558 from prior year, with the recording of the net pension asset of TRS and the net pension liability of ERS.

Changes in Net Position

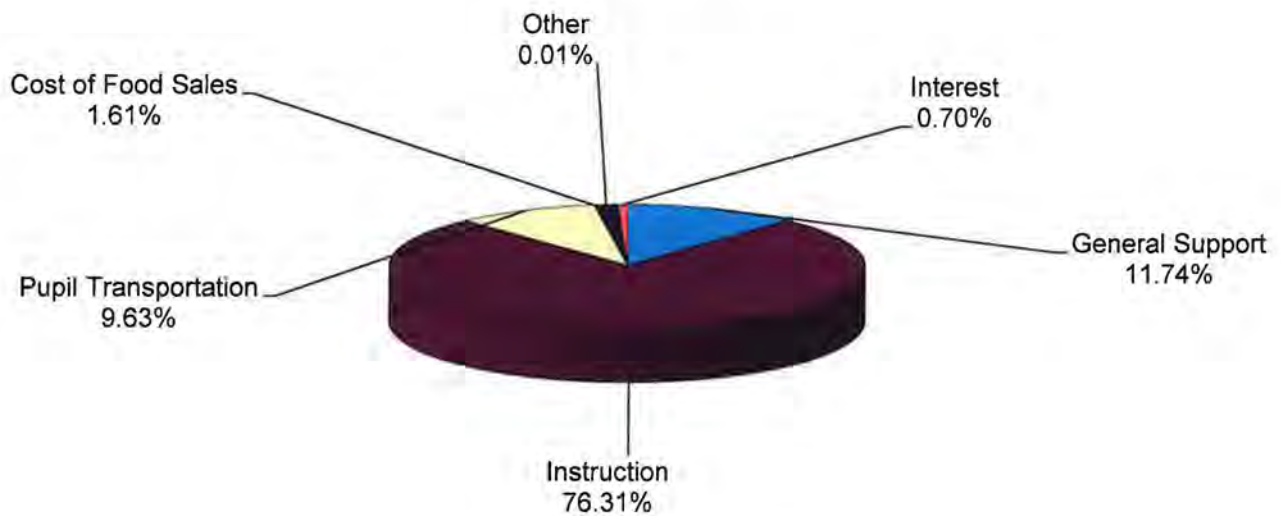
The following table and supporting graphs provide a summary of revenues, expenses and changes in net position for the year ended June 30, 2015.

	June 30,	
	2015	2014
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,829,716	\$ 2,820,370
Operating Grants and Contributions	5,120,551	4,088,317
Capital Grants and Contributions	88,079	21,891
Total Program Revenues	<u>7,038,346</u>	<u>6,930,578</u>
General Revenues:		
Real Property Taxes	49,121,289	47,812,892
Other Tax Items	7,570,564	7,771,805
Unrestricted Use of Money and Property	84,422	114,253
Sale of Property and Compensation for Loss	24,359	17,851
Unrestricted State Aid	25,169,545	23,708,127
Miscellaneous	614,082	511,523
Total General Revenues	<u>82,584,261</u>	<u>79,936,451</u>
Total Revenues	<u>89,622,607</u>	<u>86,867,029</u>
Program Expenses:		
General Support	10,646,412	9,980,849
Instruction	74,464,671	74,322,267
Pupil Transportation	9,397,853	8,554,529
Cost of Food Sales	1,566,441	1,695,636
Other	5,995	6,531
Interest	686,246	903,051
Total Expenses	<u>96,767,618</u>	<u>95,462,863</u>
Change in Net Position	<u>(7,145,011)</u>	<u>(8,595,834)</u>
Net Position - Beginning, as reported	4,702,730	13,122,676
Cumulative Effect of Change in Accounting Principle	5,293,453	-
Prior Period Adjustment	-	175,888
Net Position - Beginning, as restated	<u>9,996,183</u>	<u>13,298,564</u>
Net Position - Ending	<u>\$ 2,851,172</u>	<u>\$ 4,702,730</u>

Sources of Revenue for Fiscal Year 2015 Governmental Activities



Expenses for Fiscal Year 2015 Governmental Activities



Fund Balance Reporting

GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements beginning with the period ending June 30, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Note: According to the Office of the State Comptroller, school districts in New York will not have committed fund balance to report.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

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

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. According to GASB, this pronouncement should result in an improvement in the usefulness of fund balance information.

The following information is provided to disclose the net cost of governmental activities:

	Total Cost of Services 2014-2015	Net Cost of Services 2014-2015	Total Cost of Services 2013-2014	Net Cost of Services 2013-2014
General Support	\$ 10,646,412	\$ 10,540,524	\$ 9,980,849	\$ 9,840,615
Instruction	74,464,671	69,094,739	74,146,379	69,035,871
Pupil Transportation	9,397,853	9,397,853	8,554,529	8,453,834
Other	5,995	2,520	6,531	2,555
Debt Service Interest	686,246	598,167	903,051	882,604
Cost of Food Sales	1,566,441	95,469	1,695,636	140,918
	<u>\$ 96,767,618</u>	<u>\$ 89,729,272</u>	<u>\$ 95,286,975</u>	<u>\$ 88,356,397</u>

Financial Analysis of the District's Funds

As discussed, the District's governmental funds are reported in the fund statements with a modified accrual basis that uses a short term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the District consist of the General Fund, Special Aid Fund, School Lunch Fund, Debt Service Fund and Capital Fund.

The total fund balances allocated between reserved and unreserved fund balance for each of these funds is as follows:

June 30, 2015					
	Non-Spendable	Restricted	Assigned	Committed	Unassigned
General	\$ 1,221,040	\$ 9,279,498	\$ 3,249,473	\$ -	\$ 2,437,713
Capital	-	-	-	-	(1,421,309)
School Lunch	56,393	-	59,725	-	-
Special Purpose	-	35,470	-	-	-
Debt Service	-	3,660,795	-	-	-

June 30, 2014					
	Non-Spendable	Restricted		Committed	Unassigned
General	\$ 1,143,022	\$ 7,180,900	\$ 3,897,033	\$ -	\$ 3,990,294
Capital	-	-	-	-	(10,144,305)
School Lunch	78,045	-	18,542	-	-
Special Purpose	-	37,990	-	-	-
Debt Service	-	3,646,711	-	-	-

General Fund

The original budget for the General Fund was revised by \$1,502,281 during the year. The supplemental appropriations principally consisted of rollover encumbrances from the prior year and donations received for specific expenditures.

In the General Fund for the year ended June 30, 2015, actual revenues were \$23,525 more than actual expenditures. Significant revenue sources include Real Property Taxes and Other Tax Items (\$49,141,481), Charges to Other School Districts (\$1,240,044), and State Aid (\$25,656,874). Actual expenditures and encumbrances were \$4,415,665 less than the revised budget. During 2014-2015, there was a significant one-time general fund expenditure of \$800,000. This expense was an interfund transfer to Capital Projects for the local share (unfinanced portion) of the Phase 3 Athletic Facilities and Boilers project.

For fiscal year 2015-2016, the District has appropriated \$3,218,632 of fund balance to reduce the tax levy.

Factors that continue to affect the budget process are as follows:

1. Unit contract increases, health benefits and retirement increases
2. The current economic climate specifically with regard to the CPI (which has a direct effect on our annual tax cap formula)
3. The tax freeze will have a direct impact on our ability to increase expenses in the budget for 2016-2017 as we will need to show a 1% reduction in the tax levy through expenditure reductions.

The total general fund balance for the district was increased by \$393,092 in 2013-2014 and decreased \$23,525 in 2014-2015. The District has taken several measures to reduce the amount of excess funds left over at the end of the year. One of the major reasons for the decrease in fund balance is the \$800,000 one-time interfund transfer to capital projects.

At the end of the current fiscal year, the total fund balance of the General Fund was \$16,187,724, of which \$2,437,713 was unassigned, representing 2.75% of the ensuing year's budget. As previously mentioned, New York State Law limits the amount of unassigned fund balance that can be retained to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

Other Fund Highlights

The District has restricted General Fund balance of \$9,279,498.

The School Lunch Fund ended the year with a fund balance of \$116,118, up from \$96,587 in 2013-2014. The revenues exceeded expenditures by \$19,531, resulting in a profit for 2014-2015. The District plans to use the fund balance to meet future requirements of increasing costs and necessary capital equipment outlays.

The Capital Fund ended the year with a negative fund balance of \$1,421,309.

The Debt Service Fund ended the year with a fund balance of \$3,660,795.

Capital Assets

The District's investment in capital assets, net of accumulated depreciation as of June 30, 2015 was \$68,041,721. The District underwent a complete capital asset valuation during 2013-2014. The District recognized \$4,776,400 in construction in progress work as capital assets as of June 30, 2015.

Class	June 30,	
	2015	2014
Land	\$ 1,166,185	\$ 1,166,185
Construction-in-Progress	4,776,400	7,043,197
Land Improvements	4,314,605	4,604,595
Buildings and Improvements	52,285,131	50,710,547
Machinery and Equipment	5,499,400	5,481,525
Total Capital Assets, net of accumulated depreciation	\$ 68,041,721	\$ 69,006,049

Long Term Debt

At the end of the fiscal year, the District had total bonded debt outstanding of \$23,485,000. This amount is backed by the full faith and credit of the Hyde Park Central School District with debt service fully funded by voter approved property taxes. Activity in bonded debt outstanding during the fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>
Serial Bond	\$17,785,000	\$15,265,000	\$9,565,000	\$23,485,000

At June 30, 2015, the School District reported a liability of \$1,203,305 for its proportionate share of the net pension liability of ERS. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

More detailed information about the School District's long-term liabilities is presented in the notes to the financial statements.

Bond Ratings

Moody's Investor Services ("Moody's") has assigned a rating of Aa3 to outstanding uninsured bonds of the District, for which the District has continued to maintain. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the notes or the availability of a secondary market for the notes. The District recently underwent a credit rating analysis from Standard and Poor's and received a rating of AA-.

Contacting the District's Financial Management

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

Hyde Park Central School District
Attn: Linda Steinberg
Business Manager
P.O. Box 2033
Hyde Park, New York 12538-8033

(This page intentionally left blank)

Hyde Park Central School District, New York

Statement of Net Position
June 30, 2015

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 21,329,657
Receivables	
Accounts	251,866
State and Federal aid	3,631,122
Due from other governments	1,886,482
Inventories	56,393
Prepaid expenses	1,221,040
Net pension asset	23,330,906
Capital assets	
Not being depreciated	5,942,585
Being depreciated, net	62,099,136
Total Assets	<u>119,749,187</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>6,684,662</u>
LIABILITIES	
Accounts payable	1,192,318
Accrued liabilities	252,577
Unearned revenues	133,231
Due to other governments	277,966
Due to retirement systems	6,124,852
Bond anticipation notes payable	1,816,818
Accrued interest payable	40,094
Non-current liabilities	
Due within one year	2,966,701
Due in more than one year	94,740,354
Total Liabilities	<u>107,544,911</u>
DEFERRED INFLOWS OF RESOURCES	<u>16,037,766</u>
NET POSITION	
Net investment in capital assets	41,917,826
Restricted	
Workers' compensation benefits	340,885
Tax certiorari	2,661,585
Retirement system contributions	4,219,069
Repairs	101,610
Unemployment benefits	103,429
Capital projects	620,634
School lunch	64,148
Debt service	3,660,795
Special purpose	35,470
Unrestricted	<u>(50,874,279)</u>
Total Net Position	<u>\$ 2,851,172</u>

The notes to the financial statements are an integral part of this statement.

(This page intentionally left blank)

Hyde Park Central School District, New York

Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 10,646,412	\$ 76,390	\$ 29,498	\$ -	\$ (10,540,524)
Instruction	74,464,671	1,241,431	4,128,501	-	(69,094,739)
Pupil transportation	9,397,853	-	-	-	(9,397,853)
Cost of food sales	1,566,441	511,895	959,077	-	(95,469)
Other	5,995	-	3,475	-	(2,520)
Interest	686,246	-	-	88,079	(598,167)
Total Governmental Activities	<u>\$ 96,767,618</u>	<u>\$ 1,829,716</u>	<u>\$ 5,120,551</u>	<u>\$ 88,079</u>	<u>(89,729,272)</u>
General revenues					
Real property taxes					49,121,289
Other tax items					
School tax relief reimbursement					7,543,752
Interest and penalties on real property taxes					20,145
Payments in lieu of taxes					6,620
Non-property taxes					
Non-property tax distribution from County					47
Unrestricted use of money and property					84,422
Sale of property and compensation for loss					24,359
Unrestricted State aid					25,169,545
Miscellaneous					614,082
Total General Revenues					<u>82,584,261</u>
Change in Net Position					<u>(7,145,011)</u>
Net Position - Beginning, as reported					4,702,730
Cumulative Effect of Change in Accounting Principle					<u>5,293,453</u>
Net Position - Beginning, as restated					<u>9,996,183</u>
Net Position - Ending					<u>\$ 2,851,172</u>

The notes to the financial statements are an integral part of this statement.

Hyde Park Central School District, New York

Balance Sheet
Governmental Funds
June 30, 2015

	General	Capital Projects	Special Aid
ASSETS			
Cash and equivalents	\$ 17,207,419	\$ 310,597	\$ 500
Receivables			
Accounts	248,553	-	-
State and Federal aid	1,847,281	-	1,713,677
Due from other governments	1,886,482	-	-
Due from other funds	1,588,889	332,036	-
Inventories	-	-	-
Prepaid expenditures	1,221,040	-	-
Total Assets	<u>\$ 23,999,664</u>	<u>\$ 642,633</u>	<u>\$ 1,714,177</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 780,736	\$ 247,124	\$ 164,358
Accrued liabilities	223,718	-	8,996
Unearned revenues	72,851	-	41,792
Due to other funds	332,036	-	1,499,031
Due to other governments	277,747	-	-
Due to retirement systems	6,124,852	-	-
Bond anticipation notes payable	-	1,816,818	-
Total Liabilities	<u>7,811,940</u>	<u>2,063,942</u>	<u>1,714,177</u>
Fund balances (deficits)			
Nonspendable	1,221,040	-	-
Restricted	9,279,498	-	-
Assigned	3,249,473	-	-
Unassigned	2,437,713	(1,421,309)	-
Total Fund Balances (Deficits)	<u>16,187,724</u>	<u>(1,421,309)</u>	<u>-</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 23,999,664</u>	<u>\$ 642,633</u>	<u>\$ 1,714,177</u>

The notes to the financial statements are an integral part of this statement.

<u>Debt Service</u>	<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 3,734,790	\$ 76,351	\$ 21,329,657
-	3,313	251,866
-	70,164	3,631,122
-	-	1,886,482
-	-	1,920,925
-	56,393	56,393
-	-	1,221,040
<u>\$ 3,734,790</u>	<u>\$ 206,221</u>	<u>\$ 30,297,485</u>

\$ -	\$ 100	\$ 1,192,318
-	19,863	252,577
-	18,588	133,231
73,995	15,863	1,920,925
-	219	277,966
-	-	6,124,852
-	-	1,816,818
<u>73,995</u>	<u>54,633</u>	<u>11,718,687</u>

-	56,393	1,277,433
3,660,795	35,470	12,975,763
-	59,725	3,309,198
-	-	1,016,404
<u>3,660,795</u>	<u>151,588</u>	<u>18,578,798</u>
<u>\$ 3,734,790</u>	<u>\$ 206,221</u>	<u>\$ 30,297,485</u>

(This page intentionally left blank)

Hyde Park Central School District, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
June 30, 2015

Fund Balances - Total Governmental Funds \$ 18,578,798

Amounts Reported for Governmental Activities in the Statement of Net
Position are Different Because:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds. 68,041,721

Governmental funds do not report the effect of losses on refunding bonds
and assets or liabilities related to net pension assets (liabilities)
whereas, these amount are deferred and amortized in the
statement of activities.

Deferred losses on refunding bonds 435,479
Deferred amounts on net pension assets (liabilities) (9,788,583)

(9,353,104)

Other long-term assets are not available to pay for current-period
expenditures and, therefore, are not reported in the funds.

Net pension asset 23,330,906

Long-term liabilities are not due and payable in the current
period and, therefore, are not reported in the funds.

Accrued interest payable (40,094)

Bonds payable (24,210,280)

Energy performance contract payable (860,303)

Compensated absences (2,024,496)

Net pension liability (1,203,305)

Other post employment benefit obligations payable (69,408,671)

(97,747,149)

Net Position of Governmental Activities \$ 2,851,172

The notes to the financial statements are an integral part of this statement.

Hyde Park Central School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

	General	Capital Projects	Special Aid
REVENUES			
Real property taxes	\$ 49,121,289	\$ -	\$ -
Other tax items	7,570,517	-	-
Non-property taxes	47	-	-
Charges for services	1,241,431	-	-
Use of money and property	190,310	-	-
Sale of property and compensation for loss	24,359	-	-
State aid	25,656,873	-	1,390,384
Federal aid	375,809	-	1,840,507
Food sales	-	-	-
Miscellaneous	648,555	-	-
Total Revenues	84,829,190	-	3,230,891
EXPENDITURES			
Current			
General support	7,573,610	-	-
Instruction	42,639,854	-	3,413,550
Pupil transportation	4,870,079	-	-
Employee benefits	23,901,883	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Refunding bond issuance costs	-	-	-
Capital outlay	-	1,585,540	-
Total Expenditures	78,985,426	1,585,540	3,413,550
Excess (Deficiency) of Revenues Over Expenditures	5,843,764	(1,585,540)	(182,659)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	8,800,000	-
Refunding bonds issued	-	-	-
Payment to refunded bond escrow agent	-	-	-
Issuance premium	-	-	-
Transfers in	-	1,508,536	182,659
Transfers out	(5,867,289)	-	-
Total Other Financing Sources (Uses)	(5,867,289)	10,308,536	182,659
Net Change in Fund Balances	(23,525)	8,722,996	-
FUND BALANCES (DEFICITS)			
Beginning of Year	16,211,249	(10,144,305)	-
End of Year	\$ 16,187,724	\$ (1,421,309)	\$ -

The notes to the financial statements are an integral part of this statement.

Debt Service	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 49,121,289
-	-	7,570,517
-	-	47
-	-	1,241,431
88,079	-	278,389
-	-	24,359
-	32,990	27,080,247
-	877,877	3,094,193
-	511,895	511,895
-	51,685	700,240
88,079	1,474,447	89,622,607
-	-	7,573,610
-	-	46,053,404
-	-	4,870,079
-	-	23,901,883
-	1,566,441	1,566,441
-	5,995	5,995
3,419,791	-	3,419,791
715,298	-	715,298
110,184	-	110,184
-	-	1,585,540
4,245,273	1,572,436	89,802,225
(4,157,194)	(97,989)	(179,618)
-	-	8,800,000
6,465,000	-	6,465,000
(7,020,068)	-	(7,020,068)
665,252	-	665,252
4,693,130	115,000	6,499,325
(632,036)	-	(6,499,325)
4,171,278	115,000	8,910,184
14,084	17,011	8,730,566
3,646,711	134,577	9,848,232
\$ 3,660,795	\$ 151,588	\$ 18,578,798

(This page intentionally left blank)

Hyde Park Central School District, New York

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2015

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds	\$ 8,730,566
--	--------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.

Capital outlay expenditures	1,741,735
Depreciation expense	<u>(2,706,063)</u>
	<u>(964,328)</u>

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bonds issued	(8,800,000)
Refunding bonds issued	(6,465,000)
Payment to refunded bond escrow agent	7,020,068
Issuance premium	(665,252)
Principal paid on serial bonds	3,020,000
Principal paid on energy performance contract debt	399,791
Amortization of premium on bonds and loss on refunding bonds	<u>26,846</u>
	<u>(5,463,547)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	2,206
Compensated absences	(179,576)
Pension assets (liabilities)	7,045,565
Other post employment benefit obligations	<u>(16,315,897)</u>
	<u>(9,447,702)</u>

Change in Net Position of Governmental Activities	<u>\$ (7,145,011)</u>
---	-----------------------

The notes to the financial statements are an integral part of this statement.

Hyde Park Central School District, New York

Statement of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
General and Special Aid Funds
Year Ended June 30, 2015

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 49,271,757	\$ 49,271,757	\$ 49,121,289	\$ (150,468)
Other tax items	7,543,752	7,543,752	7,570,517	26,765
Non-property taxes	-	-	47	47
Charges for services	745,000	746,387	1,241,431	495,044
Use of money and property	90,000	140,540	190,310	49,770
Sale of property and compensation for loss	-	11,802	24,359	12,557
State aid	26,048,622	26,148,622	25,656,873	(491,749)
Federal aid	-	-	375,809	375,809
Miscellaneous	200,776	1,458,182	648,555	(809,627)
Total Revenues	83,899,907	85,321,042	84,829,190	(491,852)
EXPENDITURES				
Current				
General support	7,553,048	8,020,313	7,573,610	446,703
Instruction	43,847,627	44,056,713	42,639,854	1,416,859
Pupil transportation	4,964,411	5,207,883	4,870,079	337,804
Employee benefits	26,398,724	26,104,682	23,901,883	2,202,799
Debt service				
Principal	3,060,791	-	-	-
Interest	1,050,303	-	-	-
Total Expenditures	86,874,904	83,389,591	78,985,426	4,404,165
Excess (Deficiency) of Revenues Over Expenditures	(2,974,997)	1,931,451	5,843,764	3,912,313
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(922,036)	(5,909,630)	(5,867,289)	42,341
Total Other Financing Sources (Uses)	(922,036)	(5,909,630)	(5,867,289)	42,341
Net Change in Fund Balances	(3,897,033)	(3,978,179)	(23,525)	3,954,654
FUND BALANCES				
Beginning of Year	3,897,033	3,978,179	16,211,249	12,233,070
End of Year	\$ -	\$ -	\$ 16,187,724	\$ 16,187,724

The notes to the financial statements are an integral part of this statement.

Special Aid Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,176,024	1,523,230	1,390,384	(132,846)
2,033,816	2,187,257	1,840,507	(346,750)
-	-	-	-
4,209,840	3,710,487	3,230,891	(479,596)
-	-	-	-
4,434,840	3,935,487	3,413,550	(521,937)
-	-	-	-
-	-	-	-
-	-	-	-
4,434,840	3,935,487	3,413,550	521,937
(225,000)	(225,000)	(182,659)	42,341
225,000	225,000	182,659	(42,341)
-	-	-	-
225,000	225,000	182,659	(42,341)
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Hyde Park Central School District, New York

Statement of Assets and Liabilities
Fiduciary Fund
June 30, 2015

	<u>Agency</u>
ASSETS	
Cash and equivalents	<u>\$ 404,356</u>
LIABILITIES	
Accounts payable	\$ 233,621
Employee payroll deductions	63,825
Student activity funds	<u>106,910</u>
Total Liabilities	<u>\$ 404,356</u>

The notes to the financial statements are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

The Hyde Park Central School District, New York, ("School District") as presently constituted, was established in 1938 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The accounting policies of the School District conform to generally accepted accounting principles for local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the School District's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the School District, b) organizations for which the School District is financially accountable and c) other organizations for which the nature and significance of their relationship with the School District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the School District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the School District's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

The School District participates in the Dutchess County Board of Cooperative Educational Services ("BOCES"). BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined by Education Law. Copies of BOCES' financial statements can be requested from Dutchess County BOCES, 5 BOCES Road, Poughkeepsie, New York 12601.

B. District-Wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the School District government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements.

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following represents the School District's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is as follows:

Special Aid Fund - The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal or State funds.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

The School District also reports the following non-major governmental funds:

Special Revenue Funds:

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs of the School District.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with the terms of a trust agreement.

- b. Fiduciary Funds (Not Included in District-Wide Statements) - Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. Among the activities included in the Agency Fund are the student activity funds. The Agency Fund is also utilized to account for payroll tax withholdings that are payable to other jurisdictions.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The 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 (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as

Note 1 - Summary of Significant Accounting Policies (Continued)

soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for most other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liability, and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/inflows of Resources and Net Position or Fund Balances

Deposits and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

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

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

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2015.

Note 1 - Summary of Significant Accounting Policies (Continued)

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable mid September through mid October. The Towns of Poughkeepsie and Hyde Park which are included in the levy are responsible for the billing and collection of the taxes. The taxes for the Towns of Pleasant Valley, Clinton and Rhinebeck, which are also included in the levy, are collected by the School District. The County guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the School District. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2015, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of surplus food at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by a nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recoded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consists of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the School District are depreciated using the straight line method over the following estimated useful lives.

Note 1 - Summary of Significant Accounting Policies (Continued)

<u>Class</u>	<u>Life in Years</u>
Land Improvements	20
Buildings and Improvements	20-50
Machinery and Equipment	5-20

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In district-wide financial statements, unearned revenues consist of revenue received in advance and/or revenue from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has recorded unearned revenues of \$68,426 for retirees' health insurance received in advance, \$3,503 for monies received in advance for the drivers' education program and \$922 for a donation received in advance within the General Fund, \$18,588 for amounts received in advance for lunches in the School Lunch Fund, and \$41,792 for amounts received in advance for State aid in the Special Aid Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The School District reported deferred outflows of resources of \$435,479 for a deferred loss on the refunding bonds in the district-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunded debt.

The School District also reports deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the School District's pension plans in Note 3E.

Long-Term Liabilities - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended as incurred.

Note 1 - Summary of Significant Accounting Policies (Continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects or Debt Service funds expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability (Asset) - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date"*.

Net Position - Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for workers' compensation benefits, tax certiorari, retirement system contributions, repairs, unemployment benefits, capital projects, school lunch, debt service and special purpose. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law or Education Law of the State of New York.

Note 1 - Summary of Significant Accounting Policies (Continued)

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Education is the highest level of decision making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Education.

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted 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. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates

Note 1 - Summary of Significant Accounting Policies (Continued)

also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were issued, which date is September 22, 2015.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The School District generally follows the procedures enumerated below in establishing the budgetary data reflected in the fund financial statements:

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for General and Special Aid funds.

Hyde Park Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 2 - Stewardship, Compliance and Accountability (Continued)

- g) Budgets for General and Special Aid funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the School Lunch, Special Purpose or Debt Service funds.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in General and Special Aid funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Education.

B. Limitation on Fund Balance

The School District is limited to the amount of committed, assigned and unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount of fund balance to 4% of the ensuing year's budget.

C. Property Tax Limitation

The School District is not limited to the amount of real property taxes that may be levied. However on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This law applies to all local governments, including school districts.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a School District in a particular year. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of two percent or the annual increase in the consumer price index. Certain adjustments would be permitted as defined by Section 1220 of the Real Property Tax Law. A school district could exceed the tax levy limitation only if the budget is approved by at least 60% of the vote. There are certain exemptions to the tax levy limitation, such as expenditures made on account of certain tort settlements and certain increases in the actuarial contribution rates of the various public employee retirement systems

D. Capital Projects Fund Deficits

The unassigned deficit in the Capital Projects Fund of \$1,421,309 arises in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are

Hyde Park Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 2 - Stewardship, Compliance and Accountability (Continued)

accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced or eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits where no bond anticipation notes are outstanding to the extent of the deficit arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

E. Expenditures in Excess of Budget

The following capital project exceeded its budgetary provisions by the amount indicated:

Buses 2011	\$	30,950
------------	----	--------

F. Cumulative Effect of Change in Accounting Principle

For the year ended June 30, 2015, the School District implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". These statements seek to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expenses/expenditures. These statements also require the identification of the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. As a result of adopting these standards, the district-wide financial statements reflect a cumulative effect for the change in accounting principle of \$5,293,453.

Note 3 - Detailed Notes on All Funds

A. Due From/To Other Funds

The composition of interfund balances at June 30, 2015 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,588,889	\$ 332,036
Capital Projects	332,036	-
Special Aid	-	1,499,031
Debt Service	-	73,995
Other Governmental Funds	-	15,863
	<u>\$ 1,920,925</u>	<u>\$ 1,920,925</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

Hyde Park Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

B. Capital Assets

Changes in the School District's capital assets are as follows:

Class	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Capital Assets, not being depreciated				
Land	\$ 1,166,185	\$ -	\$ -	\$ 1,166,185
Construction in progress	7,043,197	730,598	2,997,395	4,776,400
Total Capital Assets, not being depreciated	<u>\$ 8,209,382</u>	<u>\$ 730,598</u>	<u>\$ 2,997,395</u>	<u>\$ 5,942,585</u>
Capital Assets, being depreciated				
Land Improvements	\$ 5,156,121	\$ -	\$ -	\$ 5,156,121
Buildings and Improvements	65,568,985	2,997,395	-	68,566,380
Machinery and Equipment	12,503,810	1,011,137	560,155	12,954,792
Total Capital Assets, being depreciated	<u>83,228,916</u>	<u>4,008,532</u>	<u>560,155</u>	<u>86,677,293</u>
Less accumulated depreciation for				
Land Improvements	551,526	289,990		841,516
Buildings and Improvements	14,858,438	1,422,811		16,281,249
Machinery and Equipment	7,022,285	993,262	560,155	7,455,392
Total Accumulated Depreciation	<u>22,432,249</u>	<u>2,706,063</u>	<u>560,155</u>	<u>24,578,157</u>
Total Capital Assets, being depreciated, net	<u>\$ 60,796,667</u>	<u>\$ 1,302,469</u>	<u>\$ -</u>	<u>\$ 62,099,136</u>
Governmental Activities Capital Assets, net	<u>\$ 69,006,049</u>	<u>\$ 2,033,067</u>	<u>\$ 2,997,395</u>	<u>\$ 68,041,721</u>

Depreciation expense was charged to School District functions and programs as follows:

General Government Support	\$ 135,303
Instruction	1,840,123
Pupil Transportation	<u>730,637</u>
Total Depreciation Expense	<u>\$ 2,706,063</u>

C. Accrued Liabilities

Accrued liabilities as of June 30, 2015 were as follows:

	General Fund	Special Aid Fund	Other Governmental Funds	Total
Payroll and Employee Benefits	<u>\$ 223,718</u>	<u>\$ 8,996</u>	<u>\$ 19,863</u>	<u>\$ 252,577</u>

Hyde Park Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

D. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

Purpose	Issue Date	Maturity Date	Interest Rate	Balance July 1, 2014	New Issues	Redemptions	Balance June 30, 2015
Buses 2012-2013	6/26/2013	6/26/2016	0.750 %	\$ 385,000	\$ -	\$ 125,000	\$ 260,000
Athletic Facilities Renovations (Phase 3)	6/26/2013	-	-	4,041,840	-	4,041,840	-
District Wide Renovations (Phase 3)	6/26/2013	-	-	4,758,160	-	4,758,160	-
Buses 2013-2014	6/26/2014	6/26/2016	0.750	657,036	-	207,036	450,000
Buses 2014-2015	10/7/2014	6/26/2016	0.750	-	901,818	-	901,818
Buses and Food Service Equipment - 2011-2012	6/15/2012	6/10/2016	1.030	505,000	-	300,000	205,000
				<u>\$ 10,347,036</u>	<u>\$ 901,818</u>	<u>\$ 9,432,036</u>	<u>\$ 1,816,818</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$53,886 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$53,407 was recorded in the government-wide financial statements.

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2015:

	Balance, as Reported July 1, 2014	Cumulative Effect of Change in Accounting Principle	Balance, as Restated July 1, 2014	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2015	Due Within One-Year
Bonds Payable	\$ 17,785,000	\$ -	\$ 17,785,000	\$ 15,265,000	\$ 9,565,000	\$ 23,485,000	\$ 2,345,000
Add - Unamortized premium	126,463	-	126,463	665,252	66,435	725,280	-
	17,911,463	-	17,911,463	15,930,252	9,631,435	24,210,280	2,345,000
Energy Performance Contract Payable	1,260,094	-	1,260,094	-	399,791	860,303	419,701
	19,171,557	-	19,171,557	15,930,252	10,031,226	25,070,583	2,764,701
Other Non-current Liabilities							
Compensated Absences	1,844,920		1,844,920	364,076	184,500	2,024,496	202,000
Net Pension Liability		1,082,173	1,082,173	121,132		1,203,305	-
Other Post Employment Benefit Obligations	53,092,774	-	53,092,774	21,071,534	4,755,637	69,408,671	-
Total Non-Current Liabilities	54,937,694	1,082,173	56,019,867	21,556,742	4,940,137	72,636,472	202,000
Total Long-Term Liabilities	<u>\$ 74,109,251</u>	<u>\$ 1,082,173</u>	<u>\$ 75,191,424</u>	<u>\$ 37,486,994</u>	<u>\$ 14,971,363</u>	<u>\$ 97,707,055</u>	<u>\$ 2,966,701</u>

Each governmental fund's liability for compensated absences, net pension liability and other post employment benefit obligations is liquidated by the General Fund. The School District's liability for

Hyde Park Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

bonds and energy performance contracts is liquidated by the Debt Service Fund which is funded primarily from the General Fund.

Bonds Payable

Bonds payable at June 30, 2015 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2015
School District Renovations	2006	\$ 10,700,000	June, 2022	4.000-4.500 %	\$ 725,000
School District Renovations	2008	1,785,757	June, 2022	3.250-4.100	1,015,000
School District Renovations	2008	970,000	June, 2027	4.250-5.000	690,000
School District Renovations	2010	6,981,418	June, 2025	3.000-3.750	4,970,000
School District Renovations	2011	2,624,611	June, 2027	2.500-3.125	2,185,000
Refunding Bonds	2014	6,465,000	June, 2022	2.000-5.000	6,285,000
School District Renovations	2015	8,800,000	June, 2029	2.000-2.500	7,615,000
					<u>\$ 23,485,000</u>

Interest expenditures of \$598,659 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$574,234 was recorded in the district-wide financial statements.

Energy Performance Contract Payable

During the fiscal year 2002-2003, the District entered into an energy performance contract agreement for \$4,885,002. The agreement provides for annual payments of \$462,544, including interest at 4.98%, through April 2017. The balance due at June 30, 2015 was \$860,303. Interest expenditures of \$62,753 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$58,605 was recorded in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of June 30, 2015, including interest payments of \$4,211,580 are as follows:

Year Ending June 30,	Bonds		Energy Performance Contract		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,345,000	\$ 742,363	\$ 419,701	\$ 42,843	\$ 2,764,701	\$ 785,206
2017	2,310,000	665,519	440,602	21,942	2,750,602	687,461
2018	2,355,000	590,069	-	-	2,355,000	590,069
2019	2,435,000	500,556	-	-	2,435,000	500,556
2020	2,360,000	418,300	-	-	2,360,000	418,300
2021-2025	8,855,000	1,066,573	-	-	8,855,000	1,066,573
2026-2029	2,825,000	163,415	-	-	2,825,000	163,415
	<u>\$ 23,485,000</u>	<u>\$ 4,146,795</u>	<u>\$ 860,303</u>	<u>\$ 64,785</u>	<u>\$ 24,345,303</u>	<u>\$ 4,211,580</u>

Note 3 - Detailed Notes on All Funds (Continued)

Advance Refunding

During 2014 - 2015, the School District issued \$6,465,000 in serial bonds with interest rates ranging from 2.0% to 2.5%, depending on maturity. The proceeds were used to advance refund \$6,545,000 of outstanding 2002, 2005 and 2006 serial bonds bearing interest at rates ranging from 3.5% to 4.5%, depending on maturity. The net proceeds of \$7,020,068 (including \$665,252 of issuance premium and after \$110,184 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the 2002, 2005 and 2006 serial bond is considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$585,252. The School District advance refunded the 2002, 2005 and 2006 serial bonds to reduce its total debt service payments by \$436,155 and to achieve net present value savings of \$417,575, representing 6.38% savings. As of June 30, 2015, \$6,545,000 of the bonds are considered defeased.

The general obligation bonds are direct obligations of the School District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the School District.

Compensated Absences

The School District is obligated to compensate employees for accrued vacation upon separation of service in accordance with applicable collective bargaining agreements. The School District is not required to compensate employees for accumulated sick leave. However the School District is obligated to compensate employees for sick leave based on language in the collective bargaining agreements by unit. The value of the compensated absences has been reflected in the district-wide financial statements.

Pension Plans

Employees' Retirement System

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS 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

Hyde Park Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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 ERS is noncontributory except for employees who joined after July 2, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Contribution rates for the plan's year ending in 2015 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
1 75I	27.7%
2 75I	25.4
3 A14	20.4
4 A15	20.4
5 A15	16.7
6 A15	11.0

At June 30, 2015, the School District reported a liability of \$1,609,583 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of the contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the School District's proportion was .0356192%. For this first year of implementation, the ERS reported no change in the allocation percentage measured as of March 31, 2014.

For the year ended June 30, 2015, the School District recognized pension expense/expenditures of \$1,914,429 and \$1,654,498, respectively. The \$1,654,498 was charged to the General Fund. At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to the ERS from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 38,519
Changes of assumptions	-
Net difference between projected and actual earnings on pension plan investments	208,999
Changes in proportion and differences between School District contributions and proportionate share of contributions	51,480
School District contributions subsequent to the measurement date	486,117
	<u>\$ 785,115</u>

Note 3 - Detailed Notes on All Funds (Continued)

\$486,117 reported as deferred outflows of resources related to the ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the ERS will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$ 74,750
2017	74,750
2018	74,750
2019	74,748

The total pension liability at March 31, 2015 was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liability to March 31, 2015. Significant actuarial assumptions used in the April 1, 2014 valuation were as follows:

Actuarial cost method	Entry age normal
Inflation	2.7%
Salary scale	4.9%, indexed by service
Investment rate of return	7.5% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.4% annually

Annuitant mortality rates are based on the April 1, 2005 – March 31, 2011 ERS's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2011 valuation are based on the results of an actuarial experience study of the period April 1, 2005 - March 31, 2010.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 and 2014 are summarized below.

Hyde Park Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	<u>100 %</u>	

The discount rate used to calculate the total pension liability was 7.5%. 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 those assumptions, the ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Assumption (7.5%)</u>	<u>1% Increase (8.5%)</u>
School District's proportionate share of the net pension liability	<u>\$ 8,020,546</u>	<u>\$ 1,203,305</u>	<u>\$ (4,552,138)</u>

The components of the current year net pension liability of the ERS as of March 31, 2015, were as follows (amounts expressed in thousands):

Total pension liability	\$ 164,591,504,000
ERS fiduciary net position	<u>161,213,259,000</u>
Employers' net pension liability	<u>\$ 3,378,245,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>97.9%</u>

Note 3 - Detailed Notes on All Funds (Continued)

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2015 represent the projected employer contribution for the period of April 1, 2015 through June 30, 2015 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS as of June 30, 2015 were \$486,117.

Teachers' Retirement System

The School District participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, 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 TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

The TRS is noncontributory except for employees who joined after July 26, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% depending on salary levels for their entire length of service. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rate for the plan's year ending in 2015 was 17.53%.

At June 30, 2015, the School District reported an asset of \$23,330,906 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The School District's proportion of the net pension asset was based on the School District's contributions to the pension plan relative to the contributions of all participating members. At June 30, 2014, the School District's proportion was .209445%, which was an increase of .004638% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the School District recognized pension expense/expenditure of \$(917,497) and \$5,351,043, respectively. The \$5,351,043 was charged to the General Fund. At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

Hyde Park Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 341,172
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	15,669,239
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	27,355
School District contributions subsequent to the measurement date	5,464,068	-
	<u>\$ 5,464,068</u>	<u>\$ 16,037,766</u>

\$5,464,068 reported as deferred outflows of resources related to TRS resulting from the School District's contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to TRS will be recognized in pension expense as follows:

Year Ended June 30,	
2015	\$ 3,960,162
2016	3,960,162
2017	3,960,162
2018	3,960,162
2019	42,852
Thereafter	154,266

The total pension liability for the June 30, 2014 measurement date was determined by using an actuarial valuation as of June 30, 2013, with update procedures used to roll forward the total pension liability to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by using an actuarial valuation as of June 30, 2012, with update procedures used to roll forward the total pension liability to June 30, 2013. These actuarial valuations used the following actuarial assumptions:

Inflation	3.0%
Projected salary increases	Rates of increase differ based on age and gender. They have been calculated based upon recent TRS member experience.

Hyde Park Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Age	Female	Male
25	10.35 %	10.91 %
35	6.26	6.27
45	5.39	5.04
55	4.42	4.01

Projected COLAs	1.625% compounded annually
Investment rate of return	8.0% compounded annually, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2013 and 2012 valuations were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of the valuation dates of June 30, 2013 and 2012 are summarized in the following table:

Asset Class:	Target Allocation		Long-Term Expected Real Rate of Return*	
	2013	2012	2013	2012
Equities:				
Domestic equities	37 %	37 %	7.3 %	7.0 %
International equities	18	18	8.5	9.1
Real estate	10	10	5.0	4.9
Alternative investments	7	7	11.0	10.2
Total Equities	72	72		
Fixed Income:				
Domestic fixed income securities	18	18	1.5	2.0
Global fixed income securities	2	2	1.4	1.7
Mortgages	8	8	3.4	4.0
Short-term	-	-	0.8	1.2
Total Fixed Income	28	28		
Total	100 %	100 %		

* Real rates of return are net of the long-term inflation assumption of 2.3% for 2013 and 2012.

Hyde Park Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension asset calculated using the discount rate of 8.0%, as well as what the School District's proportionate share of the net pension asset would be if it were calculated using a discount rate that is one percentage point lower (7.0%) or one percentage point higher (9.0%) than the current rate:

	1% Decrease (7.0%)	Current Assumption (8.0%)	1% Increase (9.0%)
School District's proportionate share of the net pension asset	<u>\$ 503,280</u>	<u>\$ 23,330,906</u>	<u>\$ 42,783,213</u>

The components of the collective net pension asset of TRS as of the June 30, 2014 measurement date were as follows:

Total pension liability	\$ 97,015,706,548
TRS fiduciary net position	<u>108,155,083,127</u>
Employers' net pension asset	<u>\$ 11,139,376,579</u>
TRS fiduciary net position as a percentage of total pension liability	<u>111.48%</u>

Employer and employee contributions for the year ended June 30, 2015 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2015 represent employee and employer contributions for the fiscal year ended June 30, 2015 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS. Accrued retirement contributions to TRS as of June 30, 2015 were \$5,638,735.

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing post-employment health care benefits is shared between the District and the retired employee. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. The cost of retiree health care benefits is recognized as an expenditure in the fund financial statements as claims are paid.

Note 3 - Detailed Notes on All Funds (Continued)

The School District's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. GASB Statement 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The School District is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis.

The trend assumption is split to reflect separate trends for pre and post-65 claims given that current standards suggest post-65 claims grow at a smaller rate than do pre-65 claims. The pre-65 assumption begins at 7.7% and decreases to a 5.25% long-term trend rate for all health care benefits after eight years. The post-65 assumption begins at 7.0% and decreases to a 5.5% long-term trend rate for all health care benefits after eight years. Additionally, a constant trend of 5.0% per year has been assumed for the Medicare Part B premiums.

The amortization basis is the fixed dollar method with a closed group amortization approach with 23 years remaining in the amortization period. The actuarial assumptions include a 4.5% investment rate of return. The unit credit method was used to determine the actuarial value of the assets of the OPEB plan, however, the School District currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the unit credit method.

The number of participants as of June 30, 2015 was as follows:

Active Employees	634
Retired Employees	<u>386</u>
Total	<u><u>1,020</u></u>

Hyde Park Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of July 1, 2014	\$ 223,224,862
Assets at Market Value	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 223,224,862</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 37,218,732</u>
UAAL as a Percentage of Covered Payroll	<u>599.76%</u>
Annual Required Contribution	\$ 21,941,806
Adjustment to Annual Required Contribution	(3,259,447)
Interest on Net OPEB Obligation	<u>2,389,175</u>
Annual OPEB Cost	21,071,534
Contributions Made	<u>(4,755,637)</u>
Increase in Net OPEB Obligation	16,315,897
Net OPEB Obligation - beginning of year	<u>53,092,774</u>
Net OPEB Obligation - end of year	<u>\$ 69,408,671</u>

The School's District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and two preceding year is as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 21,071,534	22.57 %	\$ 69,408,671
2014	\$ 15,871,932	26.67 %	\$ 53,092,774
2013	15,046,778	26.57	41,453,325

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

G. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return. The interfund transfers reflected below have been reported as transfers.

Hyde Park Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In				Total
	Capital Projects Fund	Special Aid Fund	Debt Service Fund	Non-Major Governmental Funds	
General Fund	\$ 876,500	\$ 182,659	\$ 4,693,130	\$ 115,000	\$ 5,867,289
Debt Service Fund	632,036	-	-	-	632,036
	<u>\$ 1,508,536</u>	<u>\$ 182,659</u>	<u>\$ 4,693,130</u>	<u>\$ 115,000</u>	<u>\$ 6,499,325</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects, Special Aid and School Lunch funds expenditures 2) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and 3) move funds from Debt Service Fund to Capital Projects Fund as bond anticipation notes principal payments become due.

H. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Workers' Compensation Benefits - the component of net position that represents funds to be used for a specific purpose in accordance with Section 6-j of New York State General Municipal Law.

Restricted for Tax Certiorari - the component of net position that has been established in accordance with Education Law to provide funding for court ordered tax refunds which are currently in process.

Restricted for Retirement System Contributions - the component of net position that reports the amounts set aside to be used for retirement costs in accordance with Section 6-r of General Municipal Law.

Restricted for Repairs - the component of net position that has been established to set aside funds to be used for the repairs of parking facilities pursuant to Section 6d of General Municipal Law.

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6m of General Municipal Law of the State of New York.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, less unexpended bond proceeds and unrestricted interest earnings.

Restricted for School Lunch - the component of net position that reports the difference between assets and liabilities in the School Lunch Fund.

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities of the Debt Service Fund and other assets with constraints placed on their use by Local Finance Law.

Restricted for Special Purpose - the component of net position that reports the difference between assets and liabilities of certain programs with constraints placed on their use by either external parties and/or statute.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Hyde Park Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2015					2014				
	General Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total
Nonspendable:										
Inventories	\$ -	\$ -	\$ -	\$ 56,393	\$ 56,393	\$ -	\$ -	\$ -	\$ 78,045	\$ 78,045
Prepaid expenditures	1,221,040	-	-	-	1,221,040	1,143,022	-	-	-	1,143,022
Total Nonspendable	1,221,040	-	-	56,393	1,277,433	1,143,022	-	-	78,045	1,221,067
Restricted:										
Tax certiorari	2,661,585	-	-	-	2,661,585	2,651,736	-	-	-	2,651,736
Employee benefit accrued liability	1,852,920	-	-	-	1,852,920	1,844,920	-	-	-	1,844,920
Retirement system contributions	4,219,069	-	-	-	4,219,069	2,140,677	-	-	-	2,140,677
Unemployment benefits	103,429	-	-	-	103,429	102,984	-	-	-	102,984
Worker's compensation benefits	340,885	-	-	-	340,885	339,413	-	-	-	339,413
Repairs	101,610	-	-	-	101,610	101,170	-	-	-	101,170
Debt service	-	-	3,660,795	-	3,660,795	-	-	3,646,711	-	3,646,711
Special purpose	-	-	-	35,470	35,470	-	-	-	37,990	37,990
Total Restricted	9,279,498	-	3,660,795	35,470	12,975,763	7,180,900	-	3,646,711	37,990	10,865,601
Assigned:										
Purchases on order										
General government support	20,101	-	-	-	20,101	75,197	-	-	-	75,197
Instruction	10,740	-	-	-	10,740	321,836	-	-	-	321,836
School Lunch	-	-	-	59,725	59,725	-	-	-	18,542	18,542
	30,841	-	-	59,725	90,566	397,033	-	-	18,542	415,575
Subsequent year's expenditures	3,218,632	-	-	-	3,218,632	3,500,000	-	-	-	3,500,000
Total Assigned	3,249,473	-	-	59,725	3,309,198	3,897,033	-	-	18,542	3,915,575
Unassigned	2,437,713	(1,421,309)	-	-	1,016,404	3,990,294	(10,144,305)	-	-	(6,154,011)
Total Fund Balances	\$ 16,187,724	\$ (1,421,309)	\$ 3,660,795	\$ 151,588	\$ 18,578,798	\$ 16,211,249	\$ (10,144,305)	\$ 3,646,711	\$ 134,577	\$ 9,848,232

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

Prepaid Expenditures has been provided to account for certain payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Employee Benefit Accrued Liability - has been restricted pursuant to General Municipal Law to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

Purchases on order represent the School District's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Subsequent year's expenditures represent that at June 30, 2015, the Board of Education has assigned the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the Capital Projects Fund represents the deficit in the fund.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The District is involved in a lawsuit arising from the normal conduct of its affairs. Legal counsel is unable to provide the likelihood of an unfavorable outcome or the School District's potential exposure, if any, at this time.

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

B. Contingencies

The School District participates in various Federal grant programs. These programs are be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the School District's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The School District is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid to the School District which may be disallowed cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

C. Risk Management

The School District and other school districts have formed a reciprocal insurance company to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote. The Company is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million and an excess catastrophe liability policy with coverage up to \$10 million. The School District maintains liability coverage for school board members up to \$1 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District and neighboring school districts in Dutchess County, participate in the Dutchess Education Health Insurance Consortium, a public entity risk pool operated for the benefit of individual governmental units located within the County. The School District pays an annual premium to the Plan for this coverage. The Plan is considered a self-sustaining risk pool that will provide coverage for its members and the School District has essentially transferred all related risk to the Plan.

Hyde Park Central School District, New York

Required Supplementary Information Schedule of Funding Progress Other Post Employment Benefits Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
July 1, 2014	\$ -	\$ 223,224,862	\$ 223,224,862	- %	\$ 37,218,732	600 %
July 1, 2013	\$ -	\$ 158,127,932	\$ 158,127,932	- %	\$ 38,593,859	410 %
July 1, 2012	\$ -	\$ 149,453,222	\$ 149,453,222	-	\$ 37,077,620	403 %

Hyde Park Central School District, New York

Required Supplementary Information - Schedule of the School District's Proportionate Share of the Net Pension Liability New York State Teachers' Retirement System Last Ten Fiscal Years (1)

	2015
School District's proportion of the net pension liability (asset)	<u>0.209445%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 23,330,906</u>
School District's covered-employee payroll	<u>\$ 31,170,000</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>74.85%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>111.48%</u>

Note - The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Hyde Park Central School District, New York

Required Supplementary Information - Schedule of Contributions
New York State Teachers' Retirement System
Last Ten Fiscal Years (1)

	<u>2015</u>
Contractually required contribution	\$ 5,464,068
Contributions in relation to the contractually required contribution	<u>(5,464,068)</u>
Contribution deficiency (excess)	<u>\$ -</u>
School District's covered-employee payroll	<u>\$ 31,170,000</u>
Contributions as a percentage of covered-employee payroll	<u>17.53%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Hyde Park Central School District, New York

Required Supplementary Information - Schedule of the School District's Proportionate Share of the Net Pension Liability New York State and Local Employees' Retirement System Last Ten Fiscal Years (1)

	2015
School District's proportion of the net pension liability (asset)	0.035619%
School District's proportionate share of the net pension liability (asset)	\$ 1,203,305
School District's covered-employee payroll	\$ 9,371,000
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12.84%
Plan fiduciary net position as a percentage of the total pension liability	97.90%

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Hyde Park Central School District, New York

Required Supplementary Information - Schedule of Contributions
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	<u>2015</u>
Contractually required contribution	\$ 1,807,149
Contributions in relation to the contractually required contribution	<u>(1,807,149)</u>
Contribution deficiency (excess)	<u>\$ -</u>
School District's covered-employee payroll	<u>\$ 9,371,000</u>
Contributions as a percentage of covered-employee payroll	<u>19.28%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Hyde Park Central School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2015	2014
ASSETS		
Cash and equivalents	\$ 17,207,419	\$ 18,656,510
Receivables		
Accounts	248,553	22,442
State and Federal aid	1,847,281	1,753,160
Due from other governments	1,886,482	1,556,744
Due from other funds	1,588,889	1,127,204
	5,571,205	4,459,550
Prepaid expenditures	1,221,040	1,143,022
Total Assets	\$ 23,999,664	\$ 24,259,082
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 780,736	\$ 1,926,699
Accrued liabilities	223,718	241,483
Unearned revenues	72,851	70,494
Due to other funds	332,036	-
Due to other governments	277,747	11,201
Due to retirement systems	6,124,852	5,797,956
Total Liabilities	7,811,940	8,047,833
Fund balance		
Nonspendable	1,221,040	1,143,022
Restricted	9,279,498	7,180,900
Assigned	3,249,473	3,897,033
Unassigned	2,437,713	3,990,294
Total Fund Balance	16,187,724	16,211,249
Total Liabilities and Fund Balance	\$ 23,999,664	\$ 24,259,082

Hyde Park Central School District, New York

General Fund

Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended June 30,

	2015				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Encumbrances	
REVENUES					
Real property taxes	\$ 49,271,757	\$ 49,271,757	\$ 49,121,289	\$	\$ (150,468)
Other tax items	7,543,752	7,543,752	7,570,517		26,765
Non-property taxes	-	-	47		47
Charges for services	745,000	746,387	1,241,431		495,044
Use of money and property	90,000	140,540	190,310		49,770
Sale of property and compensation for loss	-	11,802	24,359		12,557
State aid	26,048,622	26,148,622	25,656,873		(491,749)
Federal aid	-	-	375,809		375,809
Miscellaneous	200,776	1,458,182	648,555		(809,627)
Total Revenues	83,899,907	85,321,042	84,829,190		(491,852)
EXPENDITURES					
Current					
General support					
Board of education	95,834	101,677	65,216	-	36,461
Central administration	398,767	330,991	318,998	-	11,993
Finance	800,787	800,004	763,589	-	36,415
Staff	398,217	407,711	362,046	-	45,665
Central services	5,014,995	5,168,815	4,910,569	20,101	238,145
Special items	844,448	1,211,115	1,153,192	-	57,923
Total General Support	7,553,048	8,020,313	7,573,610	20,101	426,602
Instruction					
Instruction, administration and improvement	2,926,500	3,054,412	3,006,759	2,608	45,045
Teaching - Regular school	21,050,976	20,790,017	19,778,021	1,912	1,010,084
Programs for children with handicapping conditions	12,062,759	12,214,936	11,986,368	-	228,568
Occupational education	2,093,663	2,097,737	2,097,127	-	610
Teaching - Special schools	312,022	-	-	-	-
Instructional media	2,342,997	2,707,965	2,665,800	1,335	40,830
Pupil services	3,058,710	3,191,646	3,105,779	4,885	80,982
Total Instruction	43,847,627	44,056,713	42,639,854	10,740	1,406,119
Pupil transportation	4,964,411	5,207,883	4,870,079	-	337,804
Employee benefits	26,398,724	26,104,682	23,901,883	-	2,202,799
Debt service					
Principal	3,060,791	-	-	-	-
Interest	1,050,303	-	-	-	-
Total Expenditures	86,874,904	83,389,591	78,985,426	30,841	4,373,324
Excess (Deficiency) of Revenues Over Expenditures	(2,974,997)	1,931,451	5,843,764	(30,841)	3,881,472
OTHER FINANCING USES					
Transfers out	(922,036)	(5,909,630)	(5,867,289)	-	42,341
Net Change in Fund Balance	(3,897,033)	(3,978,179)	(23,525)	\$ (30,841)	\$ 3,923,813
FUND BALANCE					
Beginning of Year	3,897,033	3,978,179	16,211,249		
End of Year	\$ -	\$ -	\$ 16,187,724		

2014				
Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
\$ 55,686,745	\$ 40,377,631	\$ 47,812,892	\$	\$ 7,435,261
-	15,309,114	7,767,787		(7,541,327)
-	-	4,018		4,018
745,000	745,000	1,064,122		319,122
90,000	90,000	161,822		71,822
-	8,776	17,851		9,075
24,146,733	24,146,733	24,189,555		42,822
-	-	384,062		384,062
204,743	1,472,021	1,638,305		166,284
80,873,221	82,149,275	83,040,414		891,139
69,798	71,971	60,541	-	11,430
341,086	311,907	301,753	-	10,154
813,593	808,265	697,678	-	110,587
419,526	430,469	331,556	-	98,913
4,936,183	5,720,256	5,400,105	75,197	244,954
832,109	878,592	829,499	-	49,093
7,412,295	8,221,460	7,621,132	75,197	525,131
2,892,841	3,109,609	3,062,698	-	46,911
20,662,455	20,757,288	20,433,935	3,597	319,756
12,293,239	12,265,943	11,827,125	6,217	432,601
1,885,212	1,891,148	1,885,951	-	5,197
632	695	695	-	-
2,354,473	3,020,027	2,661,827	312,022	46,178
2,946,081	3,070,961	3,016,157	-	54,804
43,034,933	44,115,671	42,888,388	321,836	905,447
4,829,725	5,004,690	4,850,766	-	153,924
25,576,134	24,787,057	23,184,102	-	1,602,955
2,370,827	-	-	-	-
1,169,372	-	-	-	-
84,393,286	82,128,878	78,544,388	397,033	3,187,457
(3,520,065)	20,397	4,496,026	(397,033)	4,078,596
(887,122)	(4,427,584)	(4,102,934)	-	324,650
(4,407,187)	(4,407,187)	393,092	\$ (397,033)	\$ 4,403,246
4,407,187	4,407,187	15,818,157		
\$ -	\$ -	\$ 16,211,249		

Hyde Park Central School District, New York

General Fund

Schedule of Revenues Compared to Budget

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	<u>\$ 49,271,757</u>	<u>\$ 49,271,757</u>	<u>\$ 49,121,289</u>	<u>\$ (150,468)</u>
OTHER TAX ITEMS				
School tax relief reimbursement	7,543,752	7,543,752	7,543,752	-
Interest and penalties on real property taxes	-	-	20,145	20,145
Payments in lieu of taxes	-	-	6,620	6,620
	<u>7,543,752</u>	<u>7,543,752</u>	<u>7,570,517</u>	<u>26,765</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	-	-	47	47
CHARGES FOR SERVICES				
Day school tuition	700,000	701,387	1,130,900	429,513
Health services for other districts	45,000	45,000	110,531	65,531
	<u>745,000</u>	<u>746,387</u>	<u>1,241,431</u>	<u>495,044</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	75,000	75,000	113,920	38,920
Rental of real property	15,000	65,540	76,390	10,850
	<u>90,000</u>	<u>140,540</u>	<u>190,310</u>	<u>49,770</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	11,802	16,266	4,464
Other	-	-	8,093	8,093
	<u>-</u>	<u>11,802</u>	<u>24,359</u>	<u>12,557</u>

STATE AID

Basic formula	24,216,671	24,216,671	19,611,169	(4,605,502)
BOCES	1,457,529	1,457,529	1,367,235	(90,294)
Lottery	-	-	4,191,141	4,191,141
Computer hardware aid	48,408	48,408	48,729	321
Textbook aid	237,061	237,061	179,433	(57,628)
Computer software aid	62,766	62,766	61,433	(1,333)
Library aid	26,187	26,187	25,631	(556)
Other	-	100,000	172,102	72,102
	<u>26,048,622</u>	<u>26,148,622</u>	<u>25,656,873</u>	<u>(491,749)</u>

FEDERAL AID

Federal impact aid	-	-	361,057	361,057
Medical assistance	-	-	14,752	14,752
	<u>-</u>	<u>-</u>	<u>375,809</u>	<u>375,809</u>

MISCELLANEOUS

Refund of prior year's expenditures	-	-	108,246	108,246
Refund of prior year's BOCES expenditures	185,776	185,776	400,571	214,795
Gifts and donations	-	29,768	34,473	4,705
Medicare part D	-	-	40,586	40,586
Other	15,000	1,242,638	64,679	(1,177,959)
	<u>200,776</u>	<u>1,458,182</u>	<u>648,555</u>	<u>(809,627)</u>

TOTAL REVENUES

<u>\$ 83,899,907</u>	<u>\$ 85,321,042</u>	<u>\$ 84,829,190</u>	<u>\$ (491,852)</u>
----------------------	----------------------	----------------------	---------------------

Hyde Park Central School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 8,530	\$ 14,373	\$ 12,449	\$ -	\$ 1,924
District clerk	25,214	25,214	22,652	-	2,562
District meeting	62,090	62,090	30,115	-	31,975
Total Board of Education	95,834	101,677	65,216	-	36,461
CENTRAL ADMINISTRATION					
Chief school administrator	398,767	330,991	318,998	-	11,993
FINANCE					
Business administration	590,128	583,475	551,805	-	31,670
Accounting and auditing	50,000	50,000	47,651	-	2,349
Treasurer	105,894	110,226	108,489	-	1,737
Purchasing	54,765	56,303	55,644	-	659
Total Finance	800,787	800,004	763,589	-	36,415
STAFF					
Legal	175,500	172,000	136,937	-	35,063
Personnel	201,774	214,768	204,167	-	10,601
Public information and services	20,943	20,943	20,942	-	1
Total Staff	398,217	407,711	362,046	-	45,665
CENTRAL SERVICES					
Operation and maintenance of plant	4,597,973	4,774,294	4,582,719	11,326	180,249
Central printing and mailing	242,453	242,453	201,506	-	40,947
Central data processing	174,569	152,068	126,344	8,775	16,949
Total Central Services	5,014,995	5,168,815	4,910,569	20,101	238,145

SPECIAL ITEMS

Unallocated insurance	260,498	256,445	237,664	-	18,781
School association dues	24,000	24,000	22,282	-	1,718
Judgments and claims	-	3,500	3,500	-	-
Assessments on school property	80,000	69,211	31,787	-	37,424
Refunds of real property taxes	-	378,009	378,009	-	-
Administrative charge - BOCES	479,950	479,950	479,950	-	-
Total Special Items	844,448	1,211,115	1,153,192	-	57,923
Total General Support	7,553,048	8,020,313	7,573,610	20,101	426,602

INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	243,815	261,763	255,520	-	6,243
Supervision - Regular school	2,569,045	2,629,185	2,608,869	-	20,316
In-service training - Instruction	113,640	163,464	142,370	2,608	18,486
Total Instruction, Administration and Improvement	2,926,500	3,054,412	3,006,759	2,608	45,045

TEACHING - REGULAR SCHOOL

21,050,976	20,790,017	19,778,021	1,912	1,010,084
------------	------------	------------	-------	-----------

PROGRAMS FOR CHILDREN WITH HANDICAPPING CONDITIONS

Programs for students with disabilities	12,062,759	12,214,936	11,986,368	-	228,568
---	------------	------------	------------	---	---------

OCCUPATIONAL EDUCATION

2,093,663	2,097,737	2,097,127	-	610
-----------	-----------	-----------	---	-----

TEACHING - SPECIAL SCHOOLS

312,022	-	-	-	-
---------	---	---	---	---

INSTRUCTIONAL MEDIA

School library and audiovisual	736,864	737,911	721,044	-	16,867
Computer assisted instruction	1,606,133	1,970,054	1,944,756	1,335	23,963
Total Instructional Media	2,342,997	2,707,965	2,665,800	1,335	40,830

(Continued)

Hyde Park Central School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
INSTRUCTION (Continued)					
PUPIL SERVICES					
Guidance - Regular school	\$ 990,431	\$ 1,020,971	\$ 1,004,891	\$ -	\$ 16,080
Health services - Regular school	596,078	652,721	628,746	3,457	20,518
Psychological services - Regular school	562,096	582,096	569,828	-	12,268
Social work services - Regular school	406,530	406,530	405,647	-	883
Co-curricular activities - Regular school	90,658	94,894	92,631	-	2,263
Interscholastic athletics - Regular school	412,917	434,434	404,036	1,428	28,970
Total Pupil Services	3,058,710	3,191,646	3,105,779	4,885	80,982
Total Instruction	43,847,627	44,056,713	42,639,854	10,740	1,406,119
PUPIL TRANSPORTATION					
District transportation services	4,764,686	5,005,355	4,784,434	-	220,921
Contract transportation	199,725	202,528	85,645	-	116,883
Total Pupil Transportation	4,964,411	5,207,883	4,870,079	-	337,804
EMPLOYEE BENEFITS					
State retirement	1,960,653	1,960,653	1,654,498	-	306,155
Teachers' retirement	5,554,993	5,554,993	5,351,043	-	203,950
Social security	3,169,055	3,159,305	2,994,713	-	164,592
Workers' compensation benefits	667,002	667,002	641,720	-	25,282
Life insurance	8,901	8,901	4,614	-	4,287
Unemployment benefits	150,000	150,000	7,912	-	142,088
Hospital, medical and dental insurance	14,254,072	13,969,644	12,648,834	-	1,320,810
Union welfare benefits	628,660	628,796	593,834	-	34,962
Administrative fees for employee benefits	5,388	5,388	4,715	-	673
Total Employee Benefits	26,398,724	26,104,682	23,901,883	-	2,202,799

DEBT SERVICE

Principal

Serial bonds

2,661,000

-

-

-

-

Energy performance contract

399,791

-

-

-

-

3,060,791

-

-

-

-

Interest

Serial bonds

915,855

-

-

-

-

Energy performance contract

62,753

-

-

-

-

Bond anticipation notes

71,695

-

-

-

-

1,050,303

-

-

-

-

Total Debt Service

4,111,094

-

-

-

-

TOTAL EXPENDITURES

86,874,904

83,389,591

78,985,426

30,841

4,373,324

OTHER FINANCING USES

Transfers out

Capital Projects Fund

582,036

876,500

876,500

-

-

Debt Service Fund

-

4,693,130

4,693,130

-

-

Special Aid Fund

225,000

225,000

182,659

-

42,341

School Lunch Fund

115,000

115,000

115,000

-

-

TOTAL OTHER FINANCING USES

922,036

5,909,630

5,867,289

-

42,341

**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

\$ 87,796,940

\$ 89,299,221

\$ 84,852,715

\$ 30,841

\$ 4,415,665

Hyde Park Central School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 310,597	\$ 1,933,349
Due from other funds	<u>332,036</u>	<u>-</u>
Total Assets	<u><u>\$ 642,633</u></u>	<u><u>\$ 1,933,349</u></u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 247,124	\$ 2,718
Due to other funds	-	1,727,900
Bond anticipation notes payable	<u>1,816,818</u>	<u>10,347,036</u>
Total Liabilities	2,063,942	12,077,654
Fund deficit		
Unassigned	<u>(1,421,309)</u>	<u>(10,144,305)</u>
Total Liabilities and Fund Deficit	<u><u>\$ 642,633</u></u>	<u><u>\$ 1,933,349</u></u>

Hyde Park Central School District, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years Ended June 30,

	<u>2015</u>	<u>2014</u>
REVENUES		
Miscellaneous	\$ -	\$ 1,444
EXPENDITURES		
Capital outlay	<u>1,585,540</u>	<u>7,157,144</u>
Deficiency of Revenues Over Expenditures	<u>(1,585,540)</u>	<u>(7,155,700)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	8,800,000	-
Transfers in	1,508,536	547,221
Transfers out	<u>-</u>	<u>(1,845,795)</u>
Total Other Financing Sources (Uses)	<u>10,308,536</u>	<u>(1,298,574)</u>
Net Change in Fund Balance	8,722,996	(8,454,274)
FUND DEFICIT		
Beginning of Year	<u>(10,144,305)</u>	<u>(1,690,031)</u>
End of Year	<u>\$ (1,421,309)</u>	<u>\$ (10,144,305)</u>

Hyde Park Central School District, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project Through June 30, 2015

Project	Project Budget	Expenditures and Transfers To Date			Unexpended Balance
		Prior Years	Current Year	Total	
District Wide Renovations and Acquisitions (Phase 2)	\$ 14,924,611	\$ 13,774,524	\$ 353,996	\$ 14,128,520	\$ 796,091
Buses 2010	971,730	693,896	-	693,896	277,834
Buses 2011	761,730	792,680	-	792,680	(30,950)
Athletic Facilities Renovations (Phase 3 Athletic Facilities)	4,651,000	4,550,113	-	4,550,113	100,887
District Wide Renovations (Phase 3 Boilers)	5,475,100	5,037,577	-	5,037,577	437,523
Buses and Food Service Equipment 2011-2012	799,903	796,586	-	796,586	3,317
Buses 2012-2013	520,220	507,821	-	507,821	12,399
Buses 2013-2014	665,429	657,036	-	657,036	8,393
RSS Wheelchair Lift	76,500	-	55,000	55,000	21,500
HMS Heating Project (Phase 4)	3,000,000	-	321,602	321,602	2,678,398
Buses 2014-2015	901,820	-	854,942	854,942	46,878
Totals	<u>\$ 32,748,043</u>	<u>\$ 26,810,233</u>	<u>\$ 1,585,540</u>	<u>\$ 28,395,773</u>	<u>\$ 4,352,270</u>

Proceeds of Obligations	Methods of Financing			Fund Balance (Deficit) at June 30, 2015	Bond Anticipation Notes Outstanding at June 30, 2015
	State Aid	Interfund Transfers	Totals		
\$ 11,300,000	\$ 3,413,800	\$ -	\$ 14,713,800	\$ 585,280	\$ -
971,730	-	-	971,730	277,834	-
561,730	-	-	561,730	(230,950)	-
4,400,000	-	151,544	4,551,544	1,431	-
4,400,000	-	650,000	5,050,000	12,423	-
594,903	-	-	594,903	(201,683)	205,000
247,221	-	-	247,221	(260,600)	260,000
207,036	-	-	207,036	(450,000)	450,000
-	-	76,500	76,500	21,500	-
-	-	-	-	(321,602)	-
-	-	-	-	(854,942)	901,818
<u>\$ 22,682,620</u>	<u>\$ 3,413,800</u>	<u>\$ 878,044</u>	<u>\$ 26,974,464</u>	<u>\$ (1,421,309)</u>	<u>\$ 1,816,818</u>

(This page intentionally left blank)

Hyde Park Central School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 500	\$ 500
State and Federal aid receivable	<u>1,713,677</u>	<u>942,845</u>
Total Assets	<u>\$ 1,714,177</u>	<u>\$ 943,345</u>
LIABILITIES		
Accounts payable	\$ 164,358	\$ 785
Accrued liabilities	8,996	1,498
Unearned revenues	41,792	-
Due to other funds	<u>1,499,031</u>	<u>941,062</u>
Total Liabilities	<u>\$ 1,714,177</u>	<u>\$ 943,345</u>

Hyde Park Central School District, New York

Special Aid Fund

Comparative Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual

Years Ended June 30,

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 2,176,024	\$ 1,523,230	\$ 1,390,384	\$ (132,846)
Federal aid	2,033,816	2,187,257	1,840,507	(346,750)
Total Revenues	4,209,840	3,710,487	3,230,891	(479,596)
EXPENDITURES				
Current				
Instruction	4,434,840	3,935,487	3,413,550	521,937
Deficiency of Revenues Over Expenditures	(225,000)	(225,000)	(182,659)	42,341
OTHER FINANCING SOURCES				
Transfers in	225,000	225,000	182,659	(42,341)
Net Change in Fund Balance	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 716,048	\$ 716,048	\$ 716,048	\$ -
1,901,447	1,940,912	1,529,982	(410,930)
2,617,495	2,656,960	2,246,030	(410,930)
2,842,495	2,881,960	2,394,070	487,890
(225,000)	(225,000)	(148,040)	76,960
225,000	225,000	148,040	(76,960)
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Hyde Park Central School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 3,734,790	\$ 2,027,540
Due from other funds	<u>-</u>	<u>1,619,171</u>
Total Assets	<u>\$ 3,734,790</u>	<u>\$ 3,646,711</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ 73,995	\$ -
Fund balance		
Restricted	<u>3,660,795</u>	<u>3,646,711</u>
Total Liabilities and Fund Balance	<u>\$ 3,734,790</u>	<u>\$ 3,646,711</u>

Hyde Park Central School District, New York

Debt Service Fund
 Comparative Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Years Ended June 30,

	2015	2014
REVENUES		
Use of money and property	\$ 88,079	\$ 20,447
EXPENDITURES		
Debt service		
Principal		
Serial bonds	3,020,000	1,990,000
Energy performance contract	399,791	380,826
	3,419,791	2,370,826
Refunding bonds issuance costs	110,184	-
Interest		
Serial bonds	598,659	759,595
Energy performance contract	62,753	81,718
Bond anticipation notes	53,886	80,271
	715,298	921,584
Total Expenditures	4,245,273	3,292,410
Deficiency of Revenues over Expenditures	(4,157,194)	(3,271,963)
OTHER FINANCING SOURCES (USES)		
Refunding bonds issued	6,465,000	-
Payment to refunded bond escrow agent	(7,020,068)	-
Issuance premium	665,252	-
Transfers in	4,693,130	5,685,426
Transfers out	(632,036)	(547,221)
Total Other Financing Sources	4,171,278	5,138,205
Net Change in Fund Balance	14,084	1,866,242
FUND BALANCE		
Beginning of Year	3,646,711	1,780,469
End of Year	\$ 3,660,795	\$ 3,646,711

Hyde Park Central School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015
(With Comparative Totals for 2014)

	School Lunch	Special Purpose
ASSETS		
Cash and equivalents	\$ 40,781	\$ 35,570
Receivables		
Accounts	3,313	-
State and Federal aid	70,164	-
	73,477	-
Inventories	56,393	-
Total Assets	<u>\$ 170,651</u>	<u>\$ 35,570</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ -	\$ 100
Accrued liabilities	19,863	-
Unearned revenues	18,588	-
Due to other funds	15,863	-
Due to other governments	219	-
Total Liabilities	<u>54,533</u>	<u>100</u>
Fund balances		
Nonspendable	56,393	-
Restricted	-	35,470
Assigned	59,725	-
Total Fund Balances	<u>116,118</u>	<u>35,470</u>
Total Liabilities and Fund Balances	<u>\$ 170,651</u>	<u>\$ 35,570</u>

Total Non-Major
Governmental Funds

2015	2014
\$ 76,351	\$ 91,554
3,313	13,465
70,164	70,920
73,477	84,385
56,393	78,045
\$ 206,221	\$ 253,984

\$ 100	\$ 100
19,863	19,306
18,588	22,394
15,863	77,413
219	194
54,633	119,407

56,393	78,045
35,470	37,990
59,725	18,542
151,588	134,577
\$ 206,221	\$ 253,984

Hyde Park Central School District, New York**Combining Statement of Revenues, Expenditures and Changes
in Fund Balances****Non-Major Governmental Funds****Year Ended June 30, 2015****(With Comparative Totals for 2014)**

	School Lunch	Special Purpose
REVENUES		
Use of money and property	\$ -	\$ -
State aid	32,990	-
Federal aid	877,877	-
Food sales	511,895	-
Miscellaneous	48,210	3,475
Total Revenues	1,470,972	3,475
EXPENDITURES		
Current		
Cost of food sales	1,566,441	-
Other	-	5,995
Total Expenditures	1,566,441	5,995
Deficiency of Revenues Over Expenditures	(95,469)	(2,520)
OTHER FINANCING SOURCES (USES)		
Transfers in	115,000	-
Net Change in Fund Balances	19,531	(2,520)
FUND BALANCES		
Beginning of Year	96,587	37,990
End of Year	\$ 116,118	\$ 35,470

Total Non-Major Governmental Funds	
2015	2014
\$ -	\$ 1
32,990	33,422
877,877	834,846
511,895	628,348
51,685	62,077
<u>1,474,447</u>	<u>1,558,694</u>
1,566,441	1,695,636
<u>5,995</u>	<u>6,531</u>
<u>1,572,436</u>	<u>1,702,167</u>
(97,989)	(143,473)
<u>115,000</u>	<u>115,263</u>
17,011	(28,210)
<u>134,577</u>	<u>162,787</u>
<u>\$ 151,588</u>	<u>\$ 134,577</u>

Hyde Park Central School District, New YorkSchool Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 40,781</u>	<u>\$ 53,464</u>
Receivables		
Accounts	3,313	13,465
State and Federal aid	<u>70,164</u>	<u>70,920</u>
	<u>73,477</u>	<u>84,385</u>
Inventories	<u>56,393</u>	<u>78,045</u>
Total Assets	<u><u>\$ 170,651</u></u>	<u><u>\$ 215,894</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accrued liabilities	<u>\$ 19,863</u>	<u>\$ 19,306</u>
Unearned revenues	18,588	22,394
Due to other funds	15,863	77,413
Due to other governments	<u>219</u>	<u>194</u>
Total Liabilities	<u>54,533</u>	<u>119,307</u>
Fund balance		
Nonspendable	56,393	78,045
Assigned	<u>59,725</u>	<u>18,542</u>
Total Fund Balance	<u>116,118</u>	<u>96,587</u>
Total Liabilities and Fund Balance	<u><u>\$ 170,651</u></u>	<u><u>\$ 215,894</u></u>

Hyde Park Central School District, New York

School Lunch Fund

Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	2015	2014
REVENUES		
State aid	\$ 32,990	\$ 33,422
Federal aid	877,877	834,846
Food sales	511,895	628,348
Miscellaneous	48,210	58,102
Total Revenues	1,470,972	1,554,718
EXPENDITURES		
Current		
Cost of food sales	1,566,441	1,695,636
Deficiency of Revenues Over Expenditures	(95,469)	(140,918)
OTHER FINANCING SOURCES		
Transfers in	115,000	115,263
Net Change in Fund Balance	19,531	(25,655)
FUND BALANCE		
Beginning of Year	96,587	122,242
End of Year	\$ 116,118	\$ 96,587

Hyde Park Central School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 35,570</u>	<u>\$ 38,090</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 100	\$ 100
Fund balance		
Restricted	<u>35,470</u>	<u>37,990</u>
Total Liabilities and Fund Balance	<u>\$ 35,570</u>	<u>\$ 38,090</u>

Hyde Park Central School District, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2015</u>	<u>2014</u>
REVENUES		
Use of money and property	\$ -	\$ 1
Miscellaneous	<u>3,475</u>	<u>3,975</u>
Total Revenues	3,475	3,976
EXPENDITURES		
Current		
Other	<u>5,995</u>	<u>6,531</u>
Deficiency of Revenues Over Expenditures	(2,520)	(2,555)
FUND BALANCE		
Beginning of Year	<u>37,990</u>	<u>40,545</u>
End of Year	<u>\$ 35,470</u>	<u>\$ 37,990</u>

Hyde Park Central School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2015

Adopted Budget	\$ 87,399,907
Additions	
Encumbrances	<u>397,033</u>
Original Budget	87,796,940
Budget Amendments	<u>1,502,281</u>
Final Budget	<u>\$ 89,299,221</u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

Year Ended June 30, 2015

2015-16 Expenditure Budget	<u>\$ 88,531,455</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	3,249,473
Unassigned fund balance	<u>2,437,713</u>
Total Unrestricted Fund Balance	<u>5,687,186</u>
Less	
Appropriated for subsequent year's budget	3,218,632
Encumbrances	<u>30,841</u>
Total Adjustments	<u>3,249,473</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 2,437,713</u>
Actual Percentage	<u>2.75%</u>

Hyde Park Central School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2015

Capital Assets, net		\$ 68,041,721
Less		
Bonds payable	(23,485,000)	
Energy performance contract payable	(860,303)	
Bond anticipation notes payable	(1,816,818)	
Unamortized portion of premium on bonds	<u>(725,280)</u>	(26,887,401)
Plus		
Unexpended bond proceeds	328,027	
Unamortized portion of loss on refunding bonds	<u>435,479</u>	<u>763,506</u>
Net Investment in Capital Assets		<u>\$ 41,917,826</u>

(This page intentionally left blank)

**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***

Independent Auditors' Report

**The Board of Education of the
Hyde Park Central School District, 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 Hyde Park Central School District ("School District") as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 22, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting ("internal control") to determine 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

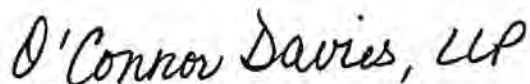
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

We noted certain matters that we reported to the management of the School District in a separate letter.

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.



O'Connor Davies, LLP
New Windsor, New York
September 22, 2015

**Report on Compliance For Each Major Federal Program and
Report on Internal Control Over Compliance**

Independent Auditors' Report

**The Board of Education of the
Hyde Park Central School District, New York**

Report on Compliance for Each Major Federal Program

We have audited Hyde Park Central School District's ("School District") compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance *Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2015. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of School District's compliance.

Opinion on Each Major Federal Program

In our opinion, 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, 2015.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP
New Windsor, New York
September 22, 2015

Hyde Park Central School District, New York

Schedule of Expenditures of Federal Awards
Year Ending June 30, 2015

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Total Program Expenditures</u>
<u>U.S. Department of Agriculture</u>		
Indirect Programs - Passed through New York State Department of Education		
<i>Child Nutrition Cluster</i>		
National School Lunch Program	10.555	\$ 617,879
School Breakfast Program	10.553	164,510
National School Lunch Program - Commodities	10.555	<u>95,488</u>
Total U.S. Department of Agriculture		<u>877,877</u>
<u>U.S. Department of Education</u>		
Indirect Programs - Passed through New York State Department of Education		
<i>Special Education Cluster</i>		
Special Education - Grants to States	84.027	1,020,396
Special Education - Preschool Grants	84.173	<u>49,745</u>
		1,070,141
Title I Grants - Local Educational Agencies	84.010	443,770
School Improvement Grant	84.377	111,182
Impact Aid	84.041	361,057
English Language Acquisition Grant	84.365	14,123
Improving Teacher Quality State Grants	84.367	139,716
Race to the Top, Recovery Act (ARRA)	84.395	<u>61,575</u>
Total U.S. Department of Education		<u>2,201,564</u>
Total		<u>\$ 3,079,441</u>

(1) Catalog of Federal Domestic Assistance number

The accompanying notes are an integral part of this schedule

Hyde Park Central School District, New York

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Hyde Park Central School District, New York ("School District") under programs of the federal government for the year ended June 30, 2015. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, which establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments.

Hyde Park Central School District, New York

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

None

Hyde Park Central School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes X No
___ Yes X None reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes X No
___ Yes X None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

___ Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.010
84.041

Title I Grants – Local Educational Agencies
Impact Aid

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

\$300,000

Auditee qualified as low-risk auditee?

X yes ___ no

Hyde Park Central School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None