

**HUDSON VALLEY COMMUNITY COLLEGE**

AUDITED FINANCIAL STATEMENTS AND  
REPORTS REQUIRED UNDER  
UNIFORM GUIDANCE

August 31, 2021

# HUDSON VALLEY COMMUNITY COLLEGE

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Hudson Valley Community College

### Report on Financial Statements

We have audited the accompanying financial statements of Hudson Valley Community College (the College), a component unit of Rensselaer County, New York, and its discretely presented component units, which comprise the statements of net position as of August 31, 2021 and 2020, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

#### ***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.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor's 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.

#### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Hudson Valley Community College and its discretely presented component units as of August 31, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and other required supplementary information on pages 35 through 40 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, which 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hudson Valley Community College's basic financial statements. The accompanying supplementary information on pages 41 through 46 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022, on our consideration the College'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 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 College's internal control over financial reporting and compliance.

**UHY** LLP

Albany, New York  
March 29, 2022

# HUDSON VALLEY COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Introduction

The following management discussion and analysis (MD&A) provides a comprehensive overview of Hudson Valley Community College's (the College) financial position as of August 31, 2021 and 2020, and the changes in its financial position for the years then ended. Management has prepared this MD&A which should be read in conjunction with the audited financial statements and related footnotes of the College which directly follow the MD&A.

For financial reporting purposes the College consists of the College and its component units, the Capital District Educational Opportunity Center (EOC), the Faculty Student Association (FSA) of Hudson Valley Community College, and the Hudson Valley Community College Foundation (the Foundation). For financial reporting purposes the EOC is considered a part of the College's primary institution. Readers should refer to the individual financial statements of the other component units for further information on them.

The financial statements of the College have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The College complies with GASB pronouncements, which establish accounting and financial reporting standards for public colleges and universities. The objective of these standards is to enhance the understandability and usefulness of the external financial reports issued by public colleges and universities.

### Overview of Financial Statements

The financial statement presentation consists of a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; a Statement of Cash Flows, and accompanying notes. These statements provide information on the financial position, the financial activities and changes in financial position of the College during the year. A summary of these statements follows:

The Statements of Net Position presents information on all of the College's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the net amount reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the College is improving.

The Statements of Revenues, Expenses, and Changes in Net Position present the changes in financial position for the fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement include items that will result in cash received or disbursed in future fiscal periods (e.g. the receipt of amounts due from students and others for services rendered, or the payment for accrued compensated absences).

The Statements of Cash Flows provides information on the major sources and uses of cash during the years. The cash flow statement portrays net cash provided by or used for operating, investing, capital, and noncapital financing activities.

## Statement of Net Position

The following Condensed Schedule of Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position depict changes in the key components of financial position for 2021 and 2020. During the year ended August 31, 2021, total assets increased \$12.5 million and total liabilities decreased \$19.9 million.

### Condensed Statements of Net Position

August 31, 2021 and 2020

(in millions)

Primary Institution

	<u>2021</u>	<u>2020</u>
Current Assets	\$ 64.3	\$ 57.4
Noncurrent Assets:		
Capital Assets, net of depreciation	135.9	140.6
Other	11.4	1.1
<b>Total Assets</b>	<u>\$ 211.6</u>	<u>\$ 199.1</u>
Deferred Outflows of Resources	<u>\$ 19.5</u>	<u>\$ 17.9</u>
Current Liabilities	21.4	19.3
Noncurrent Liabilities	62.0	84.0
<b>Total Liabilities</b>	<u>\$ 83.4</u>	<u>\$ 103.3</u>
Deferred Inflows of Resources	<u>\$ 35.1</u>	<u>\$ 2.8</u>
Net Position		
Net Invested in Capital Assets	111.6	116.2
Restricted	1.0	1.2
Unrestricted	-	(6.5)
<b>Total Net Position</b>	<u>\$ 112.6</u>	<u>\$ 110.9</u>

## Assets

**Current assets** include cash, temporary investments, amounts owed to the College which are expected to be received within the ensuing year, and advance payments made by the College for goods and/or services which will be consumed during the following year. The majority of current assets are cash and cash equivalents.

### Cash

The College maintains three accounts, an operating account, a payroll account, and a controlled disbursement account at M & T Bank, the College's primary financial institution.

### Investments

During the year excess college funds were invested in money market accounts, CD accounts and US Treasury bills. The Board of Trustees designates and approves all eligible depositories of College funds.

In fiscal years ended August 31, 2021 and 2020, the College's investments and surplus funds generated approximately \$54,000 and \$549,000 in interest income, respectively. The decrease in interest income is attributable to lower overall interest rates due to the pandemic.

Total cash, cash equivalents and short-term investments available as of August 31, 2021 and 2020 were \$52,816,115 and \$43,702,214 respectively.

**Noncurrent assets** are amounts owed to the College, or advance payments for goods and/or services, not expected to be received by August 31, 2022. Noncurrent assets also include funds obtained through bonding of our capital projects which are being held by Rensselaer County and are expected to be expended after August 31, 2022.

### **Capital Assets**

Capital Assets are the largest contributor to noncurrent assets and are presented at their value net of depreciation. The overall value of net capital assets decreased by 3.3% over the year compared to the prior year. The decrease is primarily due to a decrease in capital assets from depreciation.

This information is presented in more detail in Note 5 of the Financial Statements.

### **Deferred Outflows and Inflows of Resources**

The College recognizes deferred outflows of resources of \$19.5 million and deferred inflows of resources of \$35.1 million related to the New York State Teacher's Retirement System (TRS) and New York State and Local Employees' Retirement System (ERS) plans and Other Postemployment Benefit (OPEB) plans. In addition, net pension assets and deferred outflows of resources are not available for spending.

### **Liabilities**

**Current liabilities** represent amounts owed for goods or services received or committed by the College as of August 31, 2021 which will be paid in fiscal year 2022; and payments that have been received by the College for services that will be rendered by the College by August 31, 2022. The largest portion of current liabilities is related to unearned student tuition revenues.

**Noncurrent liabilities** represent amounts owed for goods or services received or commitments by the College as of August 31, 2021 which will be paid after August 31, 2022. This includes amounts due for post retirements benefits of \$18.8 million (see Note 13 for more detail) and termination benefits for current employees in the amount of \$16.3 million (see Note 12 for more detail).

Debt obligations incurred by the County and the State in financing the construction and acquisition of campus facilities and equipment are recognized in the accompanying financial statements.

Of the \$24.7 million outstanding debt against the net capital assets as of August 31, 2021, debt payments of \$2.2 million that are due within one year are classified as current liabilities, and the remaining \$22.5 million is reported in the noncurrent liabilities section. Additional information regarding financing agreements related to capital assets can be found in Note 9.

The College liquidity ratio was 3.00 as of August 31, 2021 as compared to 2.97 as of August 31, 2020. The College has strong liquidity with current assets being more than three times as much as current liabilities.

## Statement of Revenues, Expenses and Changes in Net Position

Operating results for the College for the years ended August 31 are as follows:

### Condensed Schedule of Operating Results (in millions) Primary Institution

	<u>2021</u>	<u>2020</u>
Operating Revenue:		
Student Tuition, net	\$ 31.7	\$ 34.4
Grants and Contracts	5.2	6.1
Total Operating Revenue	<u>\$ 36.9</u>	<u>\$ 40.5</u>
Less: Operating Expenses	111.3	123.7
Operating Loss	<u>\$ (74.4)</u>	<u>\$ (83.2)</u>
Non-Operating Revenue (Expenses):		
State Appropriations	\$ 21.4	\$ 23.0
Local Appropriations	26.2	25.1
Grants	24.8	22.5
Interest Expense, Investment Income and Other	0.8	(0.5)
Total Non-Operating Revenue (Expenses)	<u>\$ 73.2</u>	<u>\$ 70.1</u>
Capital Appropriations	2.9	9.4
Increase (Decrease) in Net Position	\$ 1.7	\$ (3.7)
Net Position, Beginning of the Year	110.9	114.6
Net Position, End of the Year	<u>\$ 112.6</u>	<u>\$ 110.9</u>

### Operating Revenues

Total operating revenue for year ended August 31, 2021 decreased \$3.6 million over the prior year. The decrease is due mainly to the decrease in enrollment from the prior year.

- **Student Tuition, Net** – In accordance with GASB Statement No. 34, student tuition is reported net of scholarship allowances which were \$10.9 million in 2021 and \$13.9 million in 2020. The scholarship allowance is the amount of tuition paid by third parties and / or by financial aid.

The following Condensed Schedule of Student Tuition, Net shows the components of net tuition for the years ended August 31:

### Condensed Schedule of Student Tuition, Net (in millions) Primary Institution

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Gross Student Tuition	\$ 42.6	\$ 48.3	\$ (5.7)
Scholarships Allowances	10.9	13.9	(3.0)
Student tuition, net	<u>\$ 31.7</u>	<u>\$ 34.4</u>	<u>\$ (2.7)</u>



Full time equivalent (FTE) enrollments for the three year period 2019 through 2021 are shown in the following schedule:

<b>Enrollment:</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Credit Course Enrollment	6,411.1	7,349.8	7,484.8
Non-Credit State Aid Eligible Course Enrollment	22.4	23.0	70.4
Total FTE	<u>6,433.5</u>	<u>7,372.8</u>	<u>7,555.2</u>

Gross Student Tuition decreased this year as enrollment declines were not fully offset by increased tuition rates.

### Operating Expenses

Total operating expenses for year ended August 31, 2021 decreased \$12.4 million from the prior year. Of the total \$111.3 million of operating expenses for 2021, \$61.4 million was expended for direct services to students. This data is depicted below in millions of dollars:

<b>Function</b>	<b>2021</b>	<b>2020</b>	<b>Change</b>
Instruction	\$ 43.9	\$ 52.1	\$ (8.2)
Academic Support	2.9	3.8	(0.9)
Library	1.1	1.4	(0.3)
Student Services	6.3	7.5	(1.2)
Student Aid	7.2	6.5	0.7
Direct Services to Students	\$ 61.4	\$ 71.3	\$ (9.9)
Indirect Services to Students	49.9	52.4	(2.5)
Total Operating Expenses	<u>\$ 111.3</u>	<u>\$ 123.7</u>	<u>\$ (12.4)</u>

### Direct Services to Students

- Instruction – This function includes costs that are directly related to the teaching faculty. This function represents the majority of direct services to students.
- Academic Support – Costs incurred in direct support of instruction comprised this expense function. Examples of these costs include, but are not limited to, the academic dean's offices, learning assistance center and instructional technology.
- Library – Costs in this function include books, periodicals, personnel and other contractual expenses required to operate the College library.
- Student Services – This function encompasses the funds expended for areas such as admissions, registrar, health services and other offices and/or activities that contribute to the student's development outside the context of formal instructional settings.
- Student Aid – This function reflects financial aid monies refunded to students to meet their non-tuition educational expenses.

### Indirect Services to Students

Costs incurred in general support of the educational activities of the College are included in this category. Examples of indirect costs include the operation and maintenance of the College's physical plant, depreciation, and administrative departments, such as Human Resources, Public Safety and all finance and executive offices that serve the entire campus community.

Amounts included as **indirect services** for the years ended August 31, 2021 and 2020 are shown in the following schedule:

(in millions)

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Operation and Maintenance of Plant	\$ 12.0	\$ 14.3	\$ (2.3)
Institutional Support	19.9	18.4	1.5
Administration	8.3	9.4	(1.1)
Depreciation	<u>9.7</u>	<u>10.3</u>	<u>(0.6)</u>
Total Indirect Services to Students	<u>\$ 49.9</u>	<u>\$ 52.4</u>	<u>\$ (2.5)</u>

### Nonoperating Revenues (Expenses)

- State and Local Aid and Appropriations – Amounts represent operating aid provided by the State of New York, Rensselaer County (sponsor contribution), and county chargeback revenues. State aid is determined by enrollment computations related to a weighted average of the previous three years, while the sponsor contribution is an amount appropriated by county government. County chargeback revenues are based on rate computations and enrollment.
- Federal Grants and Contracts – Federal appropriations for student aid comprise this revenue category. The PELL grant expenditures were \$9.99 million in 2021 and \$12.4 million in 2020. This grant represents the majority of funds in this category.
- State and Local Grants and Contracts – The funds included in this category represent aid to students. New York State Tuition Assistance Program (TAP) funds are included as a State grant as well as Excelsior scholarship funds.
- Interest Expense – This amount represents interest expense on debt and capital leases.
- Other Nonoperating Revenues – Amounts include miscellaneous income, indirect cost recovery, sale of service revenues, and facility rental income

### Net Position

Net Position is the difference between all of the College's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net Position as of August 31, 2021 and 2020 totaled \$112.6 million and \$110.9 million, respectively.

(in millions)  
Primary Institution

	<u>2021</u>	<u>2020</u>
Net Position		
Net invested in capital assets	\$ 111.6	\$ 116.2
Restricted for:		
Capital projects and debt service	1.0	1.2
Unrestricted (deficit)	<u>-</u>	<u>(6.5)</u>
Total Net Position	<u>\$ 112.6</u>	<u>\$ 110.9</u>

## Statement of Cash Flows

Highlights of the major sources and uses of cash by the College during the fiscal year are detailed here.

### Incoming

The three largest sources of incoming funds to the college are tuition and fee payments, state aid appropriations and county aid appropriations.

- Tuition and fees – This figure is reported net of grants and scholarships. It decreased by \$1.4 million from \$33.2 million in 2020 to \$31.8 million in 2021. The decrease is primarily due to decreased enrollment.
- State aid – Increased from \$21.8 million in 2020 to \$22.4 million in 2021 as the state did not have in place the same cash saving measures as when the pandemic first began.
- County/local aid – County aid was \$24.5 million in 2020 and \$25.7 million in 2021. The increase is related to an increase of the chargeback rate from \$4,320/FTE to \$4,500/FTE which offsets lower enrollment.

### Outgoing

The largest sources of outgoing funds from the college are related to employees, vendors and capital projects.

- Payments to employees – Primarily composed of salary payments, this amount decreased by \$2.98 million dollars from 2020 to 2021, the main contributing factor being vacant positions remaining unfilled.
- Payments to suppliers and vendors – decreased by \$3.4 million from 2020 to 2021. Primarily due to cost cutting measures put in place due to lower enrollment.
- Capital financing activities – \$3,293,343 was used in 2021 while in 2020 there was a gain of \$1,118,963.

### Economic Factors That Will Affect the Future

The primary factor still impacting HVCC is the COVID-19 pandemic and its effect on enrollment at the college. Having fewer new matriculated student each semester can have a negative compounding impact on enrollment as that initial missing FTE is no longer at the college for future semesters.

The College is continuing the practice of strategically adding new positions as they become vacant in order to keep expenses down. A tight labor market is impacting the College's ability to fill critical operation positions in student services and academics.

Interest rates are expected to increase moderately during calendar year 2022 to combat inflation which should help the College's interest income revenue increase.

Global supply chain constraints are increasing the costs of goods and services that the College purchases and the delivery timing of some items.

The College is working on several capital projects to drive new enrollment streams. An FAA program to train mechanics at the Albany Airport is being rolled out. HVCC is expanding its footprint in the region with the development and construction of HVCC North in Saratoga. HVCC will be building a new Applied Technology Education Center (ATEC) at the main campus in Troy. This will improve the College's ability to recruit and train students in applied technology fields.

# HUDSON VALLEY COMMUNITY COLLEGE

## STATEMENT OF NET POSITION

	August 31, 2021			Total Reporting Entity
	Component Units			
	College	FSA (May 31, 2021)		
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash, cash equivalents and short-term investments	\$ 52,816,115	\$ 7,740,775	\$ 782,701	\$ 61,339,591
Accounts receivable, net of allowance of \$5,413,000	10,131,265	1,597,882	60,829	11,789,976
Inventories	-	448,078	-	448,078
Prepaid expenses	841,465	-	15,640	857,105
Investments	-	3,750,000	-	3,750,000
Deposits with bond trustees	548,775	-	-	548,775
Total current assets	<u>64,337,620</u>	<u>13,536,735</u>	<u>859,170</u>	<u>78,733,525</u>
<b>NONCURRENT ASSETS</b>				
Note receivable	-	540,000	-	540,000
Investments	-	-	7,675,973	7,675,973
Prepaid expenses	29,244	-	-	29,244
Deposits with bond trustees	955,001	-	-	955,001
Other assets	35,501	-	423,156	458,657
Net pension asset	10,424,102	-	-	10,424,102
Capital assets, net of depreciation	135,886,818	7,770,518	-	143,657,336
Total noncurrent assets	<u>147,330,666</u>	<u>8,310,518</u>	<u>8,099,129</u>	<u>163,740,313</u>
Total assets	<u>\$ 211,668,286</u>	<u>\$ 21,847,253</u>	<u>\$ 8,958,299</u>	<u>\$ 242,473,838</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	<u>\$ 19,477,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,477,992</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 2,639,827	\$ 642,022	\$ 15,184	\$ 3,297,033
Accrued expenses	5,677,408	444,601	-	6,122,009
Unearned student tuition, fees and other revenue	10,918,217	1,440,303	34,000	12,392,520
Financing agreements - current portion	2,198,580	439,638	-	2,638,218
Total current liabilities	<u>21,434,032</u>	<u>2,966,564</u>	<u>49,184</u>	<u>24,449,780</u>
<b>NONCURRENT LIABILITIES</b>				
Accrued expenses	4,233,510	-	-	4,233,510
Termination benefits for current employees	16,287,497	1,404,911	-	17,692,408
Paycheck protection program loan	-	291,012	-	291,012
Financing agreements	22,544,441	5,004,132	-	27,548,573
Net pension liability	70,626	-	-	70,626
Other postemployment benefit obligation	18,836,586	-	-	18,836,586
Total noncurrent liabilities	<u>61,972,660</u>	<u>6,700,055</u>	<u>-</u>	<u>68,672,715</u>
Total liabilities	<u>\$ 83,406,692</u>	<u>\$ 9,666,619</u>	<u>\$ 49,184</u>	<u>\$ 93,122,495</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	<u>\$ 35,077,702</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,077,702</u>
<b>NET POSITION</b>				
Net invested in capital assets	\$ 111,593,406	\$ 2,136,562	\$ -	\$ 113,729,968
Restricted for:				
Scholarships and fellowships	-	-	8,693,299	8,693,299
Capital projects and debt service	1,062,333	-	-	1,062,333
Unrestricted (deficit)	6,145	10,044,072	215,816	10,266,033
Total net position	<u>\$ 112,661,884</u>	<u>\$ 12,180,634</u>	<u>\$ 8,909,115</u>	<u>\$ 133,751,633</u>

See notes to financial statements.

# HUDSON VALLEY COMMUNITY COLLEGE

## STATEMENT OF NET POSITION

	August 31, 2020			Total Reporting Entity
	College	Component Units		
		FSA (May 31, 2020)	Foundation (June 30, 2020)	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 43,702,214	\$ 6,896,155	\$ 763,249	\$ 51,361,618
Accounts receivable, net of allowance of \$5,148,615	12,115,845	285,973	48,400	12,450,218
Inventories	-	451,340	-	451,340
Prepaid expenses	1,014,956	-	9,073	1,024,029
Investments	-	4,232,000	-	4,232,000
Deposits with bond trustees	573,501	-	-	573,501
Total current assets	<u>57,406,516</u>	<u>11,865,468</u>	<u>820,722</u>	<u>70,092,706</u>
<b>NONCURRENT ASSETS</b>				
Note receivable	-	540,000	-	540,000
Investments	-	-	6,619,253	6,619,253
Prepaid expenses	47,430	-	-	47,430
Deposits with bond trustees	1,086,966	-	-	1,086,966
Other assets	29,239	-	170,190	199,429
Capital assets, net of depreciation	140,574,205	8,394,685	-	148,968,890
Total noncurrent assets	<u>141,737,840</u>	<u>8,934,685</u>	<u>6,789,443</u>	<u>157,461,968</u>
Total assets	<u>\$ 199,144,356</u>	<u>\$ 20,800,153</u>	<u>\$ 7,610,165</u>	<u>\$ 227,554,674</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	<u>\$ 17,930,017</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,930,017</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 2,540,885	\$ 1,083,500	\$ 68,208	\$ 3,692,593
Accrued expenses	6,263,145	401,662	-	6,664,807
Unearned student tuition, fees and other revenue	8,892,022	1,440,431	3,000	10,335,453
Financing agreements - current portion	1,641,759	439,108	-	2,080,867
Total current liabilities	<u>19,337,811</u>	<u>3,364,701</u>	<u>71,208</u>	<u>22,773,720</u>
<b>NONCURRENT LIABILITIES</b>				
Accrued expenses	4,175,528	-	-	4,175,528
Termination benefits for current employees	15,881,721	1,407,340	-	17,289,061
Paycheck protection program loan	-	243,100	-	243,100
Financing agreements	23,360,378	5,360,773	-	28,721,151
Net pension liability	20,364,016	-	-	20,364,016
Other postemployment benefit obligation	20,251,241	-	-	20,251,241
Total noncurrent liabilities	<u>84,032,884</u>	<u>7,011,213</u>	<u>-</u>	<u>91,044,097</u>
Total liabilities	<u>\$ 103,370,695</u>	<u>\$ 10,375,914</u>	<u>\$ 71,208</u>	<u>\$ 113,817,817</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	<u>\$ 2,753,380</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,753,380</u>
<b>NET POSITION</b>				
Net invested in capital assets	\$ 116,193,391	\$ 2,364,764	\$ -	\$ 118,558,155
Restricted for:				-
Scholarships and fellowships	-	-	7,095,930	7,095,930
Capital projects and debt service	1,218,990	-	-	1,218,990
Unrestricted (deficit)	<u>(6,462,083)</u>	<u>8,059,475</u>	<u>443,027</u>	<u>2,040,419</u>
Total net position	<u>\$ 110,950,298</u>	<u>\$ 10,424,239</u>	<u>\$ 7,538,957</u>	<u>\$ 128,913,494</u>

See notes to financial statements.

# HUDSON VALLEY COMMUNITY COLLEGE

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For the year ended August 31, 2021			
	College	Component Units		Total Reporting Entity
		FSA (Year ended May 31, 2021)	Foundation (Year ended June 30, 2021)	
<b>REVENUES</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$10,912,581)	\$ 31,666,524	\$ 1,492,176	\$ -	\$ 33,158,700
State grants and contracts	4,956,549	-	-	4,956,549
Nongovernmental grants and contracts	293,150	-	-	293,150
Bookstore	-	2,278,448	-	2,278,448
Foodservice and other	-	49,204	-	49,204
Day care	-	492,708	-	492,708
Other operating revenues	-	993,323	59,600	1,052,923
Total operating revenues	36,916,223	5,305,859	59,600	42,281,682
<b>EXPENSES</b>				
Operating expenses				
Instruction	43,952,806	-	-	43,952,806
Academic support	2,928,560	-	561,347	3,489,907
Libraries	1,079,927	-	-	1,079,927
Student services	6,252,793	-	-	6,252,793
Institutional support	19,906,229	-	-	19,906,229
Administration	8,262,286	339,785	305,950	8,908,021
College initiatives	-	12,736	-	12,736
Operation and maintenance of plant	11,956,803	-	-	11,956,803
Student bookstore	-	2,249,662	-	2,249,662
Child care	-	897,151	-	897,151
Food service	-	24,751	-	24,751
Athletics	-	569,876	-	569,876
Student Senate	-	654,035	-	654,035
Club Activities	-	43,193	-	43,193
Cultural Affairs	-	113,457	-	113,457
Student aid	7,192,623	-	524,120	7,716,743
Fundraising and alumni relations	-	-	300,156	300,156
Graduation	-	87,151	-	87,151
Depreciation	9,733,748	622,050	-	10,355,798
Total operating expenses	111,265,775	5,613,847	1,691,573	118,571,195
Operating loss	(74,349,552)	(307,988)	(1,631,973)	(76,289,513)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State aid	21,392,229	-	-	21,392,229
County / local aid	26,201,539	-	-	26,201,539
Federal grants and contracts	20,191,406	-	-	20,191,406
State grants and contracts	4,618,415	384,210	-	5,002,625
Gifts	-	-	1,441,798	1,441,798
Investment income, net	53,503	98,946	1,560,333	1,712,782
Interest expense on debt and capital leases	(1,022,338)	(279,944)	-	(1,302,282)
Paycheck protection program loan forgiveness	-	243,100	-	243,100
Gain on sale of license	-	1,618,585	-	1,618,585
Loss on disposal of assets	(27,440)	(514)	-	(27,954)
Other nonoperating revenues	1,748,603	-	-	1,748,603
Net nonoperating revenues	73,155,917	2,064,383	3,002,131	78,222,431
(Loss) gain before other revenues and gains	(1,193,635)	1,756,395	1,370,158	1,932,918
Capital appropriations	2,905,221	-	-	2,905,221
Increase in net position	1,711,586	1,756,395	1,370,158	4,838,139
<b>NET POSITION</b>				
Net position, beginning of year	110,950,298	10,424,239	7,538,957	128,913,494
Net position, end of year	\$ 112,661,884	\$ 12,180,634	\$ 8,909,115	\$ 133,751,633

See notes to financial statements.

**HUDSON VALLEY COMMUNITY COLLEGE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	For the year ended August 31, 2020			
	College	Component Units		Total Reporting Entity
		FSA (Year ended May 31, 2020)	Foundation (Year ended June 30, 2020)	
<b>REVENUES</b>				
Operating revenues				
Student tuition and fees (net of scholarship allowances of \$13,890,671)	\$ 34,423,371	\$ 1,793,925	\$ -	\$ 36,217,296
State grants and contracts	5,711,050	-	-	5,711,050
Nongovernmental grants and contracts	382,159	-	-	382,159
Bookstore	-	2,975,633	-	2,975,633
Foodservice and other	-	186,772	-	186,772
Day care	-	737,832	-	737,832
Other operating revenues	-	1,043,505	155,807	1,199,312
Total operating revenues	<u>40,516,580</u>	<u>6,737,667</u>	<u>155,807</u>	<u>47,410,054</u>
<b>EXPENSES</b>				
Operating expenses				
Instruction	52,043,818	-	-	52,043,818
Academic support	3,777,579	-	182,757	3,960,336
Libraries	1,363,767	-	-	1,363,767
Student services	7,515,238	-	-	7,515,238
Institutional support	18,399,478	-	-	18,399,478
Administration	9,406,594	490,631	266,268	10,163,493
College initiatives	-	277,023	-	277,023
Operation and maintenance of plant	14,323,356	-	-	14,323,356
Student bookstore	-	2,865,377	-	2,865,377
Child care	-	1,123,413	-	1,123,413
Food service	-	20,968	-	20,968
Athletics	-	899,895	-	899,895
Student Senate	-	712,551	-	712,551
Club Activities	-	71,451	-	71,451
Cultural Affairs	-	85,469	-	85,469
Student aid	6,508,390	-	555,595	7,063,985
Fundraising and alumni relations	-	-	296,956	296,956
Graduation	-	46,447	-	46,447
Depreciation	10,331,970	622,525	-	10,954,495
Total operating expenses	<u>123,670,190</u>	<u>7,215,750</u>	<u>1,301,576</u>	<u>132,187,516</u>
Operating loss	<u>(83,153,610)</u>	<u>(478,083)</u>	<u>(1,145,769)</u>	<u>(84,777,462)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State aid	23,034,882	-	-	23,034,882
County / local aid	25,083,931	-	-	25,083,931
Federal grants and contracts	15,649,328	-	-	15,649,328
State grants and contracts	6,812,279	308,718	-	7,120,997
Gifts	-	-	950,475	950,475
Investment income, net	549,360	150,270	300,447	1,000,077
Interest expense on debt and capital leases	(1,118,886)	(290,954)	-	(1,409,840)
Gain on disposal of assets	(903,981)	-	-	(903,981)
Other nonoperating revenues	1,004,097	3,847	-	1,007,944
Net nonoperating revenues	<u>70,111,010</u>	<u>171,881</u>	<u>1,250,922</u>	<u>71,533,813</u>
(Loss) gain before other revenues and gains	<u>(13,042,600)</u>	<u>(306,202)</u>	<u>105,153</u>	<u>(13,243,649)</u>
Capital appropriations	9,402,664	-	-	9,402,664
(Decrease) increase in net position	<u>(3,639,936)</u>	<u>(306,202)</u>	<u>105,153</u>	<u>(3,840,985)</u>
<b>NET POSITION</b>				
Net position, beginning of year	114,590,234	10,730,441	7,433,804	132,754,479
Net position, end of year	<u>\$ 110,950,298</u>	<u>\$ 10,424,239</u>	<u>\$ 7,538,957</u>	<u>\$ 128,913,494</u>

See notes to financial statements.

# HUDSON VALLEY COMMUNITY COLLEGE

## STATEMENT OF CASH FLOWS

	For the year ended August 31, 2021			
	College	Component Units		Total Reporting Entity
		FSA (Year ended May 31, 2021)	Foundation (Year ended June 30, 2021)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Tuition and fees	\$ 31,849,901	\$ 1,492,176	\$ -	\$ 33,342,077
Grants and contracts	8,301,405	-	-	8,301,405
Payments to suppliers and vendors	(30,501,164)	(3,593,093)	(674,398)	(34,768,655)
Payments to employees	(46,601,418)	(1,298,068)	(339,070)	(48,238,556)
Payments for benefits	(18,149,296)	(492,341)	(182,576)	(18,824,213)
Payments for student aid and academic support	(7,192,623)	-	(524,120)	(7,716,743)
Bookstore	-	966,644	-	966,644
Foodservice	-	(97,683)	-	(97,683)
Day care	-	492,708	-	492,708
Other operating receipts	-	1,139,982	59,600	1,199,582
Net cash used in operating activities	<u>(62,293,195)</u>	<u>(1,389,675)</u>	<u>(1,660,564)</u>	<u>(65,343,434)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State aid	22,394,895	-	-	22,394,895
County/local aid	25,693,617	-	-	25,693,617
Gifts	-	-	1,120,256	1,120,256
Grants and contracts	24,809,821	384,210	-	25,194,031
Other non-operating receipts	1,748,603	98,946	-	1,847,549
Net cash provided by noncapital financing activities	<u>74,646,936</u>	<u>483,156</u>	<u>1,120,256</u>	<u>76,250,348</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Capital appropriations	2,905,221	-	-	2,905,221
Proceeds from paycheck protection program loan	-	291,012	-	291,012
Purchase of capital assets	(5,073,801)	(4,403)	-	(5,078,204)
Proceeds from sale of capital assets	-	1,618,585	-	1,618,585
Principal paid on capital debt and leases	(1,641,759)	(396,519)	-	(2,038,278)
Interest paid on capital debt and leases	(1,022,338)	(239,536)	-	(1,261,874)
Proceeds from capital debt	1,382,643	-	-	1,382,643
Deposits with bond trustees	156,691	-	-	156,691
Net cash (used in) provided by capital financing activities	<u>(3,293,343)</u>	<u>1,269,139</u>	<u>-</u>	<u>(2,024,204)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales and maturities of investments	-	-	1,106,943	1,106,943
Interest on investments	53,503	-	105,892	159,395
Purchase of investments	-	482,000	(653,075)	(171,075)
Net cash provided by investing activities	<u>53,503</u>	<u>482,000</u>	<u>559,760</u>	<u>1,095,263</u>
<b>Net increase in cash, cash equivalents and short-term investments</b>	9,113,901	844,620	19,452	9,977,973
<b>Cash, cash equivalents and short-term investments, beginning of year</b>	<u>43,702,214</u>	<u>6,896,155</u>	<u>763,249</u>	<u>51,361,618</u>
<b>Cash, cash equivalents and short-term investments, end of year</b>	<u>\$ 52,816,115</u>	<u>\$ 7,740,775</u>	<u>\$ 782,701</u>	<u>\$ 61,339,591</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (74,349,552)	\$ (307,988)	\$ (1,631,973)	\$ (76,289,513)
Adjustments to reconcile operating loss used in operating activities:				
Depreciation	9,733,748	622,050	-	10,355,798
Paycheck protection program loan forgiveness	-	243,100	-	243,100
Changes in assets and liabilities:				
Accounts receivable, net	1,232,943	(1,311,909)	-	(78,966)
Inventories	-	3,262	-	3,262
Prepaid expenses	185,415	-	(6,567)	178,848
Accounts payable	355,836	(435,472)	(53,024)	(132,660)
Accrued expenses	(527,755)	42,939	-	(484,816)
Termination benefits for current employees	405,776	(243,228)	-	162,548
Other postemployment benefit obligation	1,203,288	(100,339)	-	1,102,949
Net pension related accounts	(2,559,089)	-	-	(2,559,089)
Deferred revenue	2,026,195	97,910	31,000	2,155,105
Net cash used in operating activities	<u>\$ (62,293,195)</u>	<u>\$ (1,389,675)</u>	<u>\$ (1,660,564)</u>	<u>\$ (65,343,434)</u>

See notes to financial statements.



# HUDSON VALLEY COMMUNITY COLLEGE

## STATEMENT OF CASH FLOWS

	For the year ended August 31, 2020			
	College	Component Units		Total Reporting Entity
		FSA (Year ended May 31, 2020)	Foundation (Year ended June 30, 2020)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Tuition and fees	\$ 33,188,443	\$ 1,793,925	\$ -	\$ 34,982,368
Grants and contracts	2,015,376	-	-	2,015,376
Payments to suppliers and vendors	(33,898,537)	(4,533,861)	(339,918)	(38,772,316)
Payments to employees	(49,583,006)	(1,447,460)	(323,977)	(51,354,443)
Payments for benefits	(19,307,313)	(262,910)	(103,084)	(19,673,307)
Payments for student aid and academic support	(6,508,390)	-	(555,595)	(7,063,985)
Bookstore	-	4,065,153	-	4,065,153
Foodservice	-	(78,842)	-	(78,842)
Day care	-	737,832	-	737,832
Other operating receipts	-	1,211,167	155,807	1,366,974
Net cash (used in) provided by operating activities	<u>(74,093,427)</u>	<u>1,485,004</u>	<u>(1,166,767)</u>	<u>(73,775,190)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State aid	21,830,940	-	-	21,830,940
County/local aid	24,457,288	-	-	24,457,288
Gifts	-	-	968,370	968,370
Grants and contracts	22,461,607	308,718	-	22,770,325
Other non-operating receipts	1,004,097	154,117	-	1,158,214
Net cash provided by noncapital financing activities	<u>69,753,932</u>	<u>462,835</u>	<u>968,370</u>	<u>71,185,137</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Capital appropriations	9,402,664	-	-	9,402,664
Proceeds from paycheck protection program loan	-	243,100	-	243,100
Purchase of capital assets	(2,020,991)	(89,192)	-	(2,110,183)
Principal paid on capital debt and leases	(24,014,098)	(417,922)	-	(24,432,020)
Interest paid on capital debt and leases	(1,118,886)	(290,954)	-	(1,409,840)
Proceeds from capital debt	19,297,501	-	-	19,297,501
Deposits with bond trustees	(427,227)	-	-	(427,227)
Net cash provided by (used in) capital financing activities	<u>1,118,963</u>	<u>(554,968)</u>	<u>-</u>	<u>563,995</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales and maturities of investments	-	-	1,834,407	1,834,407
Interest on investments	549,360	-	130,528	679,888
Purchase of investments	-	(132,000)	(1,814,109)	(1,946,109)
Net cash provided by (used in) investing activities	<u>549,360</u>	<u>(132,000)</u>	<u>150,826</u>	<u>568,186</u>
<b>Net (decrease) increase in cash, cash equivalents and short-term investments</b>	<u>(2,671,172)</u>	<u>1,260,871</u>	<u>(47,571)</u>	<u>(1,457,872)</u>
<b>Cash, cash equivalents and short-term investments, beginning of year</b>	<u>46,373,386</u>	<u>5,635,284</u>	<u>810,820</u>	<u>52,819,490</u>
<b>Cash, cash equivalents and short-term investments, end of year</b>	<u>\$ 43,702,214</u>	<u>\$ 6,896,155</u>	<u>\$ 763,249</u>	<u>\$ 51,361,618</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (83,153,610)	\$ (478,083)	\$ (1,145,769)	\$ (84,777,462)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	10,331,970	622,525	-	10,954,495
Changes in assets and liabilities:				
Accounts receivable, net	(2,421,237)	1,090,490	-	(1,330,747)
Inventories	-	(106,624)	-	(106,624)
Prepaid expenses	74,597	-	4,017	78,614
Accounts payable	(2,886,203)	162,453	19,316	(2,704,434)
Accrued expenses	1,358,226	29,470	-	1,387,696
Termination benefits for current employees	(1,152,731)	96,483	-	(1,056,248)
Other postemployment benefit obligation	1,536,652	167,212	-	1,703,864
Net pension related accounts	5,069,503	-	-	5,069,503
Deferred revenue	(2,850,594)	(98,922)	(44,331)	(2,993,847)
Net cash (used in) provided by operating activities	<u>\$ (74,093,427)</u>	<u>\$ 1,485,004</u>	<u>\$ (1,166,767)</u>	<u>\$ (73,775,190)</u>

See notes to financial statements.

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

A. The Financial Reporting Entity

Hudson Valley Community College (the College or Primary Institution), a component unit of Rensselaer County, New York, was established under Article 126 of the Education Act of the State of New York under the sponsorship of Rensselaer County and is operated by a Board of Trustees under Paragraph (C) of Subdivision 6 of Section 6304 of the Education Act of the State of New York.

Title to real property is vested in Rensselaer County (the County) in trust for the use of the College.

The financial statements include the financial position and the changes in financial position and cash flows of the Capital District Educational Opportunity Center (EOC), a division of Hudson Valley Community College that offers tuition-free academic and workforce development opportunities to disadvantaged and educationally under-prepared New York State residents 16 years and older, and TEC-Smart Facility Corporation (the Corporation), a Type C not-for-profit corporation, under Section 201 of the Not-For-Profit Corporation Law established to develop and equip an educational and training facility located on the Saratoga Technology and Energy Park campus.

B. Component Units Disclosure

The financial data of the College's component units are reported in separate columns to emphasize that they are legally separate from the College and include:

1. Faculty Student Association (FSA or the Association)

The FSA is a not-for-profit corporation organized under the Not-for Profit Corporation Laws of the State of New York. The FSA's year end is May 31.

The general purpose of the Association is to establish, operate, manage, promote and cultivate educational activities and relationships incidental thereto by, between and among the students and faculty of the College, and to aid the students, faculty and the administration of the College in the furtherance of their education, studies and work in collaboration and coordination with the educational goals of the College.

2. The Hudson Valley Community College Foundation (the Foundation)

The Foundation is a tax exempt (under IRC Section 501(c)(3)) foundation established to receive and maintain funds to aid and advance the welfare, development, purposes and programs of Hudson Valley Community College and its students. The Foundation's year end is June 30.

Copies of the component unit separate financial statements are available from the College's finance department.

C. Basis of Presentation, Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles applicable to public colleges and universities. The College financial statements apply all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board Statements and Interpretations, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Basis of Presentation, Measurement Focus and Basis of Accounting (Continued)

The operations of the College are reported under the business-type activities model and, as such, are accounted for on a flow of economic resources measurement focus. Within this measurement focus, all assets and liabilities associated with operations are included on the statement of net position with revenues recorded when earned and expenses recorded at the time liabilities are incurred. The business-type activities model requires the College to include a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows.

Net position is required to be classified into three components – net invested in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- Net invested in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced (as applicable) by the outstanding balances of any bonds, mortgages, notes, or other borrowings (net of deposits with bond trustees) that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – This component of net position consists of constraints placed on net position use through external restrictions imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – This component of net position consists of net position that do not meet the definition of “restricted” or “net invested in capital assets.”

D. Significant Accounting Policies

Use of Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts at the date of the financial statements and during the reporting period. Actual results may differ from these estimates.

Cash, Cash Equivalents and Short-term Investments:

The College considers all highly liquid debt instruments, with original maturities of three months or less, to be cash equivalents. Cash equivalents consist principally of money market accounts and certificates of deposits.

The College considers all highly liquid debt instruments, with original maturities between 3 and 12 months, to be short-term investments. Short-term investments consist of U.S. Treasury bills.

Capital Assets:

Capital assets include land and improvements, buildings and improvements, infrastructure assets and furniture and equipment. Capital assets are defined by the College as assets with an initial unit cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

D. Significant Accounting Policies (Continued)

Capital Assets: (Continued)

Property, plant and equipment of the College are depreciated using the straight-line method over the lesser of following useful lives or the related capital lease term (see Note 5 for further detail).

**Assets**

Buildings	50
Building improvements	20
Land improvements	20
Infrastructure	20
Furniture and equipment	5-10

Pursuant to New York State Education Law relating to community colleges, title to real property is held by the County in trust for the use of the College in carrying out its institutional purposes. The accompanying debt is also a legal obligation of the County. Principal and interest payments on the debt are payable from the County and from monies in the debt service reserve fund held by the trustee.

Income Taxes:

The College is a political subdivision and as such is exempt from income taxes.

Capital Leases:

Assets acquired under leases which transfer to the College substantially all benefits and risks associated with ownership of the assets are capitalized and the assets and related lease obligation equal to the present value or fair value, if appropriate, of minimum lease payments over the term of the lease are recorded in the financial statements. Assets acquired under capital lease agreements are amortized over the lesser of the estimated useful life or the term of the related lease agreement.

Retirement Benefits:

The College provides retirement benefits for its employees through contributions to the New York State Teachers' Retirement System (TRS), the New York State Employees' Retirement System (ERS) and the Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA/CREF). These retirement programs provide various plans and options, some of which require employee contributions.

For ERS and TRS, the College uses GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) to recognize the net pension asset (liability), deferred outflows and deferred inflows of resources, pension expense (benefit), and information about and changes in the fiduciary net position on the same basis as reported by the respective defined benefit pension plans.

Termination Benefits / Compensated Absences (Retirees):

The College records the current estimate of future health insurance payments for retired faculty resulting from accumulated sick time credits as termination benefits. These amounts are included in accrued expenses in the statement of net position (see Note 7).

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. Significant Accounting Policies (Continued)

Termination Benefits / Compensated Absences (Current Employees):

The College recognizes a liability for vested sick leave and other compensated absences with similar characteristics. The College also recognizes, as a liability, additional salary-related payments as employees earn benefits and to the extent it is probable that the College will compensate the employees for the benefits through cash payments or payments of future health insurance, rather than be taken as absences due to illness or other contingencies, as a termination benefit. These amounts are separately identified in the statement of net position.

Other Postemployment Benefits (OPEB):

The College provides health insurance for certain qualifying retirees. The College uses GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75) to recognize the total OPEB liability, deferred outflows and deferred inflows of resources, OPEB expense, and information about and changes in the total OPEB liability.

Capital Chargebacks:

The College is authorized by the New York State Education Law to charge and collect from each county within the State for each nonresident student an allocable portion of the local sponsor's share of the capital costs. The law requires that these amounts be separately accounted for and that the funds be utilized to meet capital expenditure requirements of future periods. These chargebacks are included in capital appropriations in the statement of revenues, expenses and changes in net position.

Operating Revenue:

The College's operating revenues consist principally of student tuition and fees, federal and state student financial aid grants and certain nongovernmental grants and contracts. Student tuition and fee revenue is reported net of applicable scholarship allowances.

Non-operating Revenue:

Non-operating revenues consist principally of state and local government debt-service appropriations and governmental and nongovernmental grants and contracts.

Capital Appropriations:

Capital appropriations consist principally of capital project appropriations received from New York State and capital chargebacks.

Reclassifications:

Certain prior year balances have been reclassified to conform to the current year presentation.

**HUDSON VALLEY COMMUNITY COLLEGE**  
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**NOTE 2 — CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS**

Cash, cash equivalents and short-term investments of the College consisted of the following as of August 31:

	<u>2021</u>	<u>2020</u>
Checking, savings and money market accounts	\$ 52,813,475	\$ 35,386,396
U.S. Treasury bills	-	8,313,178
Cash on hand	<u>2,640</u>	<u>2,640</u>
 Total cash, cash equivalents and short-term investments	 <u><u>\$ 52,816,115</u></u>	 <u><u>\$ 43,702,214</u></u>

Checking, savings and money market accounts are collateralized by securities pledged by the depositaries to secure these deposits. The banks utilized by the College collateralize available balances which do not include pending bank transactions. As of August 31, 2021 and 2020, the College's bank balances of \$53,001,396 and \$35,771,249, respectively, were fully collateralized.

**NOTE 3 — DEPOSITS WITH BOND TRUSTEES**

The College has entered into certain financing agreements (see Note 9) to finance building construction projects and related costs. Bond proceeds not yet expended for new construction or used to establish debt service funds, including accumulated investment income, are held on deposit with bond trustees for such projects. Budgeted capital project expenditures on deposit with bond trustees for the next fiscal year are reported as current assets.

At August 31, 2021, deposits with the County were covered by federal depository insurance or collateral held by authorized escrow agents in the name of the County.

**NOTE 4 — ACCOUNTS RECEIVABLE**

Accounts receivable of the College consists of the following:

	<u>2021</u>	<u>2020</u>
Sponsor and other counties	\$ 793,223	\$ 542,195
Grants and contracts	6,815,932	7,875,790
Students, less \$5,337,053 allowance for doubtful accounts for 2021 (\$5,103,974 for 2020)	991,142	1,211,471
State aid and other	<u>1,530,968</u>	<u>2,486,389</u>
	<u><u>\$ 10,131,265</u></u>	<u><u>\$ 12,115,845</u></u>

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 5 — CAPITAL ASSETS**

Capital assets of the College consist of the following:

	<b>Balance at September 1, 2020</b>	<b>Additions/ Transfers</b>	<b>Disposals</b>	<b>Balance at August 31, 2021</b>
Capital assets				
Land, land improvements and infrastructure	\$ 31,726,630	\$ 215,599	\$ -	\$ 31,942,229
Buildings and building improvements	226,214,905	2,299,645	-	228,514,550
Furniture and equipment	38,141,834	1,273,589	1,010,648	38,404,775
Construction-in-progress	390,632	1,284,968	-	1,675,600
Total capital assets	<u>296,474,001</u>	<u>5,073,801</u>	<u>1,010,648</u>	<u>300,537,154</u>
Accumulated depreciation				
Land, land improvements and infrastructure	18,414,346	1,288,080	-	19,702,426
Buildings and building improvements	107,509,902	6,357,156	-	113,867,058
Furniture and equipment	29,975,548	2,088,512	983,208	31,080,852
Total accumulated depreciation	<u>155,899,796</u>	<u>9,733,748</u>	<u>983,208</u>	<u>164,650,336</u>
Capital assets, net of depreciation	<u>\$ 140,574,205</u>	<u>\$ (4,659,947)</u>	<u>\$ 27,440</u>	<u>\$ 135,886,818</u>

  

	<b>Balance at September 1, 2019</b>	<b>Additions/ Transfers</b>	<b>Disposals</b>	<b>Balance at August 31, 2020</b>
Capital assets				
Land, land improvements and infrastructure	\$ 31,654,603	\$ 72,027	\$ -	\$ 31,726,630
Buildings and building improvements	224,060,557	2,302,591	148,243	226,214,905
Furniture and equipment	38,944,292	1,038,658	1,841,116	38,141,834
Construction-in-progress	2,532,155	(1,392,285)	749,238	390,632
Total capital assets	<u>297,191,607</u>	<u>2,020,991</u>	<u>2,738,597</u>	<u>296,474,001</u>
Accumulated depreciation				
Land, land improvements and infrastructure	17,254,746	1,165,320	5,720	18,414,346
Buildings and building improvements	101,108,292	6,544,131	142,521	107,509,902
Furniture and equipment	29,039,404	2,622,519	1,686,375	29,975,548
Total accumulated depreciation	<u>147,402,442</u>	<u>10,331,970</u>	<u>1,834,616</u>	<u>155,899,796</u>
Capital assets, net of depreciation	<u>\$ 149,789,165</u>	<u>\$ (8,310,979)</u>	<u>\$ 903,981</u>	<u>\$ 140,574,205</u>

**NOTE 6 — ACCOUNTS PAYABLE**

Accounts payable of the College consists of the following:

	<b>2021</b>	<b>2020</b>
Trade	\$ 2,276,401	\$ 1,920,565
Sponsor - capital funds	363,426	620,320
	<u>\$ 2,639,827</u>	<u>\$ 2,540,885</u>

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 7 — ACCRUED EXPENSES**

Accrued expenses of the College consist of the following:

	<u>2021</u>	<u>2020</u>
Termination benefits (retirees)	\$ 5,028,748	\$ 5,041,589
Health insurance	182,192	186,136
Payroll, vacation and other	<u>4,699,978</u>	<u>5,210,948</u>
	9,910,918	10,438,673
Less: current portion	<u>5,677,408</u>	<u>6,263,145</u>
Long-term portion	<u><u>\$ 4,233,510</u></u>	<u><u>\$ 4,175,528</u></u>

**NOTE 8 — EXCESS TUITION CHARGES**

Section 6304 of the Education Act of the State of New York provides that students shall not be charged tuition and fees in excess of one-third of operating costs. At August 31, 2021 and 2020, there were no accumulated excess charges to students.

**NOTE 9 — FINANCING AGREEMENTS**

The College has entered into financing agreements with the Dormitory Authority of the State of New York (DASNY) and Rensselaer County (the County) to finance most of its educational facilities. DASNY bonds issued for these educational facilities have a maximum 30-year term. Debt service on DASNY bonds was funded by appropriations received from the State of New York (the State). Rensselaer County general obligation bonds for these educational facilities also have a maximum 30-year term. Debt service on certain County bonds is currently entirely paid by the College using capital chargeback funds. Debt service on other County bonds is split between the County and the College, with the College's portion paid by student parking fee revenue.

In September 2020, the College entered into a promissory note agreement with the Faculty Student Association for the College to borrow \$500,000 with interest at the rate of 2% for the Aviation Technology Project. Principal and Interest to be paid beginning September 2021 over a term of five years. The College elected to pay off the outstanding balance in September 2021. As such, the balance at August 31, 2021 was included with current portion.

In May 2021, the College entered into a promissory note agreement with the Faculty Student Association for the College to borrow up to \$2,000,000 with an interest rate of 2% for the Facilities Master Plan. Principal and interest to be paid over 10 years beginning at the completion of the project in fiscal year ending August 31, 2022. The balance on the note at August 31, 2021 was \$882,643.

Financing agreement obligations consist of the following:

	<u>Balance at September 1, 2020</u>	<u>New Obligations</u>	<u>Current Payments</u>	<u>Balance at August 31, 2021</u>
Rensselaer County	\$ 25,002,137	\$ -	\$ 1,641,759	\$ 23,360,378
Faculty Student Association	-	1,382,643	-	1,382,643
Total financing agreement obligations	<u>\$ 25,002,137</u>	<u>\$ 1,382,643</u>	<u>\$ 1,641,759</u>	<u>\$ 24,743,021</u>
Less: current portion				<u>2,198,580</u>
Long-term portion				<u><u>\$ 22,544,441</u></u>



**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 — FINANCING AGREEMENTS (Continued)**

	<u>Balance at September 1, 2019</u>	<u>New Obligations</u>	<u>Current Payments</u>	<u>Balance at August 31, 2020</u>
Rensselaer County	\$ 29,718,735	\$ 19,297,500	\$ 24,014,098	\$ 25,002,137
Total financing agreement obligations	<u>\$ 29,718,735</u>	<u>\$ 19,297,500</u>	<u>\$ 24,014,098</u>	<u>\$ 25,002,137</u>
Less: current portion				<u>1,641,759</u>
Long-term portion				<u>\$ 23,360,378</u>

As of August 31, 2021, debt service requirements relating to these obligations are as follows:

<u>Year Ending August 31:</u>	<u>Total Financing Agreements</u>	<u>Interest Portion</u>	<u>Principal Portion</u>
2022	\$ 3,113,800	\$ 915,220	\$ 2,198,580
2023	2,726,050	851,132	1,874,918
2024	2,721,400	763,410	1,957,990
2025	2,705,150	671,468	2,033,682
2026	1,974,298	598,284	1,376,014
2027-2031	7,606,970	2,259,647	5,347,323
2032-2036	7,376,525	1,181,511	6,195,014
2037-2041	3,564,832	230,332	3,334,500
2042-2043	436,756	11,756	425,000
Total debt service payments	<u>\$ 32,225,780</u>	<u>\$ 7,482,759</u>	<u>\$ 24,743,021</u>

Interest rates on financing agreements range from 2% to 7%.

Interest expense on total financing agreements for the College approximated \$1,022,000 and \$1,119,000 for 2021 and 2020, respectively.

**NOTE 10 — OPERATING AGREEMENT**

HVCC operates the State University of New York Capital District Educational Opportunity Center (EOC) under a series of annual operating agreements between the State University of New York (SUNY) and the College under Chapter 44 of the Laws of 1966, with funds appropriated by the State of New York for services and expenses of programs at Educational Opportunity Centers in the State. The College will continue to operate the EOC for subsequent terms at the sole option of SUNY, unless the College gives six months' notice prior to the commencement of such subsequent term that it will no longer operate such programs. Annual State appropriations and accumulated interest on deposits, in excess of expenditures (disbursed or encumbered) are to be refunded to the State of New York subject to audit by the New York State Department of Audit and Control.

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 — RETIREMENT BENEFITS**

There are three major retirement plans for College employees – the New York State and Local Employees’ Retirement System (ERS), the New York State Teachers’ Retirement System (TRS), and the SUNY Optional Retirement Program TIAA-CREF (TIAA/CREF). ERS is a cost-sharing, multiple-employer, defined benefit public plan administered by the State Comptroller. TRS is a cost-sharing, multiple-employer, defined benefit public plan separately administered by a nine-member board. TIAA/CREF is a multiple-employer, defined contribution plan administered by separate boards of trustees. Substantially all full-time employees participate in the plans.

Obligations of employers and employees to contribute, and related benefits, are governed by the New York State Retirement and Social Security Law (NYSRSSL) and Education Law. These plans offer a wide range of programs and benefits. ERS and TRS benefits are related to years of credited service and final average salary, vesting of retirement benefits, death and disability benefits, and optional methods of benefit payments. TIAA/CREF is a State University Optional Retirement Program (ORP) and offers benefits through annuity contracts.

The College also offers several other voluntary contributing plans classified under Section 403(b) of the Internal Revenue Code. The College does not contribute to these plans.

**TIAA/CREF**

TIAA/CREF provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in the ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. TIAA/CREF is contributory for employees who joined after July 27, 1976, who contribute 3 percent of their salary. Employer contributions range from 8 percent to 15 percent depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to TIAA/CREF.

The payroll for 2021 and 2020 for the College employees covered by TIAA/CREF was \$16,606,381 and \$17,955,870, respectively. Employer and employee contributions under the plan were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Employer contributions:	\$ 2,023,632	\$ 2,168,392	\$ 2,000,177
Employee contributions:	\$ 185,460	\$ 173,350	\$ 152,901

**ERS and TRS**

**Plan Descriptions**

The College participates in the following cost-sharing, multiple employer, public employee retirement systems:

- TRS is administered by the New York State Teachers’ Retirement Board and provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained from the New York State Teachers’ Retirement System at [www.nystrs.org](http://www.nystrs.org).
- ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the New York State and Local Retirement System at [www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire).

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 11 — RETIREMENT BENEFITS** (Continued)

**ERS and TRS** (Continued)

**Plan Descriptions** (Continued)

*Benefits:* The Systems provide retirement, disability, and death benefits for eligible members, including an automatic cost of living adjustment. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

*Contribution Requirements:* No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 9.53% and 8.86% for 2021 and 2020, respectively. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the College to the pension accumulation fund. For 2021 and 2020, these rates ranged from 9.6% - 19.6% and 9.3% - 21.2%, respectively, for the College's active employees.

**Net Pension Asset (Liability), Pension Expense, and Deferred Outflows and Deferred Inflows of Resources**

At August 31, 2021, the College reported an asset of \$10,424,102 and a liability of \$70,626 for its proportionate share of the TRS and ERS net pension liability, respectively. At August 31, 2020, the College reported a liability of \$1,733,414 and a liability of \$18,630,602 for its proportionate share of the TRS and ERS net pension liability, respectively.

The TRS total pension liability, as of August 31, 2021 and August 31, 2020, was measured as of June 30, 2021 and June 30, 2020, and the total pension liability was determined by an actuarial valuation as of June 30, 2020 and June 30, 2019, with update procedures used to roll forward the net pension liability to June 30, 2021 and June 30, 2020, respectively. The College's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to TRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At the June 30, 2021 and June 30, 2020 measurement dates, the College's proportion was 0.060154% and 0.062731%, respectively.

The ERS net pension liability, as of August 31, 2021 and August 31, 2020, was measured as of March 31, 2021 and March 31, 2020, and the total pension liability was determined by an actuarial valuation as of April 1, 2020 and April 1, 2019, with updated procedures used to roll forward the total pension liability to March 31, 2021 and March 31, 2020, respectively. The College's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contribution for the fiscal year ended on the measurement date. At the March 31, 2021 and March 31, 2020 measurement dates, the College's proportion was 0.070928% and 0.070356%, respectively.

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 11 — RETIREMENT BENEFITS** (Continued)

**ERS and TRS** (Continued)

**Net Pension Asset (Liability), Pension Expense, and Deferred Outflows and Deferred Inflows of Resources** (Continued)

For the year ended August 31, 2021, the College recognized net pension expense of approximately \$972,000 (\$513,000) for TRS and \$1,485,000 for ERS). For the year ended August 31, 2020, the College recognized net pension expense of approximately \$8,377,000 (\$2,409,000 for TRS and \$5,968,000 for ERS). At August 31, 2021, the College reported deferred outflows and deferred inflows of resources as follows:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,436,852	\$ 54,158	\$ 862,535	\$ -
Changes of Assumptions	3,428,705	607,173	12,985,850	244,917
Net difference between projected and actual earnings on pension plan investments	-	10,909,902	-	20,287,957
Changes in proportion and differences between College contributions and proportionate share of contributions	362,382	117,642	48,399	850,499
College contributions subsequent to the measurement date	-	-	-	-
	<u>\$ 5,227,939</u>	<u>\$ 11,688,875</u>	<u>\$ 13,896,784</u>	<u>\$ 21,383,373</u>

At August 31, 2020, the College reported deferred outflows and deferred inflows of resources as follows:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,518,818	\$ 88,834	\$ 1,096,486	\$ -
Changes of Assumptions	2,192,365	781,464	375,132	323,920
Net difference between projected and actual earnings on pension plan investments	1,132,071	-	9,550,952	-
Changes in proportion and differences between College contributions and proportionate share of contributions	378,244	140,709	70,833	769,095
College contributions subsequent to the measurement date	-	-	-	-
	<u>\$ 5,221,498</u>	<u>\$ 1,011,007</u>	<u>\$ 11,093,403</u>	<u>\$ 1,093,015</u>

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 — RETIREMENT BENEFITS (Continued)**

**ERS and TRS (Continued)**

**Net Pension Asset (Liability), Pension Expense, and Deferred Outflows and Deferred Inflows of Resources (Continued)**

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

Years Ending March 31 (ERS), June 30 (TRS),	ERS Net Deferred Outflows (Inflows) of Resources	TRS Net Deferred Outflows (Inflows) of Resources
2022	\$ (1,510,213)	\$ (1,260,551)
2023	(669,832)	(1,505,769)
2024	(1,297,541)	(1,933,780)
2025	(4,009,003)	(2,604,242)
2026	-	487,650
Thereafter	-	355,756
	<u>\$ (7,486,589)</u>	<u>\$ (6,460,936)</u>

**Actuarial Assumptions**

For TRS, the actuarial assumptions used in the June 30, 2020 valuation, with update procedures used to roll forward the total pension liability to June 30, 2021, were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. These assumptions are:

**Inflation** – 2.40%

**Salary increases** – Based on TRS member experience, dependent on age and gender, ranging from 1.95%-5.18%

**Projected Cost of Living Adjustments (COLAs)** – 1.3% compounded annually

**Investment rate of return** – 6.95% compounded annually, net of investment expense, including inflation

**Mortality** – Based on TRS member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP2020, applied on a generational basis

**Discount rate** – 6.95%

For TRS, the actuarial assumptions used in the June 30, 2019 valuation, with update procedures used to roll forward the total pension liability to June 30, 2020, were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014. These assumptions are:

**Inflation** – 2.20%

**Salary increases** – Based on TRS member experience, dependent on age and gender, ranging from 1.9-4.72%

**Projected Cost of Living Adjustments (COLAs)** – 1.3% compounded annually

**Investment rate of return** – 7.10% compounded annually, net of investment expense, including inflation

**Mortality** – Based on TRS member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP2019, applied on a generational basis

**Discount rate** – 7.10%

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 11 — RETIREMENT BENEFITS (Continued)**

**ERS and TRS (Continued)**

**Actuarial Assumptions (Continued)**

For ERS, the actuarial assumptions used in the April 1, 2020 valuation, with update procedures used to roll forward the total pension liability to March 31, 2021, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

***Inflation*** – 2.7%

***Salary increases*** – 4.4%

***Investment rate of return*** – 5.9% compounded annually, net of investment expense, including inflation

***Mortality*** – Based on ERS experience from April 1, 2015 – March 31, 2020 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020

***Discount rate*** – 5.9%

For ERS, the actuarial assumptions used in the April 1, 2019 valuation, with update procedures used to roll forward the total pension liability to March 31, 2020, were based on the results of an actuarial experience study for the period April 1, 2010 to March 31, 2015. These assumptions are:

***Inflation*** – 2.5%

***Salary increases*** – 4.2%

***Investment rate of return*** – 6.8% compounded annually, net of investment expense, including inflation

***Mortality*** – Based on ERS experience from April 1, 2010 – March 31, 2015 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018

***Discount rate*** – 6.8%

The long-term expected rate of return on the Systems' pension plan investments was determined using a building-block method in accordance with Actuarial Standard of Practice No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. 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.

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 — RETIREMENT BENEFITS (Continued)**

**ERS and TRS (Continued)**

**Investment Asset Allocation**

Best estimates of arithmetic real rates of return for each major asset class and the Systems' target asset allocations as of the applicable valuation dates are summarized as follows:

Asset Class	TRS		ERS	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	33%	6.8%	32%	4.05%
International equities	16%	7.6%	15%	6.30%
Global equities	4%	7.1%	-	-
Private equities	8%	10.0%	10%	6.75%
Real estate	11%	6.5%	9%	4.95%
Credit	-	-	4%	3.63%
Opportunistic - ARS portfolio	-	-	3%	4.50%
Real assets	-	-	3%	5.95%
Bonds and mortgages	-	-	-	-
Cash	-	-	1%	0.50%
Inflation-indexed bonds	-	-	-	-
Domestic fixed income securities	16%	1.3%	23%	-
Global bonds	2%	0.8%	-	-
High-yield bonds	1%	3.8%	-	-
Private debt	1%	5.9%	-	-
Real estate debt	7%	3.3%	-	-
Cash equivalents	1%	-0.2%	-	-
	<b>100%</b>		<b>100%</b>	

**Discount Rate**

The discount rate projection of cash flows assumed 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 on those assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the College's proportionate share of its net pension asset and liability calculated using the discount rate of 6.95% (TRS) and 5.9% (ERS) and the impact of using a discount rate that is 1% higher or lower than the current rate

	1.0% Decrease	Discount Rate	1.0% Increase
College's proportionate share of the TRS net pension asset (liability)	\$ 1,093,858	\$ 10,424,102	\$ 18,265,496
College's proportionate share of the ERS net pension asset (liability)	\$ (19,603,056)	\$ (70,626)	\$ 17,942,846

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 12 — TERMINATION BENEFITS / COMPENSATED ABSENCES**

As described in Note 1, the College recognizes a liability for vested sick leave and other compensated absences with similar characteristics. The College also recognizes a liability for additional salary-related payments as employees earn benefits and to the extent it is probable, based on an actuarial computation, that the College will compensate the employees for the benefits through cash payments or payments of future health insurance, rather than be taken as absences due to illness prior to retirement.

Termination benefits/compensated absences for current employees approximated \$16,287,497 (\$15,682,664 without the EOC) and \$15,882,000 (\$15,259,000 without the EOC) at August 31, 2021 and 2020, respectively. These amounts were estimated based on certain actuarial assumptions, including a discount rate of 2.2% and 4% at August 31, 2021 and 2020, respectively, and annual salary increases between 2% and 4%, and between 2.25% and 3.5% (based on salary data and bargaining agreements) at August 31, 2021 and 2020, respectively. As of August 31, 2021 and 2020, Board designated unrestricted net position for termination benefits/compensated absences approximated \$15,683,000 and \$13,474,000, respectively.

Termination benefits/compensated absences for retirees approximated \$5,029,000 and \$5,042,000 at August 31, 2021 and 2020, respectively. This liability represents the unused portion of retirees' individual account balances as of the end of the College's two most recent fiscal years.

**NOTE 13 — OTHER POSTEMPLOYMENT BENEFITS**

The College provides certain health care benefits for retired employees and their covered dependents. Certain classes of the College's employees may become eligible for those benefits if they reach normal retirement age while working for the College.

**Plan Description**

The College administers its retiree health insurance plan (the Plan) as a single-employer defined benefit other postemployment benefit (OPEB) plan. The Plan provides for continuation of medical insurance benefits for certain qualifying retirees and their covered dependents and can be amended by action of the College subject to applicable collective bargaining and employment agreements. The Plan does not currently issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

**Funding Policy**

The obligations of the plan members and the College are established by action of the College pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the College and the members varies depending on the applicable collective bargaining or employment agreement covering the retiree, the retiree's hire date and number of years of service to the College. The College currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis, with the possibility of pre-funding additional benefits if so determined by the College. The costs of administering this plan are paid by the College.



**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 13 — OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Employees Covered by Benefit Terms** – At September 1, 2020, the latest actuarial valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	299
Inactive employees or beneficiaries entitled to but not yet receiving benefit payments	-
Active employees	<u>471</u>
	<u><u>770</u></u>

**Total OPEB Liability**

At August 31, 2021 and 2020, the College reported a liability of approximately \$18,837,000 and \$20,251,000, respectively. The total OPEB liability as of August 31, 2021 was measured as of September 1, 2020 and was determined by an actuarial valuation as of that date. The total OPEB liability as of August 31, 2020 was measured as of September 1, 2019 and was determined by an actuarial valuation as of that date.

**Actuarial assumptions and other inputs**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs (if any) between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

**Discount rate used in September 1, 2020 valuation** – 2.20%

**Discount rate used in September 1, 2019 valuation** – 2.97%

**Healthcare cost trend rates** – 6.50% for 2021 decreasing half a percent each year to an ultimate rate of 4.5% by 2025.

The discount rate was based on the Bond Buyer General Obligation 20-year municipal bond index.

Mortality rates were based on the Society of Actuaries' RP-2014 mortality tables with adjustments for mortality improvements based on MP-2014 scales.

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 13 — OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Changes in the total OPEB liability**

	<b>College Total OPEB Liability</b>
<b>Beginning balance for year end August 31, 2020</b>	<b><u>\$ 17,640,284</u></b>
Changes for the year:	
Service cost	1,228,641
Interest	604,613
Changes of benefit terms	-
Differences between expected and actual experience	23,463
Changes of assumptions or other inputs	1,026,760
Benefit payments	<u>(272,520)</u>
Net changes	<u>2,610,957</u>
<b>Ending balance for year end August 31, 2020</b>	<b><u>\$ 20,251,241</u></b>
Changes for the year:	
Service cost	1,276,991
Interest	627,587
Changes of benefit terms	-
Differences between expected and actual experience	(2,678,859)
Changes of assumptions or other inputs	(329,998)
Benefit payments	<u>(310,376)</u>
Net changes	<u>(1,414,655)</u>
<b>Ending balance for year end August 31, 2021</b>	<b><u>\$ 18,836,586</u></b>

As of August 31, 2021, Board designated unrestricted net position for OPEB obligation approximated \$445,000 (\$716,000 at August 31, 2020).

**Sensitivity of the total OPEB liability to changes in the discount rate**

The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b><u>1.0% Decrease</u></b>	<b><u>Discount Rate</u></b>	<b><u>1.0% Increase</u></b>
Total OPEB Liability	<u>\$ 21,828,564</u>	<u>\$ 18,836,586</u>	<u>\$ 16,501,552</u>

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates**

The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b><u>1.0% Decrease</u></b>	<b><u>Current Rate</u></b>	<b><u>1.0% Increase</u></b>
Total OPEB Liability	<u>\$ 16,535,080</u>	<u>\$ 18,836,586</u>	<u>\$ 21,712,849</u>

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 13 — OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

For the year ended August 31, 2021 and 2020, the College recognized OPEB expense of approximately \$1,539,000 and \$1,880,000, respectively. At August 31, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,776,628
Changes of assumptions or other inputs	-	228,826
Expected benefit payments subsequent to the measurement date	<u>353,269</u>	<u>-</u>
Total	<u>\$ 353,269</u>	<u>\$ 2,005,454</u>

At August 31, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,011,697	\$ 437,587
Changes of assumptions or other inputs	293,043	211,771
Expected benefit payments subsequent to the measurement date	<u>310,376</u>	<u>-</u>
Total	<u>\$ 1,615,116</u>	<u>\$ 649,358</u>

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

<u>Year ended August 31,</u>	<u>Deferred (Inflows) Outflows of Resources</u>
2022	\$ (365,461)
2023	(365,461)
2024	(365,461)
2025	(365,461)
2026	(358,970)
Thereafter	<u>(184,640)</u>
	<u>\$ (2,005,454)</u>

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2021 AND 2020**

**NOTE 14 — UNRESTRICTED NET POSITION**

Unrestricted net position consists of the following as of August 31:

	<u>2021</u>	<u>2020</u>
Undesignated (deficit)	\$ (17,638,368)	\$ (22,224,595)
Board designated for termination benefits, compensated absences, energy management project, and roof replacement and critical maintenance project	<u>17,644,513</u>	<u>15,762,512</u>
	<u>\$ 6,145</u>	<u>\$ (6,462,083)</u>

**NOTE 15 — COMMITMENTS AND CONTINGENCIES**

**Rate Adjustment**

The College is authorized by the New York State Education Law to charge and collect from each county within the State for each nonresident student an allocable portion of the operating costs of the College. The College calculates this charge on a yearly basis and bills the respective counties. This rate is adjusted by the State on a yearly basis.

**Litigation**

The College is presently a party to various actions brought by various plaintiffs. Under the terms of its insurance coverage, the College is responsible for a deductible ranging from \$10,000 to \$50,000 in losses for each of these cases in the event of an unfavorable ruling. The College intends to defend vigorously against these lawsuits; however, their outcomes cannot be predicted. Accordingly, no liability for these lawsuits has been included in these financial statements.

**NOTE 16 — RISKS AND UNCERTAINTIES**

The COVID-19 pandemic remains the largest risk factor and source of uncertainty for HVCC. Per the National Student Clearinghouse, nationwide for Fall 2021, Community College enrollment dropped 15% since Fall 2019. The only institutions that saw gains during that period were highly selective institutions that have the ability to lower their entrance requirements in order to boost enrollment. During this period Community College saw drops in full-time students of 9.2% and part-time students of 4.1%.

Ordinarily, when the economy is suffering community college enrollment increases which has not proven to be the case during the pandemic. Community college students tend to have lower incomes, be older and have additional family responsibilities than traditional college students and thus fall into categories that the pandemic had a larger impact on. The college continues to recruit new students and pursue new programs and branch out into new markets to offset this trend of declining enrollment.

The college is budgeting for another enrollment decrease in the upcoming school year and will continue to examine its financial position and make strategic adjustments as the pandemic endures.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**HUDSON VALLEY COMMUNITY COLLEGE  
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION ASSET  
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM**

As of the measurement date of June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013
College's proportion of the net pension asset (liability)	0.060154%	0.062731%	0.059903%	0.062837%	0.066308%	0.067255%	0.068417%	0.070582%	0.072865%
College's proportionate share of the net pension asset (liability)	\$ 10,424,102	\$ (1,733,414)	\$ 1,556,297	\$ 1,136,266	\$ 504,004	\$ (720,333)	\$ 7,106,348	\$ 7,862,345	\$ 479,637
College's covered-employee payroll	\$ 10,655,008	\$ 11,221,505	\$ 10,631,558	\$ 9,591,463	\$ 10,491,959	\$ 10,454,460	\$ 10,395,233	\$ 10,897,491	\$ 10,815,882
College's proportionate share of the net pension asset (liability) as a percentage of its covered-employee payroll	97.83%	15.45%	14.64%	11.85%	4.80%	6.89%	68.36%	72.15%	4.43%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

Data prior to 2013 is unavailable.

**HUDSON VALLEY COMMUNITY COLLEGE  
SCHEDULE OF COLLEGE CONTRIBUTIONS  
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM**

June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 993,661	\$ 972,503	\$ 1,061,345	\$ 945,712	\$ 1,203,803	\$ 1,365,305	\$ 1,761,050	\$ 1,717,382	\$ 1,316,536	\$ 1,235,398
Contribution in relation to the contractually required contribution	(993,661)	(972,503)	(1,061,345)	(945,712)	(1,203,803)	(1,365,305)	(1,761,050)	(1,717,382)	(1,316,536)	(1,235,398)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered-employee payroll	\$ 10,655,008	\$ 11,221,505	\$ 10,631,558	\$ 9,591,463	\$ 10,491,959	\$ 10,454,460	\$ 10,395,233	\$ 10,897,491	\$ 10,815,882	\$ 11,249,586
Contributions as a percentage of covered-employee payroll	9.33%	8.67%	9.98%	9.86%	11.47%	13.06%	16.94%	15.76%	12.17%	10.98%

**HUDSON VALLEY COMMUNITY COLLEGE  
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM**

<u>As of the measurement date of March 31,</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
College's proportion of the net pension liability	0.070928%	0.070356%	0.070917%	0.071456%	0.068436%	0.071318%	0.067539%
College's proportionate share of the net pension liability	\$ 70,626	\$ 18,630,602	\$ 5,024,673	\$ 2,306,215	\$ 6,430,374	\$ 11,446,691	\$ 2,282,192
College's covered-employee payroll	\$ 18,042,407	\$ 19,285,836	\$ 17,905,867	\$ 19,062,540	\$ 16,751,763	\$ 16,139,145	\$ 15,438,034
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.39%	96.60%	28.06%	12.10%	38.39%	70.93%	14.78%
Plan fiduciary net position as a percentage of the total pension liability	<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

*Data prior to 2015 is unavailable.*



**HUDSON VALLEY COMMUNITY COLLEGE  
SCHEDULE OF COLLEGE CONTRIBUTIONS  
NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM**

March 31,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 2,602,670	\$ 2,599,471	\$ 2,444,203	\$ 2,568,734	\$ 2,443,161	\$ 2,406,654	\$ 2,899,220	\$ 3,035,703	\$ 2,850,272	\$ 2,506,835
Contribution in relation to the contractually required contribution	(2,602,670)	(2,599,471)	(2,444,203)	(2,568,734)	(2,443,161)	(2,406,654)	(2,899,220)	(3,035,703)	(2,850,272)	(2,506,835)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered-employee payroll	\$ 18,042,407	\$ 19,285,836	\$ 17,905,867	\$ 19,062,540	\$ 16,751,763	\$ 16,139,145	\$ 15,438,034	\$ 15,034,090	\$ 15,630,585	\$ 15,986,193
Contributions as a percentage of covered-employees payroll	14.43%	13.48%	13.65%	13.48%	14.58%	14.91%	18.78%	20.19%	18.24%	15.68%

**HUDSON VALLEY COMMUNITY COLLEGE**  
**SCHEDULE OF CHANGES IN THE COLLEGE'S TOTAL OPEB LIABILITY**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>				
Service cost	\$ 1,276,991	\$ 1,228,641	\$ 1,163,050	\$ 1,097,461
Interest	627,587	604,613	702,630	620,918
Changes of benefit terms	-	-	(5,726,315)	-
Differences between expected and actual experience	(2,678,859)	23,463	1,762,416	(1,237,696)
Change of assumptions or other inputs	(329,998)	1,026,760	589,906	(1,876,023)
Benefit payments	<u>(310,376)</u>	<u>(272,520)</u>	<u>(234,666)</u>	<u>(288,675)</u>
Net change in total OPEB liability	(1,414,655)	2,610,957	(1,742,979)	(1,684,015)
Total OPEB liability - beginning	<u>20,251,241</u>	<u>17,640,284</u>	<u>19,383,263</u>	<u>21,067,278</u>
Total OPEB liability - ending	<u><u>\$ 18,836,586</u></u>	<u><u>\$ 20,251,241</u></u>	<u><u>\$ 17,640,284</u></u>	<u><u>\$ 19,383,263</u></u>

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

**HUDSON VALLEY COMMUNITY COLLEGE  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**

The following is a summary of ERS assumption changes:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2016</u>
Inflation	2.70%	2.50%	2.50%	2.50%
Salary increases	4.40%	4.20%	4.20%	3.80%
Cost of living adjustments	1.40%	1.30%	1.30%	1.30%
Investment rate of return	5.90%	6.80%	7.00%	7.00%
Discount rate	5.90%	6.80%	7.00%	7.00%
Society of Actuaries' Mortality Scale	MP-2020	MP-2018	MP-2014	MP-2014

The following is a summary of TRS assumption changes

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Inflation	2.40%	2.20%	2.20%	2.25%	2.50%	2.50%
Salary increases (range)	1.95%-5.18%	1.9%-4.72%	1.9%-4.72%	1.9%-4.72%	1.9%-4.72%	1.9%-4.72%
Cost of living adjustments	1.30%	1.30%	1.30%	1.50%	1.50%	1.50%
Investment rate of return	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%
Discount rate	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%
Society of Actuaries' Mortality Scale	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014

The following is a summary of OPEB assumption changes:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate	2.20%	2.97%	3.25%	3.53%

## **SUPPLEMENTARY INFORMATION**

**HUDSON VALLEY COMMUNITY COLLEGE**  
**SCHEDULE OF REVENUES, EXPENSES, AND OTHER CHANGES BY FUND AND**  
**RECONCILIATION TO AUDITED FINANCIAL STATEMENTS**  
**(EXCLUDING DISCRETELY PRESENTED COMPONENT UNITS)**

For the year ended August 31, 2021

	Current Funds		Plant	Total
	Unrestricted	Restricted	Funds	
<b>REVENUES</b>				
Tuition and fees	\$ 42,471,055	\$ -	\$ 108,050	\$ 42,579,105
State aid and appropriations	21,392,229	-	-	21,392,229
Federal, state and other grants	-	30,059,520	959,751	31,019,271
County/local aid and appropriations	26,201,539	-	1,945,470	28,147,009
Interest income	53,266	-	237	53,503
Other sources	1,158,935	-	589,668	1,748,603
Total revenues	<u>91,277,024</u>	<u>30,059,520</u>	<u>3,603,176</u>	<u>124,939,720</u>
<b>EXPENSES</b>				
Instruction	42,214,347	2,350,410	-	44,564,757
Academic support	2,971,891	2,046	-	2,973,937
Libraries	1,094,424	-	-	1,094,424
Student services	5,114,270	1,213,291	-	6,327,561
Institutional support	16,291,099	3,683,643	-	19,974,742
Administration	7,462,636	887,922	-	8,350,558
Operation and maintenance of plant	10,120,839	1,460,534	464,993	12,046,366
Student aid	-	18,105,204	-	18,105,204
Expended for plant facilities	-	-	5,073,801	5,073,801
Retirement of debt and interest on debt	-	-	2,664,097	2,664,097
Total expenses	<u>85,269,506</u>	<u>27,703,050</u>	<u>8,202,891</u>	<u>121,175,447</u>
Transfers among funds	<u>(532,230)</u>	<u>(2,356,470)</u>	<u>2,888,700</u>	<u>-</u>
Net increase (decrease) for the year	<u>\$ 5,475,288</u>	<u>\$ -</u>	<u>\$ 17,586,485</u>	<u>\$ 23,061,773</u>
<b>Reconciliation of revenues:</b>				
Total Revenue per Schedule (all funds)				\$ 124,939,720
Adjustments:				
Scholarship allowances				(10,912,581)
Total adjusted revenue				<u>\$ 114,027,139</u>
Revenue per audited financial statements:				
Operating revenues				\$ 36,916,223
Nonoperating revenue				74,205,695
Capital appropriations				2,905,221
Total revenue per financial statements				<u>\$ 114,027,139</u>
<b>Reconciliation of expenses:</b>				
Total Expenses per Schedule (all funds)				\$ 121,175,447
Adjustments:				
Scholarship allowances				(10,912,581)
Expended for plant facilities				(5,073,801)
Retirement of indebtedness (principal)				(1,641,759)
Termination benefits adjustments				423,946
OPEB adjustments				1,095,901
Net pension adjustments				(2,512,788)
Depreciation				9,733,748
Loss on disposal				27,440
Total adjusted expenses				<u>\$ 112,315,553</u>
Expenses per audited financial statements:				
Operating expenses				\$ 111,265,775
Nonoperating expense				1,049,778
Total expenses per financial statements				<u>\$ 112,315,553</u>

**HUDSON VALLEY COMMUNITY COLLEGE  
SCHEDULE OF STATE OPERATING AID**

For the year ended August 31, 2021

Total Operating Costs	\$ 87,930,504		
Total Revenue - Offset to Expense	(3,493,860)		
Costs Not Allowable for State Aid	<u>-</u>		
Net Operating Costs	\$ 84,436,644 @	=	<u>\$ 33,774,658 (a)</u>
Rental Costs - Physical Space	\$ 430,789	\$	430,789
Low Enrollment Aid			-

	Net FTE Allowable		
<b>Funded FTE Students - Basic Aid</b>			
2017-2018 Actual	<u>7,707.2</u> x 0.20	=	<u>1,541.4</u>
2018-2019 Actual	<u>7,555.2</u> x 0.30	=	<u>2,266.6</u>
2019-2020 Actual	<u>7,372.8</u> x 0.50	=	<u>3,686.4</u>
2020-2021 Calculated FTE (20-30-50% Rule)			<u>7,494.4</u>
2020-2021 Funded FTE (Greater of 20-30-50% Rule or Prior Year Actual)			<u>7,494.4 (c)</u>
Funded FTE Students for Base Aid	(c) 7,494.4 @	\$2,947 *	= <u>22,085,997 (d)</u>
98% of Prior Year Funded FTE			<u>21,497,275 (e)</u>
Funded FTE - Greater of (d) or (e)			<u>22,085,997</u>
Funded FTE, Rental Costs, Next Generation NY Job Linkage Program			<u>\$ 22,516,786 (b)</u>
Basic Aid - Lesser of (a) or (b)			<u>\$ 22,516,786</u>

\* Rental Aid Percentage and State Aid Funding per FTE approved annually by the SUNY Board

**HUDSON VALLEY COMMUNITY COLLEGE**  
**RECONCILIATION OF REVENUES, EXPENSES AND FUND BALANCE AS**  
**REFLECTED IN THE ANNUAL REPORT TO THE AUDITED FINANCIAL STATEMENTS**  
**For the Year Ended August 31, 2021**

	<u>Revenues</u>	<u>Expenses</u>	
Totals by fund:			
Unrestricted current funds (per annual report)	\$ 91,277,023	\$ 87,930,504	
Restricted current funds (per annual report)	42,746,012	41,665,504	
Plant funds (net of transfers per financial statements)	3,603,176	5,314,191	
Endowment and similar funds	-	-	
Blended component unit(s)	-	-	
Totals (all funds)	<u>\$ 137,626,211</u>	<u>\$ 134,910,199</u>	
Adjustments to reconcile to financial statements:			
Scholarship allowances	\$ (10,912,581)	\$ (10,912,581)	
Expended for plant facilities	-	(5,073,801)	
Retirement of indebtedness	-	(1,641,759)	
Depreciation	-	9,733,748	
Loss on disposal	-	27,440	
Other postemployment benefit costs not recognized in annual report	-	1,366,123	
Net pension expense not recognized in annual report	-	(2,512,788)	
Operations of EOC	(981,728)	38,771	
Miscellaneous adjustments	(11,704,763)	(13,619,799) (3)	
<b>Adjusted totals</b>	<u>\$ 114,027,139</u>	<u>\$ 112,315,553 (1)</u>	
Per audited financial statements			
Operating revenue / expenses	\$ 36,916,223	\$ 111,265,775	
Nonoperating revenue / expenses	74,205,695	1,049,778	
Capital appropriations	2,905,221	-	
<b>Totals per financial statements</b>	<u>\$ 114,027,139</u>	<u>\$ 112,315,553 (1)</u>	
	<u>Annual Report</u>	<u>Unrestricted Current Funds (2)</u>	<u>Reconciled Difference</u>
2020 -2021 Total unrestricted expenses	<u>\$ 87,930,504</u>	<u>\$ 85,801,736</u>	<u>\$ (2,128,768)</u>
2020 -2021 Total revenues - offset to expense plus costs not allowable for state-aid.	<u>(3,493,860)</u>	<u>(3,493,860)</u>	<u>-</u>
2020 -2021 Net operating costs	<u>\$ 84,436,644</u>	<u>\$ 82,307,876</u>	<u>\$ (2,128,768)</u>
Description of reconciled difference(s):			
1. Termination benefits adjustments			\$ (2,208,559)
2. Other postemployment benefit obligation, net			270,222
3. Operating loss of EOC			38,771
4. Energy management project			-
5. Roof replacement and critical maintenance project			56,336
6. Other and rounding			(285,538)
<b>Total reconciled difference(s)</b>			<u>\$ (2,128,768)</u>

(1) Adjusted totals should agree to totals per financial statements

(2) Unrestricted Current Funds as contained in the Audited Financial Statements

(3) Miscellaneous adjustments include Federal direct loans, termination benefits adjustments, capital chargeback adjustments, other adjustments and rounding

<u>Net Position / Fund Balance Reconciliation:</u>	<u>Reported Amounts</u>
Current Unrestricted Fund Balance *	\$ 19,817,120
Other postemployment benefit liability (per financial statements)	(18,231,750)
Other postemployment benefit adjustments	445,278
Net pension adjustments	(1,416,496)
Energy management project	28
Roof replacement and critical maintenance project	1,516,543
Chargebacks adjustments	-
Fund balance (deficit) - EOC	(2,346,695)
Other and rounding adjustments	222,117
Unrestricted Net (Deficit) Position (per financial statements)	<u>\$ 6,145</u>

\* Line 113 (column C) of annual report

**HUDSON VALLEY COMMUNITY COLLEGE**  
**SCHEDULE OF STATE-AIDABLE FTE TUITION RECONCILIATION**  
**For the Year Ended August 31, 2021**

**Hudson Valley Community College**  
**Schedule of State-Aidable FTE Tuition Reconciliation**  
**For the Year Ended August 31, 2021**

**Calculated tuition based on State-aidable FTE per Annual Report:**

	<b>Headcount Credit Hours and FTE</b>	<b>Rate</b>	<b>Equated Tuition</b>
<b><u>Full-time Student Headcount</u></b>			
Fall 2020 full-time students per End of Term SDF	4,540	2,400	\$ 10,896,000
Winter 2021 full-time students per SDF	0	2,400	-
Spring 2021 full-time students per SDF	3,512	2,400	8,428,800
Summer 2021 full-time students per SDF	211	2,400	506,400
Total full-time headcount	<u>8,263</u>		
<b>Total credit hours of full-time students</b>	<u>119,493</u>		
<b><u>Part-time Student Credit Hours</u></b>			
Fall 2020 part-time students per End of Term SDF	27,398	200	5,479,644
Winter 2021 part-time credits per SDF	680	200	136,000
Spring 2021 part-time credits per SDF	26,761	200	5,352,220
Summer 2021 part-time credits per SDF	18,358	200	3,671,680
Fall 2020 per Form 24	107	200	21,480
Winter 2021 per Form 24	0	200	-
Spring 2021 per Form 24	149	200	29,840
Summer 2021 per Form 24	58	200	11,640
Total part-time credit hours	<u>73,513</u>		
Total credit hours	<u>193,006</u>		
<b>Total state-aidable FTE</b>	<u><u>6,433.5</u></u>		
<b>Total calculated tuition based headcount and credit hours</b>			<b>\$ <u><u>34,533,704</u></u></b>

**Reconciliation to Annual Report and Audited Financial Statements:**

Less: Bad debt allowance charged to tuition	\$ -
Difference in tuition for discounted classes	-
Calculated State-aidable non-credit remedial tuition	(134,520)
Learning centers - credits generated - no tuition charged	(62,940)
Other - miscellaneous	-
Other - lost or discounted tuition/Excelsior	(87,963)
Other	(759,449)
Add: Forfeited tuition due to withdrawals - FTEs not claimed	-
Non-credit remedial tuition revenue collected	20,293
Other - miscellaneous	178,871
Other - specify	-
<b>Tuition revenue reported on annual report (lines 205-207)</b>	<b>\$ <u><u>33,687,996</u></u></b>
Add: Distribution of excess student revenue	\$ -
Other - parking fee and other revenue	178,602
Other - financial aid allowance	(10,912,581)
Charges to non-resident students	-
Out-of-state resident tuition	2,546,694
Service fees	5,220,338
Student revenue - non state-aidable courses	945,475
Other - rounding	-
<b>Tuition and fee revenue per audited financial statements</b>	<b>\$ <u><u>31,666,524</u></u></b>



**HUDSON VALLEY COMMUNITY COLLEGE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended August 31, 2021**

<b>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>	<b>Expenditures to Subrecipients</b>
DEPARTMENT OF EDUCATION				
Student Financial Aid Cluster:				
Federal Pell Grant Program, 2019-2020	84.063	N/A	\$ 25,089	\$ -
Federal Pell Grant Program, 2020-2021	84.063	N/A	9,942,950	-
Federal Pell Grant Program, 2021-2022	84.063	N/A	19,523	-
Federal Supplemental Education Opportunity Grants, 2019-2020	84.007	N/A	1,500	-
Federal Supplemental Education Opportunity Grants, 2020-2021	84.007	N/A	357,900	-
Federal Work Study Program, 2019-2020	84.033	N/A	20,410	-
Federal Work Study Program, 2020-2021	84.033	N/A	55,497	-
Federal Work Study Program, 2021-2022	84.033	N/A	3,619	-
Federal Direct Student Loans, 2019-2020	84.268	N/A	15,040	-
Federal Direct Student Loans, 2020-2021	84.268	N/A	8,157,844	-
Federal Direct Student Loans, 2021-2022	84.268	N/A	2,055,989	-
Total Student Financial Aid Cluster			<u>20,655,360</u>	<u>-</u>
Education Stabilization Fund:				
COVID 19 - Higher Education Emergency Relief Fund-Student Relief	84.425E	N/A	3,639,346	-
COVID 19 - Higher Education Emergency Relief Fund-Institutional Relief	84.425F	N/A	5,170,690	-
COVID 19 - Higher Education Emergency Relief Fund-SIP	84.425M	N/A	216,358	-
Total Education Stabilization Fund			<u>9,026,394</u>	<u>-</u>
PASSED THROUGH NEW YORK STATE DEPARTMENT OF EDUCATION				
Career and Technical Education - Basic Grants to States	84.048	8000-21-6270	559,183	-
PASSED THROUGH RENNELAER COUNTY DEPARTMENT OF SOCIAL SERVICES				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	64,943	-
Total Department of Education			<u>30,305,880</u>	<u>-</u>
DEPARTMENT OF COMMERCE				
Investment for Public Works and Economic Development Facilities	11.300	N/A	22,497	-
Total Department of Commerce			<u>22,497</u>	<u>-</u>
NATIONAL SCIENCE FOUNDATION				
PASSED THROUGH SUNY POLYTECHNIC INSTITUTE				
Education and Human Resources	47.076	N/A	78,730	-
Total National Science Foundation			<u>78,730</u>	<u>-</u>
DEPARTMENT OF LABOR				
PASSED THROUGH AMERICAN ASSOCIATION OF COMMUNITY COLLEGES				
Apprenticeship USA Grants	17.285	N/A	10,869	-
PASSED THROUGH THE RESEARCH DEPARTMENT FOR SUNY				
Scaling Apprenticeship through Sector-Based Strategies	17.268	85691	7,697	-
Total Department of Labor			<u>18,566</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 30,425,673</u>	<u>\$ -</u>

*The accompanying notes to schedule of expenditures of federal awards should be read in conjunction with this schedule.*

**HUDSON VALLEY COMMUNITY COLLEGE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended August 31, 2021**

**NOTE 1 — BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Hudson Valley Community College (the College) and is presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets or cash flows of the College. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Administrative costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented. The College has not elected to utilize the 10% de minimis indirect cost rate in Part 200.414 of the Uniform Guidance.

Negative amounts on the Schedule, if any, represent adjustments made to prior year expenditures in the normal course of business.

**NOTE 2 — STUDENT LOAN PROGRAMS**

For the year ended August 31, 2021, the College processed \$10,228,873 of new loans (net of origination fees), under the Federal Direct Student Loan Program which includes Subsidized Loans, Unsubsidized Loans, and Parent Loans.