

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK

AUDIT REPORT FOR THE YEAR ENDED
JUNE 30, 2020
INCLUDING REPORT ON
EXTRACLASSROOM ACTIVITY FUNDS

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
JUNE 30, 2020
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of
Croton-Harmon Union Free School District
Croton-on-Hudson, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Croton-Harmon Union Free School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Croton-Harmon Union Free School District

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund of the Croton-Harmon Union Free School District as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 4 through 15 and 67 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Croton-Harmon Union Free School District's basic financial statements. The supplemental schedules on pages 72 through 74 were required by the New York State Education Department and are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules on pages 72 through 74 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules on pages 72 through 74 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2020, on our consideration of the Croton-Harmon Union Free School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Croton-Harmon Union Free School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Croton-Harmon Union Free School District's internal control over financial reporting and compliance.

Mugent & Hausler, P.C.

Montgomery, New York
September 28, 2020

CROTON-HARMON UNION FREE SCHOOL DISTRICT

Management Discussion and Analysis

Introductory Section

The following is a discussion and analysis of Croton-Harmon Union Free School District's financial performance for the fiscal year ended June 30, 2020. The section is a summary of the Croton-Harmon Union Free School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the district-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2020 are as follows:

- The District's actual expenditures and encumbrances were less than the revised budgeted expenditures by \$2,957,998. This was due to the following key factors:
 - Savings due to the continuation of the Flexible Support Program at the secondary level as the district was able to meet the needs of more students in-house rather than incurring the cost of expensive out-of-district programs. This program saves both tuition costs and transportation expenses in addition to meeting student's individual needs.
 - The district is a member of the Putnam Northern Westchester Schools Cooperative Worker's Compensation Self-Insurance Plan. This is a closely monitored, self-insured plan comprised of Boces and over 15 local districts. Compared to market premium values, it is estimated that the district has saved over \$839,242 since the inception of the program.
 - Utility costs for fuel oil and natural gas to heat our buildings, as well as diesel fuel and gasoline for the buses, remained lower than budgeted. This is primarily due to properly planned and executed maintenance schedules that ensure equipment longevity, reliability, safety, and energy efficiency in our buildings.
 - The district continues to train in-house custodial and maintenance personnel for specialized work to avoid expensive repairs and maintenance incurred when outside contractors are hired. Our custodial, maintenance and grounds crews have taken over much of the work that was previously outsourced.
 - Our administrative and instructional staff continue to provide staff development for the faculty thus reducing the district's need to hire consultants.
 - The district belongs to the Putnam-Northern Westchester Health Insurance Consortium, which helps to contain the costs of health insurance premiums. For 2018-19 year, the cooperative added an additional tier structure to further contain costs while maintaining quality health care services.
 - The Transportation Department belongs to a consortium of school districts formed to share statistical information regarding bus runs. This partnership has resulted in districts collaborating with neighboring districts to consolidate bus runs and reduce the cost of out-of-district transportation.
 - The district participates in a cooperative bid with other school districts to purchase diesel fuel. This enables us to combine the purchasing power of all members, to receive volume and competitive pricing from larger, reputable vendors.
 - The district was able to save considerable funds by negotiating our most recent Collective Bargaining Agreement without employing outside legal counsel.

CROTON-HARMON UNION FREE SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

Financial Highlights (continued)

- In response to the COVID-19 pandemic, all school districts in the state were ordered to close in-person instruction in mid-March 2020. The closure order ultimately extended through the end of the school year. To accommodate, the District developed a remote learning program to complete the 2019-2020 instructional school year and spent summer 2020 developing several learning models (in-person, hybrid and remote) to provide maximum flexibility for the 2020-22021 instructional program.

Overview of the Financial Statements

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

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

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

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

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

District-Wide Financial Statements

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

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

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

District-Wide Financial Statements (Continued)

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information provided in the notes to the financial statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

CROTON-HARMON UNION FREE SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Financial Analysis of the District as a Whole

For the year ended June 30, 2020, net position increased by \$1,888,763. The District's net position at June 30, 2020 is 30,652,523. The following table provides a summary of the District's net position:

Summary of Net Position

	School District Activities		
	June 30, 2020	June 30, 2019	% Change
Current Assets	\$26,760,518	\$ 33,293,499	-19.62%
Non-Current Assets	66,971,663	57,768,836	15.93%
Total Assets	93,732,181	91,062,335	2.93%
Deferred Outflows of Resources	16,025,109	16,139,271	-0.71%
Current Liabilities	3,614,663	20,141,350	-82.05%
Long-Term Liabilities	71,431,409	55,164,723	29.49%
Total Liabilities	75,046,072	75,306,073	-0.35%
Deferred Inflows of Resources	4,058,695	3,131,773	29.60%
Net Position:			
Net Investment in Capital Assets	42,081,975	32,244,704	30.51%
Restricted	25,447,074	25,330,722	0.46%
Unrestricted	(36,876,526)	(28,811,666)	-27.99%
Total Net Position	\$30,652,523	\$ 28,763,760	6.57%

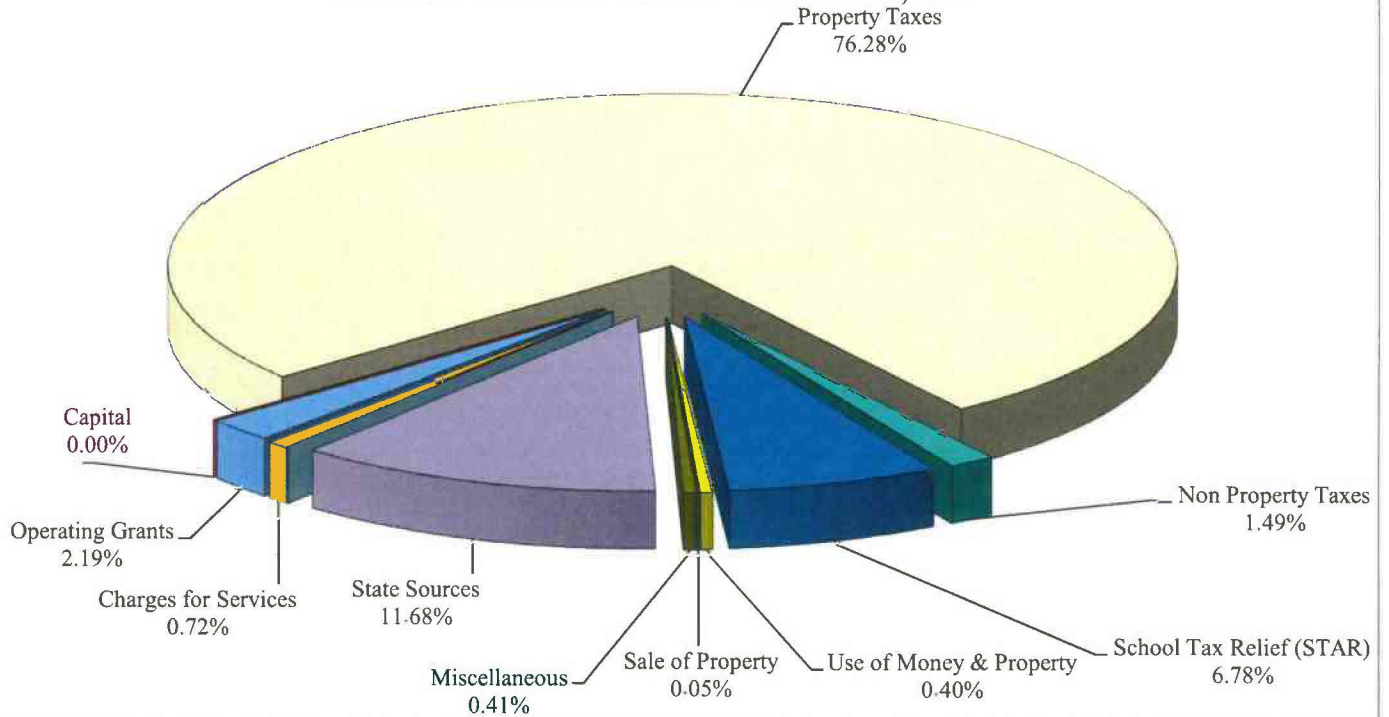
The following table and supporting graphs provide a summary of revenues, expenses and changes in net position for the year ended June 30, 2020:

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET POSITION

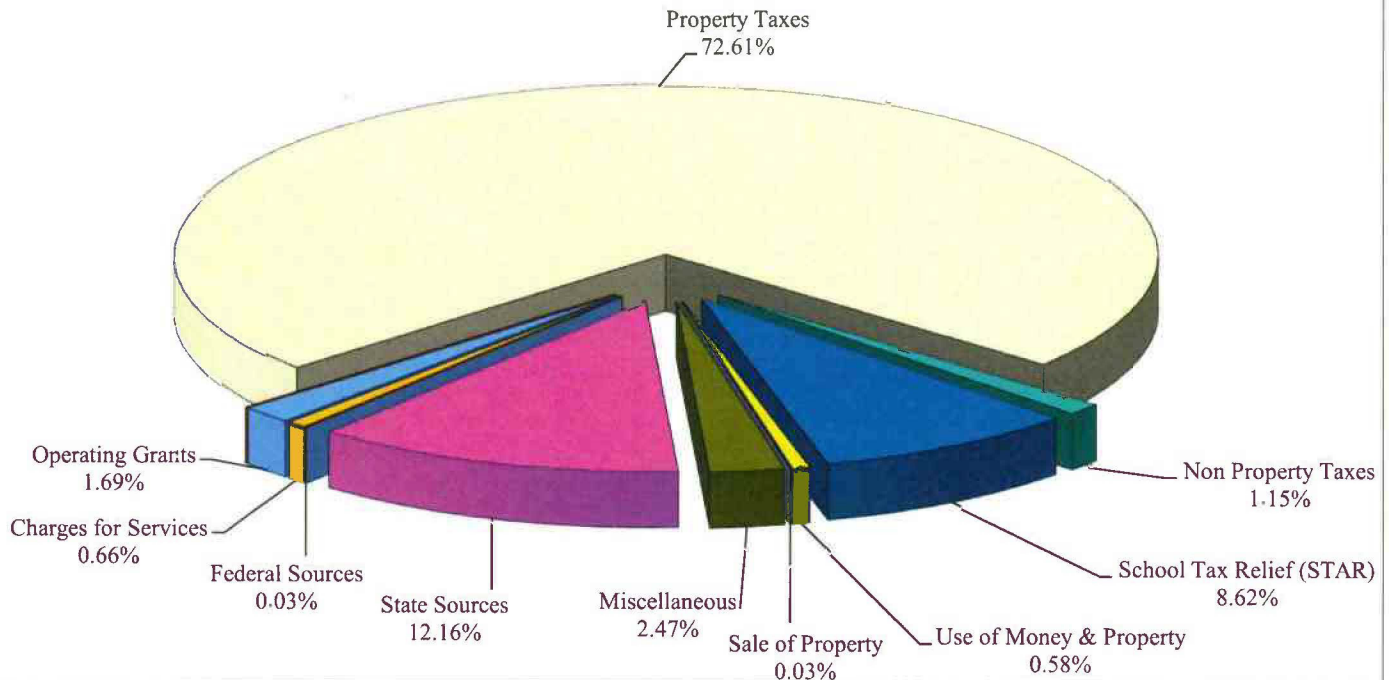
	<u>JUNE 30, 2020</u>	<u>%</u>	<u>JUNE 30, 2019</u>	<u>%</u>	<u>\$ Change</u>	<u>%</u>
<u>REVENUES</u>						
PROGRAM REVENUES:						
Charges for Services	\$ 349,552	0.72%	\$ 318,714	0.66%	\$ 30,838	9.68%
Operating Grants	1,057,722	2.19%	815,240	1.69%	242,482	29.74%
Capital Grants and Contributions	1,987	0.00%	0	0.00%	1,987	N/A
GENERAL REVENUES:						
Property Taxes	36,881,611	76.28%	34,935,495	72.61%	1,946,116	5.57%
Non Property Taxes	718,048	1.49%	551,925	1.15%	166,123	30.10%
School Tax Relief (STAR)	3,277,580	6.78%	4,145,066	8.62%	(867,486)	-20.93%
Use of Money & Property	191,352	0.40%	278,258	0.58%	(86,906)	-31.23%
Sale of Property	23,659	0.05%	13,139	0.03%	10,520	80.07%
Miscellaneous	197,033	0.41%	1,187,132	2.47%	(990,099)	-83.40%
State Sources	5,648,324	11.68%	5,849,295	12.16%	(200,971)	-3.44%
Federal Sources	0	0.00%	12,958	0.03%	(12,958)	-100.00%
TOTAL REVENUES	<u>48,346,868</u>	100.00%	<u>48,107,222</u>	100.00%	<u>239,646</u>	0.50%
<u>EXPENSES</u>						
General Support	7,599,741	16.36%	8,067,312	17.48%	(467,571)	-5.80%
Instruction	34,275,899	73.77%	34,049,023	73.77%	226,876	0.67%
Pupil Transportation	3,336,422	7.18%	3,347,823	7.25%	(11,401)	-0.34%
Debt Service Interest	583,619	1.26%	463,733	1.00%	119,886	25.85%
School Lunch Program	662,424	1.43%	232,372	0.50%	430,052	185.07%
TOTAL EXPENSES	<u>46,458,105</u>	100.00%	<u>46,160,263</u>	100.00%	<u>297,842</u>	0.65%
CHANGE IN NET POSITION	<u>\$ 1,888,763</u>		<u>\$ 1,946,959</u>		<u>\$ (58,196)</u>	-2.99%

**CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK**

**SOURCES OF REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

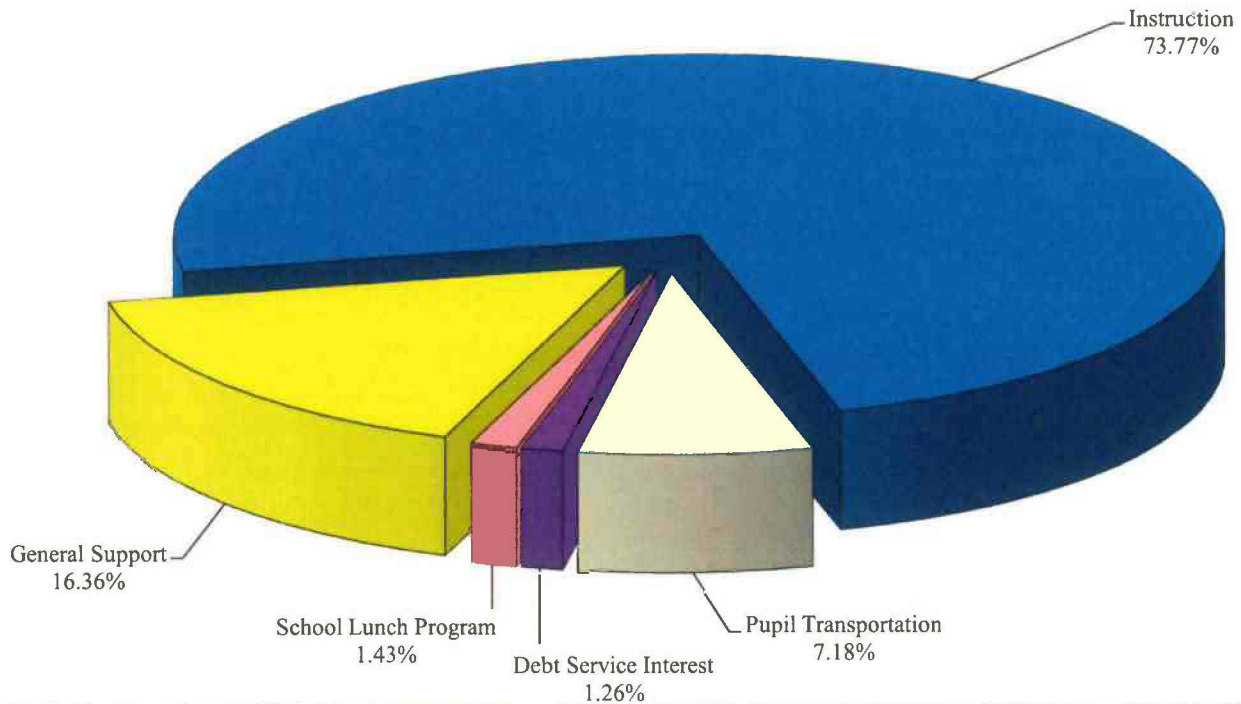


**SOURCES OF REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

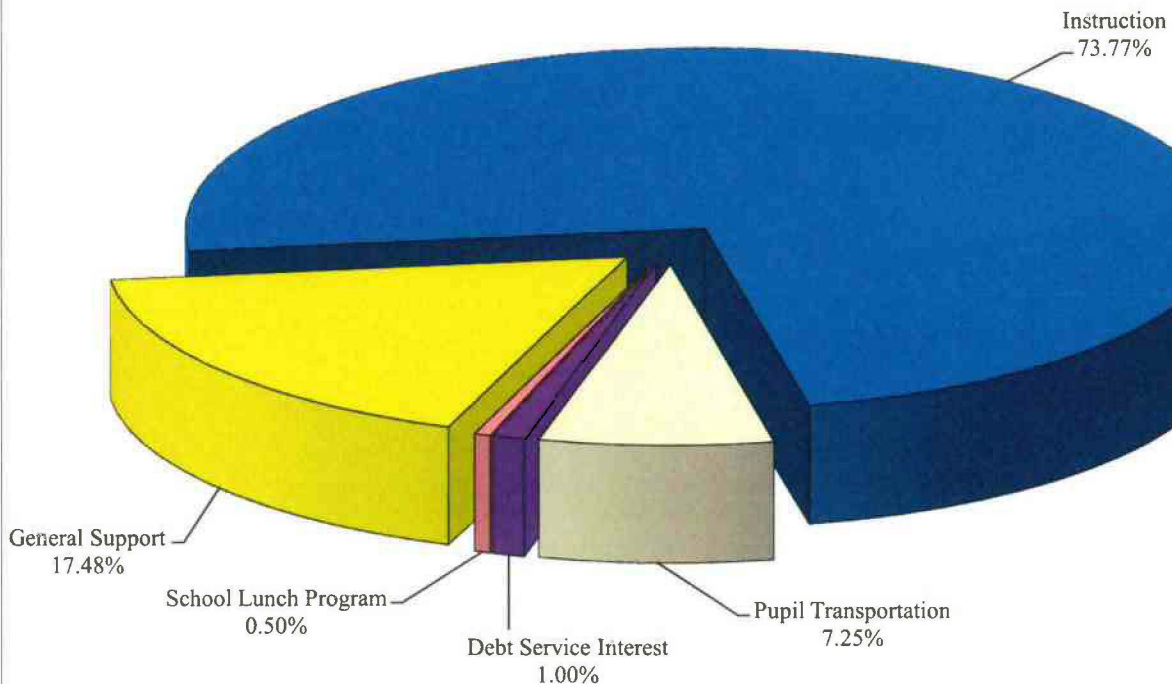


CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK

EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2020



EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2019

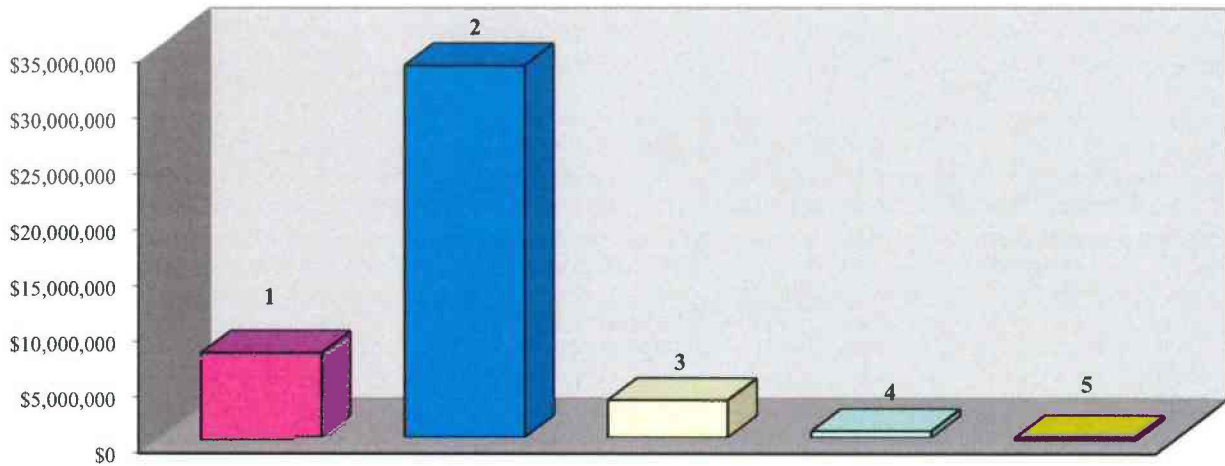


CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
STATEMENT OF ACTIVITIES
NET COSTS

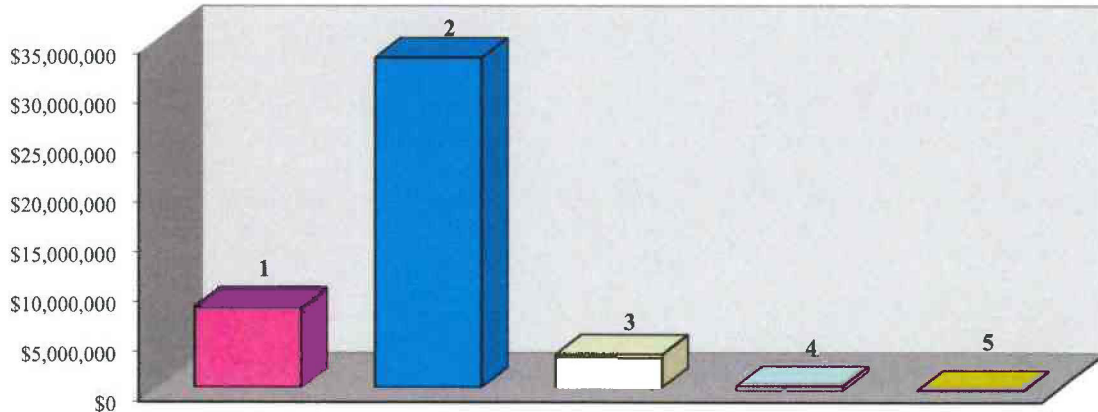
The following information is provided to disclose the net cost of governmental activities:

		TOTAL COST OF SERVICES 2019-2020	NET COST OF SERVICES 2019-2020	TOTAL COST OF SERVICES 2018-2019	NET COST OF SERVICES 2018-2019
General Support	1	\$ 7,599,741	\$ 7,567,705	\$ 8,067,312	\$ 8,067,312
Instruction	2	34,275,899	33,261,489	34,049,023	33,165,813
Pupil Transportation	3	3,336,422	3,336,422	3,347,823	3,302,571
Debt Service - Interest	4	583,619	581,632	463,733	463,733
School Lunch Program	5	662,424	301,596	232,372	26,880
		<u>\$ 46,458,105</u>	<u>\$ 45,048,844</u>	<u>\$ 46,160,263</u>	<u>\$ 45,026,309</u>

NET COSTS 2019-2020



NET COSTS 2018-2019



CROTON-HARMON UNION FREE SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Financial Analysis of the District's Funds

As discussed, the District's governmental funds are reported in the fund statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the District consist of the General Fund, Special Aid Fund, School Lunch Fund, Debt Service Fund and Capital Projects Fund. The total fund balances allocated between nonspendable, restricted, assigned, and unassigned fund balance for each of these funds is as follows:

	June 30, 2020				
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General	\$ 0	\$ 15,765,598	\$ 2,369,331	\$ 1,976,984	\$ 20,111,913
Special Aid	0	70,838	0	0	70,838
School Lunch	6,543	0	0	(137,417)	(130,874)
Capital Projects	0	3,172,363	0	0	3,172,363
Debt Service	0	83,096	0	0	83,096
Total	<u>\$ 6,543</u>	<u>\$ 19,091,895</u>	<u>\$ 2,369,331</u>	<u>\$ 1,839,567</u>	<u>\$ 23,307,336</u>

	June 30, 2019				
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General	\$ 0	\$ 16,138,418	\$ 1,710,188	\$ 1,940,290	\$ 19,788,896
Special Aid	0	70,838	0	0	70,838
School Lunch	792	99,258	0	0	100,050
Capital Projects	0	0	0	(6,865,378)	(6,865,378)
Debt Service	0	241,693	0	0	241,693
	<u>\$ 792</u>	<u>\$ 16,550,207</u>	<u>\$ 1,710,188</u>	<u>\$ (4,925,088)</u>	<u>\$ 13,336,099</u>

General Fund Budgetary Highlights

The original budget for the General Fund was revised by \$1,579,587 during the year. The supplemental appropriations consisted of appropriations of \$18,500 from the Employee Benefit Accrued Liability Reserve for Retirement Benefits and Capital Reserve of \$1,561,087.

In the General Fund for the fiscal year ended June 30, 2020, actual revenues were more than revised budgeted revenues by \$574,298 (1.23%). Actual expenditures and encumbrances were less than the revised budgeted expenditures by \$2,957,998 (5.86%). Once again, the District kept fiscal restraints on purchases.

For fiscal year 2020-2021, the District has appropriated \$1,888,835 of fund balance to reduce the tax levy.

CROTON-HARMON UNION FREE SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

General Fund Budgetary Highlights (Continued)

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

- Variances between estimated revenues and amounts actually received from New York State Aid
- The tax levy cap legislation
- Low interest rates being paid on District investments
- High costs of employee benefits such as health insurance, workers' compensation insurance, teachers' and employees' retirement
- The uncertainty in costs of utilities – electric, gasoline, diesel fuel and heating oil

The New York State Legislature enacted legislation, Chapter 97 of the Laws of 2011 that establishes a “property tax cap” on the amount that a school district’s property tax levy can increase each year. This legislation specifies that property taxes levied by a school district generally cannot increase by more than two percent, or the rate of inflation, whichever is less. The law does allow school districts to levy an additional amount for certain excludable expenditures. School districts can adopt a tax levy that exceeds the statutory limit, if the budget that is presented to the public is approved by sixty percent of the votes cast.

Management believes that the budget adopted for 2020-2021 is reasonably adaptable to any adverse changes that may arise based on the above factors.

Other Fund Highlights

The Special Aid Fund ended the year with a fund balance of \$70,838. These funds will be appropriated in subsequent years to offset necessary transfers from the General Fund.

The School Lunch Program Fund ended the year with a fund balance deficit of \$130,874. Expenditures exceeded revenues by \$230,924.

The Capital Projects Fund ended the year with a fund balance of \$3,172,363.

Debt Service Fund ended the year with a fund balance of \$83,096. This fund balance will be appropriated in future years to offset principal and interest payments.

Capital Asset and Debt Administration

Capital Assets

The District’s investment in capital assets, net of accumulated depreciation as of June 30, 2020, was \$64,148,381. The total change in this net investment was an increase of 14.98% for the District as a whole (see schedule below). The District’s investment in capital assets, net of accumulated depreciation as of June 30, 2019 was \$55,789,091. The District expended \$10,400,590 to acquire and construct capital assets during the fiscal year ended June 30, 2020 and depreciation expense for the fiscal year was \$2,033,598.

CROTON-HARMON UNION FREE SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Capital Assets (Continued)

CAPITAL ASSETS
Net of Accumulated Depreciation

	<u>School District Activities</u>		
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>% Change</u>
<u>Non-Depreciable Assets:</u>			
Land	\$ 810,100	\$ 810,100	0.00%
Construction in Progress	16,194,143	6,606,165	145.14%
<u>Depreciable Assets:</u>			
Land Improvements	305,592	334,932	-8.76%
Building and Improvements	44,818,674	46,463,741	-3.54%
Furniture and Equipment	799,494	328,823	143.14%
Vehicles	1,220,378	1,245,330	-2.00%
TOTALS	<u>\$ 64,148,381</u>	<u>\$ 55,789,091</u>	14.98%

Long-Term Debt

At the end of the fiscal year, the District had total bonded debt outstanding of \$16,755,000. This amount is backed by the full faith and credit of the Croton-Harmon Union Free School District with debt service fully funded by voter approved property taxes. Activity in bonded debt outstanding during the fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>
Serial Bond -2006	\$ 625,000	\$ 0	\$ 625,000	\$ 0
Serial Bond - 2011 Refunding	2,225,000	0	1,090,000	1,135,000
Serial Bond - 2013 Refunding	1,225,000	0	1,225,000	0
Energy Performance Contract	2,066,811	0	270,876	1,795,935
Serial Bond - 2020	0	15,620,000	0	15,620,000
Total Bonded Debt Outstanding	<u>\$ 6,141,811</u>	<u>\$ 15,620,000</u>	<u>\$ 3,210,876</u>	<u>\$ 18,550,935</u>

Bond Ratings

Moody's Investors Service ("Moody's") has assigned a rating of "Aa2" to outstanding uninsured bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Denise Harrington-Cohen, Assistant Superintendent for Business, at the District's business offices at 10 Gerstein Street, Croton-on-Hudson, New York 10520.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2020

ASSETS

Unrestricted Cash	\$ 9,311,484
Restricted Cash	15,987,595
State & Federal Aid Receivable	799,048
Due from Other Governments	641,139
Other Receivables, Net	14,709
Inventories	6,543
Non Depreciable Capital Assets	17,004,243
Capital Assets, Net	47,144,138
Net Pension Asset - Proportionate Share	2,823,282
TOTAL ASSETS	93,732,181

DEFERRED OUTFLOWS OF RESOURCES

Deferred Amount on Refunding	15,410
Other Postemployment Benefits	3,455,258
Pension	12,554,441
TOTAL DEFERRED OUTFLOWS OF RESOURCES	16,025,109

LIABILITIES

Accounts Payable	632,973
Accrued Liabilities	92,674
Due to Other Governments	22
Due to Teachers' Retirement System	1,741,419
Due to Employees' Retirement System	220,467
Deferred Revenues	38,573
Retainage Payable	68,807
Bond Anticipation Notes	819,728
Long-term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (Including unamortized bond premiums of \$199,635)	3,069,635
Installment Purchase Debt	278,624
Due and Payable In More Than One Year:	
Bonds Payable (Including unamortized bond premium of \$2,511,518)	16,396,518
Installment Purchase Debt	1,517,311
Compensated Absences	535,612
Other Postemployment Benefits	44,669,860
Net Pension Liability - Proportionate Share	4,963,849
TOTAL LIABILITIES	75,046,072

DEFERRED INFLOWS OF RESOURCES

Pension	4,058,695
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NET POSITION

Net Investment in Capital Assets	42,081,975
Restricted	25,447,074
Unrestricted	(36,876,526)
TOTAL NET POSITION	\$ 30,652,523

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

FUNCTIONS & PROGRAMS	(EXPENSES)	PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS	CAPITAL GRANTS AND CONTRIBUTIONS	
General Support	\$ (7,599,741)	\$ 32,036	\$ 0	\$ 0	\$ (7,567,705)
Instruction	(34,275,899)	28,606	985,804	0	(33,261,489)
Pupil Transportation	(3,336,422)	0	0	0	(3,336,422)
Debt Service - Interest	(583,619)	0	0	1,987	(581,632)
School Lunch Program	(662,424)	288,910	71,918	0	(301,596)
TOTAL FUNCTIONS & PROGRAMS	\$ (46,458,105)	\$ 349,552	\$ 1,057,722	\$ 1,987	(45,048,844)
GENERAL REVENUES					
Real Property Taxes					36,881,611
Other Tax Items					3,277,580
Non Property Taxes					718,048
Use of Money & Property					191,352
Sale of Property & Compensation for Loss					23,659
Miscellaneous					197,033
State Sources					5,648,324
TOTAL GENERAL REVENUES					46,937,607
CHANGE IN NET POSITION					1,888,763
NET POSITION, BEGINNING OF YEAR					28,763,760
NET POSITION, END OF YEAR					\$ 30,652,523

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>						
Unrestricted Cash	\$ 5,450,154	\$ 0	\$ 0	\$ 3,861,330	\$ 0	\$ 9,311,484
Restricted Cash	15,765,598	0	0	0	221,997	15,987,595
State & Federal Aid Receivable	133,431	652,175	13,442	0	0	799,048
Due from Other Governments	641,139	0	0	0	0	641,139
Due from Other Funds	687,931	0	0	141,986	1,099	831,016
Other Receivables, Net	13,329	1,380	0	0	0	14,709
Inventories	0	0	6,543	0	0	6,543
TOTAL ASSETS	<u>\$ 22,691,582</u>	<u>\$ 653,555</u>	<u>\$ 19,985</u>	<u>\$ 4,003,316</u>	<u>\$ 223,096</u>	<u>\$ 27,591,534</u>
<u>LIABILITIES & FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable	\$ 615,797	\$ 0	\$ 7,050	\$ 10,126	\$ 0	\$ 632,973
Due to Other Governments	0	0	22	0	0	22
Due to Other Funds	1,986	574,070	113,861	1,099	140,000	831,016
Due to Teachers' Retirement System	1,741,419	0	0	0	0	1,741,419
Due to Employees' Retirement System	220,467	0	0	0	0	220,467
Deferred Revenues	0	8,647	29,926	0	0	38,573
Bond Anticipation Notes	0	0	0	819,728	0	819,728
TOTAL LIABILITIES	<u>2,579,669</u>	<u>582,717</u>	<u>150,859</u>	<u>830,953</u>	<u>140,000</u>	<u>4,284,198</u>
<u>FUND BALANCES (DEFICITS)</u>						
Nonspendable	0	0	6,543	0	0	6,543
Restricted	15,765,598	70,838	0	3,172,363	83,096	19,091,895
Assigned	2,369,331	0	0	0	0	2,369,331
Unassigned	1,976,984	0	(137,417)	0	0	1,839,567
TOTAL FUND BALANCES (DEFICITS)	<u>20,111,913</u>	<u>70,838</u>	<u>(130,874)</u>	<u>3,172,363</u>	<u>83,096</u>	<u>23,307,336</u>
TOTAL LIABILITIES & FUND BALANCES (DEFICITS)	<u>\$ 22,691,582</u>	<u>\$ 653,555</u>	<u>\$ 19,985</u>	<u>\$ 4,003,316</u>	<u>\$ 223,096</u>	<u>\$ 27,591,534</u>

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION
<u>ASSETS</u>				
Unrestricted Cash	\$ 9,311,484	\$ 0	\$ 0	\$ 9,311,484
Restricted Cash	15,987,595	0	0	15,987,595
State & Federal Aid Receivable	799,048	0	0	799,048
Due from Other Governments	641,139	0	0	641,139
Due from Other Funds	831,016	0	(831,016)	0
Other Receivables, Net	14,709	0	0	14,709
Inventories	6,543	0	0	6,543
Non Depreciable Capital Assets	0	17,004,243	0	17,004,243
Capital Assets, Net	0	47,144,138	0	47,144,138
Net Pension Asset - Proportionate Share	0	2,823,282	0	2,823,282
TOTAL ASSETS	27,591,534	66,971,663	(831,016)	93,732,181
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Amount on Refunding	0	15,410	0	15,410
Other Postemployment Benefits	0	3,455,258	0	3,455,258
Pension	0	12,554,441	0	12,554,441
TOTAL DEFERRED OUTFLOWS OF RESOURCES	0	16,025,109	0	16,025,109
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 27,591,534	\$ 82,996,772	\$ (831,016)	\$ 109,757,290
<u>LIABILITIES</u>				
Accounts Payable	\$ 632,973	\$ 0	\$ 0	\$ 632,973
Accrued Liabilities	0	92,674	0	92,674
Due to Other Governments	22	0	0	22
Due to Other Funds	831,016	0	(831,016)	0
Due to Teachers' Retirement System	1,741,419	0	0	1,741,419
Due to Employees' Retirement System	220,467	0	0	220,467
Deferred Revenues	38,573	0	0	38,573
Retainage Payable	0	68,807	0	68,807
Bond Anticipation Notes	819,728	0	0	819,728
Bonds Payable	0	19,466,153	0	19,466,153
Installment Purchase Debt	0	1,795,935	0	1,795,935
Compensated Absences	0	535,612	0	535,612
Other Postemployment Benefits	0	44,669,860	0	44,669,860
Net Pension Liability - Proportionate Share	0	4,963,849	0	4,963,849
TOTAL LIABILITIES	4,284,198	71,592,890	(831,016)	75,046,072
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension	0	4,058,695	0	4,058,695
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	4,284,198	75,651,585	(831,016)	79,104,767
FUND BALANCES / NET POSITION	23,307,336	7,345,187	0	30,652,523
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION	\$ 27,591,534	\$ 82,996,772	\$ (831,016)	\$ 109,757,290

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>						
Real Property Taxes	\$ 36,881,611	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,881,611
Other Tax Items	3,277,580	0	0	0	0	3,277,580
Non Property Taxes	718,048	0	0	0	0	718,048
Charges for Services	28,606	0	0	0	0	28,606
Use of Money & Property	223,388	0	0	0	1,987	225,375
Sale of Property & Compensation for Loss	23,659	0	0	0	0	23,659
Miscellaneous	192,984	72,353	30	0	0	265,367
State Sources	5,813,957	194,705	4,065	0	0	6,012,727
Federal Sources	10,189	542,924	67,823	0	0	620,936
Sales	0	0	288,910	0	0	288,910
TOTAL REVENUES	47,170,022	809,982	360,828	0	1,987	48,342,819
<u>EXPENDITURES</u>						
General Support	5,881,046	0	0	0	0	5,881,046
Instruction	24,574,510	834,870	0	0	0	25,409,380
Pupil Transportation	2,360,203	42,682	0	0	0	2,402,885
Employee Benefits	8,319,421	7,700	0	0	0	8,327,121
Debt Service:						
Principal	3,623,767	0	0	0	0	3,623,767
Interest	593,358	0	0	0	0	593,358
Cost of Sales	0	0	621,752	0	0	621,752
Capital Outlay	0	0	0	10,256,238	0	10,256,238
TOTAL EXPENDITURES	45,352,305	885,252	621,752	10,256,238	0	57,115,547
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	1,817,717	(75,270)	(260,924)	(10,256,238)	1,987	(8,772,728)
<u>OTHER SOURCES & USES</u>						
Proceeds from Debt	0	0	0	15,620,000	0	15,620,000
Bond Anticipation Notes Paid from Current Appropriations	0	0	0	412,891	0	412,891
Premium on Obligation	0	0	0	0	2,711,074	2,711,074
Operating Transfers In	171,658	75,270	30,000	4,261,088	0	4,538,016
Operating Transfers (Out)	(1,666,358)	0	0	0	(2,871,658)	(4,538,016)
TOTAL OTHER SOURCES & USES	(1,494,700)	75,270	30,000	20,293,979	(160,584)	18,743,965
EXCESS (DEFICIENCY) REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	323,017	0	(230,924)	10,037,741	(158,597)	9,971,237
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	19,788,896	70,838	100,050	(6,865,378)	241,693	13,336,099
FUND BALANCES (DEFICITS), END OF YEAR	\$ 20,111,913	\$ 70,838	\$ (130,874)	\$ 3,172,363	\$ 83,096	\$ 23,307,336

See notes to financial statement

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
<u>REVENUES</u>						
Real Property Taxes	\$ 36,881,611	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,881,611
Other Tax Items	3,277,580	0	0	0	0	3,277,580
Non Property Taxes	718,048	0	0	0	0	718,048
Charges for Services	28,606	0	0	0	0	28,606
Use of Money & Property	225,375	0	0	0	0	225,375
Sale of Property & Compensation for Loss	23,659	0	0	0	0	23,659
Miscellaneous	265,367	0	0	0	4,049	269,416
State Sources	6,012,727	0	0	0	0	6,012,727
Federal Sources	620,936	0	0	0	0	620,936
Sales	288,910	0	0	0	0	288,910
TOTAL REVENUES	48,342,819	0	0	0	4,049	48,346,868
<u>EXPENDITURES</u>						
General Support	5,881,046	10,799	20,336	0	1,687,560	7,599,741
Instruction	25,409,380	32,383	1,736,260	0	7,097,876	34,275,899
Pupil Transportation	2,402,885	0	244,032	0	689,505	3,336,422
Employee Benefits	8,327,121	1,341,137	0	0	(9,668,258)	0
Debt Service:						
Principal	3,623,767	0	0	(3,210,876)	(412,891)	0
Interest	593,358	26,500	0	(36,239)	0	583,619
Cost of Sales	621,752	0	40,672	0	0	662,424
Capital Outlay	10,256,238	(48,965)	(10,400,590)	0	193,317	0
TOTAL EXPENDITURES	57,115,547	1,361,854	(8,359,290)	(3,247,115)	(412,891)	46,458,105
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	(8,772,728)	(1,361,854)	8,359,290	3,247,115	416,940	1,888,763
<u>OTHER SOURCES & USES</u>						
Proceeds from Debt	15,620,000	0	0	0	(15,620,000)	0
Bond Anticipation Notes Paid from Current Appropriations	412,891	0	0	0	(412,891)	0
Premium on Obligation	2,711,074	0	0	0	(2,711,074)	0
Operating Transfers In	4,538,016	0	0	0	(4,538,016)	0
Operating Transfers (Out)	(4,538,016)	0	0	0	4,538,016	0
TOTAL OTHER SOURCES & USES	18,743,965	0	0	0	(18,743,965)	0
NET CHANGE FOR THE YEAR	\$ 9,971,237	\$ (1,361,854)	\$ 8,359,290	\$ 3,247,115	\$ (18,327,025)	\$ 1,888,763

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	PRIVATE PURPOSE TRUSTS	AGENCY
<u>ASSETS</u>		
Cash	\$ 70,326	\$ 131,039
TOTAL ASSETS	<u>\$ 70,326</u>	<u>\$ 131,039</u>
<u>LIABILITIES & NET POSITION</u>		
<u>LIABILITIES</u>		
Due to Other Governments	\$ 0	\$ 726
Extraclassroom Activity Balances	0	98,598
Other Liabilities	<u>0</u>	<u>31,715</u>
TOTAL LIABILITIES	<u>0</u>	<u>\$ 131,039</u>
<u>NET POSITION</u>		
Held in Trust for Endowment, Scholarship and Gift Funds	<u>70,326</u>	
TOTAL LIABILITIES & NET POSITION	<u>\$ 70,326</u>	

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	PRIVATE PURPOSE TRUSTS
<u>ADDITIONS</u>	
Gifts and Contributions	\$ 13,870
Investment Earnings	279
	<hr/>
TOTAL ADDITIONS	14,149
 <u>DEDUCTIONS</u>	
Scholarships & Awards	<hr/> 18,400
CHANGE IN NET POSITION	(4,251)
NET POSITION, BEGINNING OF YEAR	<hr/> 74,577
NET POSITION, END OF YEAR	<hr/> <hr/> \$ 70,326

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of the Croton-Harmon Union Free School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

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

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

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

1. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds have been included in this report. The District accounts for assets held as an agent for various student organizations in an agency fund.

B. Joint Venture

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

B. Joint Venture (Continued)

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

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. In the Putnam/Northern Westchester BOCES, each component district's share of administrative and capital cost may be determined by using the weighted average daily attendance for a certain percentage and the true valuation for a certain percentage, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year ended June 30, 2020, the Croton-Harmon Union Free School District was billed \$2,221,318 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$770,397. Financial statements for BOCES are available from the BOCES administrative office at 200 BOCES Drive, Yorktown Heights, New York 10598.

C. Basis of Presentation

1. District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended in those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Basis of Presentation (Continued)

2. Funds Statements

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

The District reports the following major governmental funds:

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

Special Aid Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund: This fund is used to account for the school lunch operations. The school lunch operation is supported by federal and state grants and charges participants for its services.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

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

The District reports the following fiduciary funds:

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

Private purpose trust funds: These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

Agency funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

D. Measurement Focus and Basis of Accounting

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1st and became a lien on August 2, 2019. Taxes were collected by the Town of Cortlandt and the Town of Yorktown during the period September 1, 2019 through March 31, 2020.

Uncollected real property taxes are subsequently enforced by Westchester County. The County pays an amount representing uncollected real property taxes transmitted to Westchester County for enforcement to the District no later than the following April 1.

F. Restricted Resources

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

G. Interfund Transactions

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

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

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

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. Estimates

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

I. Cash and Investments

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

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

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

Investments are stated at fair value.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

J. Accounts Receivable

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

K. Inventories and Prepaid Items

Purchases of inventorable items are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

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

L. Other Assets/Restricted Assets

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

M. Capital Assets

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

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land Improvements	\$ 10,000	Straight Line	50 years
Buildings and Improvements	10,000	Straight Line	50 years
Furniture and Equipment	10,000	Straight Line	5 - 20 years
Vehicles	10,000	Straight Line	5 - 20 years

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

N. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The District reports deferred outflows of resources related to pensions. For additional information on deferred outflows related to pensions, see Note 8. The District also reports deferred outflows of resources related to deferred amounts on bond refunding. The third deferred outflow is related to other postemployment benefits reported in the Statement of Net Position. For additional information on these deferred outflows related to other postemployment benefits, see Note 10.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. This item is related to pensions reported in the district-wide financial statements. For additional information on deferred inflows related to pensions, see Note 8.

O. Unearned Revenue

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for deferred revenues is removed and revenues are recorded.

Statute provides the authority for the District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year, rather than when measurable and available.

Unearned revenues recorded in governmental funds are typically adjusted prior to inclusion in the District-wide statements.

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CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

P. Vested Employee Benefits

1. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical/personal time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

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

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

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

2. Other Benefits

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement.

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and most of the retired employees. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

Q. Short-Term Debt

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RAN's and TAN's represent a liability that will be extinguished by the use of expendable, available resources of the fund.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Q. Short-Term Debt (Continued)

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

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

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that year. The deficiency notes may mature no later than the close of the year following the year in which they were issued. However, they may mature no later than the close of the second fiscal year after the year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the year following the year in which they were issued.

R. Accrued Liabilities and Long-Term Obligations

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

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

S. Equity Classifications

1. District-wide Statements

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

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

1. District-wide Statements (Continued)

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

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

2. Funds Statements

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

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted: Constraints have been imposed on the use of these amounts either (a) externally by creditors, grantors, contributors or laws or regulations of other governments; or (b) by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General fund are classified as restricted fund balances. The District has established the following reserves that have been included in restricted fund balance:

Capital Reserve

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

Unemployment Insurance Reserve

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Funds Statements (Continued)

Reserve for Debt Service

Mandatory Reserve for Debt Service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the Debt Service Fund.

Property Loss Reserve and Liability Reserve

Property Loss Reserve and Liability Reserve (Education Law §1709(8) (c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. These reserves are accounted for in the General Fund.

Tax Certiorari Reserve

Tax Certiorari Reserve (Education Law §3651.1-a) is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the General fund.

Employee Benefit Accrued Liability Reserve

Reserve for Employee Benefit Accrued Liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

Retirement Contribution Reserve

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Funds Statements (Continued)

Teachers Retirement Contribution Reserve

According to amendments to General Municipal Law §6-r, this reserve must be used to finance retirement contributions to the New York State Teachers Retirement System ("TRS") and/or offset all or some of the amount deducted from the moneys apportioned to the District from the state under Education Law § 521. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. The amount of moneys contributed annually to the TRS sub-fund cannot exceed 2% of the total compensation or salaries of all teachers employed by the district who are members of TRS paid during the immediately preceding fiscal year. Nor can the balance of the sub-fund exceed 10% of the total compensation or salaries of all teachers employed by the district who are members of TRS paid during the immediately preceding fiscal year.

Workers' Compensation Reserve

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

Restricted fund balance at June 30, 2020 consisted of:

General Fund:

Capital Reserves	\$ 7,101,115
Workers' Compensation Reserve	537,000
Unemployment Insurance Reserve	196,969
Property Loss Reserve and Liability Reserve	598,061
Tax Certiorari Reserve	4,978,070
Employee Benefit Accrued Liability Reserve	523,930
Teachers Retirement Contribution Reserve	385,000
Retirement Contribution Reserve	<u>1,445,453</u>
	15,765,598
Special Aid Fund	70,838
Capital Fund	3,172,363
Debt Service Fund	<u>83,096</u>
Total Restricted Fund Balance	<u><u>\$ 19,091,895</u></u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Funds Statements (Continued)

Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District did not classify any of its fund balances as committed as of June 30, 2020.

Assigned: Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

Unassigned: Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

Order of Use of Fund Balance:

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Limitation on Unexpended Surplus Funds:

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds the District can retain to no more than 4% of the District's General Fund budget for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. New Accounting Standards

GASB has issued Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the several pronouncements were postponed by one year. Effective dates provided in Note U have been updated to reflect this.

U. Future Changes in Accounting Standards

GASB has issued Statement 84, *Fiduciary Activities*, which will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. The focus of the criteria is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2021 financial statements.

GASB has issued Statement 87, *Leases*, which will increase the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were not classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use and underlying asset. Under, this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2022 financial statements.

GASB has issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2022 financial statements.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. Future Changes in Accounting Standards (Continued)

GASB has issued Statement 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, which will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and will improve the relevance of financial statement information of certain component units. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2021 financial statements.

GASB has issued Statement 91, *Conduit Debt Obligations*, which will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

GASB has issued Statement 92, *Omnibus 2020*, which will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2022 financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, which addresses accounting and financial reporting implications that result from the replacement of an IBOR (interbank offered rate). The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2021 financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will improve financial reporting by establishing the definitions of public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. Future Changes in Accounting Standards (Continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2022 financial statements.

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

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

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:(Continued)

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2020 were as follows:

Original Cost of Capital Assets	\$ 91,891,613
Accumulated Depreciation	<u>(27,743,232)</u>
	<u>\$ 64,148,381</u>

2. In a debt refunding, the difference between the reacquisition price and the net carrying amount of the old bonds is recorded as the deferred amount on refunding and included as a deferred outflow of resources in the Statement of Net Position. However, this amount is not included on the Balance Sheet as it was recorded as an expenditure when due, and thus required the use of current financial resources. The balances at June 30, 2020 were :

Amount Due on Refunding	<u>\$ 15,410</u>
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3. In the Statement of Net Position, a liability is recognized for the District's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the District participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the District's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily result from contributions subsequent to the measurement date, as well as changes in the components of the net pension liability or asset. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at June 30, 2020 were as follows:

Net Pension Asset - Proportionate Share	\$ 2,823,282
Deferred Outflows of Resources - Pensions	12,554,441
Net Pension Liability - Proportionate Share	(4,963,849)
Deferred Inflows of Resources - Pensions	<u>(4,058,695)</u>
	<u>\$ 6,355,179</u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:(Continued)

4. Interest is accrued in the Statement of Net Position, regardless of when it is due. This liability does not appear on the Balance Sheet because interest is expended when it is due, and thus requires the use of current financial resources. This liability at June 30, 2020 was as follows:

Accrued Interest	\$ 92,674
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5. Long-term liabilities and related deferred inflows and outflows are reported in the Statement of Net Position, but not in the Balance Sheet, because the liabilities are not due and payable in the current period. The balances at June 30, 2020 were as follows:

Bonds Payable	\$ 16,755,000
Premium On Bonds Payable	2,691,986
Installment Purchase Debt	1,795,935
Compensated Absences	535,612
Deferred Outflows of Resources - OPEB	3,455,258
Other Postemployment Benefits	44,669,860
	<u>\$ 69,903,651</u>

6. In a debt refunding, a premium on obligation is recorded as the deferred amount on refunding and included as a deferred inflow of resources in the Statement of Net Position. The balance at June 30, 2020 was as follows:

Deferred Amount on Advanced Refunding	\$ 19,167
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B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities:

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

1. Long-Term Revenue Differences

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

2. Capital Related Differences

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities(Continued):

3. Long-Term Debt Transaction Differences

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

4. Pension Plan Transaction Differences

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

5. Other Post Employment Benefits (OPEB) Related Differences

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

Total Revenues and Other Funding Sources

Total revenues (Schedule 5)	\$ 48,342,819
Premium on Obligations	4,049
Total Revenues (Schedule 2)	<u>\$ 48,346,868</u>

Total Expenditures & Other Uses/Expenses

Total expenditures reported in governmental funds (Schedule 5)	\$ 57,115,547
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When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount by which capital expenditures of \$10,400,590 were more than depreciation of \$2,033,598 and the remaining basis on disposed assets of \$7,702 in the current year.

(8,359,290)

In the Statement of Activities, certain operating expenses (compensated absences and special termination benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount actually paid). The amount by which compensated absences earned exceeded the amount paid during the year was \$43,181

43,181

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities (Continued):

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities(Continued)

Total Expenditures & Other Uses/Expenses (Continued)

In the Statement of Activities, the expense for other postemployment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost and changes in benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. In the governmental funds, however, OPEB expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). This is the amount by which OPEB expenses in the Statement of Activities were less than the amount of financial resources used during the year.	(1,084,199)
Interest payable is recognized as an accrued liability in the entity wide statements under full accrual accounting whereas it is not in the governmental fund statements. This is the amount by which interest payable was greater than the prior year.	26,500
Retainage payable is recognized as a liability in the entity wide statements under full accrual accounting whereas it is not in the governmental fund statements. This is the amount by which retainage payable was more than the prior year.	(48,965)
In the Statement of Activities pension expense related to the ERS and TRS defined benefit pension plans is measured as the change in the District's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds, however; these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which financial resources expended was exceeded by the amount of pension expense during the year.	2,425,336
Premiums and discounts on long-term debt issuances, bond issuance costs and deferred amounts from debt refundings are recognized in the fiscal year in which the transactions occur in the governmental fund statements. These amounts are amortized in the Statement of Activities. This is the amount that was amortized during the fiscal year.	(36,239)

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities (Continued):

Explanation of Differences between Governmental Funds Operating Statement and the
Statement of Activities(Continued)
Total Expenditures & Other Uses/Expenses (Continued)

Repayment of bond and other debt principal is an expenditure in the governmental fund but reduces liabilities in the Statement of Net Position, and does not affect the Statement of Activities and Changes in Net Position.

(3,623,766)

Total expenses in the Statement of Activities and Changes in Net Position (Schedule 2)

\$ 46,458,105

NOTE 3. STEWARDSHIP AND COMPLIANCE.

A. Budgets

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations made during the current fiscal year are shown in Supplemental Schedule #5. Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2020.

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3. STEWARDSHIP AND COMPLIANCE.(Continued)

B. Encumbrances

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

C. Other Stewardship and Compliance Matters

The District was in compliance with all legal and contractual provisions for the fiscal year.

NOTE 4. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, FOREIGN CURRENCY RISKS AND INVESTMENT POOL.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes.

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$ 0.
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	\$ 27,136,150

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$15,987,595 within the governmental funds.

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

The District participates in a multi-municipal cooperative investment pool agreements pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the New York Liquid Asset Fund cooperative as of year-end are \$141,036,435, which consisted of \$86,532,138 in Money Market and Cash and 54,504,297 in U. S. Treasury Securities with various interest rate and due dates.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE,
FOREIGN CURRENCY RISKS AND INVESTMENT POOL. (Continued)

The following amounts invested in this cooperative are included as unrestricted and restricted cash:

<u>Fund</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
General Fund	\$ 4,934,000	\$ 4,934,000

The above amounts represent the cost of the investment pool shares, and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of New York Liquid Asset Fund.

Total investments of the NYClass cooperative as of year-end are \$3,364,214,294, which consisted of \$214,167,351 in repurchase agreements, \$1,823,159,976 in U.S. Treasury Bills, \$242,274,458 in U.S. Treasury Securities and \$1,084,612,509 in collateralized bank deposits all with various interest rate and due dates.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5. CAPITAL ASSETS.

Capital asset balances and activity for the year ended June 30, 2020, were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 810,100	\$ 0	\$ 0	\$ 810,100
Construction in Progress	6,606,165	9,587,978	0	16,194,143
Total Nondepreciable Assets	7,416,265	9,587,978	0	17,004,243
Capital assets that are depreciated:				
Land Improvements	1,245,386	23,706	0	1,269,092
Buildings and Improvements	68,722,597	0	0	68,722,597
Furniture & Equipment	1,078,465	531,309	(14,749)	1,595,025
Vehicles	3,193,371	257,597	(150,312)	3,300,656
Total Depreciable Assets	74,239,819	812,612	(165,061)	74,887,370
Less: Accumulated Depreciation	(25,866,993)	(2,033,598)	157,359	(27,743,232)
Capital Assets, Net	\$ 55,789,091	\$ 8,366,992	\$ (7,702)	\$ 64,148,381

Depreciation expense was charged to governmental functions as follows:

General Support	\$ 20,336
Instruction	1,728,558
Transportation	244,032
Cost of Sales	40,672
Total Depreciation	\$ 2,033,598

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6. SHORT-TERM DEBT.

Transactions in short-term debt for the year ended June 30, 2020 are summarized below:

	Beginning Balance	Issued	Paid/ Redeemed	June 30, 2020 Ending Balance
BAN maturing 10/16/20 at 3.00%	\$ 827,619	\$ 265,000	\$ 272,891	\$ 819,728
BAN maturing 6/13/20 at 2.50%	16,550,000	1,910,000	18,460,000	0
Total Short-Term Debt	<u>\$ 17,377,619</u>	<u>\$ 2,175,000</u>	<u>\$ 18,732,891</u>	<u>\$ 819,728</u>

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

Interest Paid	\$ 437,429
Less: Interest Accrued in the Prior Year	(18,863)
Plus: Interest Accrued in the Current Year	27,770
Interest Expense	<u>\$ 446,336</u>

NOTE 7. LONG-TERM LIABILITIES

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Issued	Paid/ Redeemed	June 30, 2020 Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable					
Bonds Payable	\$ 4,075,000	\$ 15,620,000	\$ 2,940,000	\$ 16,755,000	\$ 2,870,000
Premium on Bonds Payable	0	2,707,025	15,039	2,691,986	180,468
Deferred Amount on Refunding	111,796	0	92,629	19,167	19,167
Installment Purchase Debt	2,066,811	0	270,876	1,795,935	278,624
Total Bonds and Notes Payable	<u>6,253,607</u>	<u>18,327,025</u>	<u>3,318,544</u>	<u>21,262,088</u>	<u>3,348,259</u>
Other Liabilities:					
Compensated Absences	492,430	43,182	0	535,612	0
Other Postemployment Benefits	47,065,558	2,466,057	4,861,755	44,669,860	0
Net Pension Liability - Proportionate Share	1,353,128	3,610,721	0	4,963,849	0
Total Other Liabilities	<u>48,911,116</u>	<u>6,119,960</u>	<u>4,861,755</u>	<u>50,169,321</u>	<u>0</u>
Total Long-Term Liabilities	<u>\$ 55,164,723</u>	<u>\$ 24,446,985</u>	<u>\$ 8,180,299</u>	<u>\$ 71,431,409</u>	<u>\$ 3,348,259</u>

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7. LONG-TERM LIABILITIES. (Continued)

Existing serial bond and installment purchase obligations are as follows:

Description of Issue	Issue Date	Final Maturity	Interest Rate	June 30, 2020 Balance
Energy Performance Contract	12/21/10	05/15/26	2.84%	1,795,935
Serial Bond - 2011 Refunding	07/11/11	10/15/20	2% - 4%	1,135,000
Serial Bond - 2020	06/01/20	06/01/34	2% - 4%	15,620,000
				<u>\$ 18,550,935</u>

The following is a summary of maturing debt service requirements

For the Year Ended June 30,	Bonds and Notes Payable	
	Principal	Interest
2021	\$ 3,148,624	\$ 803,726
2022	2,421,593	707,221
2023	2,539,790	592,274
2024	2,558,221	471,593
2025	2,241,894	350,170
2026 - 2030	4,690,813	560,199
2031 - 2034	950,000	47,200
TOTAL	<u>\$ 18,550,935</u>	<u>\$ 3,532,383</u>

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

Interest paid	\$ 155,929
Less: Interest accrued in the prior year	(47,311)
Plus: Interest accrued in the current year	64,904
Less: Amortization of premiums, deferred amounts on bond refunding and issuance costs.	<u>(36,239)</u>
Total interest expense	<u>\$ 137,283</u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS.

Employees' Retirement System Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). ERS and the New York State and Local Police and Fire Retirement System (PFRS) are collectively referred to as New York State and Local Retirement System (the ERS System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the ERS System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the ERS System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2014, he was elected for a new term commencing January 1, 2015. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

Teachers' Retirement System Plan Description

The New York State Teachers Retirement System (the TRS System) was created and exists pursuant to Article 11 of the New York State Education Law. The System is the administrator of a cost-sharing, multiple-employer public employee retirement system (PERS), administered by a 10-member Board to provide pension and ancillary benefits to teachers employed by participating employers in the State of New York, excluding New York City. For additional Plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the System's website located at www.nystrs.org.

ERS Benefits Provided

The ERS System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Tiers 1 and 2 (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Tier 6 (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Disability Retirement Benefits

Disability retirement benefits are available to ERS and PFRS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets or other benefits depend on a members tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

TRS Benefits Provided

The benefits provided to members of the TRS System are established by New York State and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Service Retirements

Tier 1 members are eligible, beginning at age 55, for a service retirement allowance of approximately 2% per year of credit service times final average salary.

Under Article 19 of the RSSL, eligible Tiers 1 and 2 members can receive additional service credit of one-twelfth of a year for each year of retirement credit as of the date of retirement or death up to a maximum of two additional years.

Tiers 2 through 5 are eligible for the same but with the following limitations: (1) Tiers 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service or a reduced benefit for retirement at ages 55 through 61 with less than 30 years of service. (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service. They receive a reduced benefit for retirement at ages 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service.

Tier 6 members are eligible for a service retirement allowance of 1.75% per year of credited service years of service plus 2% per year for years of service in excess of 20 years times final average salary. Tier 6 members receive an unreduced benefit for retirement at age 63. They receive a reduced benefit at ages 55 through 62 regardless of service credit.

Vested Benefits

Retirement benefits after 5 years of credited service except for Tiers 5 and 6 where 10 years of credited service are required. Benefits are payable at age 55 or greater with the limitations noted for service requirements above.

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service except for Tier 3 where disability retirement is permissible after 5 years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service. The benefit is based on final salary and the number of years of credited service.

Prior Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tiers 1 and 2 members may, under certain conditions, claim out of state service.

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

Permanent Cost of Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index not to exceed 3% nor be lower than 1%. It is applied to the first \$18,000 of the annual benefit. The applicable percentage payable beginning September 2019 is 1.0%.

Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the consumer price index with a maximum per annum increase of 3%.

Contributions

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

Contributions (Continued)

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

<u>Year</u>	<u>NYSTRS</u>	<u>NYSERS</u>
2019 - 2020	\$ 1,626,563	\$ 794,911
2018 - 2019	1,917,506	822,238
2017 - 2018	1,741,556	799,607

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57 and 105.

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

At June 30, 2020, the District reported the following asset/ (liability) for its proportionate share of the net pension liability/ (asset) for each of the Systems. The net pension asset/ (liability) was measured as of March 31, 2020 for ERS and June 30, 2019 for TRS. The total pension asset/ (liability) used to calculate the net pension asset/ (liability) was determined by an actuarial valuation. District's proportion of the net pension asset/ (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Actuarial Valuation Date	March 31, 2020	June 30, 2019
Net pension asset/(liability)	\$ (4,963,849)	\$ 2,823,282
District's portion of the Plan's total net pension asset/(liability)	0.0187452%	0.108671%

At March 31, 2020, the District's proportion of the NYSERS net pension asset/ (liability) was a decrease of 0.0003525% from its proportion measured as of March 31, 2019.

At June 30, 2019, the District's proportion of the NYSTRS net pension asset/ (liability) was a decrease of 0.000812%, from its proportion measured as of June 30, 2018.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

For the year ended June 30, 2020, the District's recognized pension expense of \$936,002 for ERS and \$1,489,334 for TRS. At June 30, 2020 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Resources		
	ERS	TRS	Total
Differences between expected and actual experience	\$ 292,143	\$ 1,913,266	\$ 2,205,409
Changes of Assumptions	99,948	5,333,558	5,433,506
Net difference between projected and actual earnings on pension plan investments	2,544,710	0	2,544,710
Changes in proportion and difference between the District's contributions and proportionate share of contributions	133,503	90,487	223,990
District's contributions subsequent to the measurement date	220,467	1,926,359	2,146,826
Total	<u>\$ 3,290,771</u>	<u>\$ 9,263,670</u>	<u>\$ 12,554,441</u>

	Deferred Inflows of Resources		
	ERS	TRS	Total
Differences between expected and actual experience	\$ 0	\$ 209,945	\$ 209,945
Changes of Assumptions	86,304	1,300,472	1,386,776
Net difference between projected and actual earnings on pension plan investments	0	2,264,127	2,264,127
Changes in proportion and difference between the District's contributions and proportionate share of contributions	31,560	166,287	197,847
District's contributions subsequent to the measurement date	0	0	0
Total	<u>\$ 117,864</u>	<u>\$ 3,940,831</u>	<u>\$ 4,058,695</u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	ERS	TRS
2020	\$ 0	\$ 1,253,096
2021	513,631	56,851
2022	739,626	1,248,467
2023	943,466	835,517
2024	755,718	88,314
Thereafter	0	(85,764)

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2020	June 30, 2019
Inflation Rate	2.5%	2.20%
Projected Salary Increases	5.0%	1.90% - 4.72%
		Rates of increase differ based on age and gender. Calculations have been based upon recent NYSTRS member experience
Investment Rate of Return	6.80%	7.10%
	compounded annually, net of investment expense including inflation	compounded annually, net of pension plan investment expense including inflation
Decrement Tables	April 1, 2010 - March 31, 2015 System's Experience	July 1, 2009 - June 30, 2014 System's Experience
Mortality Improvement	Society of Actuaries Scale MP-2018	Society of Actuaries Scale MP-2018

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

Actuarial Assumptions (Continued)

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

The Long Term Expected Rates of Return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2019 for TRS and March 31, 2020 for ERS are summarized in the following table:

	ERS			TRS	
Measurement Date	March 31, 2020		Measurement Date	June 30, 2019	
	Target Allocation	Long-term expected real rate of return		Target Allocation	Long-term expected real rate of return
<u>Asset Class</u>			<u>Asset Class</u>		
Domestic Equity	36%	4.05%	Domestic Equities	33%	6.30%
International Equity	14%	6.15%	International Equities	16%	7.80%
Private Equity	10%	6.75%	Global Equities	4%	7.20%
Real Estate	10%	4.95%	Real Estate Equities	11%	4.60%
Absolute Return Strategie	2%	3.25%	Private Equities	8%	9.90%
Opportunistic Portfolio	3%	4.65%	Domestic fixed income securities	16%	1.30%
Real Assets	3%	5.95%	Global fixed income securities	2%	0.90%
Bonds and Mortgages	17%	0.75%	Private Debt	1%	6.50%
Cash	1%	0.00%	Real Estate Debt	7%	2.90%
Inflation-indexed bonds	4%	0.50%	High-yield fixed income securities	1%	3.60%
Total	100%		Cash Equivalents	1%	0.30%
			Total	100%	

*Real rates of return are net of long-term inflation assumption of 2.5% for 2019.

Discount Rate

The discount rate used to calculate the total pension liability was 6.8% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

Actuarial Assumptions (Continued)

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

The following presents the District's proportionate share of the ERS and TRS net pension liability calculated using the discount rates referred to above, as well as what the District's proportionate share of the net pension asset / (liability) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate referred to above:

	1% Decrease 5.80%	Current Assumption 6.80%	1% Increase 7.80%
<u>ERS</u>			
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (9,110,065)	\$ (4,963,849)	\$ (1,145,167)
	1% Decrease 6.10%	Current Assumption 7.10%	1% Increase 8.10%
<u>TRS</u>			
Employer's Proportionate Share of the Net Pension Asset/(Liability)	(12,744,001)	2,823,282	15,882,476

Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of the measurement dates indicated below were as follows:

	(Dollars in Thousands)	
	ERS	TRS
Measurement Date	March 31, 2020	June 30, 2019
Employers' total pension asset/(liability)	\$ (194,596,261)	\$ (119,879,474)
Plan net position	168,115,682	122,477,481
Employer's net pension asset/(liability)	<u>\$ (26,480,579)</u>	<u>\$ 2,598,007</u>
Ratio of plan net position to the employers' total pension asset/(liability)	86.39%	102.17%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2020 represent the projected employer contributions for the period of April 1, through June 30, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to \$220,467.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. PENSION PLANS. (Continued)

Payables to the Pension Plan (Continued)

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October and November, 2020 through state aid intercept. Accrued retirement contributions as of June 30, 2020 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS system. Accrued retirement contributions as of June 30, 2020 amounted to \$1,741,419.

NOTE 9. INTERFUND BALANCES AND ACTIVITY.

Interfund balances and activity for the year ended June 30, 2020, were as follows:

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 687,931	\$ 1,986	\$ 171,658	\$ 1,666,358
Special Aid Fund	0	574,070	75,270	0
School Lunch Fund	0	113,861	30,000	0
Capital Fund	141,986	1,099	4,261,088	0
Debt Service Fund	1,099	140,000	0	2,871,658
Total Governmental Activities	831,016	831,016	4,538,016	4,538,016
Fiduciary Agency Fund	0	0	0	0
Totals	<u>\$ 831,016</u>	<u>\$ 831,016</u>	<u>\$ 4,538,016</u>	<u>\$ 4,538,016</u>

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

The District typically transfers from the General Fund to the Special Aid Fund to fund the portion of the Summer Handicapped Program not funded by aid from New York State.

NOTE 10. POST-EMPLOYMENT BENEFITS.

General Information about the OPEB Plan

Plan Description – The District's defined benefit OPEB plan ("the District's OPEB plan"), provides OPEB for all permanent full-time general and public safety employees of the District. The District's OPEB plan is a single-employer defined benefit OPEB plan administered by the District.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10. POST-EMPLOYMENT BENEFITS. (Continued)

Benefits Provided – The District’s OPEB plan provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. Minimum eligibility requirements for post-employment benefits are as follows:

- The retiree has attained age 55 years while in the employment of the District and meets the follow service requirements:
 - 10 years of full-time service for Administrative employees
 - 10 years of full-time service for Teachers
 - 8 years of full-time service for Civil Service employees
- The retiree is receiving retirement benefits from the NYS Employees’ Retirement System or the NYS Teachers’ Retirement System

The retiree is required to make a contribution towards the cost of coverage; contributions vary not only according to employment category (contract), but also depend on the number of accumulated sick days at retirement. The District reimburses Medicare Part B premiums for many current retirees who met the eligibility requirements at the time of retirement. In addition, the District will reimburse Medicare Part B premiums for some future retirees (depending on their hire date and other eligibility requirements). Reimbursement of Medicare Part B premiums has been discounted for most future retirees who were hired on or after July 1, 2005.

Employees Covered by Benefit Terms – At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	109
Active employees	<u>227</u>
Total Employees Covered by Benefit Terms	<u><u>336</u></u>

Total OPEB Liability

The District’s total OPEB liability of \$44,669,860 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16. POST-EMPLOYMENT BENEFITS. (Continued)

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Projected Salary Increases	3.00%
Discount Rate	2.44%
Healthcare Cost Trend Rates	Pre-65: 7.00% for 2021, decreasing to an ultimate rate of 4.00% for 2027 and later years
	Post-65: 7.00% for 2021, decreasing to an ultimate rate of 4.00% for 2027 and later years
Future Retirees' Share of Benefit Related Costs	Contributions vary by bargaining unit.

The discount rate was based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GO AA 20 Years).

Mortality rates were based on the RP 2014 Healthy Male and Female Tables based on the Employee and Health Annuitant Tables for both pre & post retirement projected with mortality improvements using Projection Scale AA for 3.50 years (i.e. from the date of table to the valuation date), plus ten years additional mortality improvement.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2019 - June 30, 2020.

Changes in the Total OPEB Liability

Balance at June 30, 2019	<u>\$ 47,065,558</u>
<u>Changes for the Year:</u>	
Service cost	1,426,151
Interest	1,039,906
Changes of benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions or other inputs	(4,031,134)
Benefit payments	<u>(830,621)</u>
Net Changes	<u>(2,395,698)</u>
Balance at June 30, 2020	<u><u>\$ 44,669,860</u></u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10. POST-EMPLOYMENT BENEFITS. (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.10 percent) or 1 percentage point higher (4.10 percent) than the current discount rate:

	1% Decrease (1.44%)	Current Discount Rate (2.44)	1% Increase (3.44)
Total OPEB Liability	\$ 51,666,675	\$ 44,669,860	\$ 38,222,419

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

	Trend Rate Less 1%	Current Health Care Cost Trend Rates	Trend Rate Plus 1%
Total OPEB Liability	\$ 35,676,174	\$ 44,669,860	\$ 57,000,220

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

For the year ended June 30, 2020, the District recognized negative OPEB expense of \$1,084,199. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Changes of assumptions or other inputs	3,455,258	0
District's contributions subsequent to the measurement date	0	0
Total	\$ 3,455,258	\$ 0

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10. POST-EMPLOYMENT BENEFITS. (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Fiscal Year Ending June 30.</u>	<u>Amount</u>
2021	\$ 575,876
2022	575,876
2023	575,876
2024	575,876
2025	575,876
Thereafter	575,878

NOTE 11. RISK MANAGEMENT.

General Information

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

Pool, Non-Risk Retained

The District participates in Putnam/Northern Westchester Health Consortium, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 14 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The District has essentially transferred all related risk to the pool.

Self-Insurance Plan

The District participates in the Putnam Northern Westchester School Cooperative Workers Compensation Self-Insurance Plan, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. The total undiscounted liability for the Plan as of June 30, 2020, was \$24,618,094. For June 30, 2020, the plan had assets in excess of the liability.

Other Contingencies

The District has several claims that are currently being litigated with the support of legal counsel. The results of this litigation are unknown at this time.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12. COMMITMENTS AND CONTINGENCIES.

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

NOTE 13. ENCUMBRANCES.

Encumbrances represent contracts, purchase orders, payroll commitments, tax payables, or legal penalties that are chargeable to an account. They cease to be encumbrances when paid or when the actual liability amount is determined and recorded as an expenditure. As discussed in Note 1, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2019 the amount of encumbrances expected to be honored upon performance by the vendor in the subsequent year were as follows:

General Fund	\$ 480,496
Capital Projects Fund	<u>4,439,010</u>
Total Encumbrances	<u>\$ 4,919,506</u>

NOTE 14. DONOR-RESTRICTED ENDOWMENTS.

The District administers endowment funds, which are restricted by the donor for the purpose of student scholarships and awards. The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

NOTE 15. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through September 15, 2020 the date that the financial statements were available to be issued. On August 13, 2020, the New York State Division of the Budget (DOB) issued the *FY 2021 First Quarterly State Budget Financial Plan Update* which notes that, in the absence of Federal action since enactment of the fiscal year 2021 budget, DOB began withholding 20% of most local aid payments in June, and that all or a portion of these withholds may be converted to permanent reductions, depending on the size and timing of new Federal aid, if any. No other significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2020

	06/30/20	06/30/19	06/30/18
<u>Total OPEB Liability</u>			
Service cost	\$ 1,426,151	\$ 570,808	\$ 492,015
Interest	1,039,906	1,413,909	1,460,333
Changes of benefit terms	0	0	0
Differences between expected and actual experience	0	0	0
Changes in assumptions or other inputs	(4,031,134)	5,243,433	0
Benefit payments	(830,621)	(1,058,230)	(1,050,330)
Net change in total OPEB liability	(2,395,698)	6,169,920	902,018
Total OPEB liability-beginning	47,065,558	40,895,638	39,993,620
Total OPEB liability-ending	<u>\$ 44,669,860</u>	<u>\$ 47,065,558</u>	<u>\$ 40,895,638</u>
Covered-employee payroll	\$ 21,752,300	\$ 21,627,861	\$ 21,627,861
Total OPEB liability as a percentage of covered-employee payroll	205.36%	217.62%	189.09%

Notes to Schedule:

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

* GASB 75 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2018, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

See paragraph on supplementary schedules included in auditor's report.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	REVISED BUDGET	CURRENT YEAR'S REVENUES	OVER (UNDER) REVISED BUDGET
<u>REVENUES</u>				
LOCAL SOURCES:				
Real Property Taxes	\$ 36,881,611	\$ 36,881,611	\$ 36,881,611	\$ 0
Other Tax Items	3,277,580	3,277,580	3,277,580	0
Non Property Taxes	525,000	525,000	718,048	193,048
Charges for Services	20,000	20,000	28,606	8,606
Use of Money & Property	136,000	136,000	223,388	87,388
Sale of Property & Compensation for Loss	10,000	10,000	23,659	13,659
Miscellaneous	50,000	50,000	192,984	142,984
STATE SOURCES	5,862,191	5,862,191	5,813,957	(48,234)
FEDERAL SOURCES	5,000	5,000	10,189	5,189
OTHER SOURCES:				
Operating Transfers In	0	0	171,658	171,658
TOTAL REVENUES	46,767,382	46,767,382	\$ 47,341,680	\$ 574,298
APPROPRIATED FUND BALANCE	1,745,836	3,689,775		
TOTAL REVENUES & APPROPRIATED FUND BALANCE	\$ 48,877,570	\$ 50,457,157		

See paragraph on supplementary schedules included in auditor's report.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	REVISED BUDGET	CURRENT YEAR'S EXPENDITURES	ENCUMBRANCES	UNENCUMBERED BALANCE
<u>EXPENDITURES</u>					
GENERAL SUPPORT:					
Board of Education	\$ 138,700	\$ 162,507	\$ 136,535	\$ 0	\$ 25,972
Central Administration	369,544	374,812	353,293	0	21,519
Finance	631,782	706,460	645,700	33,226	27,534
Staff	642,589	697,155	553,915	13,984	129,256
Central Services	4,301,226	4,298,483	3,633,325	345,716	319,442
Special Items	589,594	587,576	558,278	0	29,298
INSTRUCTIONAL:					
Instruction, Administration & Improvement	1,850,410	1,849,339	1,727,742	24,300	97,297
Teaching - Regular School	14,162,006	13,794,986	13,152,829	7,356	634,801
Programs for Children with Handicapping Conditions	5,755,426	5,719,917	5,363,435	3,327	353,155
Occupational Education	0	0	0	0	0
Teaching - Special Schools	1,746,887	1,883,701	1,753,268	35,702	94,731
Instructional Media	24,856	0	0	0	0
Pupil Services	2,732,058	2,841,312	2,577,236	14,223	249,853
PUPIL TRANSPORTATION	2,628,900	2,586,233	2,360,203	2,662	223,368
EMPLOYEE BENEFITS	8,981,096	9,066,463	8,319,421	0	747,042
DEBT SERVICE:					
Debt Service - Principal	3,623,318	3,623,767	3,623,767	0	0
Debt Service - Interest	589,178	593,358	593,358	0	0
TOTAL EXPENDITURES	<u>48,767,570</u>	<u>48,786,069</u>	<u>45,352,305</u>	<u>480,496</u>	<u>2,953,268</u>
OTHER USES:					
Operating Transfers Out	<u>110,000</u>	<u>1,671,088</u>	<u>1,666,358</u>	<u>0</u>	<u>4,730</u>
TOTAL EXPENDITURES & OTHER USES	<u>\$ 48,877,570</u>	<u>\$ 50,457,157</u>	<u>47,018,663</u>	<u>\$ 480,496</u>	<u>\$ 2,957,998</u>
EXCESS OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES			<u>\$ 323,017</u>		

See paragraph on supplementary schedules included in auditor's report.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020

NYSERS Pension Plan Last 10 Fiscal Years*							
	<u>3/31/2020</u>	<u>3/31/2019</u>	<u>3/31/2018</u>	<u>3/31/2017</u>	<u>3/31/2016</u>	<u>3/31/2015</u>	<u>3/31/2014</u>
District's proportion of the net pension asset/(liability)	0.0187452%	0.0190977%	0.0191017%	0.0197352%	0.0189940%	0.0192853%	0.0192853%
District's proportionate share of the net pension asset/(liability)	\$ (4,963,849)	\$ (1,353,128)	\$ (616,497)	\$ (1,854,364)	\$ (3,048,584)	\$ (651,504)	\$ (871,475)
District's covered-employee payroll	\$ 6,060,981	\$ 5,700,424	\$ 5,532,627	\$ 5,432,392	\$ 5,024,641	\$ 5,406,703	\$ 5,187,625
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-81.90%	-23.74%	-11.14%	-34.14%	-60.67%	-12.05%	-16.80%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%	97.15%

NYSTRS Pension Plan Last 10 Fiscal Years*							
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
District's proportion of the net pension asset/(liability)	0.108671%	0.109483%	0.107448%	0.108427%	0.106759%	0.106184%	0.104744%
District's proportionate share of the net pension asset/(liability)	\$ 2,823,282	\$ 1,979,741	\$ 816,711	\$ (1,161,293)	\$ 11,088,831	\$ 11,828,204	\$ 689,482
District's covered-employee payroll	\$ 18,477,570	\$ 18,138,972	\$ 17,026,952	\$ 16,731,299	\$ 16,036,612	\$ 15,684,989	\$ 15,342,745
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	15.28%	10.91%	4.80%	-6.94%	69.15%	75.41%	4.49%
Plan fiduciary net position as a percentage of the total pension liability	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

* GASB 68 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2015, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68

See paragraph on supplementary schedules included in auditor's report.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2020

NYSERS Pension Plan Last 10 Fiscal Years*							
	<u>3/31/2020</u>	<u>3/31/2019</u>	<u>3/31/2018</u>	<u>3/31/2017</u>	<u>3/31/2016</u>	<u>3/31/2015</u>	<u>3/31/2014</u>
Contractually required contribution	\$ 834,898	\$ 791,873	\$ 787,973	\$ 801,828	\$ 892,278	\$ 986,549	\$ 975,049
Contributions in relation to the contractually required contribution	<u>834,898</u>	<u>791,873</u>	<u>787,973</u>	<u>801,828</u>	<u>892,278</u>	<u>986,549</u>	<u>975,049</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 6,060,981	\$ 5,700,424	\$ 5,532,627	\$ 5,432,392	\$ 5,024,641	\$ 5,406,703	\$ 5,187,625
Contributions as a percentage of its covered-employee payroll	13.77%	13.89%	14.24%	14.51%	17.76%	18.25%	18.80%

NYSTRS Pension Plan Last 10 Fiscal Years*							
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Contractually required contribution	\$ 1,876,941	\$ 1,748,110	\$ 1,995,559	\$ 2,218,570	\$ 2,811,218	\$ 2,548,811	\$ 1,816,581
Contributions in relation to the contractually required contribution	<u>1,876,941</u>	<u>1,748,110</u>	<u>1,995,559</u>	<u>2,218,570</u>	<u>2,811,218</u>	<u>2,548,811</u>	<u>1,816,581</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 18,477,570	\$ 18,138,972	\$ 17,026,952	\$ 16,731,299	\$ 16,036,612	\$ 15,684,989	\$ 15,342,745
Contributions as a percentage of its covered-employee payroll	10.16%	9.64%	11.72%	13.26%	17.53%	16.25%	11.84%

* GASB 68 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2015, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

See paragraph on supplementary schedules included in auditor's report.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

CHANGE FROM ADOPTED TO FINAL BUDGET

ADOPTED BUDGET	\$ 48,513,218
ADDITIONS:	
Encumbrances from Prior Year	364,352
ORIGINAL BUDGET	48,877,570
BUDGET REVISIONS:	
Capital Reserve	1,561,087
Employee Benefit Accrued Liability	18,500
FINAL BUDGET	\$ 50,457,157

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2020–2021 Voter-approved expenditure budget maximum allowed (4% of 2020–2021 budget, \$49,424,525)	\$ 1,976,984
-------------------------------------------------------------------------------------------------------	--------------

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

Unrestricted Fund Balance:

Assigned Fund Balance	\$ 2,369,331
Unassigned Fund Balance	1,976,984
Total Unrestricted Fund Balance	4,346,315

Less:

Appropriated Fund Balance	1,888,835
Encumbrances Included in Assigned Fund Balance	480,496
Total Adjustments	\$ 2,369,331

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$ 1,976,984
----------------------------------------------------------------------------	--------------

Actual Percentage	4.00%
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See paragraph on supplementary schedules included in auditor's report.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2020

	ORIGINAL AUTHORIZATION	REVISED APPROPRIATION	EXPENDITURES TO DATE			UNEXPENDED BALANCE	PROCEEDS FROM DEBT	METHODS OF FINANCING			FUND BALANCE JUNE 30, 2020	BANS OUTSTANDING JUNE 30, 2020
			PRIOR YEARS	CURRENT YEAR	TOTAL			STATE SOURCES	LOCAL SOURCES	TOTAL		
Science Labs	\$ 400,000	\$ 797,947	\$ 787,872	\$ 0	\$ 787,872	\$ 10,075	\$ 0	\$ 0	\$ 797,947	\$ 797,947	\$ 10,075	\$ 0
Roof Projects												
Related Asbestos	3,600,000	3,212,988	3,212,988	0	3,212,988	0	0	0	3,587,142	3,587,142	374,154	0
18-20 Building Improvements	20,800,000	20,800,000	6,629,490	9,952,250	16,581,740	4,218,260	15,620,000	0	4,608,590	20,228,590	3,646,850	0
14/15 Bus Purchases*	310,000	281,000	281,000	0	281,000	0	0	0	281,000	281,000	0	0
15/16 Bus Purchases*	255,000	255,000	255,000	0	255,000	0	0	0	204,000	204,000	(51,000)	51,000
16/17 Bus Purchases*	248,232	248,232	248,232	0	248,232	0	0	0	148,938	148,938	(99,294)	99,294
17/18 Bus Purchases*	287,458	287,458	287,458	0	287,458	0	0	0	115,434	115,434	(172,024)	172,024
18/19 Bus Purchases*	290,513	290,513	290,513	0	290,513	0	0	0	58,103	58,103	(232,410)	232,410
19/20 Bus Purchases*	265,000	265,000	0	257,597	257,597	7,403	0	0	0	0	(257,597)	265,000
Smart Schools	229,336	275,727	229,336	46,391	275,727	0	0	229,336	0	229,336	(46,391)	0
	<u>\$ 26,685,539</u>	<u>\$ 26,713,865</u>	<u>\$ 12,221,889</u>	<u>\$ 10,256,238</u>	<u>\$ 22,478,127</u>	<u>\$ 4,235,738</u>	<u>\$ 15,620,000</u>	<u>\$ 229,336</u>	<u>\$ 9,801,154</u>	<u>\$ 25,650,490</u>	<u>\$ 3,172,363</u>	<u>\$ 819,728</u>

* Funding for these projects will be provided when bond anticipation notes are redeemed from General Fund appropriations.

See paragraph on supplementary schedules included in auditor's report.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

CAPITAL ASSETS, NET		\$ 64,148,381
ADDITIONS:		
Deferred Amount of Refunding		15,410
		<u>64,163,791</u>
DEDUCTIONS:		
Bond Anticipation Notes	\$ 819,728	
Short-term Portion of Bonds Payable	3,069,635	
(including an unamortized bond premiums of \$199,635)		
Long-term Portion of Bonds Payable	16,396,518	
(including an unamortized bond premium of \$2,511,518)		
Short-term Portion of Installment Debt	278,624	
Long-term Portion of Installment Debt	<u>1,517,311</u>	
Total Deductions		<u>22,081,816</u>
NET INVESTMENT IN CAPITAL ASSETS		<u>\$ 42,081,975</u>

See paragraph on supplementary schedules included in auditor's report.



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

Peter J. Bullis, CPA, FACFEI, DABFA
Norman M. Sassi, CPA
Christopher E. Melley, CPA
Gary C. Theodore, CPA
Julia R. Fraino, CPA
William T. Trainor, CPA
Mark M. Levy, CPA, CFP
Thomas R. Busse, Jr., CPA
Brent T. Napoleon, CPA
Jennifer L. Capicchioni, CPA
Patrick M. Bullis, CPA
Justin B. Wood, CPA

Richard P. Capicchioni, CPA
Walter J. Jung, CPA
Jennifer A. Traverse, CPA

To the President and Members
of the Board of Education of the
Croton-Harmon Union Free School District
Croton-on-Hudson, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of Croton-Harmon Union Free School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Croton-Harmon Union Free School District's basic financial statements and have issued our report thereon dated September 28, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Croton-Harmon Union Free School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Croton-Harmon Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Croton-Harmon Union Free School District's internal control.

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

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

To the President and Members
of the Board of Education of the
Croton-Harmon Union Free School District

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Compliance and Other Matters

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

Purpose of this Report

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

Jugant & Hausler, P.C.

Montgomery, New York
September 28, 2020



Nugent & Haeussler, P.C.
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Croton-Harmon Union Free School District
Croton-on-Hudson, New York

Peter J. Bullis, CPA, FACFEI, DABFA
Norman M. Sassi, CPA
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Richard P. Capicchioni, CPA
Walter J. Jung, CPA
Jennifer A. Traverse, CPA

Report on Financial Statements

We have audited the accompanying financial statement of the Croton-Harmon Union Free School District's extraclassroom activity funds, which comprise the statement of assets, liabilities, and fund balance-cash basis as of June 30, 2020, and the related statement of receipts and disbursements-cash basis for the year 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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

To the President and Members
of the Board of Education of the
Croton-Harmon Union Free School District

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets liabilities and fund balance-cash basis of the extraclassroom activity funds of the Croton-Harmon Union Free School District as of June 30, 2020, and its cash receipts and cash disbursements for the year then ended, on the basis of accounting described in Note 1.

Basis of Accounting

We draw your attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to the matter.

August & Hausler, P.C.

Montgomery, New York
September 28, 2020

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
EXTRACLASROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2020

ASSETS

Cash in Checking	\$ 99,324
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LIABILITIES AND FUND BALANCE

LIABILITIES

Sales Tax Payable	\$ 726
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FUND BALANCE

Fund Balance, Beginning of Year	\$ 109,412
Excess of Disbursements over Receipts	<u>(10,814)</u>

Fund Balance, End of Year	<u>98,598</u>
---------------------------	---------------

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 99,324</u>
------------------------------------	------------------

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
EXTRACURRICULAR ACTIVITY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2020

	FUND BALANCE JUNE 30, 2019	RECEIPTS	DISBURSEMENTS	FUND BALANCE JUNE 30, 2020
Art Club	\$ 878	\$ 0	\$ 0	\$ 878
Band Club	9,382	73,558	81,641	1,299
Book Club	474	0	0	474
Cacti	315	0	0	315
Care Club	0	266	0	266
Chinese Club	612	250	141	721
Chorus	273	0	0	273
Class Of 2019	127	0	127	0
Class Of 2020	1,137	534	1,523	148
Class Of 2021	728	0	700	28
Class Of 2022	1,196	780	0	1,976
Class of 2023	0	260	0	260
Community Service & Interact	1,354	0	0	1,354
Drama Club	6,213	0	985	5,228
Explorer Club	151	210	210	151
Fourth Floor Literary Magazine	191	0	0	191
French Club	1,456	0	0	1,456
Green Team	622	0	0	622
GSA	383	0	0	383
Humans Rights Task Force	380	0	0	380
La Rochelle	7,493	44,500	47,523	4,470
National Honor Society	2,092	0	0	2,092
PI Squad	84	0	0	84
Random Acts of Kindness	0	20	0	20
Teen Leadership Council	3,108	0	0	3,108
Shakespeare Club	3,417	956	245	4,128
Spanish Club	497	0	0	497
Spanish Exchange	2,429	0	0	2,429
Spirit Club	517	68	298	287
Spring Musical	3,861	8,018	6,376	5,503
Tiger Tales	4,556	903	638	4,821
Tri-M Music Honor Society	143	0	0	143
Strings	0	1,004	899	105
Student Faculty Congress	4,713	357	0	5,070
PVC Destination Imagination	36,256	2,385	132	38,509
PVC Drama Club	5,522	45	4,663	904
PVC Social Action	84	139	139	84
PVC Student Council	1,824	345	0	2,169
PVC Yearbook	5,413	418	0	5,831
PVC School Store	602	0	0	602
PVC Chess Club	0	250	0	250
PVC Pride Club	559	0	0	559
PVC Quebec Club	0	801	607	194
PVC Ski Club	370	5,829	5,863	336
	<u>\$ 109,412</u>	<u>\$ 141,896</u>	<u>\$ 152,710</u>	<u>\$ 98,598</u>

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT
CROTON-ON-HUDSON, NEW YORK
EXTRACLASROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

- (a) The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Croton-Harmon Union Free School District. We have included the Extraclassroom Activity Fund balances within the fiduciary funds of the financial statements. The separate audit report of the Extraclassroom Activity Funds is required due to the fact that the transactions of this fund are controlled by student management.
- (b) The books and records of the Croton-Harmon Union Free School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.
- (c) The Extraclassroom Activity Funds are used to record the activity of all student-related activities within the District. These funds are under the control of an appointed central treasurer who maintains cash receipts and cash disbursement books. All receipts are collected by the student activity treasurer and disbursements must be approved by the student management.