

**Edgemont Union Free  
School District, New York**

Financial Statements and  
Supplementary Information

Year Ended June 30, 2023



# Edgemont Union Free School District, New York

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## **Independent Auditors' Report**

**The Board of Education of the  
Edgemont Union Free School District, New York**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Edgemont Union Free School District, New York ("School District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

## ***Required Supplementary Information***

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

### ***Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the School District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

October 12, 2023

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# Edgemont Union Free School District, New York

## Management's Discussion and Analysis (MD&A) June 30, 2023

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### Introduction

Our discussion and analysis of the financial performance of the Edgemont Union Free School District, New York ("School District") provides an overview of the School District's financial activities for the year ended June 30, 2023 (fy 2023). To enhance understanding of the School District's financial performance, it should be read in conjunction with the basic financial statements, which immediately follow this section.

The 2022-2023 financial statements reflect the School District's continued commitment to strong financial and operational management. The Board of Education and the administration believe that maintaining a fund balance at the statutory limit and funding reserves, when possible, contributes to this strong financial position.

### Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- New York State Law limits the amount of committed, assigned and unassigned fund balance, exclusive of encumbrances and amounts assigned for the subsequent year's budget, which can be retained by the General Fund to 4% of the ensuing year's budget. At the end of the current fiscal year, this amount for the General Fund was \$2,774,975 or 4% of the 2023-2024 school district budget.
- The Board of Education approved resolutions that permitted the School District to place \$608,795 of its 2022-2023 budget surplus in its restricted fund balances for tax certiorari obligations, \$552,796 to offset future TRS obligations and \$2,371,486 for future capital projects. The 2023-2024 budget does not utilize any fund balance to offset the tax levy.
- The total fund balance (nonspendable, restricted, assigned and unassigned) of the General Fund increased by \$418,002 to \$16,797,172. The increase is predominantly attributable to expenditure savings as a result of staff turnover due to retirements and subsequent hirings. In addition, revenues exceeded the budget by \$1,236,621 due to favorable interest income, increased sales tax distributions from the County, and increased tuition received from sending school districts.
- As of the end of the 2022-2023 fiscal year, the School District's governmental fund financial statements report a combined ending fund balance of \$18,535,312 an increase of \$1,827,851 from the prior year.
- The fund balance in the Special Purpose Fund was \$304,144. This balance is the result of generous donations from the PTSA, the PTA, Edgemont Recreation, the Edgemont School Foundation, and members of the Edgemont community.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded the assets and deferred outflows of resources at the close of its most recent fiscal year by \$41,134,497 (deficit net position). This is primarily the result of the School District's implementation of the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")*." This statement addresses accounting and financial reporting for OPEB by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required

to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. For the year ending June 30, 2023, the School District's OPEB liabilities of \$96,376,622 are reflected as a liability on the district-wide Statement of Net Position and, thus, negatively impacts the total net position calculation. More detailed information about the School District's OPEB obligations reported in accordance with the provisions of GASB Statement No. 75 is presented in note 3E in the notes to the financial statements.

- The district-wide financial statements for the year ended June 30, 2023 are also significantly impacted by the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*." This pronouncement established accounting and financial reporting requirements associated with the School District's participation in the cost sharing multiple employer pension plans administered by the ERS and the TRS. Under this standard, cost-sharing employers are required to report in their district-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all the municipalities and school districts in the plan. On June 30, 2023, the School District reported in its Statement of Net Position a liability of \$3,286,033 for its proportionate share of the ERS net pension liability and a liability of \$2,929,532 for its proportionate share of the TRS net pension liability. More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in note 3E in the notes to financial statements.
- The School District retired \$2,015,000 of previously issued bonded indebtedness and \$276,923 of energy performance contract debt.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) district-wide financial statements, (2) fund financial statements and (3) notes to financial statements. This report also contains combining and individual fund financial statements and schedules in addition to the basic financial statements.

### ***District-Wide Financial Statements***

The *district-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.

- The *statement of net position* presents information on all the School District's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
- The *statement of activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, interest, other and general administrative support.

The district-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

### *Fund Financial Statements*

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate a comparison between *governmental funds* and *governmental activities*.
- The School District maintains six individual governmental funds: General Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Aid Fund and the Capital Projects Fund, which are considered to be major funds. Data for the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided within the basic financial statements for the General Fund (major fund) to demonstrate compliance with the respective budget.
- The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statement because the resources of these funds are *not* available to support the School District's programs. In accordance with the provisions of GASB Statement No. 84, the School District had no such activity to report in this fund category.

The financial statements for the governmental funds can be found in the basic financial statements section of this report.

### *Notes to Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to financial statements can be found following the basic financial statements section of this report.

## Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the School District's other postemployment and pension benefit obligations, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

## District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. For the Edgemont Union Free School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$41,134,497 for the year ending June 30, 2023.

### Net Position

	June 30,	
	2023	2022
Current Assets	\$ 23,430,483	\$ 53,215,990
Capital Assets, net	41,702,258	41,535,574
Total Assets	65,132,741	94,751,564
Deferred Outflows of Resources	24,318,743	26,830,380
Current Liabilities	4,902,274	7,885,039
Long-term Liabilities	111,428,132	108,066,312
Total Liabilities	116,330,406	115,951,351
Deferred Inflows of Resources	14,255,575	46,180,819
Net Position		
Net Investment in Capital Assets	33,105,127	29,175,320
Restricted		
Capital Projects	849,502	83,502
Future Capital Projects	2,371,486	-
Tax Certiorari	5,502,434	5,931,636
ERS Retirement Contributions	3,498,502	4,043,388
TRS Retirement Contributions	2,016,068	1,413,008
Special Purposes	304,144	301,757
Debt Service	542,869	553,399
Unrestricted	(89,324,629)	(82,052,236)
Total Net Position	\$ (41,134,497)	\$ (40,550,226)

By far the largest component of the School District's net position reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. The School District uses these capital assets to provide services to the students, and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions listed above constitute \$15,085,005 of net position and are comprised of amounts restricted for specific purposes (i.e., payments of tax certiorari claims, debt service, etc.). There is a negative balance of unrestricted net position of \$89,324,629 primarily a result of the recognition of the OPEB liabilities. Overall, net position decreased by \$584,271 predominantly from the recording of an increase in the net pension liabilities caused by the change in the market performance of the pension trust funds. See Note 3E in the notes to financial statements for a more detailed discussion.

### Changes in Net Position

	June 30,	
	2023	2022
<b>REVENUES</b>		
Program Revenues		
Charges for Services	\$ 1,669,083	\$ 1,367,348
Operating Grants and Contributions	1,734,642	1,322,008
Capital Grants and Contributions	29,222	41,808
Total Program Revenues	<u>3,432,947</u>	<u>2,731,164</u>
General Revenues		
Real Property Taxes	55,549,093	54,575,089
Other Tax Items	1,329,137	1,409,031
Non-Property Taxes	781,847	730,905
Unrestricted Use of Money and Property	820,411	32,687
Unrestricted State Aid	6,437,022	5,018,448
Miscellaneous	219,567	336,442
Total General Revenues	<u>65,137,077</u>	<u>62,102,602</u>
Total Revenues	<u>68,570,024</u>	<u>64,833,766</u>
<b>PROGRAM EXPENSES</b>		
General Support	10,304,625	9,043,761
Instruction	56,512,533	49,448,758
Pupil Transportation	822,884	849,406
Cost of Food Sales	693,494	495,535
Other	459,451	466,834
Interest	361,308	254,282
Total Expenses	<u>69,154,295</u>	<u>60,558,576</u>
Change in Net Position	(584,271)	4,275,190
<b>NET POSITION</b>		
Beginning	<u>(40,550,226)</u>	<u>(44,825,416)</u>
Ending	<u><u>\$ (41,134,497)</u></u>	<u><u>\$ (40,550,226)</u></u>

The major changes are as follows:

Revenues:

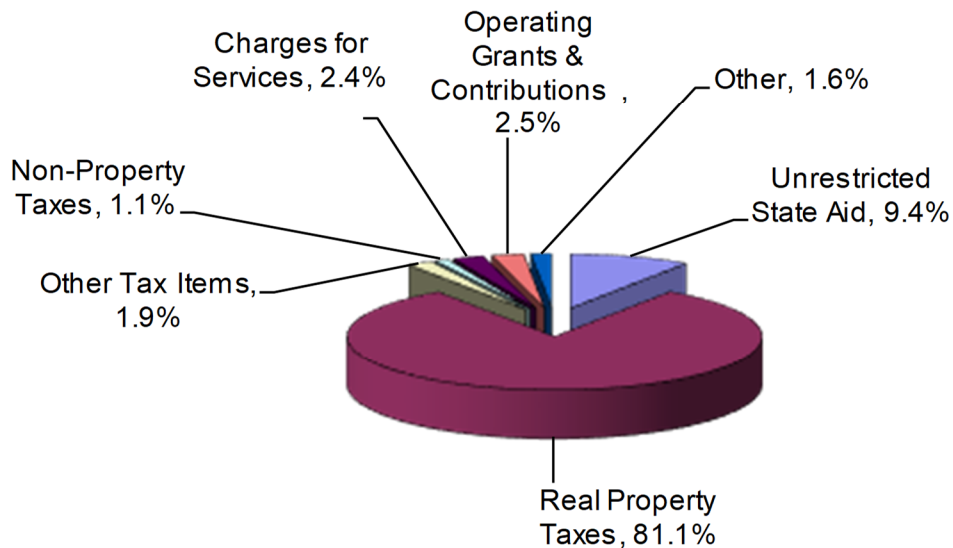
- Charges for Services increased by \$301,735. This was the result of an increase in revenue received from students and sending school districts via tuition in the 2022-2023 school year.
- Operating Grants and Contributions increased by \$412,634. Predominantly, this was due to an increase in spending of the federal stimulus funds in the Special Aid Fund.
- Revenue from real property taxes increased by \$974,004 as a result of a higher tax levy to support an increased budget while remaining under the maximum allowable tax-levy limit.
- Other tax items decreased by \$79,894. This amount represents reimbursements received from the School Tax Relief Reimbursement Program ("STAR"). The STAR Program provides tax relief to homeowners through State reimbursement to the School District. Homeowners earning between \$250,000 and \$500,000 a year, receive a check for their STAR rebates rather than receiving an upfront savings directly in their school tax bills. Therefore, the 2022-2023 STAR payment to the School District was reduced by the aggregate amount of payments NYS made directly to local homeowners.
- Non-property taxes representing sales tax distributions from the County to the School District increased by \$50,942 from the prior year.
- Unrestricted State Aid increased by 28.3%, or \$1,418,574 due to increased foundation aid from New York State.

Expenses:

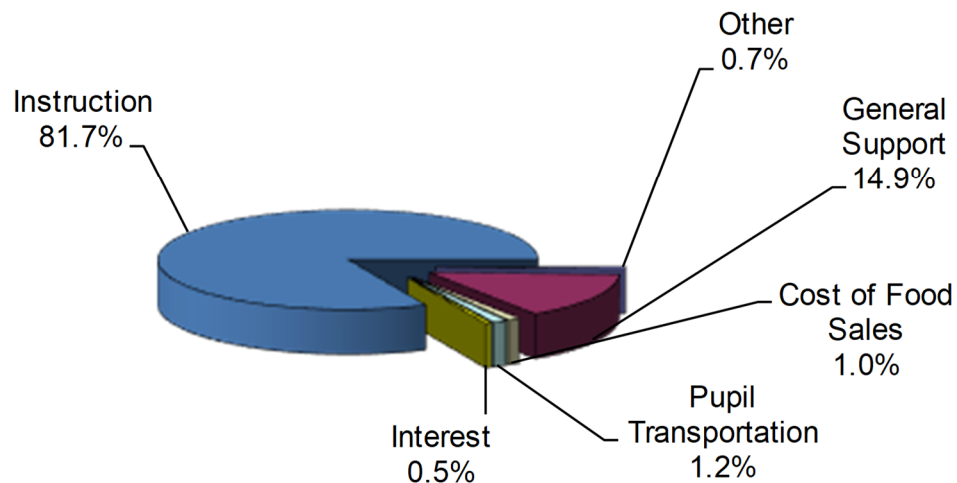
- Instructional and general support program expenses (inclusive of pension liabilities) increased by \$7,063,775 and \$1,260,864 from the prior year as a result of an increase in pension expenses.
- In the General Fund alone, instructional support program expenses increased by \$1,477,571 from the prior year, primarily as a result of increases in salary and salary-related expenses resulting from contractual obligations and newly established positions.
- Cost of food sales increased by \$197,959 due to inflation in this sector and the operation of a satellite cafeteria in the San Marco Gymnasium.
- Pupil Transportation expenses increased by \$191,482 as a result of an increase in ridership (from 63 to 75 students in 2022-2023) for our Edgemont-resident students attending private and parochial schools.

As indicated on the following graphs, unrestricted state aid provided only 9.4% of total revenue in 2022-2023. Real property taxes (excluding the STAR program reimbursement) are the School District's main source of revenue (81.1%). Instruction costs account for 81.7% of the School District's expenses.

### Sources of Revenue for Fiscal Year 2023 Governmental Activities



### Expenses for Fiscal year 2023 Governmental Activities



## Financial Analysis of the School District's Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

### *Governmental Funds*

The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$18,535,312, an increase of \$1,827,851 from the prior year.

Of this amount, \$27,223 is in non-spendable form representing prepaid expenditures, while \$15,294,093 is restricted for various purposes (\$5,502,434 for tax certiorari obligations, \$5,514,570 for retirement system obligations (both ERS and TRS), \$542,869 for debt service purposes, \$209,088 for EBALR, \$304,144 for special purposes and \$2,371,486 for future capital projects). Another \$439,021 of the total fund balance is assigned to fund purchases on order (\$424,168) and school lunch fund purposes (\$14,853). The remainder of the total fund balance of \$2,774,975 represents the unassigned fund balance. This amount is in the General Fund and is available for use at the School District's discretion.

The General Fund is the primary operating fund of the School District. Revenues were \$1,236,621 greater than the amount contained in the final budget. This is the result of several factors, including: increases in day school tuition enrollment; increased sales tax earnings; increased state aid; and an increase in revenue received through interest income. Expenditures and other financing uses were \$2,677,657 less than the final budget. The savings occurred because of contractual obligations being lower than what was budgeted while under contract negotiations during budget development, savings in salary and salary-related obligations through employee retirements and subsequent hirings, and a lack of need to effectuate contingency teaching positions included in the budget.

### Capital Assets

On June 30, 2023, the School District had \$41,702,258 net of accumulated depreciation invested in a broad range of capital assets, including land, construction-in-progress, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below.

Class	June 30,	
	2023	2022
Land	\$ 447,447	\$ 447,447
Construction-in-Progress	2,393,072	1,524,738
Buildings and Improvements	38,448,052	38,945,730
Machinery and Equipment	413,687	617,659
Total Capital Assets, net of accumulated depreciation	<u>\$ 41,702,258</u>	<u>\$ 41,535,574</u>

The change in capital assets during the current fiscal year is the result of the ongoing costs associated with various district-wide improvement projects.



More detailed information about the School District's capital assets is presented in Note 3B in the notes to financial statements.

### **Long-Term Debt**

On June 30, 2023, the School District had \$111,428,132 in general obligation and other long-term debt outstanding as follows:

	<u>2023</u>	<u>2022</u>
Bonds Payable, net	\$ 7,455,000	\$ 9,470,000
Energy Performance Contract Payable	1,142,131	1,419,054
Compensated Absences	238,814	301,818
Net Pension Liability	6,215,565	-
Other Post Employment Benefit Obligations	<u>96,376,622</u>	<u>96,875,440</u>
Total	<u>\$ 111,428,132</u>	<u>\$ 108,066,312</u>

The School District recorded no net pension liability to ERS and TRS as both retirement plans are reported as net pension assets for the year ended June 30, 2022. For the year ended June 30, 2023, both plans reported net pension liabilities. The School District's other postemployment benefit obligation was recorded in accordance with the provisions of GASB Statement No. 75. This liability will continue to grow as the School District is permitted at this time by New York State only to fund its pay-as-you-go obligations for health insurance.

More detailed information about the School District's long-term liabilities is presented in Note 3E in the notes to financial statements.

### **Future Considerations**

The Edgemont School District is committed to providing an excellent education in a fiscally responsible way by collaborating with the community. This is accomplished through both strategic and tactical planning.

The School District consistently receives community support in the annual school budget elections with the budgets exceeding 73% affirmative votes for each of the past nineteen years (average 82%). Three years ago, the District passed two bond propositions totaling \$54,241,125 for the purpose of constructing additional classrooms, renovating cafeterias, providing increased air quality within buildings, and improving access to the three school campuses. The need was driven by a 6.9% increase in enrollment over a ten-year period, the potential construction of a multi-family housing project in the District, and the space needed for our current instructional programs. Since then, enrollment has decreased steadily reducing the demand for additional, new classroom space, and other priorities have surfaced. The Board and administration are currently reimagining a new bond proposition that encapsulates these emerging needs and is reflective of the new information related to enrollment trends.

The Board and administration are committed to managing the stability of the tax-rate increases over time. As a district, we endeavor to maintain an unassigned fund balance no less than statutory limit of 4% to address unanticipated needs or expenditures.

The District updated its strategic goal with three components that meet these needs in compliance with new requirements from NYSED three years ago. These components include the goal of system-wide social

emotional learning as part of our existing curriculum. This is aligned with the state and national attention to emotional resiliency within a culture of high academic standards especially during the pandemic.

#### DISTRICT GOAL:

As we prepare our students for life in a rapidly changing, interconnected world, we will design learning opportunities that engage students in deep understandings of themselves, others, and the complex and evolving landscape around them.

#### COMPONENT ONE: UNDERSTANDING AND APPRECIATION OF SELF

In these times when we are preparing students for careers that may not yet exist, students must be able to collaborate effectively with others, understand different viewpoints, and persist in the face of challenges. The latest educational research shows that when schools actively work to cultivate these skills in students, there is a positive effect on academic achievement, social integration, and mental health. We will create and maintain an educational program that supports the development of social, emotional, and academic behaviors to promote learning and well-being for all students. Self-awareness, self-management, social awareness, relationship skills, and responsible decision-making are behaviors and skills our robust curricula support.

#### COMPONENT TWO: UNDERSTANDING AND APPRECIATION OF OTHERS

We will develop curricula, policies, and practices that value and support diversity, equity, and inclusion in education. Through purposeful exposure to multiple perspectives, cultures, and ideas in an inclusive environment, students can develop greater compassion, confidence, empathy, and creativity. Developing a rich understanding of the importance of diversity and equity prepares students to be the leaders of the future and to make meaningful contributions to their communities.

#### COMPONENT THREE: CONNECTING LEARNING TO LIFE

When asked about what they are learning in the classroom or beyond the school setting, students will be able to meaningfully describe not just “what” but “why.” According to research in the area of growth mindset, students learn more deeply when the learning is relevant to their lives, connected to a broader purpose, and reflective of their own voice and agency. We will provide purposeful instruction to deepen student learning, regardless of the educational setting, across all content areas. Ultimately, students will not only understand the powerful connections of their learning to the world around them, but will embrace new opportunities, new questions, and new possibilities with courage and passion.

The challenge of providing a fiscally responsible budget will continue to require effective and efficient management of School District resources. Business office staff members continue to monitor the fiscal health of the school district through analyses of monthly financial reports and the utilization of various audits in addition to thinking creatively about how to meet the needs of the students more effectively and efficiently. We continue using a web-based system for Board of Education policies and meetings and have moved to live-streamed Board of Education meetings. We will continue to maximize all recent system updates such as nVision and My Learning Plan for increased efficiency and effectiveness. The Edgemont Union Free School District is committed to educational excellence, collaboration, and fiscal discipline.

### **Requests for Information**

This financial report is designed to provide a general overview of the School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Edgemont Union Free School District  
Attn: Bryan A. Paul  
Assistant Superintendent for Administration & Business  
300 White Oak Lane  
Scarsdale, New York 10583

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**Edgemont Union Free School District, New York**Statement of Net Position  
June 30, 2023

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 16,210,601
Investments	5,502,434
Receivables	
Accounts	71,303
State and Federal aid	1,448,510
Due from other governments	170,412
Prepaid expenses	27,223
Capital assets	
Not being depreciated	2,840,519
Being depreciated, net	38,861,739
Total Assets	<u>65,132,741</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	18,253,838
OPEB related	6,064,905
Total Deferred Outflows of Resources	<u>24,318,743</u>
<b>LIABILITIES</b>	
Accounts payable	1,161,245
Accrued liabilities	282,393
Due to other governments	120,789
Unearned revenues	17,992
Due to retirement systems	3,312,752
Accrued interest payable	7,103
Non-current liabilities	
Due within one year	1,174,224
Due in more than one year	110,253,908
Total Liabilities	<u>116,330,406</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	1,731,770
OPEB related	12,523,805
Total Deferred Inflows of Resources	<u>14,255,575</u>
<b>NET POSITION</b>	
Net investment in capital assets	33,105,127
Restricted	
Capital projects	849,502
Future capital projects	2,371,486
Tax certiorari	5,502,434
ERS retirement contributions	3,498,502
TRS retirement contributions	2,016,068
Special purposes	304,144
Debt service	542,869
Unrestricted	(89,324,629)
Total Net Position	<u>\$ (41,134,497)</u>

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

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# Edgemont Union Free School District, New York

## Statement of Activities

For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 10,304,625	\$ 151,867	\$ -	\$ -	\$ (10,152,758)
Instruction	56,512,533	949,837	1,270,276	-	(54,292,420)
Pupil transportation	822,884	-	-	-	(822,884)
Cost of food sales	693,494	567,379	2,528	-	(123,587)
Other	459,451	-	461,838	-	2,387
Interest	361,308	-	-	29,222	(332,086)
Total Governmental Activities	69,154,295	1,669,083	1,734,642	29,222	(65,721,348)
General revenues					
Real property taxes					55,549,093
Other tax items					
School tax relief reimbursement					1,329,137
Non-property taxes					
Non-property tax distribution from County					781,847
Unrestricted use of money and property					820,411
Unrestricted State aid					6,437,022
Miscellaneous					219,567
Total General Revenues					65,137,077
Change in Net Position					(584,271)
Net Position - Beginning					(40,550,226)
Net Position - Ending					\$ (41,134,497)

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

**Edgemont Union Free School District, New York**

Balance Sheet  
Governmental Funds  
June 30, 2023

	General	Special Aid	Capital Projects
<b>ASSETS</b>			
Cash and equivalents	\$ 13,496,566	\$ 871,926	\$ 915,410
Investments	5,502,434	-	-
Receivables			
Accounts	71,303	-	-
State and Federal aid	796,057	652,453	-
Due from other governments	170,412	-	-
Due from other funds	1,438,282	-	-
Prepaid expenditures	451	-	-
Total Assets	<u>\$ 21,475,505</u>	<u>\$ 1,524,379</u>	<u>\$ 915,410</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 965,462	\$ 101,303	\$ 64,362
Accrued liabilities	264,567	17,826	-
Due to other funds	-	1,402,021	1,546
Due to other governments	120,789	-	-
Unearned revenues	14,763	3,229	-
Due to retirement systems	3,312,752	-	-
Total Liabilities	<u>4,678,333</u>	<u>1,524,379</u>	<u>65,908</u>
Fund balances			
Nonspendable	451	-	-
Restricted	13,597,578	-	849,502
Assigned	424,168	-	-
Unassigned	2,774,975	-	-
Total Fund Balances	<u>16,797,172</u>	<u>-</u>	<u>849,502</u>
Total Liabilities and Fund Balances	<u>\$ 21,475,505</u>	<u>\$ 1,524,379</u>	<u>\$ 915,410</u>

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



<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 926,699	\$ 16,210,601
-	5,502,434
-	71,303
-	1,448,510
-	170,412
1,430	1,439,712
26,772	27,223
<u>\$ 954,901</u>	<u>\$ 24,870,195</u>
\$ 30,118	\$ 1,161,245
-	282,393
36,145	1,439,712
-	120,789
-	17,992
-	3,312,752
<u>66,263</u>	<u>6,334,883</u>
26,772	27,223
847,013	15,294,093
14,853	439,021
-	2,774,975
<u>888,638</u>	<u>18,535,312</u>
<u>\$ 954,901</u>	<u>\$ 24,870,195</u>

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## Edgemont Union Free School District, New York

### Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position June 30, 2023

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

Fund Balances - Total Governmental Funds	\$ 18,535,312
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	2,840,519
Capital assets - depreciable	64,664,116
Accumulated depreciation	<u>(25,802,377)</u>
	<u>41,702,258</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	18,253,838
Deferred outflows - OPEB related	6,064,905
Deferred inflows - pension related	(1,731,770)
Deferred inflows - OPEB related	<u>(12,523,805)</u>
	<u>10,063,168</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(7,103)
General obligation bonds payable	(7,455,000)
Energy performance contract payable	(1,142,131)
Compensated absences	(238,814)
Net pension liability	(6,215,565)
Total OPEB Liability	<u>(96,376,622)</u>
	<u>(111,435,235)</u>
Net Position of Governmental Activities	<u><u>\$ (41,134,497)</u></u>

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

**Edgemont Union Free School District, New York**

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2023

	General	Special Aid	Capital Projects
<b>REVENUES</b>			
Real property taxes	\$ 55,549,093	\$ -	\$ -
Other tax items	1,329,137	-	-
Non-property taxes	781,847	-	-
Charges for services	949,837	-	-
Use of money and property	972,278	-	-
State aid	6,582,902	181,012	-
Federal aid	-	884,036	-
Food sales	-	-	-
Miscellaneous	278,915	-	-
Total Revenues	66,444,009	1,065,048	-
<b>EXPENDITURES</b>			
Current			
General support	7,801,509	-	-
Instruction	37,059,330	1,105,163	-
Pupil transportation	821,408	-	-
Employee benefits	14,761,105	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	-	-	-
Interest	97,127	-	-
Capital outlay	-	-	1,368,897
Total Expenditures	60,540,479	1,105,163	1,368,897
Excess (Deficiency) of Revenues Over Expenditures	5,903,530	(40,115)	(1,368,897)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	40,115	2,909,635
Transfers out	(5,485,528)	-	-
Total Other Financing Sources (Uses)	(5,485,528)	40,115	2,909,635
Net Change in Fund Balances	418,002	-	1,540,738
<b>FUND BALANCES (DEFICITS)</b>			
Beginning of Year	16,379,170	-	(691,236)
End of Year	\$ 16,797,172	\$ -	\$ 849,502

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 55,549,093
-	1,329,137
-	781,847
-	949,837
33,175	1,005,453
-	6,763,914
2,205	886,241
567,379	567,379
458,208	737,123
1,060,967	68,570,024
-	7,801,509
-	38,164,493
-	821,408
-	14,761,105
693,494	693,494
459,451	459,451
2,291,923	2,291,923
282,766	379,893
-	1,368,897
3,727,634	66,742,173
(2,666,667)	1,827,851
2,535,778	5,485,528
-	(5,485,528)
2,535,778	-
(130,889)	1,827,851
1,019,527	16,707,461
\$ 888,638	\$ 18,535,312

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## Edgemont Union Free School District, New York

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2023

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 1,827,851</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	2,171,338
Depreciation expense	<u>(2,004,654)</u>
	<u>166,684</u>
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Principal paid on general obligation bonds	2,015,000
Principal paid on energy performance contract	<u>276,923</u>
	<u>2,291,923</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	63,004
Changes in pension liabilities and related deferred outflows and inflows of resources	(1,503,367)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(3,448,951)
Accrued interest	<u>18,585</u>
	<u>(4,870,729)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (584,271)</u></u>

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

**Edgemont Union Free School District, New York**

Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 55,549,093	\$ 55,549,093	\$ 55,549,093	\$ -
Other tax items	1,329,137	1,329,137	1,329,137	-
Non-property taxes	715,000	715,000	781,847	66,847
Charges for services	711,042	711,042	949,837	238,795
Use of money and property	115,000	115,000	972,278	857,278
State aid	6,633,783	6,633,783	6,582,902	(50,881)
Miscellaneous	133,333	154,333	278,915	124,582
Total Revenues	65,186,388	65,207,388	66,444,009	1,236,621
<b>EXPENDITURES</b>				
Current				
General support	8,358,422	8,939,541	7,801,509	1,138,032
Instruction	39,483,033	38,083,998	37,059,330	1,024,668
Pupil transportation	901,550	896,019	821,408	74,611
Employee benefits	15,801,995	15,171,564	14,761,105	410,459
Debt Service				
Interest	8,461	97,128	97,127	1
Total Expenditures	64,553,461	63,188,250	60,540,479	2,647,771
Excess of Revenues Over Expenditures	632,927	2,019,138	5,903,530	3,884,392
<b>OTHER FINANCING USES</b>				
Transfers out	(3,305,779)	(5,515,414)	(5,485,528)	29,886
Total Other Financing Uses	(3,305,779)	(5,515,414)	(5,485,528)	29,886
Net Change in Fund Balance	(2,672,852)	(3,496,276)	418,002	3,914,278
<b>FUND BALANCE</b>				
Beginning of Year	2,672,852	3,496,276	16,379,170	12,882,894
End of Year	\$ -	\$ -	\$ 16,797,172	\$ 16,797,172

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



**Note 1 - Summary of Significant Accounting Policies**

The Edgemont Union Free School District, New York ("School District"), as presently constituted, was established in 1912 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The School District's significant accounting policies are described below:

**A. Financial Reporting Entity**

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

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

The School District participates in the Southern Westchester Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating district's governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined in Education Law. Copies of BOCES' financial statement can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

**B. District-Wide Financial Statements**

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

The Statement of Net Position presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to

**Note 1 - Summary of Significant Accounting Policies (Continued)**

customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities.

While separate district-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Fund Financial Statements**

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

**Fund Categories**

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

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal or State funds. The major revenues of this fund are Federal and State aid.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

The following represents the School District's non-major governmental funds:

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

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with grantor or contributor stipulations. Among the activities included in the Special Purpose Fund are extraclassroom activities.

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

- b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84 "*Fiduciary Activities*" the School District had no such activity to report in this fund category.

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

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

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the Fiduciary Fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund

**Note 1 - Summary of Significant Accounting Policies (Continued)**

revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liabilities and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

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

**Cash and Equivalents, Investments and Risk Disclosure**

**Cash and Equivalents** - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

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

The School District utilizes a pooled investment concept for all governmental funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

**Investments** - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The School District participates in the New York Liquid Assets Fund ("NYLAF"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. The sponsoring agency of the pool is another

**Note 1 - Summary of Significant Accounting Policies (Continued)**

governmental unit, which acting through the fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. NYLAF has designated PMA Asset Management, LLC as its registered investment advisor.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amounts represent the amortized cost of the cooperative shares and are considered to approximate fair value. The School District's position in the pool in the amount of \$5,502,434 is equal to the value of the pool shares.

Additional information concerning the NYLAF is presented in the annual report, which may be obtained from the Governing Board c/o PMA Financial Network, LLC, 300 Westage Business Center Drive, Fishkill, NY 12524.

NYLAF is rated AAAm by Standard and Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. NYLAF invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

**Risk Disclosure**

**Interest Rate Risk** - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, *"Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3"*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2023.

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

**Concentration of Credit Risk** - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

**Property Taxes Receivable** - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable in two installments, September and January. The Town of Greenburgh, New York ("Town") is responsible for the billing and collection of the taxes. The

**Note 1 - Summary of Significant Accounting Policies (Continued)**

Town guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

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

**Due From/To Other Funds** - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

**Inventories** - There are no inventory values presented in the balance sheets of the respective funds of the School District. Purchases of inventoriable items are recorded as expenditures at the time of purchase and year-end balances are not material.

**Capital Assets** - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	20-50
Machinery and Equipment	10-20

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$14,763 for miscellaneous amounts received in advance in the General Fund and \$3,229 for grants received in advance in the Special Aid Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

The School District reported deferred outflows of resources and deferred inflows of resources in relation to the School District's pension and other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3E.

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

**Other Postemployment Benefit Liability ("OPEB")** – In addition to providing pension benefits, the School District provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*.

**Net Position** - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

*Restricted* net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws and regulations of governments. Restricted net position for the School District includes, restricted for capital projects, future capital projects, tax certiorari, ERS retirement contributions, TRS retirement contributions, special purposes and debt service.

*Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

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



**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or by delegated authority to the Assistant Superintendent for Business for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

**F. Encumbrances**

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**G. Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**H. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 12, 2023.

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

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

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

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

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

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

**B. Limitation on Fund Balance**

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

**C. Property Tax Limitation**

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

**D. New Accounting Pronouncement**

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements (SBITA's)*", established a single model for SBITA accounting based on the concept that SBITA's are a financing of a "right-to-use" underlying asset. This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. The requirements of GASB

**Edgemont Union Free School District, New York**

Notes to Financial Statements (Continued)

June 30, 2023

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

Statement No. 96 are effective for the School District's fiscal year ended June 30, 2023. The School District has completed its evaluation of the financial impact of GASB Statement No. 96 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

**Note 3 - Detailed Notes on All Funds****A. Interfund Receivable/Payables**

The composition of due from/to other funds at June 30, 2023 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,438,282	\$ -
Special Aid	-	1,402,021
Capital Projects	-	1,546
Non-Major Governmental	1,430	36,145
	<u>\$ 1,439,712</u>	<u>\$ 1,439,712</u>

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

**B. Capital Assets**

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

<u>Class</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Capital assets, not being depreciated:				
Land	\$ 447,447	\$ -	\$ -	\$ 447,447
Construction-in-progress	1,524,738	1,609,214	740,880	2,393,072
Total Capital Assets, not being depreciated	<u>\$ 1,972,185</u>	<u>\$ 1,609,214</u>	<u>\$ 740,880</u>	<u>\$ 2,840,519</u>
Capital assets, being depreciated:				
Buildings and Improvements	\$ 62,496,816	\$ 1,102,119	\$ -	\$ 63,598,935
Machinery and Equipment	1,422,349	200,885	558,053	1,065,181
Total Capital Assets, being depreciated	<u>63,919,165</u>	<u>1,303,004</u>	<u>558,053</u>	<u>64,664,116</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	23,551,086	1,599,797	-	25,150,883
Machinery and Equipment	804,690	404,857	558,053	651,494
Total Accumulated Depreciation	<u>24,355,776</u>	<u>2,004,654</u>	<u>558,053</u>	<u>25,802,377</u>
Total Capital Assets, being Depreciated, net	<u>\$ 39,563,389</u>	<u>\$ (701,650)</u>	<u>\$ -</u>	<u>\$ 38,861,739</u>
Capital Assets, net	<u>\$ 41,535,574</u>	<u>\$ 907,564</u>	<u>\$ 740,880</u>	<u>\$ 41,702,258</u>

**Edgemont Union Free School District, New York**

Notes to Financial Statements (Continued)  
 June 30, 2023

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**Note 3 - Detailed Notes on All Funds (Continued)**

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

General Support	\$ 22,449
Instruction	1,965,055
Pupil Transportation	16,739
Cost of Sales	<u>411</u>
Total Depreciation Expense	<u>\$ 2,004,654</u>

**C. Accrued Liabilities**

Accrued liabilities at June 30, 2023 were as follows:

	Fund		
	General	Special Aid	Total
Payroll and Employee Benefits	<u>\$ 264,567</u>	<u>\$ 17,826</u>	<u>\$ 282,393</u>

**D. Short-Term Capital Borrowings**

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

Purpose	Year of Original Issue	Balance July 1, 2022	New Issues	Redemptions	Balance June 30, 2023
District-Wide Improvements	2021	<u>\$ 3,800,000</u>	<u>\$ -</u>	<u>\$ 3,800,000</u>	<u>\$ -</u>

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

Interest expenditures of \$97,127 were recorded in the fund financial statements in the General Fund and in the district-wide financial statements.

**Edgemont Union Free School District, New York**

## Notes to Financial Statements (Continued)

June 30, 2023

**Note 3 - Detailed Notes on All Funds (Continued)****E. Long-Term Liabilities**

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2023:

	Balance July 1, 2022	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2023	Due Within One-Year
General Obligation Bonds Payable	\$ 9,470,000	\$ -	\$ 2,015,000	\$ 7,455,000	\$ 855,000
Energy Performance Contract Payable	1,419,054	-	276,923	1,142,131	295,224
Other Non-current Liabilities:					
Compensated Absences	301,818	-	63,004	238,814	24,000
Net Pension Liability - ERS	-	3,286,033	-	3,286,033	-
Net Pension Liability - TRS	-	2,929,532	-	2,929,532	-
Other Postemployment Benefit Liability	96,875,440	2,351,072	2,849,890	96,376,622	-
Total Other Non-current Liabilities	97,177,258	8,566,637	2,912,894	102,831,001	24,000
Total Long-Term Liabilities	\$ 108,066,312	\$ 8,566,637	\$ 5,204,817	\$ 111,428,132	\$ 1,174,224

Each governmental fund's liability for energy performance contract, compensated absences, net pension liability and other postemployment benefit liability is liquidated by the General Fund. The School District's indebtedness for general obligation bonds and energy performance contract debt is satisfied by the Debt Service Fund, which is primarily funded by the General Fund.

**General Obligation Bonds Payable**

General obligation bonds payable at June 30, 2023 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at June 30, 2023
District-wide Improvements	2016	\$ 10,000,000	December, 2030	2.0 - 3.0 %	\$ 5,885,000
District-wide Improvements	2017	2,800,000	June, 2031	2.0	1,570,000
					<u>\$ 7,455,000</u>

Interest expenditures of \$246,020 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$227,435 was recorded in the district-wide financial statements.

**Energy Performance Contract Payable**

The School District, in December 2011, entered into a \$3,408,453 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for remaining annual payments ranging from \$294,160 to \$326,395 payable in monthly installments, including interest at 2.84%, through March 2027. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. Interest expenditures/expenses of \$36,746 were recorded in the fund financial statements in the Debt Service Fund and in the district-wide financial statements. The balance due at June 30, 2023 was \$1,142,131.

## Edgemont Union Free School District, New York

### Notes to Financial Statements (Continued)

June 30, 2023

#### **Note 3 - Detailed Notes on All Funds (Continued)**

##### **Payments to Maturity**

The annual requirements to amortize all outstanding bonded and energy performance contract debt as of June 30, 2023 including interest payments of \$842,748 are as follows:

Year Ending June 30,	General Obligations Bonds		Energy Performance Contract		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 855,000	\$ 166,613	\$ 295,224	\$ 28,642	\$ 1,150,224	\$ 195,255
2025	875,000	149,313	306,365	20,030	1,181,365	169,343
2026	900,000	131,169	301,930	11,473	1,201,930	142,642
2027	920,000	111,669	238,612	2,833	1,158,612	114,502
2028	945,000	91,231	-	-	945,000	91,231
2029-3031	2,960,000	129,775	-	-	2,960,000	129,775
	<u>\$ 7,455,000</u>	<u>\$ 779,770</u>	<u>\$ 1,142,131</u>	<u>\$ 62,978</u>	<u>\$ 8,597,131</u>	<u>\$ 842,748</u>

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

##### **Legal Debt Margin**

The School District is subject to legal limitations on the amount of debt that it may issue. The School District's legal debt margin is 10% of the most recent full valuation of taxable real property.

##### **Compensated Absences**

Pursuant to collective bargaining agreements, certain employees may accumulate sick leave. Clerical and custodial employees, upon separation of service or retirement, will be compensated for accumulated sick leave, based upon the terms of their respective agreement. Vacation time must be taken in the year subsequent to the year earned. The value of the compensated absences has been reflected in the district-wide financial statements.

##### **Pension Plans**

###### *New York State and Local Retirement System and Teachers' Retirement System*

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

## Edgemont Union Free School District, New York

### Notes to Financial Statements (Continued)

June 30, 2023

#### **Note 3 - Detailed Notes on All Funds (Continued)**

may be found at [www.osc.state.ny.us/retire/about\\_us/financial\\_statements\\_index.php](http://www.osc.state.ny.us/retire/about_us/financial_statements_index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The School District also participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The TRS issues a stand-alone financial report which may be found at [www.nystrs.org](http://www.nystrs.org) or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2023 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A15	13.1%
	4 A15	13.1
	5 A15	11.2
	6 A15	8.3
TRS	1-6	10.29 %

At June 30, 2023, the School District reported the following for its proportionate share of the net pension liability for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Net pension liability	\$ 3,286,033	\$ 2,929,532
School Districts' proportion of the net pension liability	0.0153238 %	0.152668 %
Change in proportion since the prior measurement date	0.0002154 %	(0.005530) %



**Edgemont Union Free School District, New York**

## Notes to Financial Statements (Continued)

June 30, 2023

**Note 3 - Detailed Notes on All Funds (Continued)**

The net pension liability was measured as of March 31, 2023 for ERS and June 30, 1899 for TRS and the total pension liability used to calculate the net pension liability were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension liability for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2023, the School District recognized pension expense in the district-wide financial statements of \$5,013,545, (\$1,329,136 for ERS and \$3,684,409 for TRS). Pension expenditures of \$657,827 for ERS and \$2,852,351 for TRS were recorded in the fund financial statements and were charged to the General Fund.

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 349,988	\$ 92,284	\$ 3,069,779	\$ 58,703
Changes of assumptions	1,595,909	17,638	5,682,796	1,180,098
Net difference between projected and actual earnings on pension plan investments	-	19,305	3,785,233	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	462,021	55,269	297,117	308,473
School District contributions subsequent to the measurement date	166,862	-	2,844,133	-
	<u>\$ 2,574,780</u>	<u>\$ 184,496</u>	<u>\$ 15,679,058</u>	<u>\$ 1,547,274</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 3,419,767	\$ 150,987		
Changes of assumptions	7,278,705	1,197,736		
Net difference between projected and actual earnings on pension plan investments	3,785,233	19,305		
Changes in proportion and differences between School District contributions and proportionate share of contributions	759,138	363,742		
School District contributions subsequent to the measurement date	3,010,995	-		
	<u>\$ 18,253,838</u>	<u>\$ 1,731,770</u>		

\$166,862 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the plan's year ended March 31, 2024. The \$2,844,133 reported as deferred outflows of resources related to TRS will be recognized as a decrease of the

**Edgemont Union Free School District, New York**

## Notes to Financial Statements (Continued)

June 30, 2023

**Note 3 - Detailed Notes on All Funds (Continued)**

net pension liability in the plan's year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31,	June 30,
	ERS	TRS
2023	\$ -	\$ 2,142,488
2024	579,205	1,109,483
2025	(49,229)	(497,423)
2026	764,877	7,466,028
2027	928,569	991,358
Thereafter	-	75,717
	<u>\$ 2,223,422</u>	<u>\$ 11,287,651</u>

The total pension liability for the ERS and TRS measurement dates were determined by using actuarial valuation dates as noted below, with update procedures used to roll forward the total pension liabilities to those measurement dates. Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Investment rate of return	5.9% *	6.95% *
Salary scale	4.4%	1.95%-5.18%
Inflation rate	2.9%	2.4%
Cost of living adjustments	1.5%	1.3%

\*Compounded annually, net of pension plan investment expenses, including inflation.

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

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

For ERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by

**Note 3 - Detailed Notes on All Funds (Continued)**

weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

Asset Type	ERS March 31, 2023		TRS June 30, 2022	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.30 %	33 %	6.5 %
International Equity	15	6.85	16	7.2
Private Equity	10	7.50	8	9.9
Real Estate	9	4.60	11	6.2
Domestic Fixed Income Securities	-	-	16	1.1
Global Bonds	-	-	2	0.6
High Yield Bonds	-	-	1	3.3
Global Equities	-	-	4	6.9
Private Debt	-	-	2	5.3
Real Estate Debt	-	-	6	2.4
Opportunistic/ARS Portfolio	3	5.38	-	-
Credit	4	5.43	-	-
Real Assets	3	5.84	-	-
Fixed Income	23	1.50	-	-
Cash	1	-	1	(0.3)
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.9% for ERS and 2.4% for TRS.

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available

**Edgemont Union Free School District, New York**

Notes to Financial Statements (Continued)

June 30, 2023

**Note 3 - Detailed Notes on All Funds (Continued)**

to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 7,940,932</u>	<u>\$ 3,286,033</u>	<u>\$ (603,677)</u>
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 27,011,657</u>	<u>\$ 2,929,532</u>	<u>\$ (17,323,378)</u>

The components of the collective net pension liability (asset) as of the March 31, 2023 ERS measurement date and the June 30, 1899 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 232,627,259,000	\$ 133,883,473,797
Fiduciary net position	<u>211,183,223,000</u>	<u>131,964,582,107</u>
Employers' net pension liability	<u>\$ 21,444,036,000</u>	<u>\$ 1,918,891,690</u>
Fiduciary net position as a percentage of total pension liability	<u>90.78%</u>	<u>98.57%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2023 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

**Note 3 - Detailed Notes on All Funds (Continued)**

Accrued retirement contributions as of June 30, 2023 were \$166,862 to ERS and \$3,145,890 to TRS (including employee contributions of \$301,757).

*Voluntary Defined Contribution Plan*

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

**Other Postemployment Benefit Liability ("OPEB")**

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing postemployment health care benefits is shared between the School District and the retired employee as noted below. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the School District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	182
Active employees	<u>271</u>
	<u><u>453</u></u>

The School District's total OPEB liability of \$96,376,622 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021.

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.0%, average, including inflation
Discount rate	4.0%
Healthcare cost trend rates	7.0% for 2024, decreasing 0.25% per year to an ultimate rate of 4.5% for 2033 and later years
Retirees' share of benefit-related costs	Varies depending on applicable retirement year and 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 GA AA 20 Years) as of June 30, 2023.

**Edgemont Union Free School District, New York**

Notes to Financial Statements (Continued)

June 30, 2023

**Note 3 - Detailed Notes on All Funds (Continued)**

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount – weighted mortality tables for both pre and post retirement, projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the most recent decrement tables for turnover, disability and retirement for ERS and TRS. ERS and TRS tables were based on a version released in 2020 and 2021.

The School District's change in the total OPEB liability for the year ended June 30, 2023 is as follows:

Total OPEB Liability - Beginning of Year	\$ 96,875,440
Service cost	2,365,976
Interest	3,818,020
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(3,832,924)
Benefit payments	<u>(2,849,890)</u>
Total OPEB Liability - End of Year	<u>\$ 96,376,622</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.0%) or 1 percentage point higher (5.0%) than the current discount rate:

	1% Decrease (3.0%)	Current Discount Rate (4.0%)	1% Increase (5.0%)
Total OPEB Liability	<u>\$ 114,646,151</u>	<u>\$ 96,376,622</u>	<u>\$ 82,219,849</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.5%) or 1 percentage point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB Liability	<u>\$ 80,017,285</u>	<u>\$ 96,376,622</u>	<u>\$ 118,149,820</u>

**Edgemont Union Free School District, New York**

## Notes to Financial Statements (Continued)

June 30, 2023

**Note 3 - Detailed Notes on All Funds (Continued)**

For the year ended June 30, 2023, the School District recognized OPEB expense of \$6,298,841 in the district-wide financial statements. At June 30, 2023, the School 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
Changes in assumptions or other inputs	\$ 6,064,905	\$ 12,523,805
Differences between expected and actual experience	-	-
	<u>\$ 6,064,905</u>	<u>\$ 12,523,805</u>

Amount reports as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2024	\$ 114,842
2025	(543,168)
2026	(36,144)
2027	(1,838,440)
2028	(1,838,440)
Thereafter	<u>(2,317,550)</u>
	<u>\$ (6,458,900)</u>

**F. Revenues and Expenditures****Interfund Transfers**

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

Transfers Out	Transfers In			Total
	Special Aid	Capital Projects	Non-Major Governmental	
General Fund	<u>\$ 40,115</u>	<u>\$ 2,909,635</u>	<u>\$ 2,535,778</u>	<u>\$ 5,485,528</u>

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

**Note 3 - Detailed Notes on All Funds (Continued)**

**G. Net Position**

The components of net position are detailed below:

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

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

*Restricted for Future Capital Projects* - The component of net position that has been established in accordance with Education Law of the State of New York to set aside funds to be used for future capital projects.

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

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

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

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

*Restricted for Special Purposes* - the component of net position that has been established to set aside funds to be used for extraclassroom activities and other purposes with constraints placed on their use by either external parties and/or statute.

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



# Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)  
June 30, 2023

## Note 3 - Detailed Notes on All Funds (Continued)

### H. Fund Balances

	2023				2022			
	General Fund	Capital Projects Fund	Non-Major Governmental	Total	General Fund	Capital Projects Fund	Non-Major Governmental	Total
Nonspendable -								
Prepaid expenditures	\$ 451	\$ -	\$ 26,772	\$ 27,223	\$ 488	\$ -	\$ 25,931	\$ 26,419
Restricted:								
Tax certiorari	5,502,434	-	-	5,502,434	5,931,636	-	-	5,931,636
Employee benefit accrued liability	209,088	-	-	209,088	301,819	-	-	301,819
ERS retirement contributions	3,498,502	-	-	3,498,502	3,378,326	-	-	3,378,326
ERS retirement contributions - for subsequent year's expenditures	-	-	-	-	665,062	-	-	665,062
TRS retirement contributions	2,016,068	-	-	2,016,068	1,413,008	-	-	1,413,008
TRS retirement contributions - for subsequent year's expenditures	-	-	-	-	174,574	-	-	174,574
Debt service	-	-	542,869	542,869	-	-	553,399	553,399
Capital projects	-	849,502	-	849,502	-	-	-	-
Future capital projects	2,371,486	-	-	2,371,486	-	-	-	-
Special purposes - extraclassroom activities	-	-	66,934	66,934	-	-	60,788	60,788
Special purposes - other	-	-	237,210	237,210	-	-	240,969	240,969
Total Restricted	13,597,578	849,502	847,013	15,294,093	11,864,425	-	855,156	12,719,581
Assigned:								
Purchases on order:								
General government support	337,342	-	-	337,342	546,475	-	-	546,475
Instruction	86,826	-	-	86,826	286,741	-	-	286,741
	424,168	-	-	424,168	833,216	-	-	833,216
Subsequent year's expenditures from -								
General Fund	-	-	-	-	1,000,000	-	-	1,000,000
School Lunch Fund	-	-	14,853	14,853	-	-	138,440	138,440
Total Assigned	424,168	-	14,853	439,021	1,833,216	-	138,440	1,971,656
Unassigned	2,774,975	-	-	2,774,975	2,681,041	(691,236)	-	1,989,805
Total Fund Balances	\$ 16,797,172	\$ 849,502	\$ 888,638	\$ 18,535,312	\$ 16,379,170	\$ (691,236)	\$ 1,019,527	\$ 16,707,461

**Note 3 - Detailed Notes on All Funds (Continued)**

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

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

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to Section 6-p of the General Municipal Law of the State of New York to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

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

Subsequent year's expenditures represent that at June 30, 2023, the Board of Education has utilized the above amounts to be appropriated for the ensuing year's budget.

Assigned for School Lunch Fund represents the component of fund balance that reports the difference between assets and liabilities in the School Lunch Fund.

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

**Note 4 - Summary Disclosure of Significant Contingencies**

**A. Litigation**

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

The School District is a defendant in a case involving a former student. The case is currently under a stay due to the bankruptcy of a related entity. At this time it is not possible to determine the outcome of this matter.

**B. Contingencies**

The School District participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Uniform Guidance. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

The School District is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid to the School District which may be disallowed cannot be

## Edgemont Union Free School District, New York

Notes to Financial Statements (Concluded)

June 30, 2023

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### **Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

#### **C. Risk Management**

The School District purchases various insurance coverages to reduce its exposure to loss. The School District maintains general liability insurance and liability coverage for school board members with policy limits of \$1 million per occurrence and \$3 million in the aggregate. The School District also maintains an umbrella policy with coverage of \$15 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The School District and neighboring school districts in Southern Westchester County, participate in the Southern Westchester Schools Cooperative Self-Insurance Plan for Workers' Compensation. The purpose of the Plan is to provide efficient and economical evaluation, processing, administration, defense and payment of claims against plan members for workers' compensation and to provide for risk management to reduce future liability for workers' compensation and employers' liability payments. The Plan is managed and governed by a Board of Trustees comprised of a representative from each district. Billings are based upon participants' experience rating. The School District has transferred all related risk to the Plan.

The School District and neighboring school districts in Southern Westchester County participate in the State-Wide Schools Cooperative Health Plan. This Plan operates under an agreement, as amended, dated December 12, 1985. The purposes of the Plan are to effect cost savings in members' expenses for health coverage; to provide for centralized administration, funding and disbursements for health coverage; and to provide for such risk management services as may be appropriate to reduce future expense and liability for health coverage. The governance of the Plan shall be in all respects in the hands of the Board of Trustees. The Board of Trustees shall consist of seven trustees elected by the general membership of the Plan. No action may be taken by the Board of Trustees except by a vote of a majority of the total number of trustees. Billings to participants are based upon coverage provided to each participants' employees. The School District has transferred all related risk to the Plan.

### **Note 5 - Recently Issued GASB Pronouncements**

GASB Statement No. 101, "*Compensated Absences*", provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the School District believes will most impact its financial statements. The School District will evaluate the impact of this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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# Edgemont Union Free School District, New York

## Required Supplementary Information - Schedule of Changes in the School District's Total OPEB Liability and Related Ratios Last Ten Fiscal Years (1)(2)

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service cost	\$ 2,365,976	\$ 2,469,762	\$ 1,422,963	\$ 1,275,847	\$ 1,500,787	\$ 1,401,520
Interest	3,818,020	3,875,434	1,944,877	2,315,088	3,121,746	3,051,391
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-
Changes of assumptions or other inputs	(3,832,924)	(10,874,590)	10,813,786	(3,042,171)	3,948,093	-
Benefit payments	(2,849,890)	(2,783,633)	(1,750,556)	(1,750,760)	(1,711,779)	(1,644,794)
Net Change in Total OPEB Liability	(498,818)	(7,313,027)	12,431,070	(1,201,996)	6,858,847	2,808,117
Total OPEB Liability – Beginning of Year	96,875,440	104,188,467	91,757,397	92,959,393	86,100,546	83,292,429 (3)
Total OPEB Liability – End of Year	<u>\$ 96,376,622</u>	<u>\$ 96,875,440</u>	<u>\$ 104,188,467</u>	<u>\$ 91,757,397</u>	<u>\$ 92,959,393</u>	<u>\$ 86,100,546</u>
School District's covered-employee payroll	<u>\$ 30,099,145</u>	<u>\$ 30,099,145</u>	<u>\$ 29,367,623</u>	<u>\$ 29,367,623</u>	<u>\$ 27,779,455</u>	<u>\$ 27,779,455</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>320.20%</u>	<u>321.85%</u>	<u>354.77%</u>	<u>312.44%</u>	<u>334.63%</u>	<u>309.94%</u>
Discount Rate	<u>4.00%</u>	<u>3.77%</u>	<u>2.09%</u>	<u>2.44%</u>	<u>3.50%</u>	<u>3.50%</u>

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

See independent auditors' report.

**Edgemont Union Free School District, New York**

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

**Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)**

	2023 (3)	2022 (4)	2021 (3)	2020	2019	2018 (4)	2017 (3)	2016	2015
School District's proportion of the net pension liability (asset)	0.152668%	0.158198%	0.154676%	0.153046%	0.148822%	0.148091%	0.146981%	0.145276%	0.146638%
School District's proportionate share of the net pension liability (asset)	\$ 2,929,532	\$ (27,414,125)	\$ 4,274,111	\$ (3,976,135)	\$ (2,691,101)	\$ (1,125,640)	\$ 1,574,226	\$ (15,089,534)	\$ (16,334,540)
School District's covered payroll	\$ 27,045,538	\$ 26,851,202	\$ 26,346,502	\$ 25,711,638	\$ 24,230,778	\$ 23,662,766	\$ 22,913,418	\$ 21,822,407	\$ 21,806,295
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	10.83%	(102.10)%	16.22%	(15.46)%	(11.11)%	(4.76)%	6.87%	(69.15)%	(74.91)%
Plan fiduciary net position as a percentage of the total pension liability	98.57%	113.20%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount Rate	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

**Schedule of Contributions**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,844,133	\$ 2,662,974	\$ 2,558,920	\$ 2,334,477	\$ 2,730,576	\$ 2,374,616	\$ 2,773,276	\$ 3,038,328	\$ 3,825,468
Contributions in relation to the contractually required contribution	(2,844,133)	(2,662,974)	(2,558,920)	(2,334,477)	(2,730,576)	(2,374,616)	(2,773,276)	(3,038,328)	(3,825,468)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 25,151,924	\$ 27,045,538	\$ 26,851,202	\$ 26,346,502	\$ 25,711,638	\$ 24,230,778	\$ 23,662,766	\$ 22,913,418	\$ 21,822,407
Contributions as a percentage of covered payroll	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

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

(2) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(3) Increase in the School District's proportionate share of net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the School District's proportionate share of net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

**Edgemont Union Free School District, New York**

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

**Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)**

	2023 (3)	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (asset)	0.0153238%	0.0151084%	0.0145706%	0.0153341%	0.0170137%	0.0163977%	0.0160599%	0.0166573%	0.0169164%
School District's proportionate share of the net pension liability (asset)	\$ 3,286,033	\$ (1,235,053)	\$ 14,509	\$ 4,060,546	\$ 1,205,474	\$ 529,226	\$ 1,509,028	\$ 2,673,536	\$ 571,476
School District's covered payroll	\$ 5,967,330	\$ 5,794,342	\$ 5,683,652	\$ 5,715,999	\$ 5,627,506	\$ 5,584,936	\$ 5,383,807	\$ 5,103,772	\$ 5,015,002
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	55.07%	(21.31)%	0.26%	71.04%	21.42%	9.48%	28.03%	52.38%	11.40%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
Discount Rate	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%

**Schedule of Contributions**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 666,589	\$ 930,118	\$ 837,010	\$ 822,505	\$ 827,184	\$ 813,490	\$ 804,070	\$ 857,136	\$ 1,043,197
Contributions in relation to the contractually required contribution	(666,589)	(930,118)	(837,010)	(822,505)	(827,184)	(813,490)	(804,070)	(857,136)	(1,043,197)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 6,361,119	\$ 5,802,936	\$ 5,707,542	\$ 5,752,675	\$ 5,606,754	\$ 5,631,406	\$ 5,085,715	\$ 5,139,096	\$ 5,021,349
Contributions as a percentage of covered payroll	10.48%	16.03%	14.66%	14.30%	14.75%	14.45%	15.81%	16.68%	20.78%

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

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the School District's proportionate of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

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**Edgemont Union Free School District, New York**

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

	2023				
	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
<b>REVENUES</b>					
Real property taxes	\$ 55,549,093	\$ 55,549,093	\$ 55,549,093	\$	\$ -
Other tax items	1,329,137	1,329,137	1,329,137		-
Non-property taxes	715,000	715,000	781,847		66,847
Charges for services	711,042	711,042	949,837		238,795
Use of money and property	115,000	115,000	972,278		857,278
State aid	6,633,783	6,633,783	6,582,902		(50,881)
Miscellaneous	133,333	154,333	278,915		124,582
Total Revenues	65,186,388	65,207,388	66,444,009		1,236,621
<b>EXPENDITURES</b>					
Current					
General support					
Board of education	57,028	56,545	51,629	238	4,678
Central administration	480,587	451,758	443,239	-	8,519
Finance	1,288,406	1,375,550	1,191,408	74,750	109,392
Staff	261,045	245,570	230,199	-	15,371
Central services	5,409,398	5,513,735	4,997,756	262,354	253,625
Special items	861,958	1,296,383	887,278	-	409,105
Total General Support	8,358,422	8,939,541	7,801,509	337,342	800,690
Instruction					
Instruction, administration and improvement	2,475,509	2,338,800	2,239,939	6,014	92,847
Teaching - Regular school	20,775,639	19,746,923	19,443,204	39,786	263,933
Programs for students with disabilities	9,982,098	9,618,192	9,295,714	21,218	301,260
Instructional media	2,290,934	2,327,551	2,254,032	16,295	57,224
Pupil services	3,958,853	4,052,532	3,826,441	3,513	222,578
Total Instruction	39,483,033	38,083,998	37,059,330	86,826	937,842
Pupil transportation	901,550	896,019	821,408	-	74,611
Employee benefits	15,801,995	15,171,564	14,761,105	-	410,459
Debt service					
Interest	8,461	97,128	97,127	-	1
Total Expenditures	64,553,461	63,188,250	60,540,479	424,168	2,223,603
Excess (Deficiency) of Revenues Over Expenditures	632,927	2,019,138	5,903,530	(424,168)	3,460,224
<b>OTHER FINANCING USES</b>					
Transfers out	(3,305,779)	(5,515,414)	(5,485,528)	-	29,886
Net Change in Fund Balance	(2,672,852)	(3,496,276)	418,002	<u>\$ (424,168)</u>	<u>\$ 3,490,110</u>
<b>FUND BALANCE</b>					
Beginning of Year	2,672,852	3,496,276	16,379,170		
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,797,172</u>		

See independent auditors' report.

**Edgemont Union Free School District, New York**

General Fund

Schedule of Revenues Compared to Budget

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REAL PROPERTY TAXES</b>	<u>\$ 55,549,093</u>	<u>\$ 55,549,093</u>	<u>\$ 55,549,093</u>	<u>\$ -</u>
<b>OTHER TAX ITEMS</b>				
School tax relief reimbursement	<u>1,329,137</u>	<u>1,329,137</u>	<u>1,329,137</u>	<u>-</u>
<b>NON-PROPERTY TAXES</b>				
Non-property tax distribution from County	<u>715,000</u>	<u>715,000</u>	<u>781,847</u>	<u>66,847</u>
<b>CHARGES FOR SERVICES</b>				
Day school tuition from individuals	264,592	264,592	301,227	36,635
Day school tuition - Other districts	391,450	391,450	575,501	184,051
Other services for other districts and other governments	<u>55,000</u>	<u>55,000</u>	<u>73,109</u>	<u>18,109</u>
	<u>711,042</u>	<u>711,042</u>	<u>949,837</u>	<u>238,795</u>
<b>USE OF MONEY AND PROPERTY</b>				
Earnings on investments	15,000	15,000	820,411	805,411
Rental of real property - Individuals	<u>100,000</u>	<u>100,000</u>	<u>151,867</u>	<u>51,867</u>
	<u>115,000</u>	<u>115,000</u>	<u>972,278</u>	<u>857,278</u>
<b>STATE AID</b>				
Basic formula	4,594,267	4,594,267	4,013,045	(581,222)
Lottery aid	1,077,918	1,077,918	1,588,946	511,028
BOCES aid	785,707	785,707	835,031	49,324
Textbook aid	116,325	116,325	86,314	(30,011)
Computer software aid	47,222	47,222	47,223	1
Library loan program	<u>12,344</u>	<u>12,344</u>	<u>12,343</u>	<u>(1)</u>
	<u>6,633,783</u>	<u>6,633,783</u>	<u>6,582,902</u>	<u>(50,881)</u>

**MISCELLANEOUS**

Refund for BOCES aided services	35,000	35,000	93,372	58,372
Refund of prior year's expenditures	45,000	45,000	40,831	(4,169)
Gifts and donations	38,333	59,333	59,348	15
Other	<u>15,000</u>	<u>15,000</u>	<u>85,364</u>	<u>70,364</u>
	<u>133,333</u>	<u>154,333</u>	<u>278,915</u>	<u>124,582</u>
<b>TOTAL REVENUES</b>	<u><u>\$ 65,186,388</u></u>	<u><u>\$ 65,207,388</u></u>	<u><u>\$ 66,444,009</u></u>	<u><u>\$ 1,236,621</u></u>

See independent auditors' report.

**Edgemont Union Free School District, New York**

General Fund  
Schedule of Expenditures and Other Financing Uses Compared to Budget  
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
<b>GENERAL SUPPORT</b>					
<b>BOARD OF EDUCATION</b>					
Board of education	\$ 46,304	\$ 45,821	\$ 44,126	\$ -	\$ 1,695
District meeting	10,724	10,724	7,503	238	2,983
Total Board of Education	57,028	56,545	51,629	238	4,678
<b>CENTRAL ADMINISTRATION</b>					
Chief school administrator	480,587	451,758	443,239	-	8,519
<b>FINANCE</b>					
Business administration	1,079,156	1,196,595	1,088,103	22,000	86,492
Auditing	167,150	152,150	83,900	52,750	15,500
Fiscal agent fees	42,100	26,805	19,405	-	7,400
Total Finance	1,288,406	1,375,550	1,191,408	74,750	109,392
<b>STAFF</b>					
Legal	220,474	185,474	173,213	-	12,261
Public information and services	40,571	60,096	56,986	-	3,110
Total Staff	261,045	245,570	230,199	-	15,371
<b>CENTRAL SERVICES</b>					
Operation and maintenance of plant	5,293,581	5,397,918	4,883,678	260,892	253,348
Central printing and mailing	115,817	115,817	114,078	1,462	277
Total Central Services	5,409,398	5,513,735	4,997,756	262,354	253,625
<b>SPECIAL ITEMS</b>					
Unallocated insurance	260,000	242,000	238,745	-	3,255
Assessments on school property	58,000	48,489	48,489	-	-
Refunds of real property taxes	200,000	661,936	256,086	-	405,850
Administrative charge - BOCES	343,958	343,958	343,958	-	-
Total Special Items	861,958	1,296,383	887,278	-	409,105
Total General Support	8,358,422	8,939,541	7,801,509	337,342	800,690

**INSTRUCTION****INSTRUCTION, ADMINISTRATION  
AND IMPROVEMENT**

Curriculum development and supervision	524,519	604,750	564,295	-	40,455
Supervision - Regular school	1,922,104	1,705,164	1,667,589	6,014	31,561
In-service training and instruction	28,886	28,886	8,055	-	20,831

Total Instruction, Administration  
and Improvement

2,475,509	2,338,800	2,239,939	6,014	92,847
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**TEACHING - REGULAR SCHOOL**

20,775,639	19,746,923	19,443,204	39,786	263,933
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**PROGRAMS FOR STUDENTS  
WITH DISABILITIES**

9,982,098	9,618,192	9,295,714	21,218	301,260
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**INSTRUCTIONAL MEDIA**

School library and audiovisual	621,478	653,775	627,984	621	25,170
Computer assisted instruction	1,669,456	1,673,776	1,626,048	15,674	32,054

Total Instructional Media

2,290,934	2,327,551	2,254,032	16,295	57,224
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**PUPIL SERVICES**

Attendance - Regular school	81,155	84,155	81,155	-	3,000
Guidance - Regular school	1,015,443	1,059,143	1,045,692	-	13,451
Health services - Regular school	428,591	480,306	430,697	-	49,609
Psychological services - Regular school	909,969	900,582	896,734	-	3,848
Co-curricular activities - Regular school	406,391	429,002	382,568	-	46,434
Interscholastic athletics - Regular school	1,117,304	1,099,344	989,595	3,513	106,236

Total Pupil Services

3,958,853	4,052,532	3,826,441	3,513	222,578
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Total Instruction

39,483,033	38,083,998	37,059,330	86,826	937,842
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**PUPIL TRANSPORTATION**

District transportation services	139,700	117,500	110,457	-	7,043
Contract transportation	733,850	749,519	683,606	-	65,913
Transportation from BOCES	28,000	29,000	27,345	-	1,655

Total Pupil Transportation

901,550	896,019	821,408	-	74,611
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**Edgemont Union Free School District, New York**

General Fund  
Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)  
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
<b>EMPLOYEE BENEFITS</b>					
State retirement	\$ 744,742	\$ 736,573	\$ 657,827	\$ -	\$ 78,746
Teachers' retirement	3,074,887	2,874,887	2,852,351	-	22,536
Social security	2,785,899	2,781,467	2,630,739	-	150,728
Life insurance	12,894	12,894	11,057	-	1,837
Hospital, medical and dental insurance	8,168,995	7,784,820	7,672,729	-	112,091
Workers' compensation benefits	231,723	219,723	214,260	-	5,463
Unemployment benefits	30,000	32,500	24,131	-	8,369
Disability insurance	9,241	9,241	2,677	-	6,564
Union welfare benefits	743,614	719,459	695,334	-	24,125
Total Employee Benefits	15,801,995	15,171,564	14,761,105	-	410,459
<b>DEBT SERVICE</b>					
Interest					
Bond anticipation note	8,461	97,128	97,127	-	1
<b>TOTAL EXPENDITURES</b>	64,553,461	63,188,250	60,540,479	424,168	2,223,603
<b>OTHER FINANCING USES</b>					
Transfers out					
Special Aid Fund	70,000	70,000	40,115	-	29,885
Capital Projects Fund	700,000	2,909,635	2,909,635	-	-
Debt Service Fund	2,535,779	2,535,779	2,535,778	-	1
<b>TOTAL OTHER FINANCING USES</b>	3,305,779	5,515,414	5,485,528	-	29,886
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 67,859,240</u>	<u>\$ 68,703,664</u>	<u>\$ 66,026,007</u>	<u>\$ 424,168</u>	<u>\$ 2,253,489</u>

See independent auditors' report.

**Edgemont Union Free School District, New York**

Capital Projects Fund

Project Length Schedule

Inception of Project Through June 30, 2023

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Project	Authorization	Expenditures and Transfers to Date		
		Prior Year	Current Year	Total
Various District-wide Improvements	\$ 1,531,031	\$ 1,392,044	\$ 15	\$ 1,392,059
Greenville School General Construction and Fire Alarm	700,000	603,394	64,345	667,739
2021 Bond Project	3,897,000	1,471,198	608,075	2,079,273
EHS Bathroom Project	750,000	53,538	696,462	750,000
SP Window Replacement	700,000	-	-	-
	<u>\$ 7,578,031</u>	<u>\$ 3,520,174</u>	<u>\$ 1,368,897</u>	<u>\$ 4,889,071</u>

See independent auditors' report.



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Unexpended Balance	Methods of Financing			Fund Balance at June 30 2023
	Transfers In	Proceeds from Obligations	Total	
\$ 138,972	\$ 1,392,059	\$ -	\$ 1,392,059	\$ -
32,261	686,879	-	686,879	19,140
1,817,727	264,361	2,646,274	2,209,635	130,362
-	750,000	155,880	750,000	-
700,000	700,000	-	700,000	700,000
<u>\$ 2,688,960</u>	<u>\$ 3,793,299</u>	<u>\$ 2,802,154</u>	<u>\$ 5,738,573</u>	<u>\$ 849,502</u>

**Edgemont Union Free School District, New York**

Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2023

	School Lunch	Special Purpose	Debt Service	Totals
<b>ASSETS</b>				
Cash and equivalents	\$ 53,136	\$ 305,352	\$ 568,211	\$ 926,699
Due from other funds	-	-	1,430	1,430
Prepaid expenditures	-	-	26,772	26,772
Total Assets	<u>\$ 53,136</u>	<u>\$ 305,352</u>	<u>\$ 596,413</u>	<u>\$ 954,901</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 28,910	\$ 1,208	\$ -	\$ 30,118
Due to other funds	9,373	-	26,772	36,145
Total Liabilities	<u>38,283</u>	<u>1,208</u>	<u>26,772</u>	<u>66,263</u>
Fund balances				
Nonspendable	-	-	26,772	26,772
Restricted	-	304,144	542,869	847,013
Assigned	14,853	-	-	14,853
Total Fund Balances	<u>14,853</u>	<u>304,144</u>	<u>569,641</u>	<u>888,638</u>
Total Liabilities and Fund Balances	<u>\$ 53,136</u>	<u>\$ 305,352</u>	<u>\$ 596,413</u>	<u>\$ 954,901</u>

See independent auditors' report.

**Edgemont Union Free School District, New York**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Non-Major Governmental Funds  
Year Ended June 30, 2023

	School Lunch	Special Purpose	Debt Service	Totals
<b>REVENUES</b>				
Use of money and property	\$ 323	\$ 3,630	\$ 29,222	\$ 33,175
Federal aid	2,205	-	-	2,205
Food sales	567,379	-	-	567,379
Miscellaneous	-	458,208	-	458,208
Total Revenues	569,907	461,838	29,222	1,060,967
<b>EXPENDITURES</b>				
Current				
Cost of food sales	693,494	-	-	693,494
Other	-	459,451	-	459,451
Debt service				
Principal	-	-	2,291,923	2,291,923
Interest	-	-	282,766	282,766
Total Expenditures	693,494	459,451	2,574,689	3,727,634
Excess (Deficiency) of Revenues Over Expenditures	(123,587)	2,387	(2,545,467)	(2,666,667)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	2,535,778	2,535,778
Net Change in Fund Balances	(123,587)	2,387	(9,689)	(130,889)
<b>FUND BALANCES</b>				
Beginning of Year	138,440	301,757	579,330	1,019,527
End of Year	\$ 14,853	\$ 304,144	\$ 569,641	\$ 888,638

See independent auditors' report.

## Edgemont Union Free School District, New York

### General Fund

#### Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2023

Adopted Budget	\$ 67,026,024
Additions -	
Encumbrances	<u>833,216</u>
Original Budget	67,859,240
Additions - Budget revisions	<u>844,424</u>
Final Budget	<u><u>\$ 68,703,664</u></u>

### General Fund

#### Section 1318 of Real Property Tax Law Limit Calculation

2023-24 Expenditure Budget	<u>\$ 69,374,373</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	\$ 424,168
Unassigned fund balance	<u>2,774,975</u>
Total Unrestricted Fund Balance	<u>3,199,143</u>
Less	
Appropriated for subsequent year's budget	-
Encumbrances	<u>424,168</u>
Total Adjustments	<u>424,168</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 2,774,975</u></u>
Actual Percentage	<u><u>4.00%</u></u>

See independent auditors' report.

**Edgemont Union Free School District, New York**

Schedule of Net Investment in Capital Assets  
Year Ended June 30, 2023

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Capital Assets, net		\$ 41,702,258
Less		
General obligation bonds payable	\$ (7,455,000)	
Energy performance contract payable	<u>(1,142,131)</u>	<u>(8,597,131)</u>
Net Investment in Capital Assets		<u>\$ 33,105,127</u>

See independent auditors' report.

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**Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed in Accordance With  
*Government Auditing Standards***

**Independent Auditors' Report**

**The Board of Education of the  
Edgemont Union Free School District, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Edgemont Union Free School District, New York ("School District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 12, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

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

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

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

October 12, 2023



**Report on Compliance For Each Major Federal Program and Report  
on Internal Control Over Compliance Required by  
the Uniform Guidance**

**Independent Auditors' Report**

**The Board of Education of the  
Edgemont Union Free School District, New York**

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

***Opinion on Each Major Federal Program***

We have audited the Edgemont Union Free School District, New York's ("School District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

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

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

## ***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

## ***Report on Internal Control Over Compliance***

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

material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

October 12, 2023

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**Edgemont Union Free School District, New York**

 Schedule of Expenditures of Federal Awards  
 Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Sub- Recipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Child Nutrition Cluster</i>				
Special Milk Program for Children	10.556	N/A	\$ -	\$ 2,205
Total U.S. Department of Agriculture			-	2,205
<u>U.S. Department of Education</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Special Education Cluster (IDEA)</i>				
Special Education-Grants to States (IDEA, Part B)	84.027	0032-23-1058	-	366,780
Special Education-Preschool Grants (IDEA Preschool)	84.173	0033-23-1058	-	5,040
Special Education-Grants to States (IDEA, Part B) (ARP Supplemental 611)	84.027X	5532-23-1058	-	67,334
Special Education - Preschool Grants (ARP Supplemental 619)	84.173X	5533-23-1058	-	7,590
Subtotal Special Education Cluster			-	446,744
Title I Grants to Local Educational Agencies	84.010	0021-23-3660	-	38,812
English Language Acquisition State Grants	84.365	149-22-3625	-	6,138
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	147-23-3660	-	19,945
Student Support and Academic Enrichment Program	84.424	204-23-3660	-	14,646
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	5891-23-3660	-	170,708
American Rescue Plan-Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	84.425U	5880-23-3660	-	187,043
			-	357,751
Total U.S. Department of Education			-	884,036
Total Expenditures of Federal Awards			\$ -	\$ 886,241

N/A - Information not available

See accompanying notes to schedules of expenditures of federal awards.

## **Edgemont Union Free School District, New York**

Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

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### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Edgemont Union Free School District, New York ("School District") under programs of the federal government for the year ended June 30, 2023. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

### **Note 3 - Indirect Cost Rate**

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

# Edgemont Union Free School District, New York

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

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## Section I - Summary of Auditors' Results

### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

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

\_\_\_\_ Yes      X   No  
\_\_\_\_ Yes      X   None reported

Noncompliance material to financial statements noted?

\_\_\_\_ Yes      X   No

### Federal Awards

Internal control over major federal programs:

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

\_\_\_\_ Yes      X   No  
\_\_\_\_ Yes      X   None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_ Yes      X   No

Identification of major federal programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

84.027  
84.027X  
84.173  
84.173X

Special Education Cluster (IDEA):  
Special Education – Grants to States  
Special Education – Grants to States (ARP Supplemental 611)  
Special Education – Preschool Grants  
Special Education – Preschool Grants (ARP Supplemental 619)

84.425D

Elementary and Secondary School Emergency Relief (ESSER) Fund

84.425U

American Rescue Plan – Elementary and Secondary School Emergency Relief Fund (ARP ESSER)

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

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_ Yes      X   No

**Edgemont Union Free School District, New York**

Schedule of Findings and Questioned Costs (Concluded)  
Year Ended June 30, 2023

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**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None



None