

**Union Free School District of the  
Tarrytowns, New York**

Financial Statements and  
Supplementary Information

Year Ended June 30, 2022



# Union Free School District of the Tarrytowns, New York

## Table of Contents

---

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
District-Wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet - Governmental Funds	18
Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	24
Notes to Financial Statements	25
Required Supplementary Information	
Other Postemployment Benefits	
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	56
New York State Teachers' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	57
Schedule of Contributions	57
New York State and Local Employees' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	58
Schedule of Contributions	58
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	59
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	60
Schedule of Revenues Compared to Budget	62
Schedule of Expenditures and Other Financing Uses Compared to Budget	64
Special Aid Fund	
Comparative Balance Sheet	68
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	69
Capital Projects Fund	
Comparative Balance Sheet	70
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	71
Project-Length Schedule	72
Non-Major Governmental Funds	
Combining Balance Sheet	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	75

# Union Free School District of the Tarrytowns, New York

## Table of Contents (Concluded)

---

	<u>Page No.</u>
School Lunch Fund	
Comparative Balance Sheet	76
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	77
Special Purpose Fund	
Comparative Balance Sheet	78
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	79
Supplementary Information	
Analysis of Change from Adopted Budget to Final Budget	80
Section 1318 of Real Property Tax Law Limit Calculation	80
Schedule of Net Investment in Capital Assets	81
Federal Programs	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	82
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	84
Schedule of Expenditures of Federal Awards	87
Notes to Schedule of Expenditures of Federal Awards	89
Schedule of Findings and Questioned Costs	90
Summary Schedule of Prior Audit Findings	93

## **Independent Auditors' Report**

**The Board of Education of the  
Union Free School District of the Tarrytowns, 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 Union Free School District of the Tarrytowns, New York ("School District") as of and for the year ended June 30, 2022, 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, 2022, 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.

#### ***Emphasis of Matter***

We draw attention to Note 2D in the notes to financial statements which disclose the effects of the School District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, "Leases". Our opinion is not modified with respect to this matter.

#### ***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 for the year ended June 30, 2022 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* for the year ended June 30, 2022 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 for the year ended June 30, 2022 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 for the year ended June 30, 2022.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the School District as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated August 31, 2021 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2021 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 related directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2022 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 13, 2022

(This page intentionally left blank)

# Union Free School District of the Tarrytowns, New York

Management's Discussion and Analysis (MD&A)  
June 30, 2022

---

## Introduction

Our discussion and analysis of the School District, New York's ("School District") financial performance provides an overview of the School District's financial activities for the year ended June 30, 2022. To enhance your understanding of the School District's financial performance, it should be read in conjunction with the basic financial statements that immediately follow this section.

## Financial Highlights

Key financial highlights for fiscal year 2021-2022 are as follows:

- At the close of the current fiscal year, the School District's governmental funds financial statement shows a combined ending fund balance of \$15,325,595, an increase of \$3,328,963 from the prior year. The increase was mostly due to a continued reduction in activities due to the pandemic resulting in expenditure savings and an increase in State and Federal Aid.
- New York State Law limits the amount of unassigned fund balance that 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 \$3,457,217 or 4%.
- During the current fiscal year, the School District retired \$3,565,000 of general obligation bonds issued in previous years for various capital projects. The School District also retired \$385,740 of energy performance contract debt.
- 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 \$96,127,582. This represented a decrease of \$7,410,810 for the year ended June 30, 2022.
- For the year ended June 30, 2022, the School District's OPEB liability of \$126,562,177 is reflected on the district-wide Statement of Net Position and impacts the total net position calculation. More detailed information about the School District's OPEB obligations reported in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", is presented in Note 3F in the notes to the financial statements.
- The district-wide financial statements for the year ended June 30, 2022 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 New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("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 of the municipalities and school districts in the plan. At June 30, 2022, the School District reported in its Statement of Net Position an asset for its proportionate share of the ERS net pension asset of \$ 1,966,193 and an asset of \$37,188,243 for its proportionate

share of the TRS net pension asset. More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in Note 3F in the notes to financial statements.

- The School District adopted the provisions of GASB Statement No. 87, "Leases", for the year ended June 30, 2022. This statement established a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. This statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset and a lessor to recognize a receivable and a deferred inflow of resources. Accordingly, the School District recognized a net cumulative effect of change in accounting principle of \$-0- to the opening net position, resulting from reflecting both an increase in a right-to-use capital asset of \$685,892 and an equal amount for a lease liability. More detailed information about the School District's lease reporting in accordance with the provisions of GASB Statement No. 87 is presented in Notes 2D and 3F in the notes to financial statements.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements, which 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 of 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. Thus, expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused vacation leave, OPEB and net pension liabilities).
  - The *governmental* activities of the School District include instruction, pupil transportation, community services, cost of food sales, other, interest 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 School District'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 this comparison between *governmental funds* and *governmental activities*.
- The School District maintains five 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, Special Aid and the Capital Projects funds, which are considered to be major funds. Data for the other two 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 for the General Fund within the basic financial statements to demonstrate compliance with the budget.
- The *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, the School District had no such activity to report in this fund category.

#### *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 liabilities, 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. In the case of the Union Free School District of the Tarrytowns, New York at the close of the current fiscal year, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$96,127,582.

### Statement of Net Position

	June 30,	
	2022	2021
Current Assets	\$ 21,700,440	\$ 18,453,042
Net Pension Asset (TRS, ERS)	39,154,436	-
Capital Assets, net	76,684,011	77,807,919
Total Assets	137,538,887	96,260,961
Deferred Outflows of Resources	61,486,664	67,692,582
Current Liabilities	7,030,844	11,059,685
Long-term Liabilities	185,848,880	218,983,380
Total Liabilities	192,879,724	230,043,065
Deferred Inflows of Resources	102,273,409	37,448,870
<b>NET POSITION</b>		
Net Investment in Capital Assets	19,331,874	16,728,402
Restricted		
Capital projects	626,828	754,692
Debt Service	156,177	827,945
Tax Certiorari	1,423,000	1,325,681
Workers' compensation benefits	500,000	-
Insurance	401,847	-
ERS Retirement contributions	600,000	507,312
TRS Retirement contributions	1,300,000	1,088,319
Capital Improvements	1,752,542	2,541
Unemployment benefits	150,000	-
Property loss and liability claims	617,000	-
Special Purposes	447,687	401,849
Unrestricted	(123,434,537)	(125,175,133)
Total Net Position	\$ (96,127,582)	\$ (103,538,392)

Current assets increased by \$3,247,398 from the prior year. Cash and equivalents and investments increased by \$703,325 primarily from the issuance of bonds to finance approved capital projects. This was offset by a reduction in various receivables due to collections during the year. The net pension asset for the TRS and the ERS increased by \$39,154,436 due to investment gains obtained from the Plans fiscal years and a change in discount rate by the retirement systems for its fiscal year ending June 30, 2022.

Long-term liabilities, which consist of general obligation bonds, energy performance contract debt, leases, compensated absences and OPEB liabilities, decreased by \$37,585,327 from the previous year. The OPEB liability decreased by \$27,359,993 primarily due to an increase in the discount rate. The net pension assets to ERS and TRS also increased considerably to \$39,154,436 due to investment gains for TRS for its Plan fiscal year ending June 30, 2021 as well as investment gains for the ERS for its Plan fiscal year ending March 31, 2022. The School District retired \$4,179,670 in previously issued bonded indebtedness, energy performance contract debt and lease payable.

A large component of the School District's net position (\$19,331,874) reflects its investment in capital assets, net of accumulated depreciation and less any related debt that is still outstanding that was used to acquire those assets. The School District uses these capital assets to provide services to 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 \$7,975,081 of net position and are comprised of amounts restricted for specific purposes, i.e., capital projects, debt service, payments of tax certiorari claims, workers' compensation benefits, unemployment benefits, retirement contributions (ERS and TRS), capital improvements, insurance, property loss and liability claims and special purposes. There is a negative balance of unrestricted net position of \$123,434,537 primarily a result of the recognition of the OPEB liabilities. Overall, net position increased by \$7,410,810.

## Changes in Net Position

	June 30,	
	2022	2021
<b>REVENUES</b>		
Program Revenues		
Charges for Services	\$ 1,822,116	\$ 1,796,341
Operating Grants and Contributions	5,886,852	3,668,067
Capital Grants and Contributions	197,341	292,658
	7,906,309	5,757,066
General Revenues		
Real Property Taxes	57,766,194	56,316,269
Other Tax Items	5,900,340	6,073,007
Non-Property Taxes	1,930,758	1,834,335
Unrestricted Use of Money and Property	24,100	6,472
Sale of Property and Compensation for Loss	33,059	67,977
Unrestricted State Aid	14,907,997	12,516,041
Miscellaneous	740,350	474,219
	81,302,798	77,288,320
Total Revenues	89,209,107	83,045,386
<b>PROGRAM EXPENSES</b>		
General Support	8,936,512	10,470,073
Instruction	65,290,827	76,467,001
Pupil Transportation	4,038,013	4,023,995
Cost of Food Sales	1,362,348	1,284,822
Other	455,551	297,172
Interest	1,715,046	1,750,966
	81,798,297	94,294,029
Total Expenses	81,798,297	94,294,029
Change in Net Position	7,410,810	(11,248,643)
<b>NET POSITION</b>		
Beginning, as reported	(103,538,392)	(92,388,073)
Cumulative Effect of Change in Accounting Principle	-	98,324
Beginning, as restated	(103,538,392)	(92,289,749)
Ending	\$ (96,127,582)	\$ (103,538,392)

*The following are the major changes in Net Position:*

Revenues:

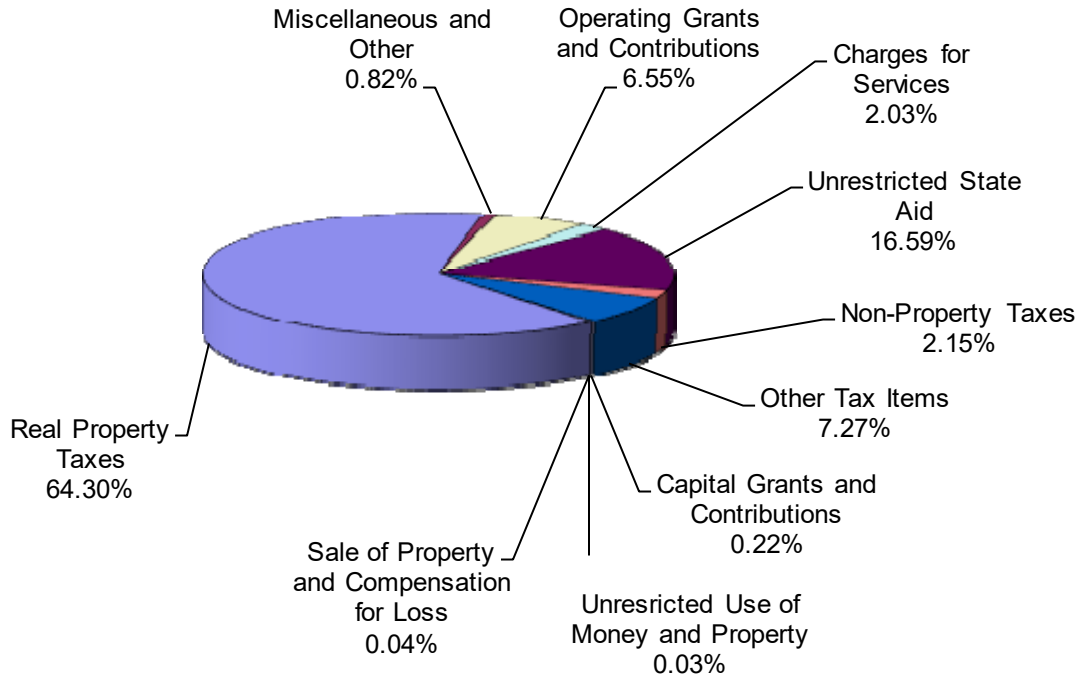
- Real property taxes increased by \$1,449,925 or 2.57%. The current property tax increase is attributed to projected increased expenses related to instruction, employee benefits and transportation. It is also a result of the continuing decrease in STAR (see below). The School District relies upon real property taxes as its primary source of revenue.
- Other tax items include revenues received for the School Tax Relief Reimbursement Program (“STAR”). The STAR Program provides tax relief to homeowners by decreasing the assessments taxable to the homeowner or by providing a refund of a portion of school taxes paid. As a result in changes to the NYS law, this revenue decreased by \$246,591 during the 2021-2022 fiscal year and has decreased over the past five years shifting this burden from the state to the taxpayers.
- The receipt of sales tax revenue included in non-property taxes increased by \$94,423 or 5.26% due to an increase in Westchester County’s sales tax rate and internet collections.
- Revenue from rental of facilities remained much lower than typical as a result of limited access due to the pandemic.
- Interest income increased by \$65,525 as a result of slowly increasing interest rates. Interest income in the changes in net position increased by \$17,628.

Expenses:

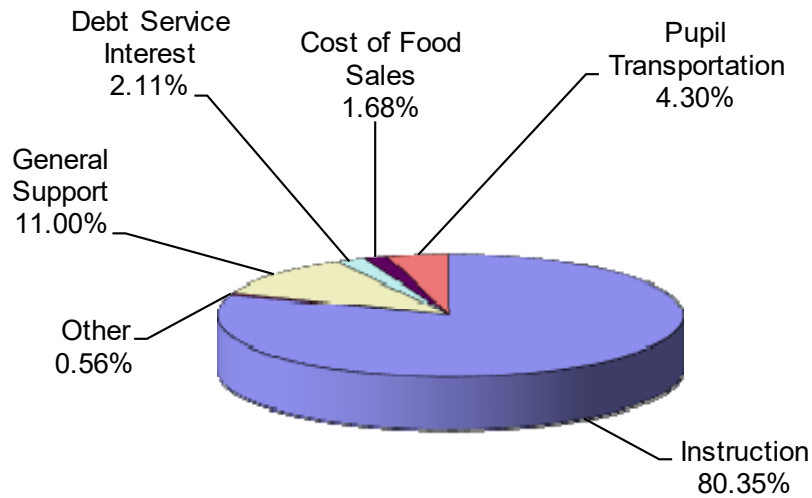
- Overall, General Support expenses decreased \$1,533,561 over the prior year. There was a decrease in tax certiorari payments of \$1,314,912 with added Central Services costs of \$164,765 for Covid precautions. The decrease is also the result of the increase in the ERS net pension asset.
- Instructional program expenses decreased by \$11,176,174 from over the prior year. This is primarily the result of the increase in the TRS net pension asset and a decrease in the OPEB liability.
- Pupil transportation expenditures increased by \$15,000 as previous COVID supervision expenditures were moderated and the resumption of activities post pandemic.

The following graphs depict where the School District revenues were derived and how monies were spent. As you can see, the School District relies upon real property taxes for 64% of its revenue, while the School District’s largest expense, instructional costs, accounts for 80% of total expenses.

**Sources of Revenue for Fiscal Year 2022  
Governmental Activities**



**Program Expenses for Fiscal Year 2022  
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 \$15,325,595, an increase of \$3,328,963 from the prior year (inclusive of the cumulative effect of change in accounting principle). This increase is a result of the receipt of bond proceeds for capital projects not yet expended and reduced operating expenditures continuing to result from the pandemic. The components of the governmental funds fund balance consists of the following:

GASB Statement No. 54 Classification	Previous Classifications	Fund Balance
Nonspendable Fund Balance	Reserved for Inventories	\$ 16,180
Restricted Fund Balance	Reserved for Debt Service	156,177
	Reserved for Tax Certiorari	1,423,000
	Reserved for ERS Retirement Contributions	600,000
	Reserved for TRS Retirement Contributions	1,300,000
	Capital Improvements	1,752,542
	Capital Projects	1,254,924
	Reserved for Special Purposes	447,687
		<u>6,934,330</u>
Assigned Fund Balance	Reserved for Encumbrances - General Government Support	572,723
	Reserved for Encumbrances - Instruction	416,669
	Reserved for Encumbrances - Transportation	331,347
	Reserved for Encumbrances - Employee benefits	19,000
	For subsequent year's expenditures	1,500,000
	School Lunch Fund Unreserved Fund Balance	409,282
		<u>3,249,021</u>
Unassigned Fund Balance	Unreserved and Undesignated - General Fund	<u>5,126,064</u>
Total Fund Balance (as of 6/30/2022)		<u>\$ 15,325,595</u>

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$13,197,522. This represents an increase of \$1,200,890 from the prior year (inclusive of the cumulative effect of change in accounting principle). The surplus was allocated to various restricted components of fund balance, where appropriate, and the balance is in the unassigned fund balance. The amount of the unassigned fund balance is \$3,457,484 or 4% of the ensuing year's budget. This is the maximum amount allowed by NYS Law.

More detailed information about the School District's governmental fund balances is presented in note 3I in the notes to financial statements.

## **General Fund Budgetary Highlights – 2021-2022**

The original, voter approved adopted budget of \$83,837,109 was increased by \$1,082,430 as a result of the rollover of prior year encumbrances. The budget was further revised during the 2021-2022 fiscal year by a total of \$1,422,792 from the appropriation of fund balance from the Reserve for Tax Certiorari, the Reserve for Worker's Compensation, and the appropriation for debt payments and bus purchase. As a result, the final budget totaled \$86,342,331.

Revenue Highlights include:

- Increase in taxes due to increased tax levy
- Decrease in STAR reimbursement revenue due to changes in NYS Law
- State aid exceed the revenue budget by \$568,654 due to a restoration of foundation aid previously reduced
- Increase in sales tax revenue due to increase in Westchester County sales tax rate and internet collections and the fiscal recovery post pandemic
- Increase in rental of facilities revenue as facilities were not available due to the pandemic
- Minimal increase in interest income due to slowly rising interest rates

Expenditure Highlights include:

- A decrease in General Support expenditures as COVID expenditures were reduced significantly
- A decrease in tax certiorari payments due to fewer court challenges and settlements from the previous year
- A nominal decrease in Central Services costs as a result of normalized gas and electricity usage and rates, and performance of facilities projects
- A decrease in pupil transportation as a result of reduction in COVID-related costs, returning to a more normal year of bus monitoring and cleaning, coupled with increased fuel costs.

The net increase in fund balance in the General Fund was \$1,200,890 resulting in an ending balance of \$13,197,522.

### **For the Future**

It is clear that the School District is heavily dependent upon real property taxes as they represent approximately 74% of School District revenues (inclusive of STAR).

Effective in the 2012-2013 school year, legislation was passed by New York State capping tax levy increases to 2%. Under these circumstances, the challenge of presenting a fiscally responsible budget, while meeting the needs of children and mandates, will require effective and efficient management of School District operations in future years. It will be important that discussions about these issues and what choices or changes are possible in expenditures that will need to take place so the community is fully cognizant of whatever tradeoffs are made.

### Capital Assets

As of June 30, 2022, the School District had \$76,684,011, net of accumulated depreciation invested in a broad range of capital assets, including land, buildings, land improvements, machinery and equipment, transportation equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below.

The change in capital assets during the current fiscal year results from the additional construction-in-progress and depreciation expense.

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

	June 30,	
	2022	2021 (Restated)
Land	\$ 2,283,629	\$ 2,283,629
Construction-in-progress	5,387,245	5,286,911
Buildings	63,656,852	65,845,869
Land Improvements	1,816,402	2,036,278
Machinery and Equipment	1,216,565	811,496
Transportation Equipment	1,820,405	1,543,736
Right-to-use leased equipment	502,913	685,892
 Total Capital Assets, net of accumulated depreciation	 \$ 76,684,011	 \$ 78,493,811

### Long-Term Debt

The School District had general obligation and other long-term debt outstanding as follows:

	June 30,	
	2022	2021 (Restated)
General Obligation Bonds Payable	\$ 56,560,000	\$ 60,125,000
Unamortized Premium on Bonds	1,559,629	1,702,109
Energy Performance Contract Debt Payable	-	385,740
Leases Payable	496,878	685,892
Compensated Absences	670,196	700,675
Net Pension Liability (ERS and TRS)	-	5,912,621
Other Post Employment Benefit Obligations Payable	126,562,177	153,922,170
 Total	 \$ 185,848,880	 \$ 223,434,207

During the 2020-2021 fiscal year, the School District issued the first tranche of the bonds authorized by the voters on February 5, 2019. The School District's other postemployment benefit liability was recorded in accordance with the provisions of GASB Statement No. 75. As noted earlier, the sharp increase was due to a decrease in the discount rate compared to the previous year. This liability will continue to grow

as at this time the School District is permitted 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 3F in the notes to financial statements.

### **Requests for Information**

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in 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:

Union Free School District of the Tarrytowns  
Brian S. Fried  
Assistant Superintendent for Business  
200 North Broadway  
Sleepy Hollow, NY 10591

**Union Free School District of the Tarrytowns, New York**

Statement of Net Position  
June 30, 2022

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 5,640,930
Investments	10,137,278
Receivables	
Accounts	7,698
State and Federal aid	3,660,796
Due from other governments	2,178,161
Leases	59,288
Leases - accrued interest	109
Inventories	16,180
Net pension asset - TRS	37,188,243
Net pension asset - ERS	1,966,193
Capital assets	
Not being depreciated	7,670,874
Being depreciated, net	<u>69,013,137</u>
Total Assets	<u>137,538,887</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts on refunding bonds	636,274
Pension related	24,955,896
OPEB related	<u>35,894,494</u>
Total Deferred Outflows of Resources	<u>61,486,664</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	1,283,107
Accrued liabilities	255,607
Unearned revenues	296,455
Due to other governments	99,859
Due to retirement systems	4,378,610
Accrued interest payable	717,206
Non-current liabilities	
Due within one year	4,057,068
Due in more than one year	<u>181,791,812</u>
Total Liabilities	<u>192,879,724</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Lease related	61,098
Pension related	48,391,465
OPEB related	<u>53,820,846</u>
Total Deferred Inflows of Resources	<u>102,273,409</u>
<b>NET POSITION</b>	
Net investment in capital assets	19,331,874
Restricted	
Capital projects	626,828
Debt service	156,177
Tax certiorari	1,423,000
Workers' compensation benefits	500,000
Insurance	401,847
ERS retirement contributions	600,000
TRS retirement contributions	1,300,000
Capital improvements	1,752,542
Unemployment benefits	150,000
Property loss and liability claims	617,000
Special purposes	447,687
Unrestricted	<u>(123,434,537)</u>
Total Net Position	<u>\$ (96,127,582)</u>

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

(This page intentionally left blank)

**Union Free School District of the Tarrytowns, New York**

Statement of Activities  
Year Ended June 30, 2022

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	\$ 8,936,512	\$ 48,293	\$ 62,564	\$ 197,341	\$ (8,628,314)
Instruction	65,290,827	1,770,042	3,782,818	-	(59,737,967)
Pupil transportation	4,038,013	-	-	-	(4,038,013)
Cost of food sales	1,362,348	3,781	1,540,081	-	181,514
Other	455,551	-	501,389	-	45,838
Interest	1,715,046	-	-	-	(1,715,046)
<b>Total Governmental Activities</b>	<b>\$ 81,798,297</b>	<b>\$ 1,822,116</b>	<b>\$ 5,886,852</b>	<b>\$ 197,341</b>	<b>(73,891,988)</b>
General revenues					
Real property taxes					57,766,194
Other tax items					
School tax relief reimbursement					3,987,062
Payments in lieu of taxes					1,913,278
Non-property taxes					
Non-property tax distribution from County					1,930,758
Unrestricted use of money and property					24,100
Sale of property and compensation for loss					33,059
Unrestricted State aid					14,907,997
Miscellaneous					740,350
<b>Total General Revenues</b>					<b>81,302,798</b>
Change in Net Position					7,410,810
Net Position - Beginning					(103,538,392)
Net Position - Ending					<b>\$ (96,127,582)</b>

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

**Union Free School District of the Tarrytowns, New York**

Balance Sheet  
 Governmental Funds  
 June 30, 2022

	General	Special Aid	Capital Projects
<b>ASSETS</b>			
Cash and equivalents	\$ 3,539,124	\$ -	\$ 1,463,023
Investments	10,137,278	-	-
Receivables			
Accounts	7,698	-	-
State and Federal aid	1,749,504	1,323,073	124,622
Due from other governments	2,178,161	-	-
Due from other funds	5,723,126	2,811,091	1,633,520
Leases	59,288	-	-
Inventories	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 23,394,179</u>	<u>\$ 4,134,164</u>	<u>\$ 3,221,165</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 1,126,334	\$ 49,392	\$ -
Accrued liabilities	232,471	174	-
Unearned revenues	-	215,090	-
Due to other governments	99,464	-	-
Due to retirement systems	4,197,660	159,313	-
Due to other funds	4,479,630	3,710,195	1,966,241
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>10,135,559</u>	<u>4,134,164</u>	<u>1,966,241</u>
Deferred inflows of resources			
Lease related	61,098	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund balances			
Nonspendable	-	-	-
Restricted	6,900,566	-	1,254,924
Assigned	2,839,739	-	-
Unassigned	3,457,217	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances	<u>13,197,522</u>	<u>-</u>	<u>1,254,924</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 23,394,179</u>	<u>\$ 4,134,164</u>	<u>\$ 3,221,165</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 638,783	\$ 5,640,930
-	10,137,278
-	7,698
463,597	3,660,796
-	2,178,161
31,890	10,199,627
-	59,288
16,180	16,180
<u>\$ 1,150,450</u>	<u>\$ 31,899,958</u>

\$ 107,381	\$ 1,283,107
22,962	255,607
81,365	296,455
395	99,859
21,637	4,378,610
43,561	10,199,627
<u>277,301</u>	<u>16,513,265</u>

-	61,098
---	--------

16,180	16,180
447,687	8,603,177
409,282	3,249,021
-	3,457,217
<u>873,149</u>	<u>15,325,595</u>

<u>\$ 1,150,450</u>	<u>\$ 31,899,958</u>
---------------------	----------------------

(This page intentionally left blank)

## Union Free School District of the Tarrytowns, New York

Reconciliation of Governmental Funds Balance Sheet to  
the District-Wide Statement of Net Position  
June 30, 2022

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

Total Fund Balances - Governmental Funds	\$ 15,325,595
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	7,670,874
Capital assets - depreciable/amortizable	110,333,124
Accumulated depreciation/amortization	<u>(41,319,987)</u>
	<u>76,684,011</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	24,955,896
Deferred outflows - OPEB related	35,894,494
Deferred inflows - pension related	(48,391,465)
Deferred inflows - OPEB related	<u>(53,820,846)</u>
	<u>(41,361,921)</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset - TRS	37,188,243
Net pension asset - ERS	1,966,193
Accrued interest receivable	<u>109</u>
	<u>39,154,545</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds payable	(56,560,000)
Leases payable	(496,878)
Compensated absences	(670,196)
Total OPEB liability	(126,562,177)
Accrued interest payable	<u>(717,206)</u>
	<u>(185,006,457)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding bonds	636,274
Premium on general obligation bonds	<u>(1,559,629)</u>
	<u>(923,355)</u>
Net Position of Governmental Activities	<u>\$ (96,127,582)</u>

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

**Union Free School District of the Tarrytowns, New York**

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2022

	General	Special Aid	Capital Projects
<b>REVENUES</b>			
Real property taxes	\$ 57,766,194	\$ -	\$ -
Other tax items	5,900,340	-	-
Non-property taxes	1,930,758	-	-
Charges for services	1,770,042	-	-
Use of money and property	134,848	-	-
Sale of property and compensation for loss	33,059	-	-
State aid	15,177,938	734,696	-
Federal aid	593,057	2,382,465	-
Food sales	-	-	-
Miscellaneous	740,350	-	-
<b>Total Revenues</b>	<b>84,046,586</b>	<b>3,117,161</b>	<b>-</b>
<b>EXPENDITURES</b>			
Current			
General support	7,874,267	30,219	-
Instruction	45,291,544	2,873,686	-
Pupil transportation	2,594,710	49,917	-
Employee benefits	18,335,354	254,537	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	4,179,670	-	-
Interest	1,915,033	-	-
Capital outlay	-	-	703,115
<b>Total Expenditures</b>	<b>80,190,578</b>	<b>3,208,359</b>	<b>703,115</b>
Excess (Deficiency) of Revenues Over Expenditures	3,856,008	(91,198)	(703,115)
<b>OTHER FINANCING SOURCES (USES)</b>			
Leases issued	-	-	39,916
Transfers in	-	91,198	730,000
Transfers out	(821,198)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(821,198)</b>	<b>91,198</b>	<b>769,916</b>
<b>Net Change in Fund Balances</b>	<b>3,034,810</b>	<b>-</b>	<b>66,801</b>
<b>FUND BALANCES</b>			
Beginning of Year	10,162,712	-	1,188,123
End of Year	<u>\$ 13,197,522</u>	<u>\$ -</u>	<u>\$ 1,254,924</u>

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 57,766,194
-	5,900,340
-	1,930,758
-	1,770,042
-	134,848
-	33,059
30,256	15,942,890
1,509,825	4,485,347
3,781	3,781
501,389	1,241,739
<u>2,045,251</u>	<u>89,208,998</u>
-	7,904,486
-	48,165,230
-	2,644,627
-	18,589,891
1,362,348	1,362,348
455,551	455,551
-	4,179,670
-	1,915,033
-	703,115
<u>1,817,899</u>	<u>85,919,951</u>
<u>227,352</u>	<u>3,289,047</u>
-	39,916
-	821,198
-	(821,198)
<u>-</u>	<u>39,916</u>
227,352	3,328,963
<u>645,797</u>	<u>11,996,632</u>
<u>\$ 873,149</u>	<u>\$ 15,325,595</u>

## Union Free School District of the Tarrytowns, 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, 2022

---

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 3,328,963</u>
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.</p>	
Capital outlay expenditures	1,453,128
Depreciation/amortization expense	<u>(3,262,928)</u>
	<u>(1,809,800)</u>
<p>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 on the statement of activities.</p>	
Principal paid on general obligation bonds	3,565,000
Leases issued	(39,916)
Principal paid on energy performance contract	385,740
Principal paid on leases	<u>228,930</u>
	<u>4,139,754</u>
<p>Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.</p>	
Accrued interest receivable	<u>109</u>
<p>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.</p>	
Compensated absences	30,479
Changes in pension liabilities and related deferred outflows and inflows of resources	6,850,182
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(5,328,864)
Accrued interest	121,134
Amortization of premium and loss on refunding bonds	<u>78,853</u>
	<u>1,751,784</u>
Change in Net Position of Governmental Activities	<u><u>\$ 7,410,810</u></u>

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

**Union Free School District of the Tarrytowns, New York**

Statement of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
General Fund  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 57,766,194	\$ 57,766,194	\$ 57,766,194	\$ -
Other tax items	5,861,631	5,861,631	5,900,340	38,709
Non-property taxes	1,500,000	1,500,000	1,930,758	430,758
Charges for services	1,755,000	1,755,000	1,770,042	15,042
Use of money and property	220,000	220,000	134,848	(85,152)
Sale of property and com- pensation for loss	50,000	50,000	33,059	(16,941)
State aid	14,484,284	14,609,284	15,177,938	568,654
Federal aid	-	-	593,057	593,057
Miscellaneous	225,000	225,000	740,350	515,350
<b>Total Revenues</b>	<b>81,862,109</b>	<b>81,987,109</b>	<b>84,046,586</b>	<b>2,059,477</b>
<b>EXPENDITURES</b>				
Current				
General support	8,155,673	8,688,670	7,874,267	814,403
Instruction	47,138,366	47,027,635	45,291,544	1,736,091
Pupil transportation	3,416,265	3,223,917	2,594,710	629,207
Employee benefits	20,149,809	20,155,228	18,335,354	1,819,874
Debt service				
Principal	3,824,150	4,250,670	4,179,670	71,000
Interest	1,885,276	1,916,211	1,915,033	1,178
<b>Total Expenditures</b>	<b>84,569,539</b>	<b>85,262,331</b>	<b>80,190,578</b>	<b>5,071,753</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,707,430)	(3,275,222)	3,856,008	7,131,230
<b>OTHER FINANCING USES</b>				
Transfers out	(350,000)	(1,080,000)	(821,198)	258,802
<b>Net Change in Fund Balance</b>	<b>(3,057,430)</b>	<b>(4,355,222)</b>	<b>3,034,810</b>	<b>7,390,032</b>
<b>FUND BALANCE</b>				
Beginning of Year	3,057,430	4,355,222	10,162,712	5,807,490
End of Year	\$ -	\$ -	\$ 13,197,522	\$ 13,197,522

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

(This page intentionally left blank)

# Union Free School District of the Tarrytowns, New York

Notes to Financial Statements  
June 30, 2022

---

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

The Union Free School District of the Tarrytowns, New York ("School District"), as presently constituted, was established in 1870 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 education and support services. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined in Education Law. Copies of BOCES' financial statements 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 School District as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

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

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

While separate district-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds and fiduciary funds even though the latter is excluded from the district-wide financial statements. 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

## Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)  
June 30, 2022

---

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

part with Federal or State funds. The major revenues of this fund are Federal and State aid.

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 School District also reports the following 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 activity funds.

- b. Fiduciary Funds (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*. 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 revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to other pension liability, compensated absences, net pension liability 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. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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

**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.

**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 Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issues separately available audited financial statements with a year end of June 30<sup>th</sup>.

The School District's position in the pool is equal to the value of the pool shares. At June 30, 2022, the School District reported \$5,026,164 in CLASS.

## Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)

June 30, 2022

---

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

The maximum maturity for any specific investment in the portfolio is 397 days. CLASS is rated AAAM by Standard & Poor's. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC, 717 17<sup>th</sup> Street, Suite 1850, Denver, CO 80202.

The School District also 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 governmental unit, which acting through the fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. NYLAF has designated RBC Global Asset Management, Inc. 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 is equal to the value of the pool shares. At June 30, 2022, the School District reported \$5,111,114 in NYLAF.

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. The pools invest in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Additional information concerning the NYLAF is presented in the annual report, which may be obtained from the Governing Board c/o PMA Financial Network, 2135 City Gate Lane, 7<sup>th</sup> Floor, Naperville, IL 60563.

### **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, 2022.

## Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)

June 30, 2022

---

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

**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 September 1st and are levied and payable in September and January. The Towns of Mount Pleasant and Greenburgh, New York ("Towns") are responsible for the billing and collection of the taxes. The Towns guarantee the full payment of the School District warrant and assume responsibility for uncollected taxes.

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

**Lease Receivable** - The School District is a lessor for a noncancellable lease of office space. The School District recognizes a lease receivable and a deferred inflow of resources in the district-wide and General Fund financial statements.

At the commencement of a lease, the School District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commence date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the School District determines (1) the discount rate it uses to discount the expected lease receipts to present value, 2) lease-term, and (3) lease receipts.

- The School District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The School District monitors changes in circumstances that would require measurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**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, 2022, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

**Union Free School District of the Tarrytowns, New York**

Notes to Financial Statements (Continued)  
June 30, 2022

---

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

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

**Prepaid Expenses/Expenditures** - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consist of certain 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.

**Capital Assets** - Capital assets are tangible and intangible assets, which include property, plant and equipment, and 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 for equipment and \$10,000 for building and land improvements and an estimated useful life in excess of one year. Such assets (except intangible right-to-use lease assets, which is discussed in Note 3C) 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. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible assets in the appropriate capital asset class.

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. The other tangible and intangible property, plant and equipment and right-to-use leased assets 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	10-50
Land Improvements	10-20
Machinery and Equipment	5-20
Transportation Equipment	10
Right-to-use leased equipment	1-5

The costs associated with the acquisition or construction of tangible and intangible 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.

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

**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 amounts received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$215,090 for State and Federal aid received in advance in the Special Aid Fund and \$81,365 for unused meal deposits in the School Lunch 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 amounts on refunding bonds results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt.

The School District also reported deferred outflows of resources and deferred inflows of resources in relation to its 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 3F.

The School District also reported deferred inflows of resources of \$61,098 in relation to a lease of the School District's premises. This amount is being deferred and amortized over the life of the lease.

**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.

**Leases** - The School District is a lessee for noncancellable leases of equipment. The School District recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the district-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of \$1,000 or more.

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

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise. The School District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

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

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

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

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 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 or regulations of other governments. Restricted net position for the School District includes restricted for capital projects, debt service, tax certiorari, workers compensation benefits, insurance, unemployment, property loss and liability claims, ERS and TRS retirement contribution, capital improvements and special purposes.

*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:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund). Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in 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 entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Education.

Assigned fund balance, in the General Fund, represents amounts constrained either by 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 Administration for amounts assigned as 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.

## Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)  
June 30, 2022

---

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

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 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 reported as assigned fund balance since they do not constitute expenditures or liabilities.

#### **G. Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates 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 13, 2022.

### **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 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.

## Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)  
June 30, 2022

---

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

- 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 the General Fund.
- g) The budget for the General Fund 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 or Special Purpose funds since other means control the use of these resources (e.g. grants 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 to 4% of the ensuing year's budget. The School District was within the statutory limit.

#### **C. Property Tax Limitation**

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to its enactment, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event

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

the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of 4% of the prior year's budget or 120% of the consumer price index ("CPI").

Under the Tax Levy Limitation Law, there is now 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. Cumulative Effect of Change in Accounting Principle**

The School District implemented the provisions of GASB Statement No. 87, "Leases", for the year ended June 30, 2022, which established a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. This statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. As a result, the School District has reported a cumulative effect of change in accounting principle of \$685,892 for the right-to-use asset and a \$685,892 liability for lease payable for a net cumulative effect of \$0 to the June 30, 2022 net position of governmental activities.

**E. Capital Projects Fund Project Deficits**

The deficits in various capital projects arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

**F. Expenditures in Excess of Budget**

The 2021 district-wide improvement capital project exceeded its budgetary appropriation by \$54,989.

**Union Free School District of the Tarrytowns, New York**

Notes to Financial Statements (Continued)  
 June 30, 2022

**Note 3 - Detailed Notes on All Funds**

**A. Interfund Receivables/Payables**

The composition of interfund balances at June 30, 2022 is as follows:

Fund	Due From	Due To
General	\$ 5,723,126	\$ 4,479,630
Special Aid	2,811,091	3,710,195
Capital Projects	1,633,520	1,966,241
Non-Major Governmental	31,890	43,561
	\$ 10,199,627	\$ 10,199,627

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

**B. Lease Receivable**

The School District leases office space. The lease is for twenty-four months and the School District will receive monthly payments of \$5,000. The School District recognized \$56,399 in lease revenue and \$1,798 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the School District's receivable for lease payments was \$59,288. Also, the School District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$61,098.

**C. Capital Assets**

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

Class	Balance July 1, 2021 as restated*	Additions	Deletions	Balance June 30, 2022
Capital Assets, not being depreciated:				
Land	\$ 2,283,629	\$ -	\$ -	\$ 2,283,629
Construction-in-progress	5,286,911	663,199	562,865	5,387,245
Total Capital Assets, not being depreciated	\$ 7,570,540	\$ 663,199	\$ 562,865	\$ 7,670,874

**Union Free School District of the Tarrytowns, New York**

Notes to Financial Statements (Continued)  
June 30, 2022

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

Class	Balance July 1, 2021 as restated*	Additions	Deletions	Balance June 30, 2022
Capital Assets, being depreciated/amortized:				
Buildings	\$ 97,598,439	\$ 26,700	\$ -	\$ 97,625,139
Land Improvements	4,248,473	-	-	4,248,473
Machinery and Equipment	2,945,623	751,781	420,000	3,277,404
Transportation Equipment	3,921,903	534,397	-	4,456,300
Right-to-use leased equipment	685,892	39,916	-	725,808
Total Capital Assets, being depreciated/amortized	109,400,330	1,352,794	420,000	110,333,124
Less Accumulated Depreciation/Amortization for:				
Buildings	31,752,570	2,215,717	-	33,968,287
Land Improvements	2,212,195	219,876	-	2,432,071
Machinery and Equipment	2,134,127	346,712	420,000	2,060,839
Transportation Equipment	2,378,167	257,728	-	2,635,895
Right-to-use leased equipment	-	222,895	-	222,895
Total Accumulated Depreciation/Amortization	38,477,059	3,262,928	420,000	41,319,987
Total Capital Assets, being depreciated/amortized, net	<u>\$ 70,923,271</u>	<u>\$ (1,910,134)</u>	<u>\$ -</u>	<u>\$ 69,013,137</u>
Capital Assets, net	<u>\$ 78,493,811</u>	<u>\$ (1,246,935)</u>	<u>\$ 562,865</u>	<u>\$ 76,684,011</u>

\*See Note 2D.

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

General Support	\$ 613,401
Instruction	2,398,474
Transportation	<u>251,053</u>
Total Depreciation Expense	<u>\$ 3,262,928</u>

**D. Accrued Liabilities**

Accrued liabilities in the General Fund at June 30, 2022 were as follows:

	General Fund	Special Aid Fund	Non-Major Governmental Funds	Total
Payroll and employee benefits	<u>\$ 232,471</u>	<u>\$ 174</u>	<u>\$ 22,962</u>	<u>\$ 255,607</u>

# Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)

June 30, 2022

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

### E. Short-Term Capital Borrowings - Bond Anticipation Notes

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

Purpose	Year of Original Issue	Interest Rate	Maturity Date	Balance July 1, 2021	New Issues	Redemptions	Balance June 30, 2022
District-Wide Multi-Year Construction	2021	- %	August 2021	\$ 295,000	\$ -	\$ 295,000	\$ -
Purchase of Buses	2022	-	May 2022	-	435,000	435,000	-
				<u>\$ 295,000</u>	<u>\$ 435,000</u>	<u>\$ 730,000</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 equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$3,506 were recorded in the fund financial statements in the General Fund. Interest expense of \$1,782 was recorded in the district-wide financial statements.

### F. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2022:

	July 1, 2021 as restated*	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2022	Due Within One-Year
General Obligation Bonds Payable	\$ 60,125,000	\$ -	\$ 3,565,000	\$ 56,560,000	\$ 3,775,000
Plus - Unamortized premium on bonds	1,702,109	-	142,480	1,559,629	-
	<u>61,827,109</u>	<u>-</u>	<u>3,707,480</u>	<u>58,119,629</u>	<u>3,775,000</u>
Energy Performance Contract Debt Payable	385,740	-	385,740	-	-
Leases payable	685,892	39,916	228,930	496,878	215,068
Other Non-current Liabilities:					
Compensated Absences	700,675	39,521	70,000	670,196	67,000
Net Pension Liability - ERS	22,355	-	22,355	-	-
Net Pension Liability - TRS	5,890,266	-	5,890,266	-	-
Other Postemployment Benefit Liability	153,922,170	(24,202,865)	3,157,128	126,562,177	-
Total Other Non-Current Liabilities	<u>160,535,466</u>	<u>(24,163,344)</u>	<u>9,139,749</u>	<u>127,232,373</u>	<u>67,000</u>
Total Long-Term Liabilities	<u>\$ 223,434,207</u>	<u>\$ (24,123,428)</u>	<u>\$ 13,461,899</u>	<u>\$ 185,848,880</u>	<u>\$ 4,057,068</u>

\*See Note 2D.

**Union Free School District of the Tarrytowns, New York**

Notes to Financial Statements (Continued)  
 June 30, 2022

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

Each governmental fund's liability for general obligation bonds, energy performance contract debt, leases, compensated absences, net pension liability and other postemployment benefit liability is liquidated by the General Fund.

**General Obligation Bonds Payable**

General obligation bonds payable at June 30, 2022 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at June 30, 2022</u>
Capital Improvements	2014	\$ 17,970,000	August, 2036	2.750 - 3.250 %	\$ 13,765,000
Capital Improvements	2015	18,270,000	February, 2036	2.000 - 3.000	13,300,000
Refunding Bonds	2015	2,400,000	January, 2033	2.250 - 5.000	1,700,000
Refunding Bonds	2015	23,350,000	January, 2033	2.000 - 5.000	16,615,000
Capital Improvements	2017	8,530,000	February, 2032	2.250 - 3.000	6,000,000
Capital Improvements	2021	5,365,000	August, 2035	1.100 - 5.000	5,180,000
					<u>\$ 56,560,000</u>

Interest expenditures of \$1,868,801 were recorded in the fund financial statements in the General Fund. Interest expense of \$1,673,720 was recorded in the district-wide financial statements.

**Energy Performance Contract Payable**

The School District has entered into an agreement to finance the cost of purchasing certain equipment. The terms of the agreement provide for repayment in annual installments, through 2026, including an interest rate of 3.25%. Interest expenditures of \$30,800 were recorded in the fund financial statements in the General Fund and \$26,621 was recorded in the district-wide financial statements. The School District paid off the balance early, in full, during the 2021-22 fiscal year.

**Leases Payable**

Leases payable at June 30, 2022 are comprised of the following individual agreements:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Amount Outstanding at June 30, 2022</u>
Equipment	2021	\$ 17,873	August, 2022	\$ 15,252
Building	2021	177,192	March, 2024	107,424
Copy Machine	2021	498,216	December, 2024	355,869
Computer	2022	39,916	January, 2024	18,333
				<u>\$ 496,878</u>

## Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)  
June 30, 2022

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

Interest expenditures of \$11,926 were recorded in the fund financial statements in the General Fund. Interest expense of \$12,923 was recorded in the district-wide financial statements.

#### **Payments to Maturity**

The annual requirements to amortize all outstanding bonded and leases as of June 30, 2022, including interest payments of \$11,792,123 are as follows:

Year Ending June 30,	General Obligation Bonds		Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 3,775,000	\$ 1,659,871	\$ 215,068	\$ 8,955	\$ 3,990,068	\$ 1,668,826
2024	3,915,000	1,500,521	205,699	4,169	4,120,699	1,504,690
2025	4,050,000	1,387,371	76,111	511	4,126,111	1,387,882
2026	4,150,000	1,283,840	-	-	4,150,000	1,283,840
2027	4,255,000	1,176,914	-	-	4,255,000	1,176,914
2028-2032	23,085,000	3,892,095	-	-	23,085,000	3,892,095
2033-2037	13,330,000	877,876	-	-	13,330,000	877,876
	<u>\$ 56,560,000</u>	<u>\$ 11,778,488</u>	<u>\$ 496,878</u>	<u>\$ 13,635</u>	<u>\$ 57,056,878</u>	<u>\$ 11,792,123</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**

The School District is not required to compensate employees for accumulated sick leave upon separation from service. Vacation leave for school administrators and non-teaching full-time employees is generally taken in the year subsequent to the year in which it is earned. In addition, school administrators can accumulate and carry forward to the next fiscal year up to five vacation days. Non-teaching full-time employees may carry forward one day to the next fiscal year, if prior approval is obtained. 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

**Union Free School District of the Tarrytowns, New York**

Notes to Financial Statements (Continued)  
June 30, 2022

---

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

employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees’ Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided may be found 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 2022 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	18.1 %
	4 A15	18.1
	5 A15	15.1
	6 A15	10.6
TRS	1-6	9.8 %

**Union Free School District of the Tarrytowns, New York**

Notes to Financial Statements (Continued)

June 30, 2022

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

At June 30, 2022, the School District reported the following for its proportionate share of the net pension asset for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2022	June 30, 2021
Net pension asset	\$ (1,966,193)	\$ (37,188,243)
School Districts' proportion of the net pension asset	0.0240525 %	0.214601 %
Change in proportion since the prior measurement date	0.0016022 %	0.001438 %

The net pension asset was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS and the total pension liability used to calculate the net pension asset were determined by actuarial valuations as of those dates. The School District's proportion of the net pension asset 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 asset 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, 2022, the School District recognized pension expense in the district-wide financial statements of \$(2,144,257) (\$138,513 for ERS and \$(2,282,770) for TRS). Pension expenditures for ERS of \$1,006,825, \$22,095 and \$10,534 were recorded in the fund financial statements and were charged to the General, Special Aid and School Lunch funds, respectively. Pension expenditures for TRS of \$3,556,093 and \$110,378 were recorded in the fund financial statements and were charged to the General and Special Aid funds, respectively .

At June 30, 2022, the School District reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>TRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 148,903	\$ 193,135	\$ 5,126,005	\$ 193,209
Changes of assumptions	3,281,355	55,369	12,231,990	2,166,105
Net difference between projected and actual earnings on pension plan investments	-	6,438,457	-	38,921,344
Changes in proportion and differences between School District contributions and proportionate share of contributions	202,463	68,646	20,253	355,200
School District contributions subsequent to the measurement date	242,317	-	3,702,610	-
	<u>\$ 3,875,038</u>	<u>\$ 6,755,607</u>	<u>\$ 21,080,858</u>	<u>\$ 41,635,858</u>

**Union Free School District of the Tarrytowns, New York**

Notes to Financial Statements (Continued)  
June 30, 2022

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

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,274,908	\$ 386,344
Changes of assumptions	15,513,345	2,221,474
Net difference between projected and actual earnings on pension plan investments	-	45,359,801
Changes in proportion and differences between School District contributions and proportionate share of contributions	222,716	423,846
School District contributions subsequent to the measurement date	3,944,927	-
	<u>\$ 24,955,896</u>	<u>\$ 48,391,465</u>

\$242,317 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 reduction of the net pension asset in the plan's year ended March 31, 2023. The \$3,702,610 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2022. 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, ERS	June 30, TRS
2022	\$ -	\$ (4,913,362)
2023	(455,074)	(5,729,261)
2024	(692,521)	(7,157,249)
2025	(1,645,007)	(9,420,351)
2026	(330,284)	1,732,046
Thereafter	-	1,230,567
	<u>\$ (3,122,886)</u>	<u>\$ (24,257,610)</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, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Investment rate of return	5.9% *	6.95% *
Salary scale	4.4%	1.95%-5.18%
Inflation rate	2.7%	2.4%
Cost of living adjustments	1.4%	1.3%

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

## Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)

June 30, 2022

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

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020, 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 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, 2022		TRS June 30, 2021	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	3.30 %	33 %	6.8 %
International Equity	15	5.85	16	7.6
Private Equity	10	6.50	8	10.0
Real Estate	9	5.00	11	6.5
Domestic Fixed Income Securities	-	-	16	1.3
Global Bonds	-	-	2	0.8
High Yield Bonds	-	-	1	3.8
Global Equities	-	-	4	7.1
Private Debt	-	-	1	5.9
Real Estate Debt	-	-	7	3.3
Opportunistic/ARS Portfolio	3	4.10	-	-
Credit	4	3.78	-	-
Real Assets	3	5.80	-	-
Fixed Income	23	-	-	-
Cash	1	(1.00)	1	(0.2)
	<u>100 %</u>		<u>100 %</u>	

**Union Free School District of the Tarrytowns, New York**

Notes to Financial Statements (Continued)  
 June 30, 2022

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

The real rate of return is net of the long-term inflation assumption of 2.7% 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 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 (asset) 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>\$ 5,060,958</u>	<u>\$ (1,966,193)</u>	<u>\$ (7,844,065)</u>
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension asset	<u>\$ (3,902,364)</u>	<u>\$ (37,188,243)</u>	<u>\$ (65,162,609)</u>

The components of the collective net pension asset as of the March 31, 2022 ERS measurement date and the June 30, 2021 TRS measurement date were as follows:

	<u>ERS</u>	<u>TRS</u>
Total pension liability	\$ 223,874,888,000	\$ 130,819,415,417
Fiduciary net position	<u>232,049,473,000</u>	<u>148,148,457,363</u>
Employers' net pension asset	<u>\$ (8,174,585,000)</u>	<u>\$ (17,329,041,946)</u>
Fiduciary net position as a percentage of total pension liability	<u>103.65%</u>	<u>113.2%</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, 2022 represent the projected employer contribution for the period April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

**Union Free School District of the Tarrytowns, New York**

Notes to Financial Statements (Continued)  
June 30, 2022

---

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

Employer and employee contributions for the year ended June 30, 2022 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, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2022 were \$242,317 to ERS and \$4,172,644 to TRS (including employee contributions of \$470,034).

*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, 2022, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	378
Active employees	<u>392</u>
	<u>770</u>

The School District's total OPEB liability of \$126,562,177 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020.

The total OPEB liability in the July 1, 2020 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	2.6%, average, including inflation
Discount rate	3.54%
Healthcare cost trend rates	5.3% for 2022, decreasing 0.5% per year to an ultimate rate of 4.1% for 2025 and later years
Retirees' share of benefit-related costs	Varies from 0% to 14%, depending on applicable retirement year and bargaining unit

**Union Free School District of the Tarrytowns, New York**

Notes to Financial Statements (Continued)

June 30, 2022

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

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table with generational projection of future improvements per the MP-2019 Ultimate Scale.

The School District's change in the total OPEB liability for the year ended June 30, 2022 is as follows:

Total OPEB Liability - Beginning of Year	\$ 153,922,170
Service cost	7,431,351
Interest	3,451,321
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(35,085,537)
Benefit payments	<u>(3,157,128)</u>
Total OPEB Liability - End of Year	<u>\$ 126,562,177</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 (2.54%) or 1 percentage point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	<u>\$ 150,787,688</u>	<u>\$ 126,562,177</u>	<u>\$ 107,411,429</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 (4.3% decreasing to 3.1%) or 1 percentage point higher (6.3% decreasing to 5.1%) than the current healthcare cost trend rates:

	1% Decrease (4.3% decreasing to 3.1%)	Current Healthcare Cost Trend Rates (5.3% decreasing to 4.1%)	1% Increase (6.3% decreasing to 5.1%)
Total OPEB Liability	<u>\$ 105,130,063</u>	<u>\$ 126,562,177</u>	<u>\$ 155,059,367</u>

For the year ended June 30, 2022, the School District recognized OPEB expense of \$8,485,992 in the district-wide financial statements. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**Union Free School District of the Tarrytowns, New York**

Notes to Financial Statements (Continued)  
 June 30, 2022

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ 32,718,752	\$ 43,434,294
Differences between expected and actual experience	<u>3,175,742</u>	<u>10,386,552</u>
	<u>\$ 35,894,494</u>	<u>\$ 53,820,846</u>

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

<u>Year Ended June 30,</u>	
2023	\$ (2,396,680)
2024	(2,396,680)
2025	(2,396,680)
2026	(2,396,680)
2027	(1,615,281)
Thereafter	<u>(6,724,351)</u>
	<u>\$ (17,926,352)</u>

**G. Revenues and Expenditures**

**Interfund Transfers**

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

<u>Transfers Out</u>	<u>Transfers in</u>		<u>Total</u>
	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	
General Fund	<u>\$ 91,198</u>	<u>\$ 730,000</u>	<u>\$ 821,198</u>

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Special Aid and Capital Projects funds expenditures.

**H. Net Position**

The components of net position are detailed below:

*Net Investment in Capital Assets* - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding

## Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)

June 30, 2022

---

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

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, exclusive of unexpended bond proceeds and unrestricted interest earnings.

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

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

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

*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 Capital Improvements* - the component of net position that has been established to set aside funds to be used for future capital projects.

*Restricted for Insurance* - the component of net position that has been established to set aside funds to repair assets funded by insurance recoveries pursuant to Educational Law.

*Restricted for Property loss and liability claims* - the component of net position that has been established to set aside funds to cover property loss and liability claims incurred.

*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".

**Union Free School District of the Tarrytowns, New York**

Notes to Financial Statements (Continued)  
June 30, 2022

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

**I. Fund Balances**

	2022				2021			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable - Inventories	\$ -	\$ -	\$ 16,180	\$ 16,180	\$ -	\$ -	\$ 4,459	\$ 4,459
Restricted:								
Debt service	156,177	-	-	156,177	827,945	-	-	827,945
Debt Service - for subsequent year's expenditures	-	-	-	-	75,000	-	-	75,000
Tax certiorari	1,423,000	-	-	1,423,000	1,325,681	-	-	1,325,681
ERS retirement contributions	600,000	-	-	600,000	507,312	-	-	507,312
TRS retirement contributions	1,300,000	-	-	1,300,000	1,088,319	-	-	1,088,319
Capital improvements	1,752,542	-	-	1,752,542	2,541	-	-	2,541
Capital projects	-	1,254,924	-	1,254,924	-	1,188,123	-	1,188,123
Unemployment benefits	150,000	-	-	150,000	-	-	-	-
Insurance	401,847	-	-	401,847	-	-	-	-
Workers' compensation	500,000	-	-	500,000	-	-	-	-
Property loss and liability claims	617,000	-	-	617,000	-	-	-	-
Special purposes - extraclassroom activities	-	-	84,795	84,795	-	-	77,456	77,456
Special purposes - other	-	-	362,892	362,892	-	-	324,393	324,393
	<u>6,900,566</u>	<u>1,254,924</u>	<u>447,687</u>	<u>8,603,177</u>	<u>3,826,798</u>	<u>1,188,123</u>	<u>401,849</u>	<u>5,416,770</u>
Assigned:								
Purchases on order:								
General government support	572,723	-	-	572,723	645,285	-	-	645,285
Instruction	416,669	-	-	416,669	417,124	-	-	417,124
Transportation	331,347	-	-	331,347	20,021	-	-	20,021
Employee benefits	19,000	-	-	19,000	-	-	-	-
	<u>1,339,739</u>	<u>-</u>	<u>-</u>	<u>1,339,739</u>	<u>1,082,430</u>	<u>-</u>	<u>-</u>	<u>1,082,430</u>
For subsequent year's expenditures	1,500,000	-	-	1,500,000	1,900,000	-	-	1,900,000
School Lunch Fund	-	-	409,282	409,282	-	-	239,489	239,489
	<u>2,839,739</u>	<u>-</u>	<u>409,282</u>	<u>3,249,021</u>	<u>2,982,430</u>	<u>-</u>	<u>239,489</u>	<u>3,221,919</u>
Unassigned	<u>3,457,217</u>	<u>-</u>	<u>-</u>	<u>3,457,217</u>	<u>3,353,484</u>	<u>-</u>	<u>-</u>	<u>3,353,484</u>
Total Fund Balances	<u>\$ 13,197,522</u>	<u>\$ 1,254,924</u>	<u>\$ 873,149</u>	<u>\$ 15,325,595</u>	<u>\$ 10,162,712</u>	<u>\$ 1,188,123</u>	<u>\$ 645,797</u>	<u>\$ 11,996,632</u>

## Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)  
June 30, 2022

---

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

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below.

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

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, 2022, 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, exclusive of inventory, and liabilities of the School Lunch Fund.

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

#### **B. Contingencies**

The School District participates in various Federal grant programs. These programs are 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 determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

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

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

**Union Free School District of the Tarrytowns, New York**

Notes to Financial Statements (Continued)  
June 30, 2022

---

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

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 - Tax Abatements**

The Town of Mount Pleasant, New York and the Town of Greenburgh, New York enter into various property tax abatement programs for the purpose of economic development with housing development and redevelopment companies organized pursuant to Article XI of the New York Private Housing Finance Law (PHFL) and Section 402 of the New York Not-for-Profit Corporation Law, in which the HDFC holds a fee interest in the property for the benefit of the LLC limited partnership.

These agreements are for several years in duration or until the property no longer provides affordable housing or no longer complies with the requirements of the NY PHFL. The PILOT payments received include a yearly increase of 3% annually.

Copies of the agreements may be obtained from the respective Town's Clerks Office.

Information relevant to disclosure of these agreements for the fiscal year ended June 30, 2022 is as follows:

<u>Start Date</u>	<u>Agreement</u>	<u>Tax Yr</u>	<u>Taxable Assessed Value</u>	<u>Tax Rate</u>	<u>Total Tax Value</u>	<u>PILOT Received</u>	<u>Taxes Abated</u>
8/1/2008	Sleepy Hollow Senior Housing	2020/21	70,000	\$ 1,514.94	\$ 106,046	\$ 18,045	\$ 88,001
4/28/1950	Tarrytown Municipal Housing Authority	2020/21	15,823,100	21.47	339,700	43,429	296,271
Total						<u>\$ 61,474</u>	<u>\$ 807,470</u>

In addition, the School District received PILOT payments from Regeneron Pharmaceuticals, Inc. and Kendal on Hudson in the amount of \$1,293,933 and \$557,871, respectively, for which no taxes were abated.

## Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Concluded)

June 30, 2022

---

### **Note 6 - Recently Issued GASB Pronouncements**

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

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 this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

\*\*\*\*\*

(This page intentionally left blank)

**Union Free School District of the Tarrytowns, 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)

	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service cost	\$ 7,431,351	\$ 5,967,731	\$ 4,465,532	\$ 5,466,374	\$ 4,905,970
Interest	3,451,321	3,144,188	3,947,825	3,765,690	3,589,755
Changes of benefit terms	-	(994,591)	-	118,133	-
Differences between expected and actual experience	-	(13,364,678)	-	5,998,626	(265,288)
Changes of assumptions or other inputs	(35,085,537) (4)	24,367,512	22,600,618	(24,053,957)	-
Benefit payments	(3,157,128)	(2,986,092)	(3,084,122)	(2,964,573)	(2,888,640)
Net Change in Total OPEB Liability	(27,359,993)	16,134,070	27,929,853	(11,669,707)	5,341,797
Total OPEB Liability – Beginning of Year	153,922,170	137,788,100	109,858,247	121,527,954	116,186,157 (3)
Total OPEB Liability – End of Year	<u>\$ 126,562,177</u>	<u>\$ 153,922,170</u>	<u>\$ 137,788,100</u>	<u>\$ 109,858,247</u>	<u>\$ 121,527,954</u>
School District's covered-employee payroll	<u>\$ 38,316,962</u>	<u>\$ 38,316,962</u>	<u>\$ 36,560,028</u>	<u>\$ 36,560,028</u>	<u>\$ 41,264,899</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>330.30%</u>	<u>401.71%</u>	<u>376.88%</u>	<u>300.49%</u>	<u>294.51%</u>
Discount Rate	<u>3.54%</u>	<u>2.16%</u>	<u>2.21%</u>	<u>3.50%</u>	<u>3.00%</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 GASB Statement No. 75 to pay related benefits.

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

(4) Premiums increased less than expected, along with a decrease in the total number of active employees and retirees covered by the plan. The election coverage percentage was revised from 100% to 95% as of July 1, 2021. The mortality improvement scale was revised from MP-2019 to MP-2020. The annual rate of increase in healthcare costs was revised based on the 2022 Getzen Model. Retiree contributions for health care costs were updated to reflect the latest collective bargaining agreements. These updated assumptions led to a reduction in the liability.

**Union Free School District of the Tarrytowns, 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)								
	2022 (4)	2021 (3)	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.214601%</u>	<u>0.213163%</u>	<u>0.210480%</u>	<u>0.208910%</u>	<u>0.209475%</u>	<u>0.206559%</u>	<u>0.203122%</u>	<u>0.199306%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (37,188,243)</u>	<u>\$ 5,890,266</u>	<u>\$ (5,468,297)</u>	<u>\$ (3,777,650)</u>	<u>\$ (1,592,000)</u>	<u>\$ 2,212,000</u>	<u>\$ (21,098,000)</u>	<u>\$ (22,201,000)</u>
School District's covered payroll	<u>\$ 36,722,555</u>	<u>\$ 36,286,523</u>	<u>\$ 35,133,000</u>	<u>\$ 34,029,000</u>	<u>\$ 33,193,000</u>	<u>\$ 30,512,000</u>	<u>\$ 30,547,000</u>	<u>\$ 29,441,000</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>(101.27)%</u>	<u>16.23%</u>	<u>(15.56)%</u>	<u>(11.10)%</u>	<u>(4.80)%</u>	<u>7.25%</u>	<u>(69.07)%</u>	<u>(75.41)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>113.20%</u>	<u>97.76%</u>	<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>
Discount Rate	<u>6.95%</u>	<u>7.10%</u>	<u>7.10%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>8.00%</u>

Schedule of Contributions								
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 3,702,531</u>	<u>\$ 3,499,659</u>	<u>\$ 3,257,490</u>	<u>\$ 3,334,857</u>	<u>\$ 3,890,000</u>	<u>\$ 4,226,000</u>	<u>\$ 5,348,000</u>	<u>\$ 4,784,000</u>
Contributions in relation to the contractually required contribution	<u>(3,702,531)</u>	<u>(3,499,659)</u>	<u>(3,257,490)</u>	<u>(3,334,857)</u>	<u>(3,890,000)</u>	<u>(4,226,000)</u>	<u>(5,348,000)</u>	<u>(4,784,000)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 37,780,926</u>	<u>\$ 36,722,555</u>	<u>\$ 36,286,523</u>	<u>\$ 35,133,000</u>	<u>\$ 34,029,000</u>	<u>\$ 33,193,000</u>	<u>\$ 30,512,000</u>	<u>\$ 30,547,000</u>
Contributions as a percentage of covered payroll	<u>9.80%</u>	<u>9.53%</u>	<u>8.98%</u>	<u>9.49%</u>	<u>11.43%</u>	<u>12.73%</u>	<u>17.53%</u>	<u>15.66%</u>

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

(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 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 share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

**Union Free School District of the Tarrytowns, 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)								
	2022 (5)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.0240525%</u>	<u>0.0224503%</u>	<u>0.0214975%</u>	<u>0.0212198%</u>	<u>0.0205176%</u>	<u>0.0203160%</u>	<u>0.0211323%</u>	<u>0.0212259%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (1,966,193)</u>	<u>\$ 22,355</u>	<u>\$ 5,692,650</u>	<u>\$ 1,503,000</u>	<u>\$ 662,000</u>	<u>\$ 1,909,000</u>	<u>\$ 3,392,000</u>	<u>\$ 717,000</u>
School District's covered payroll	<u>\$ 7,435,377</u>	<u>\$ 7,091,560</u>	<u>\$ 6,610,410</u>	<u>\$ 6,159,000</u>	<u>\$ 5,849,000</u>	<u>\$ 5,620,000</u>	<u>\$ 5,445,000</u>	<u>\$ 5,562,000</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>(26.44)%</u>	<u>0.32%</u>	<u>86.12%</u>	<u>24.40%</u>	<u>11.32%</u>	<u>33.97%</u>	<u>62.30%</u>	<u>12.89%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>103.65%</u>	<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.50%</u>

Schedule of Contributions								
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 1,036,298</u>	<u>\$ 869,773</u>	<u>\$ 839,899</u>	<u>\$ 862,000</u>	<u>\$ 870,000</u>	<u>\$ 874,000</u>	<u>\$ 964,000</u>	<u>\$ 1,030,000</u>
Contributions in relation to the contractually required contribution	<u>(1,036,298)</u>	<u>(869,773)</u>	<u>(839,899)</u>	<u>(862,000)</u>	<u>(870,000)</u>	<u>(874,000)</u>	<u>(964,000)</u>	<u>(1,030,000)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 7,496,635</u>	<u>\$ 7,210,636</u>	<u>\$ 6,504,967</u>	<u>\$ 6,159,000</u>	<u>\$ 5,849,000</u>	<u>\$ 5,620,000</u>	<u>\$ 5,445,000</u>	<u>\$ 5,562,000</u>
Contributions as a percentage of covered payroll	<u>13.82%</u>	<u>12.06%</u>	<u>12.91%</u>	<u>14.00%</u>	<u>14.87%</u>	<u>15.55%</u>	<u>17.70%</u>	<u>18.52%</u>

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

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

(This page intentionally left blank)

**Union Free School District of the Tarrytowns, New York**

General Fund  
Comparative Balance Sheet  
June 30,

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 3,539,124	\$ 2,269,992
Investments	10,137,278	10,703,085
Receivables		
Accounts	7,698	13,406
State and Federal aid	1,749,504	792,237
Due from other governments	2,178,161	1,254,853
Due from other funds	5,723,126	2,689,033
Leases	59,288	-
	<u>9,717,777</u>	<u>4,749,529</u>
Total Assets	<u>\$ 23,394,179</u>	<u>\$ 17,722,606</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 1,126,334	\$ 1,074,767
Accrued liabilities	232,471	600,384
Due to other governments	99,464	106,293
Due to retirement systems	4,197,660	4,124,437
Due to other funds	4,479,630	1,654,013
Total Liabilities	<u>10,135,559</u>	<u>7,559,894</u>
Deferred inflows of resources		
Lease related	61,098	-
Fund balance		
Restricted	6,900,566	3,826,798
Assigned	2,839,739	2,982,430
Unassigned	3,457,217	3,353,484
Total Fund Balance	<u>13,197,522</u>	<u>10,162,712</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 23,394,179</u>	<u>\$ 17,722,606</u>

**Union Free School District of the Tarrytowns, New York**

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

	2022				
	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
<b>REVENUES</b>					
Real property taxes	\$ 57,766,194	\$ 57,766,194	\$ 57,766,194	\$ -	\$ -
Other tax items	5,861,631	5,861,631	5,900,340		38,709
Non-property taxes	1,500,000	1,500,000	1,930,758		430,758
Charges for services	1,755,000	1,755,000	1,770,042		15,042
Use of money and property	220,000	220,000	134,848		(85,152)
Sale of property and compensation for loss	50,000	50,000	33,059		(16,941)
State aid	14,484,284	14,609,284	15,177,938		568,654
Federal aid	-	-	593,057		593,057
Miscellaneous	225,000	225,000	740,350		515,350
<b>Total Revenues</b>	<b>81,862,109</b>	<b>81,987,109</b>	<b>84,046,586</b>		<b>2,059,477</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
<b>General support</b>					
Board of education	108,050	95,836	79,284	-	16,552
Central administration	412,544	415,897	406,505	-	9,392
Finance	735,485	792,111	705,088	11,387	75,636
Staff	773,845	723,539	672,696	26,021	24,822
Central services	5,158,197	5,270,749	4,735,442	449,324	85,983
Special items	967,552	1,390,538	1,275,252	85,991	29,295
<b>Total General Support</b>	<b>8,155,673</b>	<b>8,688,670</b>	<b>7,874,267</b>	<b>572,723</b>	<b>241,680</b>
<b>Instruction</b>					
Instruction, administration and improvement	3,163,249	3,971,734	3,945,483	14,973	11,278
Teaching - Regular school	28,914,323	27,762,486	27,404,766	75,143	282,577
Programs for students with disabilities	7,122,359	7,107,156	6,321,910	24,738	760,508
Programs for english language learners	-	35,000	28,516	-	6,484
Occupational education	702,680	666,680	664,904	-	1,776
Teaching - Special schools	340,000	168,000	135,267	-	32,733
Instructional media	1,993,662	2,277,235	1,934,562	277,319	65,354
Pupil services	4,902,093	5,039,344	4,856,136	24,496	158,712
<b>Total Instruction</b>	<b>47,138,366</b>	<b>47,027,635</b>	<b>45,291,544</b>	<b>416,669</b>	<b>1,319,422</b>
Pupil transportation	3,416,265	3,223,917	2,594,710	331,347	297,860
Employee benefits	20,149,809	20,155,228	18,335,354	19,000	1,800,874
<b>Debt service</b>					
Principal	3,824,150	4,250,670	4,179,670	-	71,000
Interest	1,885,276	1,916,211	1,915,033	-	1,178
<b>Total Expenditures</b>	<b>84,569,539</b>	<b>85,262,331</b>	<b>80,190,578</b>	<b>1,339,739</b>	<b>3,732,014</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,707,430)	(3,275,222)	3,856,008	(1,339,739)	5,791,491
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance premium	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(350,000)	(1,080,000)	(821,198)	-	258,802
<b>Total Other Financing Uses</b>	<b>(350,000)</b>	<b>(1,080,000)</b>	<b>(821,198)</b>	<b>-</b>	<b>258,802</b>
<b>Net Change in Fund Balance</b>	<b>(3,057,430)</b>	<b>(4,355,222)</b>	<b>3,034,810</b>	<b>\$ (1,339,739)</b>	<b>\$ 6,050,293</b>
<b>FUND BALANCE</b>					
Beginning of Year	3,057,430	4,355,222	10,162,712		
End of Year	\$ -	\$ -	\$ 13,197,522		

See independent auditors' report.

2021				
Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
\$ 56,349,693	\$ 56,349,693	\$ 56,316,269	\$	\$ (33,424)
5,930,653	5,930,653	6,073,007		142,354
1,375,000	1,375,000	1,834,335		459,335
1,764,975	1,764,975	1,735,747		(29,228)
250,000	250,000	69,323		(180,677)
65,000	92,685	67,977		(24,708)
13,216,045	13,216,045	12,792,017		(424,028)
-	-	101,145		101,145
255,000	255,000	474,219		219,219
<u>79,206,366</u>	<u>79,234,051</u>	<u>79,464,039</u>		<u>229,988</u>
93,226	90,012	88,767	103	1,142
404,463	418,803	416,671	-	2,132
764,653	704,934	686,100	6,342	12,492
706,757	744,344	676,444	6,637	61,263
5,472,620	5,980,041	4,900,207	626,353	453,481
920,880	2,525,595	2,507,282	5,850	12,463
<u>8,362,599</u>	<u>10,463,729</u>	<u>9,275,471</u>	<u>645,285</u>	<u>542,973</u>
3,096,766	3,355,279	3,170,286	38,856	146,137
28,815,938	28,578,429	28,063,630	144,556	370,243
6,877,205	6,703,041	6,540,343	108,182	54,516
-	-	-	-	-
430,000	928,320	928,320	-	-
200,000	138,000	130,292	-	7,708
2,245,560	2,233,526	1,956,408	89,322	187,796
4,933,136	4,969,672	4,605,141	36,208	328,323
<u>46,598,605</u>	<u>46,906,267</u>	<u>45,394,420</u>	<u>417,124</u>	<u>1,094,723</u>
3,150,990	2,941,514	2,722,541	20,021	198,952
19,227,459	18,963,046	17,622,834	-	1,340,212
3,834,000	3,683,714	3,392,299	-	291,415
1,814,083	1,777,630	1,742,680	-	34,950
<u>82,987,736</u>	<u>84,735,900</u>	<u>80,150,245</u>	<u>1,082,430</u>	<u>3,503,225</u>
<u>(3,781,370)</u>	<u>(5,501,849)</u>	<u>(686,206)</u>	<u>(1,082,430)</u>	<u>3,733,213</u>
-	-	3,643	-	3,643
-	-	394,983	-	394,983
<u>(245,000)</u>	<u>(1,562,791)</u>	<u>(1,523,793)</u>	-	<u>38,998</u>
<u>(245,000)</u>	<u>(1,562,791)</u>	<u>(1,125,167)</u>	-	<u>437,624</u>
<u>(4,026,370)</u>	<u>(7,064,640)</u>	<u>(1,811,373)</u>	<u>\$ (1,082,430)</u>	<u>\$ 4,170,837</u>
<u>4,026,370</u>	<u>7,064,640</u>	<u>11,974,085</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,162,712</u>		

**Union Free School District of the Tarrytowns, New York**

General Fund  
 Schedule of Revenues Compared to Budget  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REAL PROPERTY TAXES</b>	\$ 57,766,194	\$ 57,766,194	\$ 57,766,194	\$ -
<b>OTHER TAX ITEMS</b>				
School tax relief reimbursement	3,987,062	3,987,062	3,987,062	-
Payments in lieu of taxes	1,874,569	1,874,569	1,913,278	38,709
	<u>5,861,631</u>	<u>5,861,631</u>	<u>5,900,340</u>	<u>38,709</u>
<b>NON-PROPERTY TAXES</b>				
Non-property tax distribution from County	1,500,000	1,500,000	1,930,758	430,758
<b>CHARGES FOR SERVICES</b>				
Day school tuition - Other districts	925,000	925,000	921,924	(3,076)
Summer school tuition	48,000	48,000	10,790	(37,210)
Textbook charges	-	-	38,622	38,622
Health services - Other districts	782,000	782,000	798,706	16,706
	<u>1,755,000</u>	<u>1,755,000</u>	<u>1,770,042</u>	<u>15,042</u>
<b>USE OF MONEY AND PROPERTY</b>				
Earnings on investments	125,000	125,000	30,156	(94,844)
Rental of real property	95,000	95,000	104,692	9,692
	<u>220,000</u>	<u>220,000</u>	<u>134,848</u>	<u>(85,152)</u>
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Insurance recoveries	50,000	50,000	5,374	(44,626)
Sale of equipment	-	-	27,685	27,685
	<u>50,000</u>	<u>50,000</u>	<u>33,059</u>	<u>(16,941)</u>

**STATE AID**

Basic formula	10,664,144	10,664,144	11,004,786	340,642
Lottery aid	2,380,099	2,380,099	2,437,718	57,619
BOCES aid	1,158,002	1,158,002	1,330,359	172,357
Textbook aid	164,962	164,962	166,479	1,517
Computer software aid	94,071	94,071	93,109	(962)
Library materials aid	23,006	23,006	10,353	(12,653)
Homeless aid	-	125,000	135,134	10,134
	<u>14,484,284</u>	<u>14,609,284</u>	<u>15,177,938</u>	<u>568,654</u>

**FEDERAL AID**

Elementary and Secondary School Emergency Relief Fund (CARES)	-	-	339,159	339,159
Governor's Emergency Education Relief Fund (CARES)	-	-	56,557	56,557
Emergency management assistance	-	-	197,341	197,341
	<u>-</u>	<u>-</u>	<u>593,057</u>	<u>593,057</u>

**MISCELLANEOUS**

Refund of prior year's expenditures	75,000	75,000	457,878	382,878
Gifts and donations	-	-	17,000	17,000
Other	150,000	150,000	265,472	115,472
	<u>225,000</u>	<u>225,000</u>	<u>740,350</u>	<u>515,350</u>

**TOTAL REVENUES**

	<u>\$ 81,862,109</u>	<u>\$ 81,987,109</u>	<u>\$ 84,046,586</u>	<u>\$ 2,059,477</u>
--	----------------------	----------------------	----------------------	---------------------

See independent auditors' report.

**Union Free School District of the Tarrytowns, New York**

General Fund  
 Schedule of Expenditures and Other Financing Uses Compared to Budget  
 Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
<b>GENERAL SUPPORT</b>					
<b>BOARD OF EDUCATION</b>					
Board of education	\$ 78,613	\$ 71,113	\$ 55,285	\$ -	\$ 15,828
District clerk	15,437	15,437	15,437	-	-
District meeting	14,000	9,286	8,562	-	724
Total Board of Education	<u>108,050</u>	<u>95,836</u>	<u>79,284</u>	<u>-</u>	<u>16,552</u>
<b>CENTRAL ADMINISTRATION</b>					
Chief school administrator	412,544	415,897	406,505	-	9,392
<b>FINANCE</b>					
Business administration	588,246	642,403	573,480	4,887	64,036
Auditing	43,500	49,500	43,000	6,500	-
Treasurer	103,739	100,208	88,608	-	11,600
Total Finance	<u>735,485</u>	<u>792,111</u>	<u>705,088</u>	<u>11,387</u>	<u>75,636</u>
<b>STAFF</b>					
Legal	229,405	187,969	160,327	26,021	1,621
Personnel	451,940	451,182	434,296	-	16,886
Records management officer	20,000	10,000	3,901	-	6,099
Public information and services	72,500	74,388	74,172	-	216
Total Staff	<u>773,845</u>	<u>723,539</u>	<u>672,696</u>	<u>26,021</u>	<u>24,822</u>
<b>CENTRAL SERVICES</b>					
Operation of plant	4,343,025	4,284,265	3,821,754	390,457	72,054
Maintenance of plant	812,672	845,584	787,353	55,554	2,677
Security of plant	-	136,500	124,483	2,796	9,221
Central printing and mailing	2,500	4,400	1,852	517	2,031
Total Central Services	<u>5,158,197</u>	<u>5,270,749</u>	<u>4,735,442</u>	<u>449,324</u>	<u>85,983</u>

**SPECIAL ITEMS**

Unallocated insurance	335,715	352,537	352,537	-	-
Assessments on school property	97,000	80,178	62,591	-	17,587
Refunds of real property tax	-	492,986	406,995	85,991	-
Administrative charge-BOCES	534,837	464,837	453,129	-	11,708
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Special Items	967,552	1,390,538	1,275,252	85,991	29,295
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Support	8,155,673	8,688,670	7,874,267	572,723	241,680
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

Curriculum development and supervision	651,634	1,375,096	1,363,961	1,303	9,832
Supervision - Regular school	2,384,340	2,180,595	2,169,323	9,826	1,446
Research, Planning and Evaluation	-	44,222	40,378	3,844	-
In-service training - Instruction	127,275	371,821	371,821	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Total Instruction, Administration  
and Improvement

3,163,249	3,971,734	3,945,483	14,973	11,278
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**TEACHING - REGULAR SCHOOL**

28,914,323	27,762,486	27,404,766	75,143	282,577
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**PROGRAMS FOR STUDENTS WITH DISABILITIES**

7,122,359	7,107,156	6,321,910	24,738	760,508
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**PROGRAMS FOR ENGLISH LANGUAGE LEARNERS**

-	35,000	28,516	-	6,484
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**OCCUPATIONAL EDUCATION**

702,680	666,680	664,904	-	1,776
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**TEACHING - SPECIAL SCHOOLS**

340,000	168,000	135,267	-	32,733
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**INSTRUCTIONAL MEDIA**

School library and audiovisual	327,916	355,913	300,189	1,250	54,474
Educational television	10,000	4,000	-	-	4,000
Computer assisted instruction	1,655,746	1,917,322	1,634,373	276,069	6,880
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Total Instructional Media

1,993,662	2,277,235	1,934,562	277,319	65,354
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

(Continued)

**Union Free School District of the Tarrytowns, New York**

General Fund

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

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
<b>INSTRUCTION (Continued)</b>					
<b>PUPIL SERVICES</b>					
Guidance - Regular school	\$ 1,191,269	\$ 1,257,860	\$ 1,251,153	\$ 1,314	\$ 5,393
Health services - Regular school	753,830	740,338	644,819	20,203	75,316
Psychological services - Regular school	609,316	637,691	627,739	138	9,814
Social work services - Regular school	337,196	354,096	352,497	-	1,599
Pupil personnel services - Special school	624,186	642,124	627,188	226	14,710
Co-curricular activities - Regular school	362,915	349,259	327,892	115	21,252
Interscholastic activities - Regular school	1,023,381	1,057,976	1,024,848	2,500	30,628
Total Pupil Services	4,902,093	5,039,344	4,856,136	24,496	158,712
Total Instruction	47,138,366	47,027,635	45,291,544	416,669	1,319,422
<b>PUPIL TRANSPORTATION</b>					
District transportation services	3,046,261	2,889,413	2,339,802	331,347	218,264
Contract transportation	10,000	10,000	-	-	10,000
Garage building	360,004	324,504	254,908	-	69,596
Total Pupil Transportation	3,416,265	3,223,917	2,594,710	331,347	297,860
<b>EMPLOYEE BENEFITS</b>					
State retirement	1,393,002	1,318,002	1,006,825	-	311,177
Teachers' retirement	3,786,754	3,722,504	3,556,093	-	166,411
Social security	3,513,463	3,485,963	3,256,366	-	229,597
Workers' compensation benefits	360,000	360,000	344,020	9,000	6,980
Life insurance	36,000	38,803	36,539	-	2,264
Unemployment insurance	75,000	80,000	8,971	10,000	61,029
Disability insurance	36,000	1,000	-	-	1,000
Hospital and medical insurance	10,564,590	10,728,590	9,706,478	-	1,022,112
Employee assistance program	385,000	420,366	420,062	-	304
Total Employee Benefits	20,149,809	20,155,228	18,335,354	19,000	1,800,874

**DEBT SERVICE**

## Principal

Serial bonds	3,565,000	3,565,000	3,565,000	-	-
Energy Performance Contract	129,150	385,740	385,740	-	-
Bond anticipation note	130,000	71,000	-	-	71,000
Leases	-	228,930	228,930	-	-

	<u>3,824,150</u>	<u>4,250,670</u>	<u>4,179,670</u>	<u>-</u>	<u>71,000</u>
--	------------------	------------------	------------------	----------	---------------

## Interest

Serial bonds	1,869,000	1,869,000	1,868,801	-	199
Energy Performance Contract	13,321	30,800	30,800	-	-
Bond anticipation note	2,955	4,485	3,506	-	979
Leases	-	11,926	11,926	-	-

	<u>1,885,276</u>	<u>1,916,211</u>	<u>1,915,033</u>	<u>-</u>	<u>1,178</u>
--	------------------	------------------	------------------	----------	--------------

## Total Debt Service

	<u>5,709,426</u>	<u>6,166,881</u>	<u>6,094,703</u>	<u>-</u>	<u>72,178</u>
--	------------------	------------------	------------------	----------	---------------

**TOTAL EXPENDITURES**

	<u>84,569,539</u>	<u>85,262,331</u>	<u>80,190,578</u>	<u>1,339,739</u>	<u>3,732,014</u>
--	-------------------	-------------------	-------------------	------------------	------------------

**OTHER FINANCING USES**

## Transfers out

Special Aid Fund	150,000	150,000	91,198	-	58,802
Capital Projects Fund	200,000	930,000	730,000	-	200,000

**TOTAL OTHER FINANCING USES**

	<u>350,000</u>	<u>1,080,000</u>	<u>821,198</u>	<u>-</u>	<u>258,802</u>
--	----------------	------------------	----------------	----------	----------------

**TOTAL EXPENDITURES AND OTHER FINANCING USES**

	<u>\$ 84,919,539</u>	<u>\$ 86,342,331</u>	<u>\$ 81,011,776</u>	<u>\$ 1,339,739</u>	<u>\$ 3,990,816</u>
--	----------------------	----------------------	----------------------	---------------------	---------------------

See independent auditors' report.

**Union Free School District of the Tarrytowns, New York**

Special Aid Fund  
Comparative Balance Sheet  
June 30,

---

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Receivables		
State and Federal aid	\$ 1,323,073	\$ 763,378
Due from other funds	<u>2,811,091</u>	<u>11,084</u>
Total Assets	<u><u>\$ 4,134,164</u></u>	<u><u>\$ 774,462</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 49,392	\$ 77,404
Accrued liabilities	174	97
Unearned revenues	215,090	7,096
Due to retirement systems	159,313	-
Due to other funds	<u>3,710,195</u>	<u>689,865</u>
Total Liabilities	<u><u>\$ 4,134,164</u></u>	<u><u>\$ 774,462</u></u>

**Union Free School District of the Tarrytowns, New York**

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

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
State aid	\$ 734,696	\$ 621,039
Federal aid	<u>2,382,465</u>	<u>1,357,232</u>
Total Revenues	<u>3,117,161</u>	<u>1,978,271</u>
<b>EXPENDITURES</b>		
Current		
General Support	30,219	-
Instruction	2,873,686	1,753,677
Pupil Transportation	49,917	-
Employee benefits	<u>254,537</u>	<u>280,596</u>
Total Expenditures	<u>3,208,359</u>	<u>2,034,273</u>
Deficiency of Revenues Over Expenditures	(91,198)	(56,002)
<b>OTHER FINANCING SOURCES</b>		
Transfers in	<u>91,198</u>	<u>56,002</u>
Net Change in Fund Balance	-	-
<b>FUND BALANCE</b>		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**Union Free School District of the Tarrytowns, New York**

Capital Projects Fund  
Comparative Balance Sheet  
June 30,

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	<u>\$ 1,463,023</u>	<u>\$ 1,506,131</u>
Receivables		
State and Federal aid	124,622	292,658
Due from other funds	<u>1,633,520</u>	<u>1,633,520</u>
	<u>1,758,142</u>	<u>1,926,178</u>
Total Assets	<u>\$ 3,221,165</u>	<u>\$ 3,432,309</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ -	\$ 45,249
Bond anticipation notes payable	-	295,000
Due to other funds	<u>1,966,241</u>	<u>1,903,937</u>
Total Liabilities	<u>1,966,241</u>	<u>2,244,186</u>
Fund balance		
Restricted	<u>1,254,924</u>	<u>1,188,123</u>
Total Liabilities and Fund Balance	<u>\$ 3,221,165</u>	<u>\$ 3,432,309</u>

See independent auditors' report.

**Union Free School District of the Tarrytowns, New York**

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

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
State aid	\$ -	\$ 292,658
<b>EXPENDITURES</b>		
Capital outlay	<u>703,115</u>	<u>4,785,375</u>
Deficiency of Revenues Over Expenditures	<u>(703,115)</u>	<u>(4,492,717)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
General obligation bonds issued	-	5,365,000
Issuance premium	-	635,000
Leases issued	39,916	-
Transfers in	730,000	1,467,791
Transfers out	<u>-</u>	<u>(394,983)</u>
Total Other Financing Sources	<u>769,916</u>	<u>7,072,808</u>
Net Change in Fund Balance	66,801	2,580,091
<b>FUND BALANCE (DEFICIT)</b>		
Beginning of Year	<u>1,188,123</u>	<u>(1,391,968)</u>
End of Year	<u>\$ 1,254,924</u>	<u>\$ 1,188,123</u>

**Union Free School District of the Tarrytowns, New York**

Capital Projects Fund  
 Project-Length Schedule  
 Inception of Project Through June 30, 2022

Project	Appropriation	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
2018 WI Emergency Gasoline Repairs	\$ 101,328	\$ 97,518	\$ -	\$ 97,518	\$ 3,810
2018 Smart Schools Bond Act	853,214	716,531	-	716,531	136,683
2018 District-wide Improvements	2,200,000	1,753,382	-	1,753,382	446,618
2019 District-wide Improvements	6,000,000	5,271,569	100,335	5,371,904	628,096
2019 School Bus Purchase	295,000	295,000	-	295,000	-
2020 District-wide Improvements	150,000	-	-	-	150,000
2020 School Bus Purchase	617,500	-	507,875	507,875	109,625
2021 High School Improvements - Emergency	750,000	604,236	-	604,236	145,764
2021 District-wide Improvements	-	-	54,989	54,989	(54,989)
2022 Computer Lease	39,916	-	39,916	39,916	-
<b>Totals</b>	<b>\$ 11,006,958</b>	<b>\$ 8,738,236</b>	<b>\$ 703,115</b>	<b>\$ 9,441,351</b>	<b>\$ 1,565,607</b>

See independent auditors' report.

Methods of Financing					
Proceeds of Obligations	Transfers	State and Federal Aid	Other	Totals	Fund Balance (Deficit) at June 30, 2022
\$ -	\$ 101,328	\$ -	\$ -	\$ 101,328	\$ 3,810
-	-	716,531	-	716,531	-
-	2,200,000	-	-	2,200,000	446,618
6,000,000	-	-	8,500	6,008,500	636,596
295,000	-	-	-	295,000	-
-	150,000	-	-	150,000	150,000
435,000	-	-	-	435,000	(72,875)
-	750,000	-	-	750,000	145,764
-	-	-	-	-	(54,989)
39,916	-	-	-	39,916	-
<u>\$ 6,769,916</u>	<u>\$ 3,201,328</u>	<u>\$ 716,531</u>	<u>\$ 8,500</u>	<u>\$ 10,696,275</u>	<u>\$ 1,254,924</u>

**Union Free School District of the Tarrytowns, New York**

Combining Balance Sheet  
 Non-Major Governmental Funds  
 June 30, 2022  
 (With Comparative Totals for 2021)

	School Lunch	Special Purpose	Non-Major Governmental Funds	
			2022	2021
<b>ASSETS</b>				
Cash and equivalents	\$ 177,112	\$ 461,671	\$ 638,783	\$ 655,713
Receivables				
State and Federal aid	463,597	-	463,597	197,130
Due from other funds	-	31,890	31,890	-
	<u>463,597</u>	<u>31,890</u>	<u>495,487</u>	<u>197,130</u>
Inventories	<u>16,180</u>	<u>-</u>	<u>16,180</u>	<u>4,459</u>
Total Assets	<u>\$ 656,889</u>	<u>\$ 493,561</u>	<u>\$ 1,150,450</u>	<u>\$ 857,302</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 106,806	\$ 575	\$ 107,381	\$ 73,067
Accrued liabilities	21,224	1,738	22,962	16,022
Unearned revenues	81,365	-	81,365	25,079
Due to other governments	395	-	395	413
Due to retirement systems	21,637	-	21,637	11,102
Due to other funds	-	43,561	43,561	85,822
Total Liabilities	<u>231,427</u>	<u>45,874</u>	<u>277,301</u>	<u>211,505</u>
Fund balances				
Nonspendable	16,180	-	16,180	4,459
Restricted	-	447,687	447,687	401,849
Assigned	<u>409,282</u>	<u>-</u>	<u>409,282</u>	<u>239,489</u>
Total Fund Balances	<u>425,462</u>	<u>447,687</u>	<u>873,149</u>	<u>645,797</u>
Total Liabilities and Fund Balances	<u>\$ 656,889</u>	<u>\$ 493,561</u>	<u>\$ 1,150,450</u>	<u>\$ 857,302</u>

**Union Free School District of the Tarrytowns, New York**

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 Non-Major Governmental Funds  
 Year Ended June 30, 2022  
 (With Comparative Totals for 2021)

	School Lunch	Special Purpose	Non-Major Governmental Funds	
			2022	2021
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ 13
State aid	30,256	-	30,256	33,307
Federal aid	1,509,825	-	1,509,825	936,419
Food sales	3,781	-	3,781	530
Miscellaneous	-	501,389	501,389	340,149
<b>Total Revenues</b>	<b>1,543,862</b>	<b>501,389</b>	<b>2,045,251</b>	<b>1,310,418</b>
<b>EXPENDITURES</b>				
Current				
Cost of food sales	1,362,348	-	1,362,348	1,284,822
Other	-	455,551	455,551	297,172
<b>Total Expenditures</b>	<b>1,362,348</b>	<b>455,551</b>	<b>1,817,899</b>	<b>1,581,994</b>
Excess (Deficiency) of Revenues Over Expenditures	181,514	45,838	227,352	(271,576)
<b>FUND BALANCES</b>				
Beginning of Year	243,948	401,849	645,797	917,373
End of Year	\$ 425,462	\$ 447,687	\$ 873,149	\$ 645,797

See independent auditors' report.

**Union Free School District of the Tarrytowns, New York**

School Lunch Fund  
Balance Sheet  
June 30,

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 177,112	\$ 207,913
Receivables		
State and Federal aid	463,597	197,130
Inventories	16,180	4,459
Total Assets	<u>\$ 656,889</u>	<u>\$ 409,502</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 106,806	\$ 73,067
Accrued liabilities	21,224	14,954
Unearned revenues	81,365	25,079
Due to other governments	395	413
Due to retirement systems	21,637	11,102
Due to other funds	-	40,939
Total Liabilities	<u>231,427</u>	<u>165,554</u>
Fund balance		
Nonspendable	16,180	4,459
Assigned	409,282	239,489
Total Fund Balance	<u>425,462</u>	<u>243,948</u>
Total Liabilities and Fund Balance	<u>\$ 656,889</u>	<u>\$ 409,502</u>

See independent auditors' report.

**Union Free School District of the Tarrytowns, New York**

School Lunch Fund  
Comparative Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Year Ended June 30,

---

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
State aid	\$ 30,256	\$ 33,307
Federal aid	1,509,825	936,419
Food sales	<u>3,781</u>	<u>530</u>
Total Revenues	1,543,862	970,256
<b>EXPENDITURES</b>		
Current		
Cost of food sales	<u>1,362,348</u>	<u>1,284,822</u>
Excess (Deficiency) of Revenues Over Expenditures	181,514	(314,566)
<b>FUND BALANCE</b>		
Beginning of Year	<u>243,948</u>	<u>558,514</u>
End of Year	<u><u>\$ 425,462</u></u>	<u><u>\$ 243,948</u></u>

**Union Free School District of the Tarrytowns, New York**

Special Purpose Fund  
Comparative Balance Sheet  
June 30,

---

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 461,671	\$ 447,800
Due from other funds	<u>31,890</u>	<u>-</u>
Total Assets	<u>\$ 493,561</u>	<u>\$ 447,800</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 575	\$ -
Accrued liabilities	1,738	1,068
Due to other funds	<u>43,561</u>	<u>44,883</u>
Total Liabilities	45,874	45,951
Fund balance		
Restricted	<u>447,687</u>	<u>401,849</u>
Total Liabilities and Fund Balance	<u>\$ 493,561</u>	<u>\$ 447,800</u>

**Union Free School District of the Tarrytowns, New York**

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

---

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Use of money and property	\$ -	\$ 13
Miscellaneous	<u>501,389</u>	<u>340,149</u>
Total Revenues	501,389	340,162
<b>EXPENDITURES</b>		
Current		
Other	<u>455,551</u>	<u>297,172</u>
Excess of Revenues Over Expenditures	<u>45,838</u>	<u>42,990</u>
<b>FUND BALANCE</b>		
Beginning of Year	<u>401,849</u>	<u>358,859</u>
End of Year	<u><u>\$ 447,687</u></u>	<u><u>\$ 401,849</u></u>

**Union Free School District of the Tarrytowns, New York**

General Fund  
Analysis of Change from Adopted Budget to Final Budget  
Year Ended June 30, 2022

---

Adopted Budget		\$ 83,837,109
Encumbrances		<u>1,082,430</u>
Original Budget		84,919,539
Budget Revisions		<u>1,422,792</u>
Final Budget		<u><u>\$ 86,342,331</u></u>

General Fund  
Section 1318 of Real Property Tax Law Limit Calculation  
Year Ended June 30, 2022

---

2022-23 Expenditure Budget		\$ <u>86,430,432</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	\$ 2,839,739	
Unassigned fund balance	<u>3,457,217</u>	
Total Unrestricted Fund Balance		<u>6,296,956</u>
Less		
Encumbrances	1,339,739	
Appropriated for subsequent year's budget	<u>1,500,000</u>	
Total Adjustments		<u>2,839,739</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		\$ <u><u>3,457,217</u></u>
Actual Percentage		<u><u>4.00%</u></u>

**Union Free School District of the Tarrytowns, New York**

Schedule of Net Investment in Capital Assets  
Year Ended June 30, 2022

---

Capital Assets, net		\$ 76,684,011
Less		
General obligation bonds payable	\$ (56,560,000)	
Leases payable	(496,878)	
Unamortized portion of issuance premium on bonds	<u>(1,559,629)</u>	(58,616,507)
Plus		
Unexpended debt proceeds	628,096	
Unamortized portion of loss on refunding bonds	<u>636,274</u>	<u>1,264,370</u>
Net Investment in Capital Assets		<u>\$ 19,331,874</u>

(This page intentionally left blank)



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

### **Independent Auditors' Report**

#### **The Board of Education of the Union Free School District of the Tarrytowns, 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 Union Free School District of the Tarrytowns, New York ("School District") as of and for the year ended June 30, 2022, 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 13, 2022.

#### **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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

## **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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-002.

## **School District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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 13, 2022



**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  
Union Free School District of the Tarrytowns, New York**

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

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

We have audited the Union Free School District of the Tarrytowns, 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, 2022. 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***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.

***Other Matter***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-002. Our opinion on each major federal program is not modified with respect to this matter.

## ***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, *Governmental 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 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, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2022-002 that we consider to be a significant deficiency.

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.

### **School District's Response to Findings**

The School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

October 13, 2022

(This page intentionally left blank)

**Union Free School District of the Tarrytowns**

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

<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>				
School Breakfast Program	10.555	N/A	\$ -	\$ 381,768
National School Lunch Program - Cash	10.555	N/A	-	1,029,538
National School Lunch Program - Commodities	10.555	N/A	-	50,910
Summer Food Service Program for Children	10.559	N/A	-	45,205
Subtotal Child Nutrition Cluster			-	1,507,421
State Pandemic EBT Administrative Costs Grants	10.649	N/A	-	2,404
Total U.S. Department of Agriculture			-	1,509,825
<u>U.S. Department of Education</u>				
Indirect Programs - Passed through New York State Department of Education				
Title I Grants to Local Educational Agencies	84.010	0021-21-3635	-	11,239
Title I Grants to Local Educational Agencies	84.010	0021-22-3635	-	440,801
			-	452,040
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States	84.027	0032-21-1051	-	36,016
Special Education - Grants to States	84.027	0032-22-1051	-	628,950
Special Education - Preschool Grants	84.173	0033-21-1051	-	11,781
Special Education - Preschool Grants	84.173	0033-22-1051	-	7,802
			-	684,549
Supporting Effective Instruction State Grants	84.367	0147-21-3635	-	6,000
Supporting Effective Instruction State Grants	84.367	0147-22-3635	-	38,956
			-	44,956
English Language Acquisition State Grants	84.365A	0293-21-3635	-	115
English Language Acquisition State Grants	84.365A	0293-22-3635	-	66,513
English Language Acquisition State Grants	84.365A	0149-21-3635	-	11,905
English Language Acquisition State Grants	84.365A	0149-22-3635	-	26,545
			-	105,078
Student Support and Academic Enrichment Program	84.424	0204-21-3635	-	49
Student Support and Academic Enrichment Program	84.424	0204-22-3635	-	26,633
			-	26,682
Governor's Emergency Education Relief (GEER) Fund (CARES)	84.425C	5895-22-3700	-	56,557
Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)	84.425D	5890-22-3700	-	339,159
			-	395,716

(Continued)

**Union Free School District of the Tarrytowns**

Schedule of Expenditures of Federal Awards (Continued)  
 Year Ended June 30, 2022

<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>
Governor's Emergency Education Relief (GEER II) Fund (CRRSA) Elementary and Secondary School	84.425C	5896-21-3700	\$ -	\$ 163,445
Emergency Relief (ESSER II) Fund (CRRSA)	84.425D	5891-21-1051	-	823,165
			-	986,610
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5880-21-3635	-	82,550
Total U.S. Department of Education			-	2,778,181
<u>U.S. Department of Homeland Security</u>				
Indirect Programs - Passed through New York State Division of Homeland Security and Emergency Services	97.036	DR-4480-NY	-	197,341
Total Expenditures of Federal Awards			\$ -	\$ 4,485,347

N/A - Information not available.

The accompanying notes are an integral part of this schedule.

## **Union Free School District of the Tarrytowns, New York**

Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

---

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

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Union Free School District of the Tarrytowns, New York's ("School District") under programs of the federal government for the year ended June 30, 2022. Federal awards received directly from 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 or changes in net position 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 entity 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.

**Union Free School District of the Tarrytowns, New York**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

---

**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  No  
 Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major federal programs:

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

Yes  No  
 Yes  None reported

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

Qualified

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

Yes  No

Identification of major federal programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

84.425C

Governor's Emergency Education Relief Fund

84.425D

Elementary and Secondary School Emergency Relief Fund

84.425U

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

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

\$750,000

Auditee qualified as low-risk auditee?

Yes  No

## Union Free School District of the Tarrytowns, New York

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

---

### **Section II - Financial Statement Findings**

#### **2022-001 - Segregation of Duties**

**Criteria:** An effective system of internal control provides for the segregation of duties among available personnel, in order to prevent and detect possible errors and/or fraud.

**Condition:** Our audit revealed:

1. The treasurer is also the payroll clerk for the School District.
2. The senior account clerk has the ability to add/modify and deactivate vendors.
3. The deputy treasurer is also the senior office assistant.

**Cause:** The payroll clerk functions as the treasurer and presently this individual performs all payroll duties, reconciles bank accounts and maintains the general ledger and the accounts payable clerk has the ability to add and modify vendors.

**Effect or Potential Effect:** Provide for segregation of duties.

**Recommendation:** The School District should develop an accounting policies manual or make changes to its policies that addresses these items so that they do not recur in the future and provide for the segregation of duties. The School District has hired more full time staff in the accounting department in 2022-23 to address this deficiency.

**Management's Response:** See corrective action plan.

## Union Free School District of the Tarrytowns, New York

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

---

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

#### **2022-002: Procurement and Suspension and Debarment**

Federal Agency: U.S. Department of Education  
*Special Education Cluster (IDEA)*  
Federal Assistance Listing Number 84.027, Special Education – Grants to States  
Federal Assistance Listing Number 84.173, Special Education – Preschool Grants

**Criteria:** 48 CFR Section 52.244-5(a) states, “The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the contract.” Further, 2 CFR Section 200.318(i) states, “The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.”

**Condition:** Both of the samples we selected for testing did not follow competitive bidding procedures or maintain documents as to the rationale for the method of procurement and contractor selection or rejection.

**Cause:** The School District only renewed the contracts and did not provide for an opportunity for competitive bidding procedures.

**Effect or Potential Effect:** The School District could be paying more than a reasonable amount for the services provided.

**Recommendation:** The School District should follow state and federal procurement guidelines and select contractors on a competitive basis. The School District went through proper bidding procedures for 2022-23 fiscal year for procurement of services.

**Management’s Response:** See corrective action plan.

## Union Free School District of the Tarrytowns, New York

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2022

---

### **Finding 2021-001: Segregation of Duties**

**Status:** This condition continues and is repeated as finding 2022-001. The School District hired a Treasurer in August 2022 which will allow responsibilities to be properly segregated in school year 2022-2023.

### **Finding 2021-002: Procurement and Suspension and Debarment**

**Status:** This condition continues and is repeated as finding 2022-002. Due to the timing of the finding which occurred after the start of the school year, the vendor was providing special education services on a school year beginning in July. Once this contract ended, the School District did a request for proposals to ensure competitive bidding procedures were followed.