

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

Financial Statements and
Supplementary Information

Year Ended June 30, 2021

Union Free School District of the Tarrytowns, New York

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Union Free School District of the Tarrytowns, New York ("School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2021, 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.

Emphasis of Matter

We draw attention to Notes 2D and 2F 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. 84, "*Fiduciary Activities*". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit for the year ended June 30, 2021 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, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2021 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, 2021.

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, 2020 (not presented herein), and have issued our report thereon dated October 13, 2020, 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, 2020 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 relate directly to the underlying accounting and other records used to prepare the 2020 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 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, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2021 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 22, 2021

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Union Free School District of the Tarrytowns, New York

Management's Discussion and Analysis (MD&A)
June 30, 2021

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, 2021. 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 2020-2021 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 \$11,996,632 (inclusive of a cumulative effect of change in accounting principle), an increase of \$595,466 from the prior year. The increase was mostly due to the issuance of bonds for capital projects, the proceeds of which have not been expended, as well as a reduction in activities due to the pandemic.
- 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 \$3,353,484 or 4%.
- During the current fiscal year, the School District retired \$3,270,000 of serial bonds issued in previous years for various capital projects. The School District also retired \$122,299 of energy performance contract debt. During the 2018-2019 fiscal year, the School District received voter authorization to issue bonds for \$6,000,000. The School District issued bonds for \$5,365,000 during the 2020-2021 fiscal year. The remaining bonds are expected to be issued during the next year as the projects progress.
- 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 \$103,538,392. This represented an increase of \$11,150,319 for the year ended June 30, 2021, inclusive of an adjustment of \$98,324 for the cumulative effect of a change in accounting principle due to the implementation of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". In accordance with GASB Statement No. 84, the School District determined that the extra classroom activity funds should be reported with governmental activities (and governmental funds) and not within fiduciary funds.
- The School District is committed to provide postemployment benefits to its employees in the form of pensions and healthcare. As a result, the School District has recognized substantial liabilities in the district-wide financial statements for these benefits. As of June 30, 2021, the School District had liabilities of \$153,922,170 for other postemployment benefits recorded in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB"). The School District also reported \$5,912,621 for its proportionate share of the net pension liabilities of the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS") recorded in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting*

for Pensions". More detailed information about the School District's OPEB and pension reporting is presented in Note 3E 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 \$103,538,392.

Statement of Net Position

	June 30,	
	2021	2020
Current Assets	\$ 18,453,042	\$ 18,621,897
Net Pension Asset	-	5,468,297
Capital Assets, net	77,807,919	75,807,110
Total Assets	96,260,961	99,897,304
Deferred Outflows of Resources	67,692,582	46,042,308
Current Liabilities	11,059,685	7,979,028
Long-term Liabilities	218,983,380	203,968,504
Total Liabilities	230,043,065	211,947,532
Deferred Inflows of Resources	37,448,870	26,380,153
NET POSITION		
Net Investment in Capital Assets	16,728,402	16,833,749
Restricted		
Capital projects	754,692	398,794
Debt Service	827,945	898,636
Tax Certiorari	1,325,681	2,629,807
ERS Retirement contributions	507,312	84,254
TRS Retirement contributions	1,088,319	352,605
Capital Improvements	2,541	570,297
Special Purposes	401,849	358,859 *
Unrestricted	(125,175,133)	(114,416,750)
Total Net Position	\$ (103,538,392)	\$ (92,289,749)

*Restated for the cumulative effect of change in accounting principle due to the implementation of GASB Statement No. 84 "Fiduciary Activities".

Current assets decreased by \$168,855 from the prior year. Cash and equivalents and investments increased by \$627,941 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 decreased by \$5,468,297 due to investment losses by the retirement system for its fiscal year ending June 30, 2021.

Long-term liabilities, which consist of general obligation bonds, energy performance contract debt, retirement incentives and other pension liabilities, compensated absences, net pension and OPEB liabilities, increased by \$18,779,811 from the previous year. The OPEB liability increased by \$16,134,070 primarily due to a decline in the discount rate. The net pension liabilities to ERS and TRS also increased by a net of \$219,971 due to investment losses for TRS for its fiscal year ending June 30, 2020 partially offset by investment gains for ERS for its fiscal year ending March 31, 2021. The School District also issued new general obligation bonded debt of \$5,365,000 to finance its capital improvement program while retiring \$3,270,000 in previously issued bonded indebtedness.

A large component of the School District's net position (\$16,728,402) 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 \$4,908,339 of net position and are comprised of amounts restricted for specific purposes, i.e., capital projects, debt service, payments of tax certiorari claims, retirement contributions (ERS and TRS), capital improvements and special purposes. There is a negative balance of unrestricted net position of \$125,175,133 primarily a result of the recognition of the OPEB liabilities. Overall, net position decreased by \$11,150,319 (inclusive of the cumulative effect of change in accounting principle).

Changes in Net Position

	June 30,	
	2020	2020
REVENUES		
Program Revenues		
Charges for Services	\$ 1,796,341	\$ 2,118,288
Operating Grants and Contributions	3,668,067	3,834,392
Capital Grants and Contributions	292,658	423,873
	5,757,066	6,376,553
General Revenues		
Real Property Taxes	56,316,269	54,067,399
Other Tax Items	6,073,007	6,477,565
Non-Property Taxes	1,834,335	1,509,002
Unrestricted Use of Money and Property	6,472	165,208
Sale of Property and Compensation for Loss	67,977	97,035
Unrestricted State Aid	12,516,041	12,757,534
Miscellaneous	474,219	400,828
	77,288,320	75,474,571
Total Revenues	83,045,386	81,851,124
PROGRAM EXPENSES		
General Support	10,470,073	9,933,913
Instruction	76,467,001	73,322,603
Pupil Transportation	4,023,995	3,823,739
Cost of Food Sales	1,284,822	948,927
Other	297,172	498,094
Interest	1,750,966	1,738,046
	94,294,029	90,265,322
Total Expenses	94,294,029	90,265,322
Change in Net Position	(11,248,643)	(8,414,198)
NET POSITION		
Beginning, as reported	(92,388,073)	(86,210,941)
Prior Period Adjustment	-	2,237,066
Cumulative Effect of Change in Accounting Principle	98,324	-
	(92,289,749)	(83,973,875)
Beginning, as restated	(92,289,749)	(83,973,875)
Ending	\$ (103,538,392)	\$ (92,388,073)

The following are the major changes in Net Position:

Revenues:

- Real property taxes increased by \$2,248,870 or 4.16%. 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 \$475,804 during the 2020-2021 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 increased by \$325,333 or 22% 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 decreased by \$194,746 as a result of extremely low interest rates.

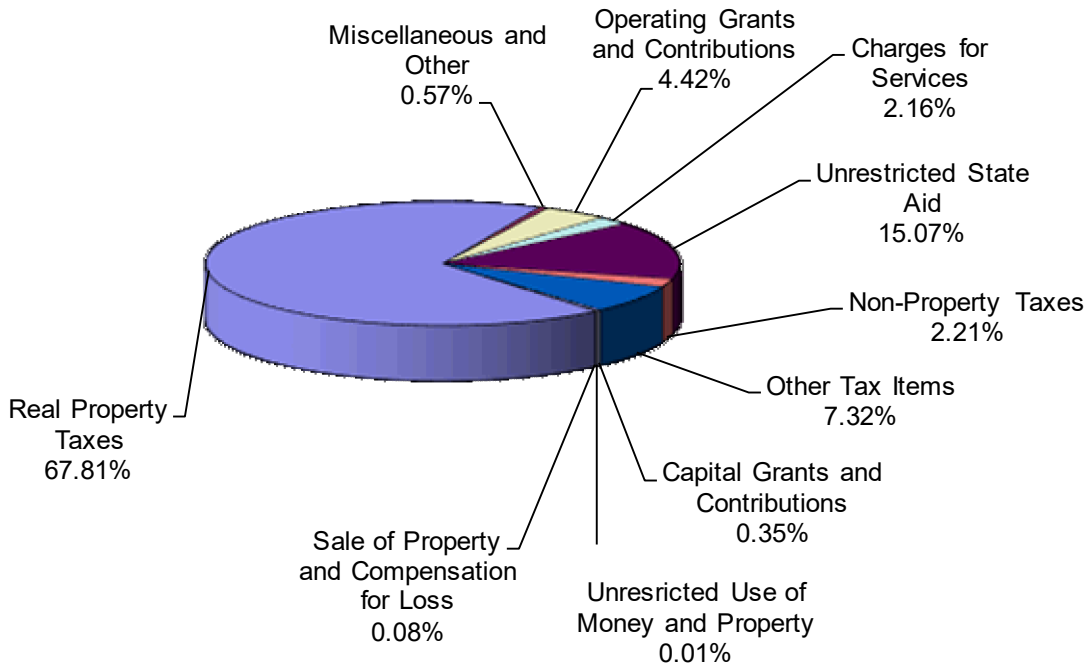
Expenses:

- Overall, General Support expenses increased \$536,160 over the prior year. There was a increase in tax certiorari payments of \$559,570 with added Central Services costs of \$1,130,912 for Covid precautions.
- Instructional program expenses increased by \$3,144,398 or 4.3%, over the prior year. This is primarily the result of the increase in staff to address Covid-related learning deficits.
- Pupil transportation expenditures increased by \$200,256 because monitors were added to take temperatures of students as they got on the buses and to enforce mask wearing on buses by students.

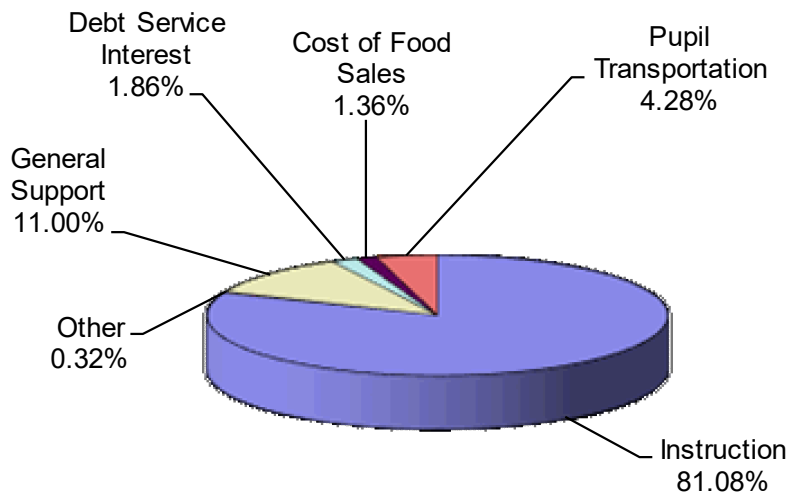
The following graphs depict where the School District revenues were derived and how monies were spent. As you can see, the School District relies upon real property taxes for 68% of its revenue, while the School District’s largest expense, instructional costs, accounts for 81% of total expenses.

Sources of Revenue for Fiscal Year 2021

Governmental Activities



Program Expenses for Fiscal Year 2021 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 \$11,996,632, an increase of \$595,466 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	\$ 4,459
Restricted Fund Balance	Reserved for Debt Service	902,945
	Reserved for Tax Certiorari	1,325,681
	Reserved for ERS Retirement Contributions	507,312
	Reserved for TRS Retirement Contributions	1,088,319
	Capital Improvements	1,190,664
	Reserved for Trusts (Special Purpose Fund)	401,849
		<u>5,416,770</u>
Assigned Fund Balance	Reserved for Encumbrances - General Government Support	645,285
	Reserved for Encumbrances - Instruction	417,124
	Reserved for Encumbrances - Transportation	20,021
	For subsequent year's expenditures	1,900,000
	School Lunch Fund Unreserved Fund Balance	239,489
		<u>3,221,919</u>
Unassigned Fund Balance	Unreserved and Undesignated - General Fund	<u>3,353,484</u>
Total Fund Balance (as of 6/30/2021)		<u>\$ 11,996,632</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 \$11,996,632. This represents an increase of \$595,466 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 \$3,353,484 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 3H in the notes to financial statements.

General Fund Budgetary Highlights – 2020-2021

The original, voter approved adopted budget of \$82,259,545 was increased by \$973,191 as a result of the rollover of prior year encumbrances. The budget was further revised during the 2020-2021 fiscal year by a total of \$3,065,955 from the appropriation of fund balance from the Reserve for Tax Certiorari, the Reserve for Worker's Compensation, and the Reserve for restricted fund balance to fund claims. As a result, the final budget totaled \$86,298,691.

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 \$424,028 due to a restoration of aids previously reduced.
- Increase in sales tax revenue due to increase in Westchester County sales tax rate and internet collections
- Decrease in rental of facilities revenue as facilities were not available due to the pandemic
- Decrease in interest income due to extremely low interest rates

Expenditure Highlights include:

- An increase in General Support expenses as plexiglass separators and air filters were added to rooms
- An increase in tax certiorari payments due to more court settlements as a result of the pandemic backlog from the previous year
- An increase in Central Services costs as a result of increased gas and electricity usage and rates, significant investments in computer supplies and performance of facilities projects
- Increase in pupil transportation as a result of returning to a full year of attendance and added costs for added bus monitors

The net decrease in fund balance in the General Fund was \$1,811,373 resulting in an ending balance of \$10,162,712.

For the Future

It is clear that the School District is heavily dependent upon real property taxes as they represent approximately 86% of School District revenues (exclusive 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, 2021, the School District had \$77,807,919, net of accumulated depreciation invested in a broad range of capital assets, including land, land improvements, buildings and improvements, as well as machinery and 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 3B in the notes to financial statements.

	June 30,	
	2021	2020
Land	\$ 2,283,629	\$ 2,283,629
Construction-in-progress	5,286,911	5,259,761
Buildings	65,845,869	63,664,109
Land Improvements	2,036,278	2,257,844
Machinery and Equipment	811,496	1,072,545
Transportation Equipment	1,543,736	1,269,222
Total Capital Assets, net of accumulated depreciation	\$ 77,807,919	\$ 75,807,110

Long-Term Debt

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

	June 30,	
	2021	2020
General Obligation Bonds Payable	\$ 60,125,000	\$ 58,030,000
Unamortized Premium on Bonds	1,702,109	1,198,850
Energy Performance Contract Debt Payable	385,740	508,039
Retirement Incentives and Other Pension Obligations	-	51,888
Compensated Absences	700,675	698,977
Net Pension Liability (ERS and TRS)	5,912,621	5,692,650
Other Post Employment Benefit Obligations Payable	153,922,170	137,788,100
Total	\$ 222,748,315	\$ 203,968,504

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 recorded its net pension liability to ERS and TRS as required by the provisions of GASB Statement No. 68. 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 3E 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: Kathleen Ryan.

Union Free School District of the Tarrytowns, New York

Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 4,431,836
Investments	10,703,085
Receivables	
Accounts	13,406
State and Federal aid	2,045,403
Due from other governments	1,254,853
Inventories	4,459
Capital assets	
Not being depreciated	7,570,540
Being depreciated, net	<u>70,237,379</u>
Total Assets	<u>96,260,961</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	699,901
Pension related	24,698,196
OPEB related	<u>42,294,485</u>
Total Deferred Outflows of Resources	<u>67,692,582</u>
LIABILITIES	
Current liabilities	
Accounts payable	1,270,487
Accrued liabilities	616,503
Bond anticipation notes payable	295,000
Unearned revenues	32,175
Due to other governments	106,706
Due to retirement systems	4,135,539
Accrued interest payable	838,340
Non-current liabilities	
Due within one year	3,764,935
Due in more than one year	<u>218,983,380</u>
Total Liabilities	<u>230,043,065</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	9,916,890
OPEB related	<u>27,531,980</u>
Total Deferred Inflows of Resources	<u>37,448,870</u>
NET POSITION	
Net investment in capital assets	16,728,402
Restricted	
Capital projects	754,692
Debt service	827,945
Tax certiorari	1,325,681
ERS retirement contributions	507,312
TRS retirement contributions	1,088,319
Capital improvements	2,541
Special purposes	401,849
Unrestricted	<u>(125,175,133)</u>
Total Net Position	<u>\$ (103,538,392)</u>

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

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Union Free School District of the Tarrytowns, New York

Statement of Activities
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 10,470,073	\$ 60,064	\$ 2,787	\$ -	\$ (10,407,222)
Instruction	76,467,001	1,735,747	2,355,392	292,658	(72,083,204)
Pupil transportation	4,023,995	-	-	-	(4,023,995)
Cost of food sales	1,284,822	530	969,726	-	(314,566)
Other	297,172	-	340,162	-	42,990
Interest	1,750,966	-	-	-	(1,750,966)
Total Governmental Activities	\$ 94,294,029	\$ 1,796,341	\$ 3,668,067	\$ 292,658	(88,536,963)
General revenues					
Real property taxes					56,316,269
Other tax items					
School tax relief reimbursement					4,233,653
Payments in lieu of taxes					1,839,354
Non-property taxes					
Non-property tax distribution from County					1,834,335
Unrestricted use of money and property					6,472
Sale of property and compensation for loss					67,977
Unrestricted State aid					12,516,041
Miscellaneous					474,219
Total General Revenues					77,288,320
Change in Net Position					(11,248,643)
Net Position - Beginning, as reported					(92,388,073)
Cumulative Effect of Change in Accounting Principle					98,324
Net Position - Beginning, as restated					(92,289,749)
Net Position - Ending					\$ (103,538,392)

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, 2021

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 2,269,992	\$ -	\$ 1,506,131
Investments	10,703,085	-	-
Receivables			
Accounts	13,406	-	-
State and Federal aid	792,237	763,378	292,658
Due from other governments	1,254,853	-	-
Due from other funds	2,689,033	11,084	1,633,520
Inventories	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 17,722,606</u>	<u>\$ 774,462</u>	<u>\$ 3,432,309</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,074,767	\$ 77,404	\$ 45,249
Accrued liabilities	600,384	97	-
Bond anticipation notes payable	-	-	295,000
Unearned revenues	-	7,096	-
Due to other governments	106,293	-	-
Due to retirement systems	4,124,437	-	-
Due to other funds	1,654,013	689,865	1,903,937
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>7,559,894</u>	<u>774,462</u>	<u>2,244,186</u>
Fund balances			
Nonspendable	-	-	-
Restricted	3,826,798	-	1,188,123
Assigned	2,982,430	-	-
Unassigned	3,353,484	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>10,162,712</u>	<u>-</u>	<u>1,188,123</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 17,722,606</u>	<u>\$ 774,462</u>	<u>\$ 3,432,309</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 655,713	\$ 4,431,836
-	10,703,085
-	13,406
197,130	2,045,403
-	1,254,853
-	4,333,637
4,459	4,459
<u>\$ 857,302</u>	<u>\$ 22,786,679</u>

\$ 73,067	\$ 1,270,487
16,022	616,503
-	295,000
25,079	32,175
413	106,706
11,102	4,135,539
85,822	4,333,637
<u>211,505</u>	<u>10,790,047</u>

4,459	4,459
401,849	5,416,770
239,489	3,221,919
-	3,353,484
<u>645,797</u>	<u>11,996,632</u>
<u>\$ 857,302</u>	<u>\$ 22,786,679</u>

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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, 2021

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

Total Fund Balances - Governmental Funds	\$ 11,996,632
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	7,570,540
Capital assets - depreciable	108,714,438
Accumulated depreciation	<u>(38,477,059)</u>
	<u>77,807,919</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	24,698,196
Deferred outflows - OPEB related	42,294,485
Deferred inflows - pension related	(9,916,890)
Deferred inflows - OPEB related	<u>(27,531,980)</u>
	<u>29,543,811</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	(60,125,000)
Energy performance contract payable	(385,740)
Compensated absences	(700,675)
Net pension liability	(5,912,621)
Total OPEB liability	(153,922,170)
Accrued interest payable	<u>(838,340)</u>
	<u>(221,884,546)</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	699,901
Premium on general obligation bonds	<u>(1,702,109)</u>
	<u>(1,002,208)</u>
Net Position of Governmental Activities	<u><u>\$ (103,538,392)</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

Governmental Funds

Year Ended June 30, 2021

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 56,316,269	\$ -	\$ -
Other tax items	6,073,007	-	-
Non-property taxes	1,834,335	-	-
Charges for services	1,735,747	-	-
Use of money and property	69,323	-	-
Sale of property and compensation for loss	67,977	-	-
State aid	12,792,017	621,039	292,658
Federal aid	101,145	1,357,232	-
Food sales	-	-	-
Miscellaneous	474,219	-	-
Total Revenues	79,464,039	1,978,271	292,658
EXPENDITURES			
Current			
General support	9,275,471	-	-
Instruction	45,394,420	1,753,677	-
Pupil transportation	2,722,541	-	-
Employee benefits	17,622,834	280,596	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	3,392,299	-	-
Interest	1,742,680	-	-
Capital outlay	-	-	4,785,375
Total Expenditures	80,150,245	2,034,273	4,785,375
Deficiency of Revenues Over Expenditures	(686,206)	(56,002)	(4,492,717)
OTHER FINANCING SOURCES (USES)			
General obligation bonds issued	-	-	5,365,000
Issuance premium	3,643	-	635,000
Transfers in	394,983	56,002	1,467,791
Transfers out	(1,523,793)	-	(394,983)
Total Other Financing Sources (Uses)	(1,125,167)	56,002	7,072,808
Net Change in Fund Balances	(1,811,373)	-	2,580,091
FUND BALANCES (DEFICITS)			
Beginning of Year, as restated	11,974,085	-	(1,391,968)
End of Year	<u>\$ 10,162,712</u>	<u>\$ -</u>	<u>\$ 1,188,123</u>

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 56,316,269
-	6,073,007
-	1,834,335
-	1,735,747
13	69,336
-	67,977
33,307	13,739,021
936,419	2,394,796
530	530
340,149	814,368
<u>1,310,418</u>	<u>83,045,386</u>
-	9,275,471
-	47,148,097
-	2,722,541
-	17,903,430
1,284,822	1,284,822
297,172	297,172
-	3,392,299
-	1,742,680
-	4,785,375
<u>1,581,994</u>	<u>88,551,887</u>
<u>(271,576)</u>	<u>(5,506,501)</u>
-	5,365,000
-	638,643
-	1,918,776
-	(1,918,776)
<u>-</u>	<u>6,003,643</u>
(271,576)	497,142
<u>917,373</u>	<u>11,499,490</u>
<u>\$ 645,797</u>	<u>\$ 11,996,632</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, 2021

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

Net Change in Fund Balances - Total Governmental Funds	\$ 497,142
<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 expense.</p>	
Capital outlay expenditures	4,855,745
Depreciation expense	<u>(2,854,936)</u>
	<u>2,000,809</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	3,270,000
General obligation bonds issued	(5,365,000)
Issuance premium	(638,643)
Principal paid on energy performance contract	<u>122,299</u>
	<u>(2,611,344)</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	(1,698)
Changes in pension liabilities and related deferred outflows and inflows of resources	(4,056,906)
Retirement incentives and other pension obligations	51,888
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(7,120,248)
Accrued interest	(80,043)
Amortization of premium and loss on refunding bonds	<u>71,757</u>
	<u>(11,135,250)</u>
Change in Net Position of Governmental Activities	<u>\$ (11,248,643)</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 56,349,693	\$ 56,349,693	\$ 56,316,269	\$ (33,424)
Other tax items	5,930,653	5,930,653	6,073,007	142,354
Non-property taxes	1,375,000	1,375,000	1,834,335	459,335
Charges for services	1,764,975	1,764,975	1,735,747	(29,228)
Use of money and property	250,000	250,000	69,323	(180,677)
Sale of property and com- pensation for loss	65,000	92,685	67,977	(24,708)
State aid	13,216,045	13,216,045	12,792,017	(424,028)
Federal aid	-	-	101,145	101,145
Miscellaneous	255,000	255,000	474,219	219,219
Total Revenues	79,206,366	79,234,051	79,464,039	229,988
EXPENDITURES				
Current				
General support	8,362,599	10,463,729	9,275,471	1,188,258
Instruction	46,598,605	46,906,267	45,394,420	1,511,847
Pupil transportation	3,150,990	2,941,514	2,722,541	218,973
Employee benefits	19,227,459	18,963,046	17,622,834	1,340,212
Debt service				
Principal	3,834,000	3,683,714	3,392,299	291,415
Interest	1,814,083	1,777,630	1,742,680	34,950
Total Expenditures	82,987,736	84,735,900	80,150,245	4,585,655
Excess (Deficiency) of Revenues Over Expenditures	(3,781,370)	(5,501,849)	(686,206)	4,815,643
OTHER FINANCING SOURCES (USES)				
Issuance premium	-	-	3,643	3,643
Transfers in	-	-	394,983	394,983
Transfers out	(245,000)	(1,562,791)	(1,523,793)	38,998
Total Other Financing Sources (Uses)	(245,000)	(1,562,791)	(1,125,167)	437,624
Net Change in Fund Balance	(4,026,370)	(7,064,640)	(1,811,373)	5,253,267
FUND BALANCE				
Beginning of Year	4,026,370	7,064,640	11,974,085	4,909,445
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,162,712</u>	<u>\$ 10,162,712</u>

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

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Union Free School District of the Tarrytowns, New York

Notes to Financial Statements
June 30, 2021

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, 2021

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 retirement incentives and 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

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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 30th.

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

The School District's position in the pool is equal to the value of the pool shares. At June 30, 2021, the School District reported \$10,597,875 in CLASS.

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 17th 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, 2021, the School District reported \$105,210 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, 7th 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

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2021.

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 by the School District. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2021, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of surplus food 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, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 for equipment and \$10,000 for building and land improvements and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings	10-50
Land Improvements	10-20
Machinery and Equipment	5-20
Transportation Equipment	10

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

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the district-wide financial statements, unearned revenues consist of 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 \$7,096 for State and Federal aid received in advance in the Special Aid Fund and \$25,079 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 position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

The School District reported deferred 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

Note 1 - Summary of Significant Accounting Policies (Continued)

statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3E.

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

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

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated 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 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted net position for the School District includes restricted for capital projects, debt service, tax certiorari, 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 22, 2021.

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.
- 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

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 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").

Note 2 - Stewardship, Compliance and Accountability (Continued)

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. Adoption of Accounting Standard

For the year ended June 30, 2021, the School District implemented the provisions of GASB Statement No. 84, "*Fiduciary Activities*". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

E. Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified to conform with the current year presentation with respect to the implementation of the provisions of GASB Statement No. 84.

F. Cumulative Effect of Change in Accounting Principle

The School District implemented the provisions of GASB Statement No.84, "*Fiduciary Activities*", for the year ended June 30, 2021. Certain amounts previously reported in the School District's Fiduciary Fund are now being reported within the Special Purpose Fund and/or the General Fund. As a result, the School District has reported a cumulative effect of change in accounting principle of \$92,438 to the July 1, 2019 fund balance of the Special Purpose Fund (the earliest year presented). The School District also reported on its Statement of Activities a cumulative effect of change in accounting principle of \$98,324 to the July 1, 2020 net position of governmental activities for this same reason

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of interfund balances at June 30, 2021 is as follows:

Fund	Due From	Due To
General	\$ 2,689,033	\$ 1,654,013
Special Aid	11,084	689,865
Capital Projects	1,633,520	1,903,937
Non-Major Governmental	-	85,822
	<u>\$ 4,333,637</u>	<u>\$ 4,333,637</u>

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

B. Capital Assets

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

Class	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets, not being depreciated:				
Land	\$ 2,283,629	\$ -	\$ -	\$ 2,283,629
Construction-in-progress	5,259,761	27,150	-	5,286,911
	<u>\$ 7,543,390</u>	<u>\$ 27,150</u>	<u>\$ -</u>	<u>\$ 7,570,540</u>
Class	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets, being depreciated:				
Buildings	\$ 93,329,430	\$ 4,269,009	\$ -	\$ 97,598,439
Land Improvements	4,248,473	-	-	4,248,473
Machinery and Equipment	2,902,646	42,977	-	2,945,623
Transportation Equipment	3,826,019	516,609	420,725	3,921,903
Total Capital Assets, being depreciated	<u>104,306,568</u>	<u>4,828,595</u>	<u>420,725</u>	<u>108,714,438</u>
Less Accumulated Depreciation for:				
Buildings	29,665,321	2,087,249	-	31,752,570
Land Improvements	1,990,629	221,566	-	2,212,195
Machinery and Equipment	1,830,101	304,026	-	2,134,127
Transportation Equipment	2,556,797	242,095	420,725	2,378,167
Total Accumulated Depreciation	<u>36,042,848</u>	<u>2,854,936</u>	<u>420,725</u>	<u>38,477,059</u>
Total Capital Assets, being depreciated, net	<u>\$ 68,263,720</u>	<u>\$ 1,973,659</u>	<u>\$ -</u>	<u>\$ 70,237,379</u>
Capital Assets, net	<u>\$ 75,807,110</u>	<u>\$ 2,000,809</u>	<u>\$ -</u>	<u>\$ 77,807,919</u>

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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

General Support	\$ 168,518
Instruction	2,553,138
Transportation	<u>133,280</u>
Total Depreciation Expense	<u>\$ 2,854,936</u>

C. Accrued Liabilities

Accrued liabilities in the General Fund at June 30, 2021 were as follows:

	General Fund	Special Aid Fund	Non-Major Governmental Funds	Total
Legal settlements	\$ 332,626	\$ -	\$ -	\$ 332,626
Payroll and employee benefits	<u>267,758</u>	<u>97</u>	<u>16,022</u>	<u>283,877</u>
	<u>\$ 600,384</u>	<u>\$ 97</u>	<u>\$ 16,022</u>	<u>\$ 616,503</u>

D. 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, 2020	New Issues	Redemptions	Balance June 30, 2021
District-Wide Multi-Year Construction	2021	0.67%	August 2021	<u>\$ -</u>	<u>\$ 295,000</u>	<u>\$ -</u>	<u>\$ 295,000</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 expense of \$1,724 was recorded in the district-wide financial statements.

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2021:

	Balance July 1, 2020	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2021	Due Within One-Year
General Obligation Bonds Payable	\$ 58,030,000	\$ 5,365,000	\$ 3,270,000	\$ 60,125,000	\$ 3,565,000
Plus - Unamortized premium on bonds	1,198,850	638,643	135,384	1,702,109	-
	<u>59,228,850</u>	<u>6,003,643</u>	<u>3,405,384</u>	<u>61,827,109</u>	<u>3,565,000</u>
Energy Performance Contract Debt Payable	508,039	-	122,299	385,740	129,935
Other Non-current Liabilities:					
Retirement incentives and Other Pension Liabilities	51,888	-	51,888	-	-
Compensated Absences	698,977	71,698	70,000	700,675	70,000
Net Pension Liability - ERS	5,692,650	-	5,670,295	22,355	-
Net Pension Liability (Asset) - TRS	(5,468,297)	11,358,563	-	5,890,266	-
Other Post Employment Benefit Liability	137,788,100	19,120,162	2,986,092	153,922,170	-
Total Other Non-Current Liabilities	<u>138,763,318</u>	<u>30,550,423</u>	<u>8,778,275</u>	<u>160,535,466</u>	<u>70,000</u>
Total Long-Term Liabilities	<u>\$ 198,500,207</u>	<u>\$ 36,554,066</u>	<u>\$ 12,305,958</u>	<u>\$ 222,748,315</u>	<u>\$ 3,764,935</u>

Each governmental fund's liability for general obligation bonds, energy performance contract debt, retirement incentives and other pension liabilities, 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, 2021 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2021
Capital Improvements	2014	\$ 17,970,000	August, 2036	2.750 - 3.250 %	\$ 14,465,000
Capital Improvements	2015	18,270,000	February, 2036	2.000 - 3.000	14,050,000
Refunding Bonds	2015	2,400,000	January, 2033	2.250 - 5.000	1,820,000
Refunding Bonds	2015	23,350,000	January, 2033	2.250 - 5.000	17,825,000
Capital Improvements	2017	8,530,000	February, 2032	2.250 - 3.000	6,600,000
Capital Improvements	2021	5,365,000	August, 2035	1.100 - 5.000	5,365,000
					<u>\$ 60,125,000</u>

Interest expenditures of \$1,726,169 were recorded in the fund financial statements in the General Fund. Interest expense of \$1,734,055 was recorded in the district-wide financial statements.

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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 \$16,511 were recorded in the fund financial statements in the General Fund and \$15,187 was recorded in the district-wide financial statements. The balance due at June 30, 2021 was \$385,740.

Payments to Maturity

The annual requirements to amortize all outstanding bonded and installment purchase debt as of June 30, 2021, including interest payments of \$13,671,978 are as follows:

Year Ending June 30,	General Obligation Bonds		Energy Performance Contract Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 3,565,000	\$ 1,868,803	\$ 129,935	\$ 12,536	\$ 3,694,935	\$ 1,881,339
2023	3,775,000	1,659,871	137,930	8,314	3,912,930	1,668,185
2024	3,915,000	1,500,521	117,875	3,831	4,032,875	1,504,352
2025	4,050,000	1,387,371	-	-	4,050,000	1,387,371
2026	4,150,000	1,283,840	-	-	4,150,000	1,283,840
2027-2031	22,480,000	4,564,670	-	-	22,480,000	4,564,670
2032-2036	17,055,000	1,363,777	-	-	17,055,000	1,363,777
2037	1,135,000	18,444	-	-	1,135,000	18,444
	<u>\$ 60,125,000</u>	<u>\$ 13,647,297</u>	<u>\$ 385,740</u>	<u>\$ 24,681</u>	<u>\$ 60,510,740</u>	<u>\$ 13,671,978</u>

The above general obligation bonds and energy performance contract debt 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

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund (“Fund”), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees’ Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at 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 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 2021 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	16.1 %
	5 A15	13.4
	6 A15	9.6
TRS	1-6	9.53 %

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2021, the School District reported the following for its proportionate share of the net pension liability for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Net pension liability	\$ 22,355	\$ 5,890,266
School Districts' proportion of the net pension liability	0.0224503 %	0.213163 %
Change in proportion since the prior measurement date	0.0009528 %	0.002683 %

The net pension liability was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS and the total pension liability used to calculate the net pension liability were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension liability for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2021, the School District recognized pension expense in the district-wide financial statements of \$12,499,319 (\$1,815,317 for ERS and \$10,684,002 for TRS). Pension expenditures for ERS of \$871,605 (inclusive of the retirement incentives and other pension liabilities) and \$6,812 were recorded in the fund financial statements and were charged to the General and School Lunch funds, respectively. Pension expenditures for TRS of \$3,400,985 was recorded in the fund financial statements in the General Fund.

At June 30, 2021, 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>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 273,011	\$ -	\$ 5,161,052	\$ 301,865
Changes of assumptions	4,110,300	77,521	7,449,816	2,655,470
Net difference between projected and actual earnings on pension plan investments	-	6,421,574	3,846,860	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	122,718	35,324	27,666	425,136
School District contributions subsequent to the measurement date	235,428	-	3,471,345	-
	<u>\$ 4,741,457</u>	<u>\$ 6,534,419</u>	<u>\$ 19,956,739</u>	<u>\$ 3,382,471</u>

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,434,063	\$ 301,865
Changes of assumptions	11,560,116	2,732,991
Net difference between projected and actual earnings on pension plan investments	3,846,860	6,421,574
Changes in proportion and differences between School District contributions and proportionate share of contributions	150,384	460,460
School District contributions subsequent to the measurement date	3,706,773	-
	<u>\$ 24,698,196</u>	<u>\$ 9,916,890</u>

\$235,428 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 liability in the plan's year ended March 31, 2022. The \$3,471,345 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension liability in the plan's year ended June 30, 2021. 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
2021	\$ -	\$ 2,204,219
2022	(350,256)	4,541,622
2023	(114,812)	3,731,360
2024	(337,044)	2,313,208
2025	(1,226,278)	65,293
Thereafter	-	247,221
	<u>\$ (2,028,390)</u>	<u>\$ 13,102,923</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, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Investment rate of return	5.9% *	7.1% *
Salary scale	4.4%	1.90%-4.72%
Inflation rate	2.7%	2.2%
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, 2021

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-2019, 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, 2009 to June 30, 2014.

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, 2021		TRS June 30, 2020	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %	33 %	7.1 %
International Equity	15	6.30	16	7.7
Private Equity	10	6.75	8	10.4
Real Estate	9	4.95	11	6.8
Domestic Fixed Income Securities	-	-	16	1.8
Global Fixed Income Securities	-	-	2	1.0
High Yield Fixed Income Securities	-	-	1	3.9
Global Equities	-	-	4	7.4
Private Debt	-	-	1	5.2
Real Estate Debt	-	-	7	3.6
Opportunistic/ARS Portfolio	3	4.50	-	-
Credit	4	3.63	-	-
Real Assets	3	5.95	-	-
Fixed Income	23	0.00	-	-
Cash	1	0.50	1	0.7
	<u>100 %</u>		<u>100 %</u>	

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2021

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 2.2% for TRS.

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% 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 calculated using the discount rate of 5.9% for ERS and 7.1% 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 6.1% for TRS) or 1 percentage point higher (6.9% for ERS and 8.1% 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>\$ 6,204,788</u>	<u>\$ 22,355</u>	<u>\$ (5,679,296)</u>
	1% Decrease (6.1%)	Current Discount Rate (7.1%)	1% Increase (8.1%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 37,206,780</u>	<u>\$ 5,890,266</u>	<u>\$ (20,392,226)</u>

The components of the collective net pension liability as of the March 31, 2021 ERS measurement date and the June 30, 2020 TRS measurement date were as follows:

	<u>ERS</u>	<u>TRS</u>
Total pension liability	\$ 220,680,157,000	\$ 123,242,776,215
Fiduciary net position	<u>220,580,583,000</u>	<u>120,479,505,380</u>
Employers' net pension liability	<u>\$ 99,574,000</u>	<u>\$ 2,763,270,835</u>
Fiduciary net position as a percentage of total pension liability	<u>99.95%</u>	<u>97.76%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period April 1, 2021 through June 30, 2021 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, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Employer and employee contributions for the year ended June 30, 2021 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, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 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, 2021 were \$235,428 to ERS and \$3,900,111 to TRS (including employee contributions of \$428,766).

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.

Retirement Incentives and Other Pension Liabilities

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The School District elected to amortize the maximum allowable ERS contribution which is outlined in the table below.

	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
2011-2012 ERS	<u>\$ 238,289</u>	<u>\$ 51,888</u>	<u>\$ -</u>	<u>\$ -</u>

The current year payments were charged to retirement expenditures in the General Fund.

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.

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2021, the following employees were covered by the benefit terms:

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

The School District's total OPEB liability of \$153,922,170 was measured as of June 30, 2021, 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	2.16%
Healthcare cost trend rates	5.3% for 2021, 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

The discount rate was based on the July 1, 2020 S&P Municipal Bond 20 Year High Grade Rate 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, 2021 is as follows:

Total OPEB Liability - Beginning of Year	\$ 137,788,100
Service cost	5,967,731
Interest	3,144,188
Changes of benefit terms	(994,591)
Differences between expected and actual experience	(13,364,678)
Changes in assumptions or other inputs	24,367,512
Benefit payments	<u>(2,986,092)</u>
Total OPEB Liability - End of Year	<u><u>\$ 153,922,170</u></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 (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB Liability	<u>\$ 186,443,304</u>	<u>\$ 153,922,170</u>	<u>\$ 128,573,746</u>

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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>\$ 126,610,255</u>	<u>\$ 153,922,170</u>	<u>\$ 190,853,415</u>

For the year ended June 30, 2021, the School District recognized OPEB expense of \$9,122,969 in the district-wide financial statements. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 38,413,022	\$ 15,564,326
Differences between expected and actual experience	<u>3,881,463</u>	<u>11,967,654</u>
	<u>\$ 42,294,485</u>	<u>\$ 27,531,980</u>

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

Year Ended June 30,	
2022	\$ 1,989,012
2023	1,989,012
2024	1,989,012
2025	1,989,012
2026	1,989,012
Thereafter	<u>4,817,445</u>
	<u>\$ 14,762,505</u>

F. 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.

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

<u>Transfers Out</u>	<u>Transfers in</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	
General Fund	\$ -	\$ 56,002	\$ 1,467,791	\$ 1,523,793
Capital Projects	394,983	-	-	394,983
	<u>\$ 394,983</u>	<u>\$ 56,002</u>	<u>\$ 1,467,791</u>	<u>\$ 1,918,776</u>

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

G. Net Position

The components of net position are detailed below:

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

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, 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 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 Special Purposes - the component of net position that reports the difference between assets and liabilities 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, 2021

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2021				2020			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable - Inventories	\$ -	\$ -	\$ 4,459	\$ 4,459	\$ -	\$ -	\$ 26,700	\$ 26,700
Restricted:								
Debt service	827,945	-	-	827,945	823,636	-	-	823,636
Debt Service - for subsequent year's expenditures	75,000	-	-	75,000	75,000	-	-	75,000
Tax certiorari	1,325,681	-	-	1,325,681	2,629,807	-	-	2,629,807
ERS retirement contributions	507,312	-	-	507,312	34,254	-	-	34,254
ERS retirement contributions - for subsequent year's expenditures	-	-	-	-	50,000	-	-	50,000
TRS retirement contributions	1,088,319	-	-	1,088,319	127,605	-	-	127,605
TRS retirement contributions - for subsequent year's expenditures	-	-	-	-	225,000	-	-	225,000
Capital improvements	2,541	-	-	2,541	570,297	-	-	570,297
Capital projects	-	1,188,123	-	1,188,123	-	-	-	-
Special purposes (1)	-	-	401,849	401,849	-	-	358,859	358,859
	<u>3,826,798</u>	<u>1,188,123</u>	<u>401,849</u>	<u>5,416,770</u>	<u>4,535,599</u>	<u>-</u>	<u>358,859</u>	<u>4,894,458</u>
Assigned:								
Purchases on order:								
General government support	645,285	-	-	645,285	872,422	-	-	872,422
Instruction	417,124	-	-	417,124	657,967	-	-	657,967
Transportation	20,021	-	-	20,021	145,981	-	-	145,981
	<u>1,082,430</u>	<u>-</u>	<u>-</u>	<u>1,082,430</u>	<u>1,676,370</u>	<u>-</u>	<u>-</u>	<u>1,676,370</u>
For subsequent year's expenditures	1,900,000	-	-	1,900,000	2,000,000	-	-	2,000,000
State aid reductions	-	-	-	-	499,861	-	-	499,861
School Lunch Fund	-	-	239,489	239,489	-	-	531,814	531,814
	<u>2,982,430</u>	<u>-</u>	<u>239,489</u>	<u>3,221,919</u>	<u>4,176,231</u>	<u>-</u>	<u>531,814</u>	<u>4,208,184</u>
Unassigned	<u>3,353,484</u>	<u>-</u>	<u>-</u>	<u>3,353,484</u>	<u>3,262,255</u>	<u>(1,391,968)</u>	<u>-</u>	<u>1,870,287</u>
Total Fund Balances (Deficits)	<u>\$ 10,162,712</u>	<u>\$ 1,188,123</u>	<u>\$ 645,797</u>	<u>\$ 11,996,632</u>	<u>\$ 11,974,085</u>	<u>\$ (1,391,968)</u>	<u>\$ 917,373</u>	<u>\$ 10,999,629</u>

(1) Balance at June 30, 2020 restated for the implementation of the provisions of GASB Statement No. 84, "Fiduciary Activities".

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2021

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, 2021, the Board of Education has utilized the above amounts to be appropriated for the ensuing year's budget.

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

At June 30, 2021, the School District is involved in a case with the parent of a student in which the parents are seeking tuition reimbursement, compensatory education and out of district placement for their unilateral placement of the student at the various schools. The total obligations can potentially exceed \$225,000, if successful. Since this case is in the early stages, the final outcome or potential impact, if any, on the School District cannot be presently determined and no provision for loss has been included in the financial statements.

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.

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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

C. Risk Management

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

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

Note 5 - 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.

Union Free School District of the Tarrytowns, New York

Notes to Financial Statements (Concluded)
June 30, 2021

Note 5 - Tax Abatements (Continued)

Information relevant to disclosure of these agreements for the fiscal year ended June 30, 2021 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	2019/20	70,000	\$ 1,514.94	\$ 106,046	\$ 17,118	\$ 88,928
11/1/1971	Morgata/No. Tarrytown Housing	2019/20	257,250	1,514.94	389,718	17,692	372,026
12/1/2001	Westchester Management Group	2019/20	22,100	1,514.94	33,480	1,518	31,962
4/28/1950	Tarrytown Municipal Housing Authority	2019/20	15,823,100	21.47	339,700	46,630	293,070
Total						<u>\$ 82,958</u>	<u>\$ 785,986</u>

In addition, the School District received PILOT payments from Regeneron Pharmaceuticals, Inc. and Kendal on Hudson in the amount of \$1,227,186 and \$529,210, respectively, for which no taxes were abated.

Note 6 - Recently Issued GASB Pronouncements

GASB Statement No. 87, "Leases", as amended by GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance", establishes a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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.

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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)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:				
Service cost	\$ 5,967,731	\$ 4,465,532	\$ 5,466,374	\$ 4,905,970
Interest	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) (6)	-	5,998,626	(265,288)
Changes of assumptions or other inputs	24,367,512 (6)	22,600,618 (5)	(24,053,957) (4)	-
Benefit payments	<u>(2,986,092)</u>	<u>(3,084,122)</u>	<u>(2,964,573)</u>	<u>(2,888,640)</u>
Net Change in Total OPEB Liability	16,134,070	27,929,853	(11,669,707)	5,341,797
Total OPEB Liability – Beginning of Year	<u>137,788,100</u>	<u>109,858,247</u>	<u>121,527,954</u>	<u>116,186,157</u> (3)
Total OPEB Liability – End of Year	<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>\$ 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>401.71%</u>	<u>376.88%</u>	<u>300.49%</u>	<u>294.51%</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) Resulted from change in discount rate from 3.0% to 3.5%.

(5) Resulted from change in discount rate from 3.5% to 2.21%.

(6) Resulted from change in discount rate from 2.21% to 2.16%.

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)

	2021 (6)	2020 (5)	2019	2018 (4)	2017 (3)	2016	2015
School District's proportion of the net pension liability (asset)	0.213163%	0.210480%	0.208910%	0.209475%	0.206559%	0.203122%	0.199306%
School District's proportionate share of the net pension liability (asset)	\$ 5,890,266	\$ (5,468,297)	\$ (3,777,650)	\$ (1,592,000)	\$ 2,212,000	\$ (21,098,000)	\$ (22,201,000)
School District's covered payroll	\$ 36,286,523	\$ 35,133,000	\$ 34,029,000	\$ 33,193,000	\$ 30,512,000	\$ 30,547,000	\$ 29,441,000
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	16.23%	(15.56)%	(11.10)%	(4.80)%	7.25%	(69.07)%	(75.41)%
Plan fiduciary net position as a percentage of the total pension liability	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,205,591	\$ 3,214,982	\$ 3,334,857	\$ 3,890,000	\$ 4,226,000	\$ 5,348,000	\$ 4,784,000
Contributions in relation to the contractually required contribution	(3,205,591)	(3,214,982)	(3,334,857)	(3,890,000)	(4,226,000)	(5,348,000)	(4,784,000)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 36,722,555	\$ 36,286,523	\$ 35,133,000	\$ 34,029,000	\$ 33,193,000	\$ 30,512,000	\$ 30,547,000
Contributions as a percentage of covered payroll	8.73%	8.86%	9.49%	11.43%	12.73%	17.53%	15.66%

(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) The discount rate used to calculate the total pension liability was decreased from 8.0% to 7.5% effective with the June 30, 2016 measurement date.

(4) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.25% effective with the June 30, 2017 measurement date.

(5) The discount rate used to calculate the total pension liability was decreased from 7.25% to 7.1% effective with the June 30, 2019 measurement date.

(6) 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.

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 (2)

	2021 (6)	2020 (4)(5)	2019	2018	2017	2016 (3)	2015
School District's proportion of the net pension liability	0.0224503%	0.0214975%	0.0212198%	0.0205176%	0.0203160%	0.0211323%	0.0212259%
School District's proportionate share of the net pension liability	\$ 22,355	\$ 5,692,650	\$ 1,503,000	\$ 662,000	\$ 1,909,000	\$ 3,392,000	\$ 717,000
School District's covered payroll	\$ 7,091,560	\$ 6,610,410	\$ 6,159,000	\$ 5,849,000	\$ 5,620,000	\$ 5,445,000	\$ 5,562,000
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.32%	86.12%	24.40%	11.32%	33.97%	62.30%	12.89%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

Schedule of Contributions

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

(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) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

(5) 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.

(6) 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, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

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Union Free School District of the Tarrytowns, New York

General Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 2,269,992	\$ 2,945,611
Investments	10,703,085	10,371,625
Receivables		
Accounts	13,406	613,048
State and Federal aid	792,237	778,339
Due from other governments	1,254,853	1,595,735
Due from other funds	2,689,033	2,763,022
	<u>4,749,529</u>	<u>5,750,144</u>
Total Assets	<u>\$ 17,722,606</u>	<u>\$ 19,067,380</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,074,767	\$ 774,633
Accrued liabilities	600,384	476,506
Unearned revenues	-	565,539
Due to other governments	106,293	-
Due to retirement systems	4,124,437	3,734,248
Due to other funds	1,654,013	1,542,369
Total Liabilities	<u>7,559,894</u>	<u>7,093,295</u>
Fund balance		
Restricted	3,826,798	4,535,599
Assigned	2,982,430	4,176,231
Unassigned	3,353,484	3,262,255
Total Fund Balance	<u>10,162,712</u>	<u>11,974,085</u>
Total Liabilities and Fund Balance	<u>\$ 17,722,606</u>	<u>\$ 19,067,380</u>

See independent auditors' report.

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,

	2021				
	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 56,349,693	\$ 56,349,693	\$ 56,316,269	\$	\$ (33,424)
Other tax items	5,930,653	5,930,653	6,073,007		142,354
Non-property taxes	1,375,000	1,375,000	1,834,335		459,335
Charges for services	1,764,975	1,764,975	1,735,747		(29,228)
Use of money and property	250,000	250,000	69,323		(180,677)
Sale of property and compensation for loss	65,000	92,685	67,977		(24,708)
State aid	13,216,045	13,216,045	12,792,017		(424,028)
Federal aid	-	-	101,145		101,145
Miscellaneous	255,000	255,000	474,219		219,219
Total Revenues	79,206,366	79,234,051	79,464,039		229,988
EXPENDITURES					
Current					
General support					
Board of education	93,226	90,012	88,767	103	1,142
Central administration	404,463	418,803	416,671	-	2,132
Finance	764,653	704,934	686,100	6,342	12,492
Staff	706,757	744,344	676,444	6,637	61,263
Central services	5,472,620	5,980,041	4,900,207	626,353	453,481
Special items	920,880	2,525,595	2,507,282	5,850	12,463
Total General Support	8,362,599	10,463,729	9,275,471	645,285	542,973
Instruction					
Instruction, administration and improvement	3,096,766	3,355,279	3,170,286	38,856	146,137
Teaching - Regular school Programs for students with disabilities	28,815,938	28,578,429	28,063,630	144,556	370,243
Occupational education	6,877,205	6,703,041	6,540,343	108,182	54,516
Teaching - Special schools	430,000	928,320	928,320	-	-
Instructional media	200,000	138,000	130,292	-	7,708
Pupil services	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
Total Instruction	46,598,605	46,906,267	45,394,420	417,124	1,094,723
Pupil transportation	3,150,990	2,941,514	2,722,541	20,021	198,952
Employee benefits	19,227,459	18,963,046	17,622,834	-	1,340,212
Debt service					
Principal	3,834,000	3,683,714	3,392,299	-	291,415
Interest	1,814,083	1,777,630	1,742,680	-	34,950
Total Expenditures	82,987,736	84,735,900	80,150,245	1,082,430	3,503,225
Excess (Deficiency) of Revenues Over Expenditures	(3,781,370)	(5,501,849)	(686,206)	(1,082,430)	3,733,213
OTHER FINANCING SOURCES (USES)					
Issuance premium	-	-	3,643	-	3,643
Transfers in	-	-	394,983	-	394,983
Transfers out	(245,000)	(1,562,791)	(1,523,793)	-	38,998
Total Other Financing Uses	(245,000)	(1,562,791)	(1,125,167)	-	437,624
Net Change in Fund Balance	(4,026,370)	(7,064,640)	(1,811,373)	\$ (1,082,430)	\$ 4,170,837
FUND BALANCE					
Beginning of Year	4,026,370	7,064,640	11,974,085		
End of Year	\$ -	\$ -	\$ 10,162,712		

See independent auditors' report.

2020				
Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
\$ 54,069,976	\$ 54,069,976	\$ 54,067,399	\$	\$ (2,577)
6,361,457	6,361,457	6,477,565		116,108
1,045,000	1,045,000	1,509,002		464,002
1,672,875	1,672,875	1,885,092		212,217
350,000	350,000	326,448		(23,552)
35,000	35,000	97,035		62,035
13,177,009	13,177,009	13,038,827		(138,182)
-	-	-		-
285,500	285,500	400,828		115,328
<u>76,996,817</u>	<u>76,996,817</u>	<u>77,802,196</u>		<u>805,379</u>
101,045	119,210	116,889	-	2,321
402,916	389,887	386,613	-	3,274
673,901	676,007	621,810	45,509	8,688
889,178	714,874	696,821	11,296	6,757
4,672,678	4,857,168	3,769,295	815,617	272,256
900,867	1,951,558	1,945,879	-	5,679
<u>7,640,585</u>	<u>8,708,704</u>	<u>7,537,307</u>	<u>872,422</u>	<u>298,975</u>
3,088,894	3,182,474	3,024,440	23,538	134,496
28,125,732	27,567,761	27,034,491	225,464	307,806
6,762,173	7,104,635	6,885,839	19,938	198,858
420,000	977,534	977,534	-	-
247,169	171,296	171,296	-	-
1,868,432	1,927,332	1,612,958	295,761	18,613
4,715,631	4,637,277	4,452,787	93,266	91,224
<u>45,228,031</u>	<u>45,568,309</u>	<u>44,159,345</u>	<u>657,967</u>	<u>750,997</u>
2,933,900	2,819,591	2,625,071	145,981	48,539
17,982,973	18,087,847	17,074,506	-	1,013,341
4,194,000	4,195,151	4,195,004	-	147
1,895,519	1,894,368	1,894,368	-	-
<u>79,875,008</u>	<u>81,273,970</u>	<u>77,485,601</u>	<u>1,676,370</u>	<u>2,111,999</u>
<u>(2,878,191)</u>	<u>(4,277,153)</u>	<u>316,595</u>	<u>(1,676,370)</u>	<u>2,917,378</u>
-	-	-	-	-
-	-	-	-	-
<u>(95,000)</u>	<u>(1,016,393)</u>	<u>(1,016,393)</u>	<u>-</u>	<u>-</u>
<u>(95,000)</u>	<u>(1,016,393)</u>	<u>(1,016,393)</u>	<u>-</u>	<u>-</u>
<u>(2,973,191)</u>	<u>(5,293,546)</u>	<u>(699,798)</u>	<u>\$ (1,676,370)</u>	<u>\$ 2,917,378</u>
<u>2,973,191</u>	<u>5,293,546</u>	<u>12,673,883</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,974,085</u>		

Union Free School District of the Tarrytowns, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	\$ 56,349,693	\$ 56,349,693	\$ 56,316,269	\$ (33,424)
OTHER TAX ITEMS				
School tax relief reimbursement	4,233,653	4,233,653	4,233,653	-
Payments in lieu of taxes	1,697,000	1,697,000	1,839,354	142,354
	<u>5,930,653</u>	<u>5,930,653</u>	<u>6,073,007</u>	<u>142,354</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	1,375,000	1,375,000	1,834,335	459,335
CHARGES FOR SERVICES				
Day school tuition - Other districts	925,000	925,000	894,271	(30,729)
Summer school tuition	57,975	57,975	5,395	(52,580)
Textbook charges	-	-	31,231	31,231
Health services - Other districts	782,000	782,000	804,850	22,850
	<u>1,764,975</u>	<u>1,764,975</u>	<u>1,735,747</u>	<u>(29,228)</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	125,000	125,000	9,259	(115,741)
Rental of real property	125,000	125,000	60,064	(64,936)
	<u>250,000</u>	<u>250,000</u>	<u>69,323</u>	<u>(180,677)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	65,000	65,000	67,977	2,977
Sale of equipment	-	27,685	-	(27,685)
	<u>65,000</u>	<u>92,685</u>	<u>67,977</u>	<u>(24,708)</u>

STATE AID				
Basic formula	9,154,903	9,154,903	8,580,962	(573,941)
Lottery aid	2,405,914	2,405,914	2,380,144	(25,770)
BOCES aid	908,637	908,637	1,117,031	208,394
Textbook aid	169,042	169,042	169,741	699
Computer software aid	92,578	92,578	93,243	665
Library materials aid	23,081	23,081	12,992	(10,089)
Homeless aid	461,890	461,890	437,904	(23,986)
	<u>13,216,045</u>	<u>13,216,045</u>	<u>12,792,017</u>	<u>(424,028)</u>
FEDERAL AID				
Elementary and Secondary School Emergency Relief Fund (CARES)	-	-	86,487	86,487
Governor's Emergency Education Relief Fund (CARES)	-	-	14,658	14,658
	<u>-</u>	<u>-</u>	<u>101,145</u>	<u>101,145</u>
MISCELLANEOUS				
Refund of prior year's expenditures	110,000	110,000	278,908	168,908
Other	145,000	145,000	195,311	50,311
	<u>255,000</u>	<u>255,000</u>	<u>474,219</u>	<u>219,219</u>
TOTAL REVENUES	<u>79,206,366</u>	<u>79,234,051</u>	<u>79,464,039</u>	<u>229,988</u>
OTHER FINANCING SOURCES				
Issuance premium	-	-	3,643	3,643
Transfers in				
Capital Projects Fund	-	-	394,983	394,983
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>398,626</u>	<u>398,626</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 79,206,366</u>	<u>\$ 79,234,051</u>	<u>\$ 79,862,665</u>	<u>\$ 628,614</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, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 65,650	\$ 52,925	\$ 51,681	\$ 103	\$ 1,141
District clerk	14,576	15,087	15,087	-	-
District meeting	13,000	22,000	21,999	-	1
Total Board of Education	<u>93,226</u>	<u>90,012</u>	<u>88,767</u>	<u>103</u>	<u>1,142</u>
CENTRAL ADMINISTRATION					
Chief school administrator	404,463	418,803	416,671	-	2,132
FINANCE					
Business administration	618,726	584,732	576,551	6,342	1,839
Auditing	49,500	34,525	34,500	-	25
Treasurer	96,427	85,677	75,049	-	10,628
Total Finance	<u>764,653</u>	<u>704,934</u>	<u>686,100</u>	<u>6,342</u>	<u>12,492</u>
STAFF					
Legal	170,000	213,528	162,098	4,405	47,025
Personnel	442,518	433,621	417,248	2,232	14,141
Records management officer	20,000	9,495	9,495	-	-
Public information and services	74,239	87,700	87,603	-	97
Total Staff	<u>706,757</u>	<u>744,344</u>	<u>676,444</u>	<u>6,637</u>	<u>61,263</u>
CENTRAL SERVICES					
Operation of plant	4,487,756	4,698,649	3,837,029	468,108	393,512
Maintenance of plant	982,364	1,280,292	1,062,583	158,245	59,464
Central printing and mailing	2,500	1,100	595	-	505
Total Central Services	<u>5,472,620</u>	<u>5,980,041</u>	<u>4,900,207</u>	<u>626,353</u>	<u>453,481</u>

SPECIAL ITEMS

Unallocated insurance	322,157	324,857	309,467	5,850	9,540
Assessments on school property	97,000	58,000	55,077	-	2,923
Refunds of real property tax	-	1,721,906	1,721,906	-	-
Administrative charge-BOCES	501,723	420,832	420,832	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Special Items	920,880	2,525,595	2,507,282	5,850	12,463
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Support	8,362,599	10,463,729	9,275,471	645,285	542,973
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	665,971	741,982	732,418	6,807	2,757
Supervision - Regular school	2,290,821	2,315,846	2,152,741	31,449	131,656
Research, Planning and Evaluation	1,500	1,500	25	-	1,475
In-service training - Instruction	138,474	295,951	285,102	600	10,249
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Total Instruction, Administration
and Improvement

3,096,766	3,355,279	3,170,286	38,856	146,137
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

TEACHING - REGULAR SCHOOL

28,815,938	28,578,429	28,063,630	144,556	370,243
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

PROGRAMS FOR STUDENTS WITH DISABILITIES

6,877,205	6,703,041	6,540,343	108,182	54,516
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

OCCUPATIONAL EDUCATION

430,000	928,320	928,320	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

TEACHING - SPECIAL SCHOOLS

200,000	138,000	130,292	-	7,708
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

INSTRUCTIONAL MEDIA

School library and audiovisual	270,263	345,656	307,418	-	38,238
Educational television	7,500	8,000	6,750	-	1,250
Computer assisted instruction	1,967,797	1,879,870	1,642,240	89,322	148,308
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Total Instructional Media

2,245,560	2,233,526	1,956,408	89,322	187,796
<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, 2021

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
INSTRUCTION (Continued)					
PUPIL SERVICES					
Guidance - Regular school	\$ 1,162,003	\$ 1,203,184	\$ 1,199,087	\$ 234	\$ 3,863
Health services - Regular school	810,786	711,288	648,757	11,414	51,117
Psychological services - Regular school	591,153	596,626	592,420	-	4,206
Social work services - Regular school	273,266	336,039	335,115	-	924
Pupil personnel services - Special school	566,054	640,386	613,428	5,165	21,793
Co-curricular activities - Regular school	346,225	345,000	267,046	1,659	76,295
Interscholastic activities - Regular school	1,183,649	1,137,149	949,288	17,736	170,125
Total Pupil Services	4,933,136	4,969,672	4,605,141	36,208	328,323
Total Instruction	46,598,605	46,906,267	45,394,420	417,124	1,094,723
PUPIL TRANSPORTATION					
District transportation services	2,891,819	2,697,687	2,487,786	20,021	189,880
Garage building	259,171	243,827	234,755	-	9,072
Total Pupil Transportation	3,150,990	2,941,514	2,722,541	20,021	198,952
EMPLOYEE BENEFITS					
State retirement	1,240,626	990,270	871,605	-	118,665
Teachers' retirement	3,567,403	3,467,295	3,400,985	-	66,310
Social security	3,434,206	3,384,112	3,207,911	-	176,201
Workers' compensation benefits	365,000	361,000	359,628	-	1,372
Life insurance	35,000	42,549	39,346	-	3,203
Unemployment insurance	51,948	116,294	(162)	-	116,456
Disability insurance	34,000	2,361	-	-	2,361
Hospital and medical insurance	10,131,927	10,116,634	9,291,401	-	825,233
Employee assistance program	367,349	482,531	452,120	-	30,411
Total Employee Benefits	19,227,459	18,963,046	17,622,834	-	1,340,212

DEBT SERVICE

Principal

Serial bonds	3,635,000	3,545,414	3,270,000	-	275,414
Installment purchase debt	199,000	138,300	122,299	-	16,001

	<u>3,834,000</u>	<u>3,683,714</u>	<u>3,392,299</u>	<u>-</u>	<u>291,415</u>
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Interest

Serial bonds	1,808,883	1,758,883	1,726,169	-	32,714
Installment purchase debt	5,200	18,747	16,511	-	2,236

	<u>1,814,083</u>	<u>1,777,630</u>	<u>1,742,680</u>	<u>-</u>	<u>34,950</u>
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Total Debt Service

	<u>5,648,083</u>	<u>5,461,344</u>	<u>5,134,979</u>	<u>-</u>	<u>326,365</u>
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TOTAL EXPENDITURES

	<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>
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OTHER FINANCING USES

Transfers out

Special Aid Fund	95,000	95,000	56,002	-	38,998
Capital Projects Fund	150,000	1,467,791	1,467,791	-	-

TOTAL OTHER FINANCING USES

	<u>245,000</u>	<u>1,562,791</u>	<u>1,523,793</u>	<u>-</u>	<u>38,998</u>
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TOTAL EXPENDITURES AND OTHER FINANCING USES

	<u>\$ 83,232,736</u>	<u>\$ 86,298,691</u>	<u>\$ 81,674,038</u>	<u>\$ 1,082,430</u>	<u>\$ 3,542,223</u>
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See independent auditors' report.

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Union Free School District of the Tarrytowns, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Receivables		
State and Federal aid	\$ 763,378	\$ 572,362
Due from other funds	<u>11,084</u>	<u>180,485</u>
Total Assets	<u>\$ 774,462</u>	<u>\$ 752,847</u>
LIABILITIES		
Accounts payable	\$ 77,404	60,101
Accrued liabilities	97	2,281
Unearned revenues	7,096	77,510
Due to retirement systems	-	65,991
Due to other funds	<u>689,865</u>	<u>546,964</u>
Total Liabilities	<u>\$ 774,462</u>	<u>\$ 752,847</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>2021</u>	<u>2020</u>
REVENUES		
State aid	\$ 621,039	\$ 845,565
Federal aid	<u>1,357,232</u>	<u>1,451,287</u>
Total Revenues	<u>1,978,271</u>	<u>2,296,852</u>
EXPENDITURES		
Current		
Instruction	1,753,677	2,269,444
Employee benefits	<u>280,596</u>	<u>160,782</u>
Total Expenditures	<u>2,034,273</u>	<u>2,430,226</u>
Deficiency of Revenues Over Expenditures	(56,002)	(133,374)
OTHER FINANCING SOURCES		
Transfers in	<u>56,002</u>	<u>133,374</u>
Net Change in Fund Balance	-	-
FUND BALANCE		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>

Union Free School District of the Tarrytowns, New York

Capital Projects Fund
 Comparative Balance Sheet
 June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 1,506,131	\$ 2,332
Receivables		
State and Federal aid	292,658	423,873
Due from other funds	<u>1,633,520</u>	<u>811,881</u>
	<u>1,926,178</u>	<u>1,235,754</u>
Total Assets	<u>\$ 3,432,309</u>	<u>\$ 1,238,086</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 45,249	\$ 1,308,453
Bond anticipation notes payable	295,000	-
Due to other funds	<u>1,903,937</u>	<u>1,321,601</u>
Total Liabilities	<u>2,244,186</u>	<u>2,630,054</u>
Fund balance (deficit)		
Restricted	1,188,123	-
Unassigned	<u>-</u>	<u>(1,391,968)</u>
Total Fund Balance (Deficit)	<u>1,188,123</u>	<u>(1,391,968)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 3,432,309</u>	<u>\$ 1,238,086</u>

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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>2021</u>	<u>2020</u>
REVENUES		
State aid	\$ 292,658	\$ 423,873
EXPENDITURES		
Capital outlay	<u>4,785,375</u>	<u>2,428,856</u>
Deficiency of Revenues Over Expenditures	<u>(4,492,717)</u>	<u>(2,004,983)</u>
OTHER FINANCING SOURCES (USES)		
General obligation bonds issued	5,365,000	-
Issuance premium	635,000	-
Transfers in	1,467,791	883,019
Transfers out	<u>(394,983)</u>	<u>-</u>
Total Other Financing Sources	<u>7,072,808</u>	<u>883,019</u>
Net Change in Fund Balance	2,580,091	(1,121,964)
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>(1,391,968)</u>	<u>(270,004)</u>
End of Year	<u>\$ 1,188,123</u>	<u>\$ (1,391,968)</u>

Union Free School District of the Tarrytowns, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project Through June 30, 2021

Project	Appropriation	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
2015 District-wide Improvements	\$ 1,800,000	\$ 1,407,915	\$ 392,085	\$ 1,800,000	\$ -
2015 Playground	81,709	78,810	2,899	81,709	-
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	1,632,209	121,173	1,753,382	446,618
2019 District-wide Improvements	6,000,000	1,506,604	3,764,965	5,271,569	728,431
2019 School Bus Purchase	295,000	-	295,000	295,000	-
2020 District-wide Improvements	150,000	-	-	-	150,000
2020 School Bus Purchase	182,500	-	-	-	182,500
2021 High School Improvements - Emergency	750,000	-	604,236	604,236	145,764
Totals	\$ 12,413,751	\$ 5,439,587	\$ 5,180,358	\$ 10,619,945	\$ 1,793,806

See independent auditors' report.

Methods of Financing					Fund Balance (Deficit) at June 30, 2021	Bond Anticipation Notes Outstanding at June 30, 2021
Proceeds of Obligations	Transfers	State and Federal Aid	Other	Totals		
\$ -	\$ 1,800,000	\$ -	\$ -	\$ 1,800,000	\$ -	\$ -
-	-	-	81,709	81,709	-	-
-	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	736,931	-
-	-	-	-	-	(295,000)	295,000
-	150,000	-	-	150,000	150,000	-
-	-	-	-	-	-	-
-	750,000	-	-	750,000	145,764	-
<u>\$ 6,000,000</u>	<u>\$ 5,001,328</u>	<u>\$ 716,531</u>	<u>\$ 90,209</u>	<u>\$ 11,808,068</u>	<u>\$ 1,188,123</u>	<u>\$ 295,000</u>

Union Free School District of the Tarrytowns, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2021
 (With Comparative Totals for 2020)

	School Lunch	Special Purpose	Non-Major Governmental Funds	
			2021	2020
ASSETS				
Cash and equivalents	\$ 207,913	\$ 447,800	\$ 655,713	\$ 1,285,736
Receivables				
State and Federal aid	197,130	-	197,130	104,860
Due from other funds	-	-	-	66,780
	197,130	-	197,130	171,640
Inventories	4,459	-	4,459	26,700
Total Assets	<u>\$ 409,502</u>	<u>\$ 447,800</u>	<u>\$ 857,302</u>	<u>\$ 1,484,076</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 73,067	\$ -	\$ 73,067	\$ 112,068
Accrued liabilities	14,954	1,068	16,022	14,285
Unearned revenues	25,079	-	25,079	24,371
Due to other governments	413	-	413	455
Due to retirement systems	11,102	-	11,102	4,290
Due to other funds	40,939	44,883	85,822	411,234
Total Liabilities	165,554	45,951	211,505	566,703
Fund balances				
Nonspendable	4,459	-	4,459	26,700
Restricted	-	401,849	401,849	358,859
Assigned	239,489	-	239,489	531,814
Total Fund Balances	243,948	401,849	645,797	917,373
Total Liabilities and Fund Balances	<u>\$ 409,502</u>	<u>\$ 447,800</u>	<u>\$ 857,302</u>	<u>\$ 1,484,076</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, 2021
 (With Comparative Totals for 2020)

	School Lunch	Special Purpose	Non-Major Governmental Funds	
			2021	2020
REVENUES				
Use of money and property	\$ -	\$ 13	\$ 13	\$ 222
State aid	33,307	-	33,307	22,924
Federal aid	936,419	-	936,419	840,500
Food sales	530	-	530	110,753
Miscellaneous	-	340,149	340,149	437,186
Total Revenues	970,256	340,162	1,310,418	1,411,585
EXPENDITURES				
Current				
Cost of food sales	1,284,822	-	1,284,822	948,927
Other	-	297,172	297,172	575,590
Total Expenditures	1,284,822	297,172	1,581,994	1,524,517
Excess (Deficiency) of Revenues Over Expenditures	(314,566)	42,990	(271,576)	(112,932)
FUND BALANCES				
Beginning of Year, as reported	558,514	358,859	917,373	884,591
Prior Period Adjustment	-	-	-	53,276
Cumulative Effect of Change in Accounting Principle	-	-	-	92,438
Beginning of Year, as restated	558,514	358,859	917,373	1,030,305
End of Year	\$ 243,948	\$ 401,849	\$ 645,797	\$ 917,373

See independent auditors' report.

Union Free School District of the Tarrytowns, New York

School Lunch Fund
Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 207,913	\$ 527,916
Receivables		
State and Federal aid	197,130	104,860
Due from other funds	-	59,605
	<u>197,130</u>	<u>164,465</u>
Inventories	<u>4,459</u>	<u>26,700</u>
Total Assets	<u>\$ 409,502</u>	<u>\$ 719,081</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 73,067	\$ 112,068
Accrued liabilities	14,954	12,035
Unearned revenues	25,079	24,371
Due to other governments	413	455
Due to retirement systems	11,102	4,290
Due to other funds	<u>40,939</u>	<u>7,348</u>
Total Liabilities	<u>165,554</u>	<u>160,567</u>
Fund balance		
Nonspendable	4,459	26,700
Assigned	<u>239,489</u>	<u>531,814</u>
Total Fund Balance	<u>243,948</u>	<u>558,514</u>
Total Liabilities and Fund Balance	<u>\$ 409,502</u>	<u>\$ 719,081</u>

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>2021</u>	<u>2020</u>
REVENUES		
State aid	\$ 33,307	\$ 22,924
Federal aid	936,419	840,500
Food sales	530	110,753
Miscellaneous	-	1,769
	<hr/>	<hr/>
Total Revenues	970,256	975,946
EXPENDITURES		
Current		
Cost of food sales	<hr/> 1,284,822	<hr/> 948,927
Excess (Deficiency) of Revenues Over Expenditures	(314,566)	27,019
FUND BALANCE		
Beginning of Year	<hr/> 558,514	<hr/> 531,495
End of Year	<hr/> <u>\$ 243,948</u>	<hr/> <u>\$ 558,514</u>

Union Free School District of the Tarrytowns, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 447,800	\$ 757,820
Due from other funds	<u>-</u>	<u>7,175</u>
Total Assets	<u>\$ 447,800</u>	<u>\$ 764,995</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accrued liabilities	\$ 1,068	\$ 2,250
Due to other funds	<u>44,883</u>	<u>403,886</u>
Total Liabilities	45,951	406,136
Fund balance		
Restricted	<u>401,849</u>	<u>358,859</u>
Total Liabilities and Fund Balance	<u>\$ 447,800</u>	<u>\$ 764,995</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>2021</u>	<u>2020</u>
REVENUES		
Use of money and property	\$ 13	\$ 222
Miscellaneous	<u>340,149</u>	<u>435,417</u>
Total Revenues	340,162	435,639
EXPENDITURES		
Current		
Other	<u>297,172</u>	<u>575,590</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>42,990</u>	<u>(139,951)</u>
FUND BALANCE		
Beginning of Year, as reported	358,859	353,096
Prior Period Adjustment	-	53,276
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>92,438</u>
Beginning of Year, as restated	<u>358,859</u>	<u>498,810</u>
End of Year	<u>\$ 401,849</u>	<u>\$ 358,859</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, 2021

Adopted Budget		\$ 82,259,545
Encumbrances		<u>973,191</u>
Original Budget		83,232,736
Budget Revisions		<u>3,065,955</u>
Final Budget		<u><u>\$ 86,298,691</u></u>

General Fund Section 1318 of Real Property Tax Law Limit Calculation Year Ended June 30, 2021

2021-22 Expenditure Budget		<u>\$ 83,837,109</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	\$ 2,982,430	
Unassigned fund balance	<u>3,353,484</u>	
Total Unrestricted Fund Balance		<u>6,335,914</u>
Less		
Encumbrances	1,082,430	
Appropriated for subsequent year's budget	<u>1,900,000</u>	
Total Adjustments		<u>2,982,430</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u><u>\$ 3,353,484</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, 2021

Capital Assets, net		\$ 77,807,919
Less		
General obligation bonds payable	\$ (60,125,000)	
Energy performace contract debt payable	(385,740)	
Bond anticipation notes payable	(295,000)	
Unamortized portion of issuance premium on bonds	<u>(1,702,109)</u>	(62,507,849)
Plus		
Unexpended debt proceeds	728,431	
Unamortized portion of loss on refunding bonds	<u>699,901</u>	<u>1,428,332</u>
Net Investment in Capital Assets		<u><u>\$ 16,728,402</u></u>

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

Independent Auditors' Report

The Board of Education of the 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, 2021, 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 22, 2021.

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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

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 2021-002.

School District's Response to Findings

The School District's response to the findings identified in our audit are 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 it.

Purpose of this Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 22, 2021



**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

We have audited the Union Free School District of the Tarrytowns, New York's compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on Special Education Cluster

As described in the accompanying schedule of findings and questioned costs, the School District did not comply with requirements regarding the CFDA 84.027 and 84.173 Special Education Cluster (IDEA) as described in Finding 2021-002 for procurement and suspension and debarment. Compliance with such requirements is necessary, in our opinion, for the School District to comply with the requirements applicable to that program.

Qualified Opinion on Each Major Federal Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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, 2021.

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.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-002 that we consider to be significant deficiencies.

School District's Response to Findings

The School District's response to the findings identified in our audit are 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 it.

Purpose of this Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 22, 2021

Union Free School District of the Tarrytowns

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub- recipients	Total Federal Expenditures
<u>U.S. Department of Agriculture</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Child Nutrition Cluster</i>				
National School Lunch Program - Commodities	10.555	N/A	\$ -	\$ 33,926
Summer Food Service Program for Children	10.559	N/A	-	902,493
Total U.S. Department of Agriculture			-	936,419
<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	0021-20-3635	-	5,242
Title I Grants to Local Educational Agencies	84.010	0021-21-3635	-	374,792
			-	380,034
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States	84.027	0032-20-1051	-	1,031
Special Education - Grants to States	84.027	0032-21-1051	-	781,865
Special Education - Preschool Grants	84.173	0033-21-1051	-	8,212
			-	791,108
Supporting Effective Instruction State Grants	84.367	0147-20-3635	-	1,456
Supporting Effective Instruction State Grants	84.367	0147-21-3635	-	46,432
			-	47,888
English Language Acquisition State Grants	84.365A	0293-20-3635	-	11,425
English Language Acquisition State Grants	84.365A	0293-21-3635	-	68,930
English Language Acquisition State Grants	84.365A	0149-21-3635	-	32,800
			-	113,155
Student Support and Academic Enrichment Program	84.424	0204-20-3635	-	2,030
Student Support and Academic Enrichment Program	84.424	0204-21-3635	-	23,017
			-	25,047
Governor's Emergency Education Relief (GEER) Fund (CARES)	84.425C	5895-21-3700	-	14,658
Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)	84.425D	5890-21-3700	-	86,487
			-	101,145
Total U.S. Department of Education			-	1,458,377
Total Expenditures of Federal Awards			\$ -	\$ 2,394,796

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, 2021

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, 2021. 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, 2021

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

84.027
84.173

Special Education Cluster (IDEA):
Special Education – Grants to States
Special Education – Preschool Grants

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, 2021

Section II - Financial Statement Findings

2021-001 - 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 delete 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.

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, 2021

Section III - Federal Award Findings and Questioned Costs

2021-002: 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.

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, 2021

Finding 2020-001: Financial Records

Status: This finding has been resolved.

Finding 2020-002: Segregation of Duties

Status: This condition continues and is repeated as finding 2021-001.