

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

AUDITED

ARDSLEY UNION FREE SCHOOL DISTRICT

For the Year Ended June 30, 2022

Audited for:

Board of Education

ARDSLEY UNION FREE SCHOOL DISTRICT

Audited By:

RBT CPAs, LLP
4071 US Route 9
Hudson, NY 12534
(518) 828-4616

ARDSLEY UNION FREE SCHOOL DISTRICT

TABLE OF CONTENTS

	Page
Management’s Discussion and Analysis	i
Basic Financial Statements:	
Independent Auditor’s Report	1-3
Statement of Net Position	4
Statement of Activities	5
Balance Sheet – Governmental Funds	6
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	7
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	8
Reconciliation of Net Change in Governmental Fund Balances to Governmental Activities Change in Net Position	9
Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position	10
Notes to the Financial Statements	11-52
Supplementary Information:	
Required Supplemental Schedules:	
1 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP) Basis and Actual – General Fund	53-54
2 Schedule of Funding Progress for Other Post-Employment Benefits	55
3 Schedule of the Local Government’s Proportionate Share of the Net Pension Liability (Asset) for the New York State Employees’ Retirement System and for the New York State Teachers’ Retirement System	56
4 Schedule of the Local Government’s Contributions for the New York State Employees’ Retirement System and for the New York State Teachers’ Retirement System	57

ARDSLEY UNION FREE SCHOOL DISTRICT

Supplemental Schedules:

5	Schedule of Change from Adopted Budget to Final Budget and Section 1318 Real Property Tax Law Limit Calculation	58
6	Schedule of Project Expenditures – Capital Projects Fund	59
7	Schedule of Combined Balance Sheet – Non-Major Governmental Funds	60
8	Schedule of Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	61
9	Schedule of Net Investment in Capital Assets	62

Reports in Accordance with *Government Auditing Standards*:

	Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	63-64
--	---	-------

ARDSLEY UNION FREE SCHOOL DISTRICT
Management's Discuss and Analysis (MD&A)
June 30, 2022

INTRODUCTION

The Ardsley Union Free School District (the District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. Please review it in conjunction with the District's financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022 are as follows:

- New York State Law limits the amount of unreserved fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$3.068 million and the amount was within the limit. The assigned fund balance of the General Fund was \$2.655 million which includes \$0.641 million in carry over encumbrances.
- The District governmental fund financial statement reported a combined ending fund balance of \$22.790 million which includes negative \$1.183 million in Capital and \$1.180 million in Other Governmental Funds.
- The District paid \$3.543 million in principal on debt service.
- On the District-wide financial statements, the liabilities of the District more than the assets by \$6.049 million. The District's total net position increased by \$6.194 million for the year ended June 30, 2022.
- Included in this year's district-wide full accrual financial statements is the continuing recognition of the other post-employment benefit (OPEB) obligations as required under the provisions of Governmental Accounting Standards Boards (GASB) Statement No. 75. The GASB is charged with developing the accounting rules that apply to governments, including school districts and BOCES. These obligations include any benefits provided to retirees, other than a pension, including health insurance, life insurance, vision, dental, etc. GASB Statement No. 75 establishes standards for accrual based measurement and recognition of OPEB expenses over periods that approximate employees' years of active service. The Statement also provides guidance on the required note disclosures. For the year ending June 30, 2022, the District's OPEB obligations of \$79.403 million are reflected as a liability on the District-wide financial statements.
- The District has an Aa2 bond rating from Moody's Investor Services. This high rating has contributed to a lower interest rate cost for District borrowings. The District has sustained this rating since Moody's upgraded it on May 7, 2015.

ARDSLEY UNION FREE SCHOOL DISTRICT
Management's Discuss and Analysis (MD&A)
June 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis narrative (required supplemental information) is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

1. District-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

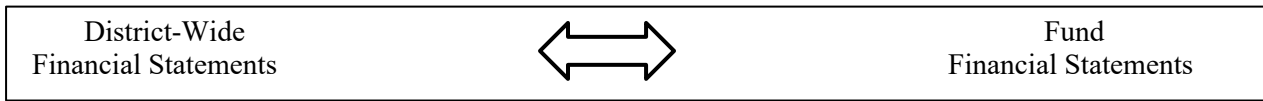
In addition to these statements, this report also includes other supplemental information.

The District's auditor has provided assurance in the Independent Auditor's Report that the Basic Financial Statements are fairly stated. A different degree of assurance is being provided by the auditor regarding the supplemental information identified below. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each part in the financial statements.

FINANCIAL STATEMENTS

Required Supplemental Information (Part A)
Management's Discussion & Analysis (MD&A)

BASIC STATEMENTS



Notes to the Basic Financial
Statements

Supplemental Information

General Fund Budget & Fund Balance Information

Capital Project Funds Schedule of Project Expenditures

General Fund Budget to Actual Schedule

ARDSLEY UNION FREE SCHOOL DISTRICT
Management's Discuss and Analysis (MD&A)
June 30, 2022

District-Wide Financial Statements

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

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The District-wide financial statements using the full accrual basis of accounting has been in place for a number of years. Therefore, there continues to be an opportunity to provide a comparison with prior years' full accrual data, and to make comparisons to previous years.

The Statement of Activities presents information showing how the 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, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. certain federal/state grants earned but not yet received, unused vacation/sick leave, and proceeds from Revenue Anticipation Notes and related interest).

All of the District's services are reported in the District-wide financial statements as *governmental activities*, including general support, instruction, pupil transportation, community services, and school lunch. Property taxes, state/federal aid, and investment earnings finance most of these activities. Additionally, all capital and debt financing activities are reported here.

ARDSLEY UNION FREE SCHOOL DISTRICT
Management's Discuss and Analysis (MD&A)
June 30, 2022

Net Position (in thousands of dollars)

	<u>2022</u>	<u>2021</u>	<u>% Change</u>
Government Activities:			
Current Assets	\$ 33,435	\$ 32,936	1.5%
Capital Assets	62,792	62,376	0.7%
Net Pension Asset	<u>33,907</u>	<u>-</u>	100.0%
Total Assets	<u>130,134</u>	<u>95,312</u>	36.5%
Deferred Outflows of Resources:			
Pension	17,630	11,519	53.1%
OPEB	11,350	9,395	20.8%
Contributions Past Measurement	3,808	3,570	6.7%
Defeasance Loss	<u>-</u>	<u>-</u>	0.0%
Total Deferred Outflows of Resources	<u>32,788</u>	<u>24,484</u>	33.9%
Current Liabilities	6,260	6,096	2.7%
Long-Term Liabilities	109,326	104,068	5.1%
Net Pension Liability	<u>-</u>	<u>5,273</u>	-100.0%
Total Liabilities	<u>115,586</u>	<u>115,437</u>	0.1%
Deferred Inflows of Resources:			
Deferred Revenue - Other	1,561	1,942	-19.6%
Deferred Revenue - OPEB	11,025	14,661	-24.8%
Deferred Revenue - Pension	<u>40,800</u>	<u>-</u>	100.0%
Total Deferred Inflows of Resources	<u>53,386</u>	<u>16,603</u>	221.5%
Net Position:			
Invested in Capital Assets	32,566	32,229	1.0%
Restricted for:			
Debt Service	540	545	-0.9%
General Fund Non-Spendable	-	-	0.0%
Capital	4,499	3,849	16.9%
Unemployment Insurance	250	250	0.0%
Employee Benefits Accrued Liability	1,390	1,384	0.4%
Tax Certiorari	5,215	4,908	6.3%
Retirement Contributions (ERS)	4,129	3,921	5.3%
Retirement Contributions (TRS)	1,572	930	69.0%
Unrestricted	<u>(56,210)</u>	<u>(60,259)</u>	-6.7%
Total Net Position	<u>\$ (6,049)</u>	<u>\$ (12,243)</u>	-50.6%

(Note: Totals may not add due to rounding)

ARDSLEY UNION FREE SCHOOL DISTRICT
Management's Discuss and Analysis (MD&A)
June 30, 2022

By far, the largest component of the District's net assets reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the 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.

Changes in Net Position from Operating Results (in thousands of dollars)

	Governmental Activities		
	2022	2021	% Change
<i>Revenues</i>			
Program Revenues:			
Charges for Services	\$ 3,708	\$ 2,874	29.0%
Operating Grants and Contributions	<u>2,620</u>	<u>1,475</u>	77.6%
Total Program Revenues	<u>6,328</u>	<u>4,349</u>	45.5%
General Revenues:			
Real Property Taxes	56,965	55,027	3.5%
Other Tax Items	3,039	3,327	-8.7%
Non-Property Taxes	1,217	770	58.1%
Use of Money & Property	214	97	120.6%
Sale of Property/Compensation for Loss	103	-	100.0%
State Sources	7,769	6,951	11.8%
Miscellaneous	152	296	-48.6%
Medicaid	43	22	95.5%
Federal Sources	149	72	100.0%
Premium on Bond Issue	-	-	0.0%
Total General Revenues	<u>69,651</u>	<u>66,562</u>	4.6%
Total Revenues	<u>75,979</u>	<u>70,911</u>	7.1%
Program Expenses			
General Support	9,399	9,767	-3.8%
Instruction	54,963	61,378	-10.5%
Pupil Transportation	3,003	2,677	12.2%
Community Services	628	51	1131.4%
Cost of Food Sales	861	525	64.0%
Other	<u>931</u>	<u>943</u>	-1.3%
Total Expenses	<u>69,785</u>	<u>75,341</u>	-7.4%
Change in Net Position	<u>\$ 6,194</u>	<u>\$ (4,430)</u>	-239.8%

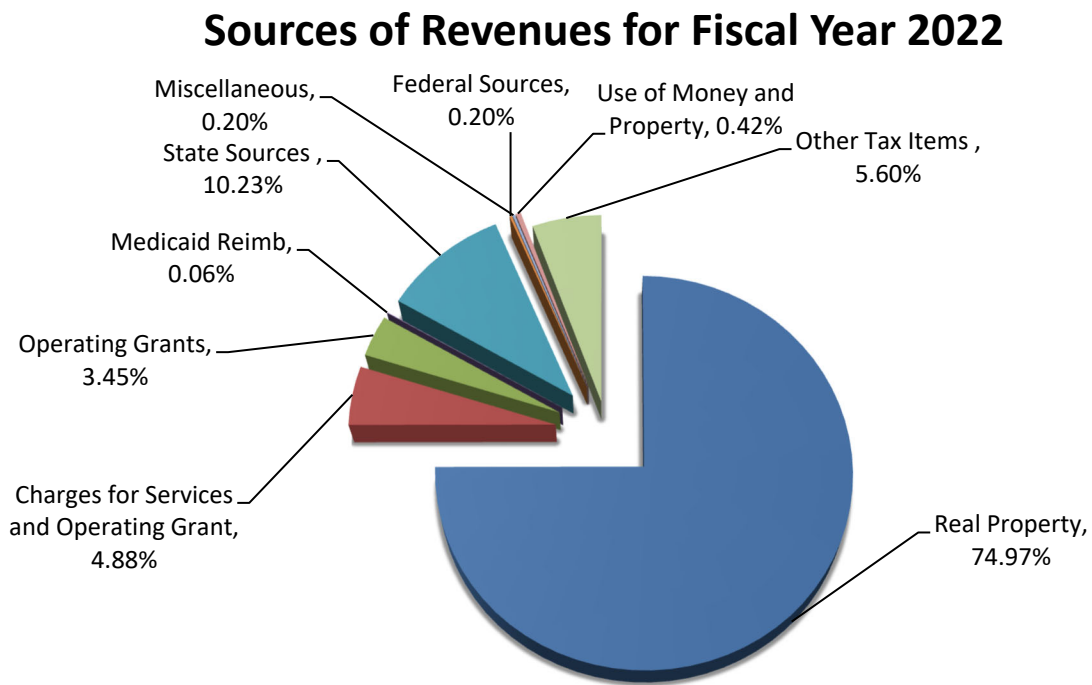
ARDSLEY UNION FREE SCHOOL DISTRICT
Management's Discuss and Analysis (MD&A)
June 30, 2022

The following graph indicates that the District relies upon real property taxes as its primary revenue source and the largest expense is in the Instructional category.

Revenues increased by \$5.069 million. Real Property Taxes increased by \$1.938 million without STAR and \$1.65 million, inclusive of STAR. State aid increased by \$0.844 million.

The Ardsley Union Free School District continues to manage transportation for the Quad Village districts. Ardsley Union Free School District recognized \$.408 million in revenue from the Quad Village and Mamaroneck School District's transportation management.

Use of money and property increased \$0.110 million from the prior year mainly due to facilities space usage increase. Sales tax revenue increased \$0.446 million from the prior year.

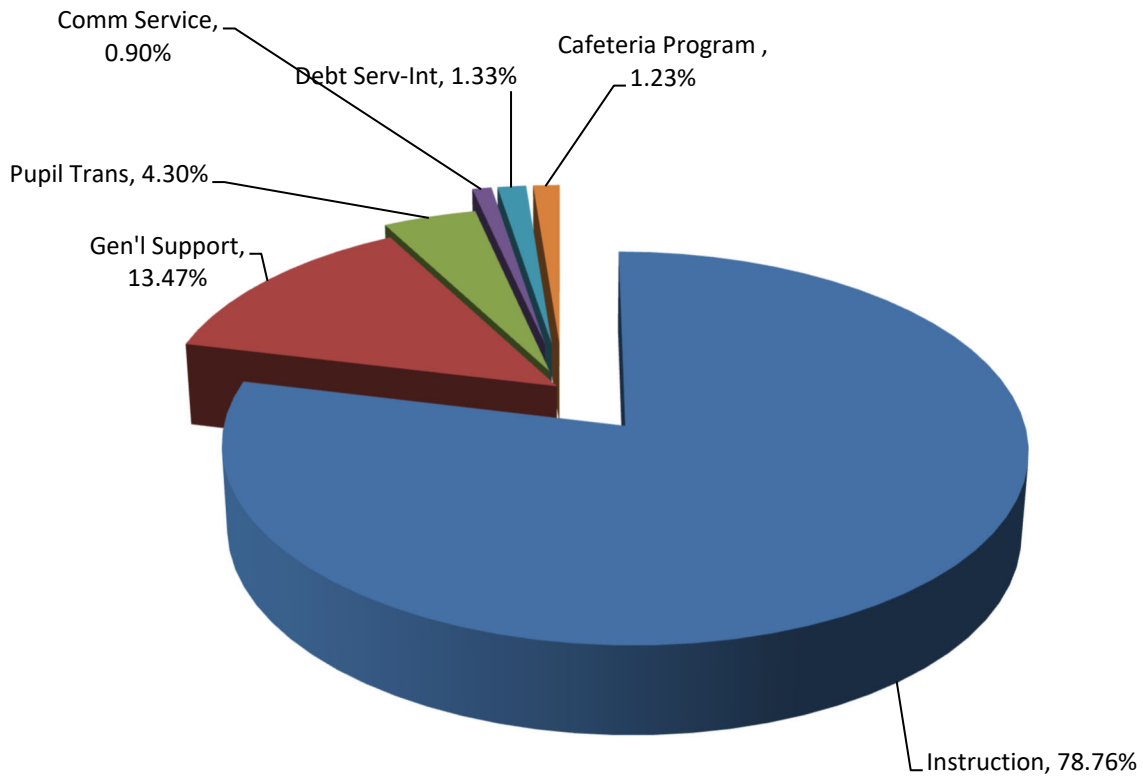


ARDSLEY UNION FREE SCHOOL DISTRICT
Management's Discuss and Analysis (MD&A)
June 30, 2022

Expenses decreased a total of \$5.691 million from 2022. The majority of the budget is comprised of salaries and benefits. These are contractual expenses. The District continues to share bus routes among the Quad Village whenever possible in order to control rising transportation costs for all the districts. Managing the Quad Village transportation has allowed the District to offset some of the administrative costs associated with running a transportation program.

Special Education tuition payments for both BOCES and other out of district placements increased \$.031 million.

Figure A-2
Expenses for Fiscal Year 2022



ARDSLEY UNION FREE SCHOOL DISTRICT
Management's Discuss and Analysis (MD&A)
June 30, 2022

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or *major* funds.

A fund is a grouping of related accounts, and is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants). All of the funds of the District can be divided into two categories; governmental funds, and fiduciary funds.

- ***Governmental Funds:*** All of the District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds, and the balances left at year-end that are available for spending. They are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources available to be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- ***Fiduciary Funds:*** The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

ARDSLEY UNION FREE SCHOOL DISTRICT
Management's Discuss and Analysis (MD&A)
June 30, 2022

Fund Financial Analysis (District Funds)

The District's governmental funds, as presented on the balance sheet, reported a combined fund balance of \$22.790 million. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2022 and 2021:

	2022 Fund Balance	2021 Fund Balance	Increase (Decrease)
General	\$ 22,793,660	\$ 21,200,572	\$ 1,593,088
School Lunch	569,838	453,897	115,941
Special Aid	-	-	-
Debt Service	540,214	544,742	(4,528)
Special Misc.	69,899	44,582	25,317
Capital	(1,183,272)	644,938	(1,828,210)
	<u>\$ 22,790,339</u>	<u>\$ 22,888,731</u>	<u>\$ (98,392)</u>

Governmental Funds

The focus of the 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 District's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined fund balances of 22.790 million. Of this amount, \$3.068 million constitutes *unassigned fund balance*. The *unassigned fund balance* is available for spending at the District's discretion. \$1.98 million of the *assigned fund balance* is being used to offset the tax levy and the remaining assigned fund balance is associated with the Cafeteria and Capital Funds. The remainder of fund balance is *restricted* and not available for new spending because it has already been committed. The *restricted fund balances* include a reserve for employee benefits accrued liability of \$1.390 million, a reserve for retirement contributions (ERS) of \$4.129 million, a reserve for retirement contributions (TRS) of \$1.572 million a reserve for tax certiorari of \$5.215 million, a reserve for unemployment insurance of \$.250 million, and a reserve for capital projects of \$4.499 million and a reserve for debt service of .540 million.

ARDSLEY UNION FREE SCHOOL DISTRICT
 Management's Discuss and Analysis (MD&A)
 June 30, 2022

The table below summarizes the various factors and financial issues which affected the District this year.

Budget Fluctuation Factors

<u>Revenues:</u>	<u>Description</u>
Non-Property Taxes	Sales tax higher than expected
Day School Tuition-Other Districts	No change in the number of students attending from other districts
Day School Tuition-Individuals	No change in non-resident tuition students
Transportation	Recognized revenue by using District buses to share special education runs with Quad Village districts.
Other Charges	The District ran the recreational camp and after school programs which had not run in the 2020-2021 year as a result of COVID.
Interest & Earnings	Interest revenue remained relatively flat with a small uptick towards the end of the school year as interest rates began to rise.
Facilities	Increase in use of facilities as a result of COVID restrictions being lifted.
Federal Sources	The District applied for FEMA relief for COVID expenditures and was paid for two of the six projects applied for.
<u>Expenditures:</u>	
Transportation	Shared bus routes within the Quad Village mitigates individual District's rising transportation costs. Increased CPI and fuel costs contribute to the rising costs.
Operation of Plant	Increases in CPI and prevailing wage contributed to the increase in contractual cleaning and security costs. Utility costs have continued to rise.
Retirement Incentive	Three staff members took advantage of the retirement incentive
Special Education	Increase in out of district tuition costs

ARDSLEY UNION FREE SCHOOL DISTRICT
Management's Discuss and Analysis (MD&A)
June 30, 2022

General Fund

The tables that follow assist in illustrating the financial activities and balances of the General Fund.

Revenues (in thousands)			
	2022	2021	Percentage
	Amount	Amount	Change
Taxes	\$ 56,965	\$ 55,027	3.5%
Use of Money & Property	207	142	45.8%
State/Federal Sources	7,962	7,128	11.7%
Other	8,205	7,143	14.9%
	\$ 73,339	\$ 69,440	5.6%

(Note: Totals may not add due to rounding)

The property tax revenue without STAR is up 3.5%, including STAR it is up 2.8%. Uses of Money and Property earnings are up by 45.8%. State and Federal Aid increased by 11.7%.

Expenses by Object (in thousands)			
	2022	2021	Percentage
	Amount	Amount	Change
Salaries and Wages	\$ 39,546	\$ 37,987	4.10%
Employee Benefits	15,093	14,264	5.81%
Purchased Services	7,840	7,399	5.96%
Equipment	394	453	-13.02%
Supplies	851	849	0.24%
BOCES	2,666	2,352	13.35%
Debt Service	4,474	4,473	0.02%
Miscellaneous	881	1,037	-15.04%
	\$ 71,745	\$ 68,814	4.26%

The expenditures are up \$2.932 million or 4.26% from the prior year. Note that the increase in Purchased Services expenses is higher by 5.96%. Contractual salaries and employee benefits continue to make up a significant portion of the annual expenditure budget representing 76% of the total expenditures.

ARDSLEY UNION FREE SCHOOL DISTRICT
Management's Discuss and Analysis (MD&A)
June 30, 2022

General Fund Budget Information

The District's budget is prepared in accordance with New York State Law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Revenues received were under the final budget by \$2.250 million, which is about 3%. This comprised of Appropriated Reserves and Designated Fund Balance of the prior year.

Expenditures were \$3.202 million less than the final budget. Cost savings in general support, instruction, pupil transportation and insurance contributed to a positive variance which enabled the District to offset an increase to the tax certiorari reserve and the reserve for retirement contributions.

The District budget development begins in Mid-October each year. After updating changes in revenue and expenditure assumptions, the operating budget begins at the school and department level. The department budgets are reviewed periodically to ensure management becomes aware of any significant variations during the year.

Capital Assets

At June 30, 2022, the District had \$62.373 million net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment and construction-in-progress.

The District's capital assets (net of accumulated depreciation) as of June 30, 2022, are as follows:

<u>Asset Description</u>	<u>2022</u>	<u>2021</u>
Land	\$ 1,179,121	\$ 1,179,121
Buildings and Improvements	43,977,245	45,610,383
Furniture and Equipment	1,032,867	1,242,347
Construction in Progress	<u>16,183,270</u>	<u>14,344,517</u>
	<u>\$ 62,372,503</u>	<u>\$ 62,376,368</u>

(Note: Totals may not add due to rounding)

More detailed information about the District's capital assets is presented in Note 7 to the financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT
Management's Discuss and Analysis (MD&A)
June 30, 2022

Debt

At June 30, 2022, the School District had \$106.409 million in general obligation and other long-term debt outstanding as follows:

	June 30	
	2022	2021
Bonds Payable	\$ 25,635,000	\$ 29,100,000
Plus: Unamortized Bond Premium	836,183	906,969
Installment Purchase Debt	272,335	140,100
Lease Liability	146,524	-
Other Post Employment Benefits		
Obligation Payable	79,402,610	71,202,098
Compensated Absences	56,440	56,684
Total	\$ 106,349,092	\$ 101,405,851

More detailed information about the District's long-term liabilities is presented in Note 12 to the financial statements.

Under current State statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on the total full value of real property. At June 30, 2022, the District's general obligation debt was approximately 10% of its total debt limit.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could significantly affect its fiscal impact in the future. The District must comply and budget within the Tax Cap freeze, Affordable Health Care regulations and all unfunded mandates established by the New York State Education Department. The District works with the Town of Greenburgh to stay apprised on pending tax certioraris. The District will continue to monitor changes in enrollment on an on-going basis.

Contact the District's Financial Management

It is the intent of this report to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Ardsley Union Free School District
Attn: Ms. Cheri Rosenblatt
Assistant Superintendent for Business, Facilities & Operations
500 Farm Road
Ardsley, NY 10502



LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Ardsley Union Free School District
500 Farm Road
Ardsley, NY 10502

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ardsley Union Free School District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter

As discussed in Note II. to the financial statement, in 2022 the District adopted new accounting guidance GASB No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

ARDSLEY UNION FREE SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures – budget and actual, schedule of funding progress for other post-employment benefits, schedule of local government's proportionate share of net pension liability for New York State Employees' Retirement System, schedule of local government's contributions for the New York State Employees' Retirement System, schedule of local government's proportionate share of net pension liability for New York State Teachers' Retirement System and schedule of local government's contributions for the New York State Teachers' Retirement System information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

ARDSLEY UNION FREE SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor governmental fund financial statements are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Change from Adopted Budget to Final Budget and Section 1318 Real Property Tax Law Limit Calculation, Schedule of Project Expenditures – Capital Project Fund, and the Schedule of Net Investment in Capital Assets but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2022, on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of the 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 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 District's internal control over financial reporting and compliance.

RBT CPAS, LLP

Hudson, New York

October 14, 2022

ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS

Cash:		
Unrestricted	\$	9,089,654
Restricted		5,379,942
Investments:		
Unrestricted		5,134,451
Restricted		11,674,377
Receivables:		
State and Federal Aid		1,492,752
Due from Other Governments		621,027
Other		26,824
Prepaid Expenditure		16,262
Capital Assets, Net		62,372,503
Right to Use Asset, Net		418,859
Net Pension Asset-Proportionate Share		<u>33,907,482</u>
 Total Assets		 <u>130,134,134</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows - Pension	17,630,276
Deferred Outflows - OPEB	11,350,535
Deferred Outflows - Contributions Post Measurement	<u>3,808,100</u>
Total Deferred Outflows of Resources	<u>32,788,911</u>

LIABILITIES

Payables:		
Accounts Payable		863,054
Accrued Liabilities		246,066
Due to Other Governments		3,199
Accrued Intrest		153,079
Notes Payable:		
Bond Anticipation		4,994,393
Long-Term Liabilities:		
Due and Payable Within One Year:		
Bonds Payable		3,655,786
Installment Purchase Debt Payable		76,474
Due to Teachers' Retirement System		3,654,212
Due to Employees' Retirement System		153,888
Lease Liability		49,026
Compensated Absences Payable		17,138
Due and Payable After One Year:		
Bonds Payable		21,979,214
Installment Purchase Debt Payable		195,861
Lease Liability		97,498
Compensated Absences Payable		39,302
Other Post Employment Benefits		79,402,610
Other Liabilities		<u>4,893</u>
Total Liabilities		<u>115,585,693</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows - Other	1,561,426
Deferred Inflows - OPEB	11,025,108
Deferred Inflows - Pension	<u>40,799,989</u>
Total Deferred Inflows of Resources	<u>53,386,523</u>

NET POSITION

Net Investment in Capital Assets	32,566,440
Restricted	
Debt Service	540,214
Capital	4,498,800
Other Legal Restrictions	12,555,519
Unrestricted	<u>(56,210,145)</u>
Total Net Position	<u>\$ (6,049,172)</u>

ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Expenses	Indirect Expenses Allocation	Program Revenues Charges for Services	Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS					
General Support	\$ (6,885,272)	\$ (2,513,780)	\$ -	\$ -	\$ (9,399,052)
Instruction	(42,706,341)	(12,257,324)	3,546,832	1,880,717	(49,536,116)
Pupil Transportation	(2,609,680)	(392,750)	-	-	(3,002,430)
Community Service	(477,524)	(148,958)	-	-	(626,482)
Employee Benefits	(13,333,274)	13,333,274	-	-	-
Debt Service	(932,357)	-	-	-	(932,357)
Other Expenses	-	-	-	-	-
Cafeteria Program	(784,797)	(75,496)	161,383	739,355	40,445
Amortization	(110,219)	110,219	-	-	-
Depreciation	(1,944,815)	1,944,815	-	-	-
Total Functions and Programs	<u>(69,784,279)</u>	<u>-</u>	<u>3,708,216</u>	<u>2,620,072</u>	<u>(63,455,991)</u>
GENERAL REVENUES					
Real Property Taxes					56,964,992
Other Tax Items					3,038,775
Non Property Taxes					1,216,590
Use of Money and Property					213,815
Sale of Property and Compensation for Loss					102,844
Miscellaneous					151,557
State Sources					7,769,043
Federal Sources					149,569
Medicaid Reimbursement					42,991
Total General Revenues					<u>69,650,176</u>
Change in Net Position					6,194,185
Total Net Position - Beginning of Year					<u>(12,243,357)</u>
Total Net Position - End of Year					<u>\$ (6,049,172)</u>

See accompanying notes to the financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Capital Projects	Non-Major	Governmental Funds
ASSETS				
Cash:				
Unrestricted	\$ 8,485,987	\$ 85,393	\$ 518,273	\$ 9,089,654
Restricted	5,379,942	-	-	5,379,942
Investments:				
Unrestricted	903,652	4,230,799	-	5,134,451
Restricted	11,674,377	-	-	11,674,377
Receivables:				
Taxes	-	-	-	-
Due from Other Funds	455,991	-	616,185	1,072,176
State and Federal Aid	617,059	-	875,693	1,492,752
Due from Other Governments	621,027	-	-	621,027
Other, Net of Allowance	26,458	-	366	26,824
Inventories	-	-	-	-
Deferred Expenditures	-	-	-	-
Prepaid Expenditures	16,262	-	-	16,262
Capital Assets, Net	-	-	-	-
Total Assets	\$ 28,180,756	\$ 4,316,192	\$ 2,010,518	\$ 34,507,466
LIABILITIES				
Payables:				
Accounts Payable	\$ 566,770	\$ -	\$ 296,284	\$ 863,054
Accrued Liabilities	245,419	-	647	246,066
Due to Other Funds	185,354	505,072	381,751	1,072,176
Due to Other Governments	1,233	-	1,966	3,199
Retainage Payable	-	-	-	-
Bond Interest and Matured Bonds	-	-	-	-
Notes Payable:				
Tax Anticipation	-	-	-	-
Revenue Anticipation	-	-	-	-
Bond Anticipation	-	4,994,393	-	4,994,393
Unearned Credits:				
Overpayments and Collections in Advance	-	-	-	-
Planned Balance	-	-	-	-
Long-Term Liabilities:				
Due to Teachers' Retirement System	3,654,212	-	-	3,654,212
Due to Employees' Retirement System	153,888	-	-	153,888
Compensated Absences Payable	-	-	-	-
Other Post Employment Benefits Payable	-	-	-	-
Judgments & Claims Payable	-	-	-	-
Other Liabilities	4,893	-	-	4,893
Total Liabilities	4,811,769	5,499,465	680,648	10,991,882
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue	575,326	-	149,917	725,243
Sale of Future Revenues	-	-	-	-
Total Deferred Inflows of Resources	575,326	-	149,917	725,243
FUND BALANCES				
Non-Spendable	16,262	-	39,137	55,399
Restricted	17,054,319	-	540,214	17,594,533
Committed	-	-	-	-
Assigned	2,655,417	-	600,602	3,256,019
Unassigned	3,067,662	(1,183,272)	-	1,884,390
Total Fund Balances	22,793,660	(1,183,272)	1,179,953	22,790,341
Total Liabilities and Fund Balances	\$ 28,180,756	\$ 4,316,192	\$ 2,010,518	\$ 34,507,466

Note: Totals may not add due to rounding.

See accompanying notes to the financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General	Capital Projects	Non-Major	Governmental Funds
REVENUES				
Real Property Taxes	\$ 56,964,992	\$ -	\$ -	\$ 56,964,992
Other Tax Items	3,038,775	-	-	3,038,775
Nonproperty Taxes	1,216,590	-	-	1,216,590
Charges for Services	3,696,401	-	-	3,696,401
Use of Money and Property	206,510	-	10,701	217,211
Sale of Property and Compensation for Loss	102,844	-	-	102,844
Miscellaneous	151,557	-	32,433	183,990
Interfund Revenue	-	-	-	-
State Sources	7,769,043	-	583,522	8,352,565
Medicaid Reimbursement	42,991	-	-	42,991
Federal Sources	149,569	-	1,815,426	1,964,995
Surplus Food	-	-	39,137	39,137
Sales - School Lunch	-	-	157,972	157,972
Total Revenues	<u>73,339,273</u>	<u>-</u>	<u>2,639,191</u>	<u>75,978,464</u>
EXPENDITURES				
General Support	6,885,272	-	-	6,885,272
Instruction	41,422,235	-	1,864,578	43,286,813
Pupil Transportation	2,553,044	-	56,636	2,609,680
Community Service	477,524	-	-	477,524
Employee Benefits	15,718,439	-	-	15,718,439
Debt Service:				
Principal	-	-	3,543,042	3,543,042
Interest	-	-	979,752	979,752
Cost of Sales	-	-	784,797	784,797
Other Expenditures	-	-	-	-
Capital Outlay	-	1,828,210	-	1,828,210
Total Expenditures	<u>67,056,513</u>	<u>1,828,210</u>	<u>7,228,805</u>	<u>76,113,528</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,282,760</u>	<u>(1,828,210)</u>	<u>(4,589,615)</u>	<u>(135,065)</u>
OTHER FINANCING SOURCES AND USES				
Proceeds from Bonds	-	-	-	-
Premium on Issuance of Bonds	-	-	36,674	36,674
Operating Transfers In	-	-	4,689,672	4,689,672
Operating Transfers (Out)	(4,689,672)	-	-	(4,689,672)
Payment to Refunded Bond Escrow Agent	-	-	-	-
Cost of Refunding Bond Issuance	-	-	-	-
Total Other Sources (Uses)	<u>(4,689,672)</u>	<u>-</u>	<u>4,726,346</u>	<u>36,674</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	1,593,088	(1,828,210)	136,731	(98,391)
Fund Balances - Beginning of Year	<u>21,200,572</u>	<u>644,938</u>	<u>1,043,221</u>	<u>22,888,731</u>
Fund Balances - End of Year	<u>\$ 22,793,660</u>	<u>\$ (1,183,272)</u>	<u>\$ 1,179,952</u>	<u>\$ 22,790,340</u>

Note: Totals may not add due to rounding.

See accompanying notes to the financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund Balances (Deficit) - Total Governmental Funds \$ 22,790,341

Amounts reported for Governmental Activities in the Statement of Net Position are:

Capital assets, net of accumulated depreciation, used in Governmental Activities are not current financial resources and, therefore, are not reported in the funds.

Total Historical Cost	\$ 104,517,120	
Less Accumulated Depreciation	<u>(42,144,616)</u>	62,372,504

Lease assets, net of accumulated amortization, used in Governmental Activities are not current financial resources and, therefore, are not reported in the funds.

Total Right of Use Asset	\$ 633,833	
Less Accumulated Amortization	<u>(214,974)</u>	418,859

The School District's proportionate share of the Teacher and Employee Retirement Systems' collective net pension asset or (liability) is not reported in the funds.

TRS Net Pension Asset - Proportionate Share	\$ 32,773,404	
ERS Net Pension Asset - Proportionate Share	<u>1,134,078</u>	33,907,482

Deferred outflows of resources, including deferred charges on defeased debt, OPEB, and pensions, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including OPEB, and pensions, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

ERS Deferred Outflows of Resources - Pension	\$ 2,285,452	
ERS Deferred Outflows of Resources - Contribution Post Measurement	153,888	
ERS Deferred Inflows of Resources - Pension	(3,984,568)	
TRS Deferred Outflows of Resources - Pension	15,344,824	
TRS Deferred Outflows of Resources - Contribution Post Measurement	3,654,212	
TRS Deferred Inflows of Resources - Pension	(36,815,421)	
Deferred Outflows of Resources - OPEB	11,350,535	
Deferred inflows of Resources - OPEB	<u>(11,025,108)</u>	(19,036,186)

Long-term liabilities, including bonds payable, compensated absences, and amounts due for other post-employment employee benefits, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	\$ (25,635,000)	
Unamortized Bond Premium	(836,183)	
Installment Purchase Debt	(272,335)	
Lease Liability	(146,524)	
Long-Term Compensated Absences	(56,440)	
Other Post-Employment Benefits Liabilities	<u>(79,402,610)</u>	(106,349,092)

Interest is accrued on outstanding balances of debt obligations in the District-wide financial statements.

Accrued Interest on Long-Term Debt		<u>(153,079)</u>
------------------------------------	--	------------------

Net Position (Deficit) of Governmental Activities \$ (6,049,171)

See accompanying notes to the financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT
RECONCILIATION OF NET CHANGE IN GOVERNMENTAL FUND
BALANCES TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
JUNE 30, 2022

Total net changes in fund balances - governmental funds \$ (98,391)

Amounts reported for governmental *activities* in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceeds depreciation in the period.

Depreciation Expense	\$ (1,944,815)	
Capital Outlays	2,086,856	
Loss on Disposition	<u> -</u>	142,041

Lease proceeds to enter into agreement for the use of space and equipment are reported in the governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceeds depreciation in the period.

Amortization Expense	\$ (110,219)	
Leased Equipment	<u> 321,826</u>	211,607

In the Statement of Activities, certain operating expenses--compensated absences (vacations), the Post Employment Benefits and special termination benefits (early retirement) and retirees' health insurance--are measured by the amounts *earned* during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually *paid*). (3,266,508)

Issuance of bond principal is a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. (220,612)

Amortization of the premium received on bond results in increase on the liability in the entity-wide statements. 70,786

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 3,376,623

Repayment of lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 47,578

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities is the result of accrued interest on bonds, leases, and contracts payable. 13,215

(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Teachers' Retirement System	5,336,183
Employees' Retirement System	<u>581,663</u>

Change in net position of governmental activities. \$ 6,194,185

See accompanying notes to the financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	Custodial
ASSETS	
Cash	\$ 149,102
Accounts Receivable	-
Due from Other Funds	-
Prepaid Expenditures	-
Total Assets	\$ 149,102
LIABILITIES	
Due to Other Funds	\$ -
Other Liabilities	-
Total Liabilities	\$ -
NET POSITION	
Other Custodial Activities	\$ 149,102

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Custodial
ADDITIONS:	
Contributions	\$ 291,165
Interest	20
Total Additions	291,185
DEDUCTIONS:	
Other Custodial Activities	262,389
Change in Net Position	28,796
Net Position - Beginning of Year	120,306
Net Position - End of Year	\$ 149,102

See accompanying notes to the financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

Certain significant accounting principles utilized by the District are described below:

A. Reporting Entity:

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as Amended by GASB Statement 39, *Component Units and GASB 61, The Financial Reporting Entity: Omnibus an Amendment of GASB No. 14 and No 39* and GASB 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

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

-- Extraclassroom Activity Funds:

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District’s business office. The District accounts for assets held as an agent for various student organizations in an custodial fund.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Joint Venture:

The District is a component district in the Southern Westchester County Board of Cooperative Education Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities.

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

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed \$2,678,259 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$620,518.

The basic financial statements for the BOCES are available from the BOCES administrative office.

C. Basis of Presentation:

I. District-Wide Statements:

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

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

II. Fund Financial Statements:

The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

a. General Fund:

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

b. Capital Projects Funds:

Capital Projects Funds are used to account for and report financial resources used for the acquisition, construction, or major repair of capital facilities.

The District reports the following non-major governmental funds:

a. Special Revenue Funds:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

1. Special Aid Fund – Special Aid Fund is used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.
2. Cafeteria Fund – Cafeteria Fund is used to account for transactions of lunch, breakfast, and milk programs.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

3. Special Miscellaneous Revenue Fund - a special revenue fund used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

b. Debt Service Fund:

Debt Service Fund is used for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

c. Fiduciary Funds:

Fiduciary activities are those in which the District acts as trustee or custodian for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.

1. Custodial Funds: For fiduciary activities that are not required to be reported in pension and other employee benefit trust funds, investment trust funds or private-purpose trust funds.

D. Measurement Focus and Basis of Accounting:

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

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

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 365 days after the end of the fiscal year.

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

E. Cash (and Cash Equivalents) and Investments:

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts. Investments are stated at fair value.

F. Property Taxes:

Real property taxes are levied annually by the Board of Education no later than September 1st, and become a lien on July 13th. Taxes are collected during the period September 1st to January 31st.

Uncollected real property taxes are subsequently enforced by the Town of Greenburgh in which the District is located. The Town of Greenburgh pays an amount representing uncollected real property taxes transmitted to the Town of Greenburgh for enforcement to the District no later than the following April 1.

G. Accounts Receivable:

An allowance for uncollectible accounts has been provided for certain amounts that may not be collectible within 365 days.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

H. Inventories and Prepaid Items:

Inventories of food in the Cafeteria Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

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

A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

I. Interfund Transactions:

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

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

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

Refer to Note 13 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

J. Other Assets/Restricted Assets:

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

In the District-wide financial statements, bond issuance costs are capitalized and amortized over the life of the debt issue. In the funds statements these same costs are netted against bond proceeds and recognized in the period of issuance.

K. Capital Assets:

Capital assets are reported at actual cost for acquisitions. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Building Improvements	\$5,000	Straight-Line	20-50 Years
Furniture and Equipment	\$5,000	Straight-Line	5-20 Years

L. Deferred Outflows and Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period so it will not be recognized as an outflow of resources (expense/expenditure) until then. The government has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first item arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

M. Vested Employee Benefits:

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

Under the terms of existing collective bargaining agreements, the District is required to compensate retiring employees for unused vacation leave. The District is not required to compensate employees for accumulated sick leave.

Consistent with GASB Statement 16, Accounting for Compensated Absences, an accrual for accumulated sick leave is included in the compensated absences liability in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

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

N. Other Benefits:

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

In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors in accordance with various employment contracts (subject to available health bank). Health insurance in retirement is paid for employees in accordance with their respective bargaining agreement or contract. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Some costs of providing post-retirement benefits are shared between the District and the retired employee.

The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the General Fund in the year paid.

O. Unearned Revenue:

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

P. Restricted Resources:

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

Q. Estimates:

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

R. Short-Term Debt:

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

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which an insufficient or no

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

provision is made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

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

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

S. Accrued Liabilities and Long-Term Obligations:

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

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

T. Equity Classifications:

I. District-Wide Statements:

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

- a. *Net Investment in Capital Assets* – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.
- b. *Restricted Net Position* – reports net position when constraints placed on the position are either externally imposed by creditors (such as through debt

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

- c. *Unrestricted Net Position* – reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

II. Funds Statements:

In the fund basis statements there are five classifications of fund balance:

- a. *Non-spendable fund balance* - Includes amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.
- b. *Restricted* – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as indicated below. The District has established the following restricted fund balances:

1. Capital:

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

2. Debt Service:

According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

3. Employee Benefit Accrued Liability:

According to General Municipal Law §6-p, this reserve must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

4. Insurance (*not currently utilized*):

According to General Municipal Law §6-n, this reserve must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action and funded by budgetary appropriations or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval.

5. Liability Claims and Property Loss (*not currently utilized*):

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

6. Repairs (*not currently utilized*):

According to General Municipal Law §6-d, this reserve must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

7. Retirement Contributions:

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

8. Tax Certiorari:

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

9. Unemployment Insurance:

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

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

10. Workers' Compensation (*not currently utilized*):

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

11. Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances for specific purposes for which resources have been restricted, committed or assigned do not result in separate display of the encumbered amounts within those classifications/funds.

Restricted fund balance includes the following:

General Fund:	
Capital Reserve	\$ 4,498,800
Tax Certiorari	5,214,669
Employee Benefit Accrued Liability	1,390,450
Unemployment Insurance	250,000
Retirement Contribution	4,128,659
TRS Reserve	1,571,742
Debt Service Fund	
Debt Service	<u>540,214</u>
Total Restricted Funds	<u>\$ 17,594,534</u>

- c. *Committed* – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2022.
- d. *Assigned* – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances are classified as Assigned Fund Balance in the General Fund and Cafeteria Fund. Encumbrances reported in the General Fund amounted to \$640,995 and Capital

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fund amounted to \$2,939,909. Additionally, \$2,014,420 is appropriated to the 2022-2023 budget.

- e. *Unassigned* – Includes all other General Fund net assets that do not meet the definition of the above four classifications and are deemed to be available for general use by the District.

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

III. Order of Use of Fund Balance:

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as assigned fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

U. New Accounting Standards:

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. The following standards have been issued by GASB:

In June 2017, GASB issued Statement 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District implemented the standard for the year ended June 30, 2022.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. This statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations and improves note disclosures. The requirements for this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021. The School District is required to implement this standard for the year ending June 30, 2023. The District has not evaluated the effect of GASB 91 on its financial statements.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses a variety of topics including leases, intra-entity transfers, fiduciary activities, public risk pools/reinsurance recoveries, fair value measurements, and derivative instrument technology. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021. The District implemented the standard for the year ended June 30, 2022. The implementation did not have a significant impact on the District's financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The School District is required to implement this standard for the year ending June 30, 2023. The District has not evaluated the effect of GASB 94 on its financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The School District is required to implement this standard for the year ending June 30, 2023. The District has not evaluated the effect of GASB 96 on its financial statements.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and Supersession of GASB Statement No 32*. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans, and employee benefit plans other than pension plans or other postemployment benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution other postemployment benefit plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. The requirements of this statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution other postemployment benefit plans, or other employee benefit plans and (2) limit the applicability of the financial burden criteria, are effective immediately. The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a component unit, the requirements of this statement that provide for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. The District implemented this standard for the year ended June 30, 2022. The implementation did not have a significant impact on the District's financial statements.

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this statement are effective for fiscal years ending after December 15, 2021. The School District implemented this standard for the year ended June 30, 2022. The implementation did not have significant impact on the District's financial statements.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. This statement addresses a variety of topics, including derivative instruments, leases, PPP arrangements, SBITAs, LIBOR, and pledges of future revenues. Many of the requirements are effective immediately. The requirements related to leases, PPPs, and SBITAs are effective for years beginning after June 15, 2022. The requirements related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2024. The School District is required to implement this standard for the year ending June 30, 2023. The District has not evaluated the effect of GASB 99 on its financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This statement provides clarification and guidance for accounting and financial reporting related to accounting changes and error corrections (ACEC). GASB 100 also addresses disclosure requirements for ACEC, and how these items should be presented in Required Supplementary Information and Supplementary Information. The requirements of this statement are effective for ACECs made in fiscal years beginning after June 15, 2023. The School District is required to implement this standard for the year ending June 30, 2024. The District has not evaluated the effect of GASB 100 on its financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement amends the recognition, measurement, and disclosure requirements for compensated absences. The requirements of this statement are effective for fiscal years beginning after December 15, 2023. The School District is required to implement this standard for the year ending June 30, 2025. The District has not evaluated the effect of GASB 101 on its financial statements.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 2 - CHANGES IN ACCOUNTING PRINCIPLE:

For the fiscal year ended June 30, 2022, the District implemented GASB Statement No. 87, Leases. The New York State Office of the State Comptroller implementation bulletin of the statement provided guidance regarding accounting and financial reporting for leases.

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS STATEMENTS AND DISTRICT-WIDE STATEMENTS:

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

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

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

The primary differences are as follows:

The costs of building and acquiring capital assets (lands, buildings, and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

See *Note 7 – Capital Assets* in these notes to the financial statements for information on the net capital assets.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS STATEMENTS AND DISTRICT-WIDE STATEMENTS (CONTINUED):

Long-term liabilities are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period.

Accrued interest on long-term debt is reported in the Statement of Net Position, regardless of when due. In the Governmental Funds, interest is not reported until it is due.

Pension Differences:

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

Deferred Premium earned on borrowing of Long Term obligations in 2018-2019 amounted to \$92,754 and has total amortization of \$26,501 as of June 30, 2022 to net to \$66,253. There was also another Deferred Premium earned on borrowing of Long Term obligations in 2019-2020 amounted to \$962,412 and has total amortization of \$192,482 as of June 30, 2022 to net to \$769,930.

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

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of four broad categories:

I. Long-Term Revenue/Expense Differences:

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

II. Capital Related Differences:

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

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS STATEMENTS AND DISTRICT-WIDE STATEMENTS (CONTINUED):

III. Long-Term Debt Transaction Differences:

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

IV. Pension Differences:

Pension differences occur as a result of changes in the BOCES' proportion of the collective net pension asset/liability and differences between the BOCES' contributions and its proportionate share of the total contributions to the pension system.

V. OPEB Differences:

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

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A. Budgetary Procedures and Budgetary Accounting:

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

-- General Fund

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists, which was not determined at the time the budget was adopted.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED):

Supplemental appropriations occurred during the year and are detailed below:

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 74,680,462
Prior Year's Encumbrances	<u>457,282</u>
Original Budget	<u>75,137,744</u>
Budget Revisions	
Reserve Activity	393,230
Donations	<u>58,624</u>
	<u>451,854</u>
Final Budget	<u>\$ 75,589,598</u>

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

Special Revenue Funds have not been included in the comparison because they do not have legally authorized (appropriated) budgets.

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

B. Encumbrances:

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

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 5 – CASH AND CASH EQUIVALENTS – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS:

Cash:

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

As of June 30, 2022, \$-0- of the District's bank balance of \$16,106,291 was exposed to custodial credit risk as follows:

Uncollateralized	<u>\$ -</u>
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	<u>\$ -</u>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end include \$5,379,942 within the governmental funds and \$-0- in the fiduciary funds.

NOTE 6 – INVESTMENTS:

U.S. GAAP established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted for identical assets or liabilities in active markets that the District has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 6 – INVESTMENTS (CONTINUED):

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest of any inputs that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

All of the District’s investments are valued based on Level 1 hierarchy.

The following is a description of the valuation methodologies used for investments measured at fair value:

Cash and Cash equivalents: Valued at cost plus accrued interest, which approximates fair market value.

Common stocks and mutual funds: Valued at the net assets value (NAV) of shares held at year end. The NAV is the closing price reported on the open market on which the securities are traded.

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants.

At year end, the District held \$15,905,176 in investments consisting of various investments in securities issued by the United States and its agencies. The investments are highly liquid, and considered to be cash equivalents. The following amounts are included as investments:

<u>Fund</u>	<u>Amount</u>
General:	
Restricted	\$ 11,674,377
Capital:	
Unrestricted	<u>4,230,799</u>
Total	<u>\$ 15,905,176</u>

The above amounts represent the cost of the investment pool shares, and are considered to approximate market value. Due to the nature of the investments, the investment pool is exempt from the New York State collateralization requirements.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 7 – CAPITAL ASSETS:

Capital assets balances and activity for the year ended June 30, 2022, were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental Activities:				
Capital Assets That are Not Depreciated:				
Land	\$ 1,179,121	\$ -	\$ -	\$ 1,179,121
Construction in Progress	<u>14,344,519</u>	<u>1,838,752</u>	<u>-</u>	<u>16,183,271</u>
Total Non Depreciable Historical Cost	<u>\$ 15,523,640</u>	<u>\$ 1,838,752</u>	<u>\$ -</u>	<u>\$ 17,362,392</u>
Capital Assets That are Depreciated:				
Buildings and Improvements	\$ 81,662,180	\$ -	\$ -	\$ 81,662,180
Furniture and Equipment, <i>Restated</i>	<u>5,262,124</u>	<u>248,104</u>	<u>(17,680)</u>	<u>5,492,548</u>
Total Depreciable Historical Cost	<u>86,924,304</u>	<u>248,104</u>	<u>(17,680)</u>	<u>87,154,728</u>
Less Accumulated Depreciation:				
Building and Improvements	36,051,797	1,633,139	-	37,684,936
Furniture and Equipment, <i>Restated</i>	<u>4,165,685</u>	<u>311,676</u>	<u>(17,680)</u>	<u>4,459,681</u>
Total Accumulated Depreciation	<u>40,217,482</u>	<u>1,944,815</u>	<u>(17,680)</u>	<u>42,144,617</u>
Total Depreciable Historical Cost, Net	<u>\$ 46,706,822</u>	<u>\$ (1,696,711)</u>	<u>\$ -</u>	<u>\$ 45,010,111</u>
Intangible Right-To-Use Assets:				
Leased Equipment - Restated	\$ 312,007	\$ 321,826	\$ -	\$ 633,833
Less Accumulated - Restated	<u>(104,755)</u>	<u>(110,219)</u>	<u>-</u>	<u>(214,974)</u>
Intangible Right-to-Use Asset, Net	<u>\$ 207,252</u>	<u>\$ 211,607</u>	<u>\$ -</u>	<u>\$ 418,859</u>

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 7 – CAPITAL ASSETS (CONTINUED):

Depreciation Expense was charged to governmental functions as follows:

General Support	\$ 1,756,635
Instruction	82,454
Cost of Food Sales	39,369
Transportation	<u>66,357</u>
	<u>\$ 1,944,815</u>

Amortization Expense was charged to governmental functions as follows:

General Support	\$ 56,134
Transportation	<u>54,085</u>
	<u>\$ 110,219</u>

NOTE 8 INTANBILE RIGHT-TO-USE ASSETS:

In fiscal year 2022, the District implemented the guidance on GASB No. 87, Leases, and recognized the value of buses leased under long-term contracts. As of June 30, 2022, the District had two lease agreements in place for buses.

In August 2020, the District entered into a lease agreement for 3 buses in the amount of \$175,125. The right-of-use asset is being amortized over a period of 60 months.

In July 2021, the District entered into a new lease agreement for 4 buses in the amount of \$234,400. The right-of-use asset is being amortized over a period of 60 months.

NOTE 9 INTANBILE RIGHT-TO-USE LIABILITIES:

In fiscal year 2022, the District implemented the guidance of GASBS No. 87, *Leases*, for accounting and reporting leases that had previously been reported as operating leases.

In July 2019, the District entered into a lease agreement for 1 postage machine in the amount of \$25,141. The right-of-use asset is being amortized over a period of 60 months. For purposes of discounting future payments on the 2019 lease, the District used the interest rate (0.3%) on its financing agreements to determine an appropriate discount rate. An annual payment in the amount of \$5,028 is due, plus additional charges for excess usage and excluding applicable taxes.

In November 2019, the District entered into a lease agreement for 17 Copiers in the amount of \$219,990. The right-of-use asset is being amortized over a period of 60 months. For purposes of discounting future payments on the 2019 lease, the District used the interest rate (0.3%) on its financing agreements to determine an appropriate discount rate. An annual payment in the amount of \$43,998 is due.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 9 INTANGIBLE RIGHT-TO-USE LEASE LIABILITIES - CONTINUED:

In August 2020, the District entered into a lease agreement for 3 Buses in the amount of \$164,790. The right-of-use asset is being amortized over a period of 60 months. For purposes of discounting future payments on the 2020 lease, the District used the interest rate (3.25%) on its financing agreements to determine an appropriate discount rate. An annual payment in the amount of \$35,025 is due.

In July 2021, the District entered into a lease agreement for 4 Buses in the amount of \$220,612. The right-of-use asset is being amortized over a period of 60 months. For purposes of discounting future payments on the 2021 lease, the District used the interest rate (3.13%) on its financing agreements to determine an appropriate discount rate. An annual payment in the amount of \$46,880 is due.

The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note 8.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 9 INTANGIBLE RIGHT-TO-USE LEASE LIABILITIES - CONTINUED:

Minimum lease payments over the next five years include:

2019 Pitney Bowes				2019 Canon Copiers			
	Principal	Interest	Total		Principal	Interest	Total
2023	\$ 3,092	\$ -	\$ 3,092	2023	\$ 37,110	\$ 260	\$ 37,370
2024	1,803	-	1,803	2024	37,110	148	37,258
2025	-	-	-	2025	12,730	-	12,730
2026	-	-	-	2026	-	-	-
2027	-	-	-	2027	-	-	-
Totals	<u>\$ 4,895</u>	<u>\$ -</u>	<u>\$ 4,895</u>	Totals	<u>\$ 86,950</u>	<u>\$ 408</u>	<u>\$ 87,358</u>

2019 Canon Copiers				2021 Buses			
	Principal	Interest	Total		Principal	Interest	Total
2023	\$ 5,028	\$ 30	\$ 5,058	2023	\$ 31,823	\$ 3,202	\$ 35,025
2024	5,028	15	5,043	2024	32,856	2,169	35,025
2025	-	-	-	2025	33,923	1,102	35,025
2026	-	-	-	2026	-	-	-
2027	-	-	-	2027	-	-	-
Totals	<u>\$ 10,056</u>	<u>\$ 45</u>	<u>\$ 10,101</u>	Totals	<u>\$ 98,602</u>	<u>\$ 6,473</u>	<u>\$ 105,075</u>

2022 Buses				2022 Canon Copiers			
	Principal	Interest	Total		Principal	Interest	Total
2023	\$ 41,449	\$ 5,431	\$ 46,880	2023	\$ 9,394	\$ 134	\$ 9,528
2024	42,744	4,136	46,880	2024	9,394	106	9,500
2025	44,081	2,799	46,880	2025	9,394	78	9,472
2026	45,459	1,421	46,880	2026	9,394	49	9,443
2027	-	-	-	2027	7,047	21	7,068
Totals	<u>\$ 173,733</u>	<u>\$ 13,787</u>	<u>\$ 187,520</u>	Totals	<u>\$ 44,623</u>	<u>\$ 388</u>	<u>\$ 45,011</u>

Totals			
	Principal	Interest	Total
2023	\$ 127,896	\$ 9,057	\$ 136,953
2024	128,935	6,574	135,509
2025	100,128	3,979	104,107
2026	54,853	1,470	56,323
2027	7,047	21	7,068
Totals	<u>\$ 418,859</u>	<u>\$ 21,101</u>	<u>\$ 439,960</u>

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

OTE 10 - SHORT-TERM DEBT:

Bond Anticipation Note:

The District may issue Bond Anticipation Notes (BANs) in anticipation of the proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of the bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years of the original issue date. In 2022, the District renewed a BAN in the amount of \$4,994,393 with a maturity date of February 10, 2023.

Description of Issue	Issue Date	Original Amount	Added During the Year	Interest Rate	Maturity Date	Outstanding 6/30/2022
Capital Project	2/10/2022	4,994,393	-	1.50%	2/10/2023	\$ 4,994,393
						<u>\$ 4,994,393</u>

NOTE 11 - LONG-TERM DEBT:

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

Interest Paid	\$ 979,752
Accrued Interest, June 30, 2020	(166,362)
Impact of Amortize Premium	(70,786)
Accrued Interest, June 30, 2021	153,079
Amortization of Premium on Bond	<u>36,674</u>
	<u>\$ 932,357</u>

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

In the fund financial statements, governmental funds recognize bond premiums and discounts 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. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future tax payers receiving the benefit of the capital assets. These long-term liabilities are backed by the full faith and credit of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 11 – LONG-TERM DEBT (CONTINUED):

The following is a summary of long-term indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2022
School Renovations	2018-06	2033-06	3.00%	\$ 4,915,000
School Renovations 2019	2019-07	2034-01	4.00%	6,520,000
Tax Certiorari Settlements	2009-08	2024-08	3.0-4.0%	1,080,000
Tax Certiorari Settlements	2010-09	2024-09	3.250%	579,512
School Renovations	2010-09	2024-09	3.250%	80,488
School Renovations (Refunding)	2013-11	2024-01	2.0-3.0%	2,545,000
School Renovations (Refunding)	2015-06	2024-06	3.0-5.0%	1,770,000
School Renovations	2015-08	2030-08	2.0-3.0%	8,145,000
				<u>\$ 25,635,000</u>

The following is a summary of maturing debt service requirements for general obligation bonds and notes:

	Bonds	Interest	Total
2023	\$ 3,585,000	\$ 795,260	\$ 4,380,260
2024	3,710,000	677,669	4,387,669
2025	3,830,000	552,806	4,382,806
2026	1,790,000	446,806	2,236,806
2027	1,840,000	393,659	2,233,659
2028-2032	9,055,000	1,076,419	10,131,419
2033-2034	1,825,000	68,450	1,893,450
	<u>\$ 25,635,000</u>	<u>\$ 4,011,069</u>	<u>\$ 29,646,069</u>

-- Debt Limit:

At June 30, 2022, the total outstanding indebtedness represented approximately 10% of the District's debt limit.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 11 – LONG-TERM DEBT (CONTINUED):

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Government Activities:					
Bonds and Notes Payable:					
General Obligation Debt:					
Serial Bonds-Tax Certiorari	\$ 2,174,512	\$ -	\$ 515,000	\$ 1,659,512	\$ 533,780
Serial Bonds-Construction	26,925,488	-	2,950,000	23,975,488	3,051,220
Plus: Bond Premium	906,969	-	70,786	836,183	70,786
Total Bonds Payable	<u>30,006,969</u>	<u>-</u>	<u>3,535,786</u>	<u>26,471,183</u>	<u>3,655,786</u>
Other Liabilities:					
Installment Purchase Debt	140,100	220,612	88,377	272,335	76,474
Compensated Absences	56,684	-	244	56,440	17,138
Other Post Employment Benefits	71,202,098	8,200,512	-	79,402,610	-
Total Other Liabilities	<u>71,398,882</u>	<u>8,421,124</u>	<u>88,621</u>	<u>79,731,385</u>	<u>93,612</u>
Total Long-Term Liabilities	<u>\$ 101,405,851</u>	<u>\$ 8,421,124</u>	<u>\$ 3,624,407</u>	<u>\$ 106,202,568</u>	<u>\$ 3,749,398</u>

NOTE 12 – INTERFUND BALANCES AND ACTIVITY:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 455,991	\$ 185,354	\$ -	\$ 4,689,672
Capital Fund	-	505,072	-	-
Non-Major	<u>616,185</u>	<u>381,751</u>	<u>4,689,672</u>	<u>-</u>
Total Government Activities	1,072,176	1,072,176	4,689,672	4,689,672
Fiduciary Agency Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 1,072,176</u>	<u>\$ 1,072,176</u>	<u>\$ 4,689,672</u>	<u>\$ 4,689,672</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

In the normal course of its operations, the District budgets for and transfers monies between funds for these budgeted purposes. From the General Fund these represent transferring the District's 20% share of the Special Aid Fund's Summer Handicapped Program and transfers to the Capital Fund for voter authorized capital items such as construction and bus purchases.

Additional loans will occur between funds to mitigate the effects of cash flow, such as in the Special Aid Fund where-in project advances generally do not keep pace with costs and the General Fund has to "loan" cash dollars to run the programs. In the case of the Capital Fund, loans will occur in advance of obtaining the final funding through bond proceeds. In addition, in the case of the Capital Fund, interest earned on borrowed funds becomes payable to the debt Service Fund for all future reduction of debt service payments. In the case of the Agency Fund, most if not all, fringe benefits are advanced from the General Fund and result in the

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 12 – INTERFUND BALANCES AND ACTIVITY (CONTINUED):

need to reflect a due from both the Special Aid Fund and the Cafeteria Fund for the applicable payroll.

All interfund payables are expected to be repaid within one year.

NOTE 13 – PENSION PLANS:

A. General Information:

The District participates in the New York State Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS). These are cost-sharing, multiple-employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

B. Plan Descriptions and Benefits Provided:

I. Teachers' Retirement System (TRS):

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing, multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

II. Employees' Retirement System (ERS):

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing, multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 13 – PENSION PLANS (CONTINUED):

position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees’ Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State’s financial report as a pension trust fund. That report, including information with regards to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory except for employees who joined after July 26, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the Systems’ fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers’ Retirement Board pursuant to Article 11 of the Education Law.

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

	ERS	TRS
2021-2022	\$ 773,750	\$ 3,059,171
2020-2021	\$ 737,357	\$ 2,861,867
2019-2020	\$ 721,706	\$ 3,317,239

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

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

At June 30, 2022, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District’s proportion of the net position

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 13 – PENSION PLANS (CONTINUED):

asset/(liability) was based on a projection of the District’s long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Actuarial Valuation Date	4/1/2021	6/30/2020
Net Pension Asset/(Liability)	\$ 1,134,078	\$ 32,773,404
District's Portion of the Plan's Total		
Net Pension Asset/(Liability)	0.0138732%	0.189124%

For the year ended June 30, 2022, the District’s recognized pension expense (credit) of \$136,890 for ERS and 1,981,706 for TRS.

At June 30, 2022, the District’s reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences Between Expected and Actual Experience	\$ 85,885	\$ 4,517,466	\$ 111,398	\$ 170,272
Changes of Assumptions	1,892,650	10,779,858	31,936	1,908,954
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	3,713,632	34,300,758
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	306,917	47,500	127,602	435,437
District's Contributions Subsequent to the Measurement Date	<u>153,888</u>	<u>3,654,212</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,439,340</u>	<u>\$ 18,999,036</u>	<u>\$ 3,984,568</u>	<u>\$ 36,815,421</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 13 – PENSION PLANS (CONTINUED):

	ERS	TRS
Year Ended:		
2023	\$ (216,048)	\$ (4,333,468)
2024	(364,942)	(5,081,787)
2025	(944,588)	(6,356,197)
2026	(173,537)	(8,323,424)
2027	-	1,530,173
Thereafter	-	1,094,106
	<u>\$ (1,699,115)</u>	<u>\$ (21,470,597)</u>

D. Actuarial Assumptions:

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Actuarial Valuation Date	April 1, 2021	June 30, 2020
Interest Rate	5.90%	6.95%
Salary Scale	4.40%	5.18%-1.95%
Decerement Tables	April 1, 2015 - March 31, 2020	July 1, 2015 - June 30, 2020
	System's Experience	System's Experience
Inflation Rate	2.70%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on MP-2020. For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries Scale MP 2015.

For ERS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – July 30, 2020.

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

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 13 – PENSION PLANS (CONTINUED):

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

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement Date	ERS	ERS	TRS	TRS
	March 31, 2022	March 31, 2022	June 30, 2021	June 30, 2021
Asset Type	Target Allocation	Long Term Expected Real Rate of Return	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	32%	3.30%	33%	6.80%
International Equity	15%	5.85%	16%	7.60%
Private Equity	10%	6.50%	8%	10.00%
Real Estate	9%	5.00%	11%	6.50%
Alternative Investments	3%	4.10%	4%	7.10%
Total Equities	69%		72%	
Domestic Fixed Income Securities	23%	0.00%	16%	1.30%
Global Fixed Income Securities	0%	0.00%	2%	0.80%
Real Assets	3%	5.58%	0%	0.00%
Bonds and Mortgages	0%	0.00%	7% - 1%	3.3% - 3.8%
Short-Term	1%	-1.00%	1%	-0.20%
Inflation-Indexed Bonds	4%	3.78%	1%	5.90%
Total Fixed Income	31%		28%	
Total	100%		100%	

E. Discount Rate:

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

F. Sensitivity of the Proportionate Share of the Net Position to the Discount Rate Assumption:

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 13 – PENSION PLANS (CONTINUED):

the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9% for ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

	ERS		
	Current		
	1% Decrease (4.9%)	Assumption (5.9%)	1% Increase (6.9%)
Employer's Proportionate Share of the Net Pension (Asset) Liability	\$ 2,919,106	\$ (1,134,078)	\$ (4,524,371)

	TRS		
	Current		
	1% Decrease (5.95%)	Assumption (6.95%)	1% Increase (7.95%)
Employer's Proportionate Share of the Net Pension (Asset) Liability	\$ (3,439,091)	\$ (32,773,404)	\$ (57,426,766)

G. Pension Plan Fiduciary Net Position:

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	(Dollars in Millions)	
	ERS	TRS
Measurement Date	3/31/2022	6/30/2021
Employers' Total Pension Liability	\$ 223,874,888	\$ 130,819,415
Plan Net Position	232,049,473	148,148,457
Employers' Net Pension Asset/(Liability)	\$ 8,174,585	\$ 17,329,042
Ratio of Plan Net Position to the Employers' Total Pension Asset/(Liability)	103.65%	113.25%

H. Payables to the Pension Plan:

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$153,888.

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 13 – PENSION PLANS (CONTINUED):

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer’s contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to \$3,654,212.

NOTE 14 – OTHER POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS:

A. General Information about the OPEB Plan:

Plan Description – The District’s defined benefit OPEB plan, provides OPEB for all permanent full-time general employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – The District provides healthcare for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At July 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	207
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	380
	<u>587</u>

B. Total OPEB Liability:

The District’s total OPEB liability of \$79,402,610 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 14 – OTHER POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (CONTINUED):

Salary Increases	3.80%, average, including inflation
Discount Rate	2.16%
Healthcare Cost Trend Rates	8.68% for 2020, decreasing 0.5% per year to an ultimate rate of 4.5% for 2029 and later years
Retirees' Share of Benefit-Related Costs	20-65% of projected health insurance premiums for retirees

The discount rate was based on Buyer Bond 20 GO Bond Index.

Mortality rates were based on the Public-2010 Headcount Weighted Mortality Table, as appropriate, with adjustments for mortality improvements based on MP-2021.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2020 through June 30, 2021.

C. Changes in the total OPEB Liability:

Balance at June 30, 2021	\$ 71,202,098
Changes for the year:	
Service Cost	3,779,118
Interest	1,648,130
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(151,684)
Changes in Assumptions or Other Inputs	3,739,834
Benefit Payments	<u>(814,886)</u>
Net Changes	<u>8,200,512</u>
Balance at June 30, 2022	<u>\$ 79,402,610</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% percent in 2020 to 2.16% percent in 2022.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 14 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (CONTINUED):

lower (1.16 percent) or 1 percentage point higher (3.16 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	<u>\$ 97,501,966</u>	<u>\$ 79,402,610</u>	<u>\$ 65,485,213</u>

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	<u>\$ 62,772,922</u>	<u>\$ 79,402,610</u>	<u>\$ 102,119,184</u>

D. OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2022, the District recognized OPEB Expense of \$4,125,632. At June 30, 2022 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,123,261	\$ 507,038
Changes of Assumptions or Other Inputs	10,227,274	10,518,080
Contributions Subsequent to the Measurement Period	-	-
Total	<u>\$ 11,350,535</u>	<u>\$ 11,025,118</u>

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

Fiscal Year Ending June 30,	Amount
2023	\$ (1,301,616)
2024	(1,301,616)
2025	(1,274,776)
2026	74,693
2027	1,750,368
Thereafter	<u>2,378,374</u>
	<u>\$ 325,427</u>

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 15 – RISK MANAGEMENT:

The District and other school districts have formed a reciprocal insurance company to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company which is responsible for the overall supervision and management of the reciprocal.

The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote.

The Company is an “assessable” insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

The District purchases various insurance coverages from the Company to reduce its exposure to loss. The District maintains a general liability insurance policy with coverage up to \$1 million. The District maintains liability coverage for school board members up to \$1 million. The District also maintains an excess catastrophe liability policy with coverage up to \$20 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The 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 participant’s employees. The District has transferred all related risk to the Plan.

The District and neighboring school districts in Southern Westchester County, participate in the South 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 employers’ liability payments. The Plan is managed and governed by a

ARDSLEY UNION FREE SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 15 – RISK MANAGEMENT (CONTINUED):

Board of Trustees comprised of a representative from each district. Billings are based upon participants' experience rating. The District has transferred all related risk to the Plan. Financial statements for the Plan are available from the administrator at 17 Berkley Drive; Rye Brook, New York 10573.

NOTE 16 – CONTINGENT LIABILITIES:

A. Litigation:

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

B. Other:

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

SUPPLEMENTARY INFORMATION

ARDSLEY UNION FREE SCHOOL DISTRICT
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP) BASIS AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources:				
Real Property Taxes	\$ 60,000,000	\$ 56,966,766	\$ 56,964,992	\$ (1,774)
Other Tax Items	603,792	3,637,026	4,255,365	618,340
Charges for Services	3,631,413	3,631,413	3,696,401	64,988
Use of Money and Property	200,000	200,000	206,510	6,510
Sale of Property and Compensation for Loss	-	100,000	102,844	2,844
Miscellaneous	126,469	185,093	151,557	(33,536)
Interfund Revenues	-	-	-	-
Total Local Sources	64,561,674	64,720,298	65,377,670	657,372
State Sources	7,597,484	7,597,484	7,769,043	171,559
Federal Sources	30,000	30,000	192,560	162,560
Retirement System Credits	-	-	-	-
Total Revenues	72,189,158	72,347,782	73,339,273	991,491
OTHER FINANCING SOURCES				
Transfers from Other Funds	-	-	-	-
Appropriated Reserves	511,304	511,304	-	(511,304)
Designated Fund Balance and Encumbrances Carried Forward From Prior Year	1,980,000	2,730,511	-	(2,730,511)
Total Revenues and Other Financing Sources	<u>\$ 74,680,462</u>	<u>\$ 75,589,597</u>	<u>\$ 73,339,273</u>	<u>\$ (2,250,324)</u>

ARDSLEY UNION FREE SCHOOL DISTRICT
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP) BASIS AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances
EXPENDITURES					
General Support:					
Board of Education	\$ 73,107	\$ 77,207	\$ 61,712	\$ 193	\$ 15,303
Central Administration	346,050	358,750	356,697	1,194	859
Finance	993,468	1,061,988	938,958	84,915	38,115
Staff	413,156	424,414	284,384	4,230	135,800
Central Services	4,189,506	4,658,224	4,250,562	166,469	241,193
Special Items	824,550	1,068,338	992,960	5,798	69,580
	<u>6,839,837</u>	<u>7,648,920</u>	<u>6,885,272</u>	<u>262,799</u>	<u>500,849</u>
Total General Support					
Instruction:					
Instruction, Administration and Improvement	1,882,998	1,949,720	1,899,243	-	50,476
Teaching - Regular School	22,351,334	22,158,646	21,637,163	44,055	477,428
Programs for Students with Disabilities	11,712,790	11,946,671	11,485,207	152,340	309,124
Occupational Education	-	-	-	-	-
Teaching - Special School	-	-	-	-	-
Instructional Media	2,156,958	2,234,848	2,017,042	123,702	94,104
Pupil Services	4,670,592	4,702,124	4,383,580	1,106	317,438
	<u>42,774,671</u>	<u>42,992,009</u>	<u>41,422,235</u>	<u>321,203</u>	<u>1,248,571</u>
Total Instruction					
Pupil Services	2,814,373	2,827,856	2,553,044	25,099	249,713
Community Services	593,330	599,271	477,524	2,535	119,212
Employee Benefits	16,835,442	16,697,253	15,718,439	29,361	949,453
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Service					
Total Expenditures	69,857,654	70,765,308	67,056,513	640,997	3,067,799
OTHER FINANCING USES					
Operating Transfers Out	4,822,808	4,824,288	4,689,672	-	134,616
	<u>4,822,808</u>	<u>4,824,288</u>	<u>4,689,672</u>	<u>-</u>	<u>134,616</u>
Total Expenditures and Other Uses	\$ 74,680,462	\$ 75,589,597	71,746,185	\$ 640,997	\$ 3,202,415
Net Change in Fund Balances			1,593,088		
Fund Balance - Beginning			<u>21,200,572</u>		
Fund Balance - Ending			<u>\$ 22,793,660</u>		

ARDSLEY UNION FREE SCHOOL DISTRICT
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFITS
 FOR THE YEAR ENDED JUNE 30, 2021

Supplemental Schedule #2

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total OPEB liability										
Service Cost	\$ 3,779,118	\$ 2,819,906	\$ 2,426,891	\$ 2,300,239	\$ 2,849,557	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,648,130	2,184,649	2,091,841	2,277,457	2,016,455	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	(151,684)	1,476,487	(134,983)	(574,873)	-	-	-	-	-	-
Changes of Assumption or Other Inputs	3,739,834	5,666,136	4,083,886	(13,069,906)	(10,710,056)	-	-	-	-	-
Benefit Payments	(814,886)	(725,834)	(619,579)	(626,695)	(859,393)	-	-	-	-	-
Net Change in Total OPEB Liability	8,200,512	11,421,344	7,848,056	(9,693,778)	(6,703,437)	-	-	-	-	-
Total OPEB Liability - Beginning	71,202,098	59,780,754	51,932,698	61,626,476	68,329,913	-	-	-	-	-
Total OPEB Liability - Ending	\$ 79,402,610	\$ 71,202,098	\$ 59,780,754	\$ 51,932,698	\$ 61,626,476	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	34,107,554	34,107,554	31,867,495	31,471,605	29,399,228	-	-	-	-	-
Total OPEB Liability as a Percentage of Covered-Employee Payroll	232.80%	208.76%	187.59%	165.01%	209.62%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Changes of Assumptions:

Changes of Assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2022	2.16%
2021	2.21%
2020	3.51%
2019	3.87%
2018	3.58%
2017	2.85%

- * Mortality assumption Used Pub-2010 Headcount Weighted Mortality Table project generationally with MP-2020, adjusted for COVID-19 slow recovery, from the central year.
- * The discount rate was updated from 2.21% to 2.16% to be consistent with GASB 75 requirements and is based on Bond Buyer 20 GO Bond Index.
- * Salary Scale was updated to service-based tables from ERS and TRS to be consistent with GASB 75 requirements.
- * Healthcare cost trend rates were updated based on national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data, plan renewal data, and vendor Rx reports, with adjustments based on the provisions of the benefits sponsored by the Ardsley Union Free School District.
- * Underlying claims were updated to reflect the most recent claims experience.
- * The Budget Continuing Resolution signed in January 2018 delayed the effective date of the Excise Tax from 2020 to 2022.

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

In accordance with New York State Law, the District's Defined Benefit OPEB Plan is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Accordingly, the District does not have net assets accumulated in a trust.

ARDSLEY UNION FREE SCHOOL DISTRICT

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
 FOR THE NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM AND
 FOR THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
 FOR THE YEAR ENDED JUNE 30, 2022

LAST 10 FISCAL YEARS*

FOR THE NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM

Measurement Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
The District's proportion of the net pension liability (asset)	0.0138732%	0.0139066%	0.0156671%	0.0148283%	0.0153755%	0.0159108%	0.0153540%	0.01473240%	0%	0%
The District's proportionate share of the net pension liability (asset)	\$ (1,134,078)	\$ 13,847	\$ 4,148,751	\$ 1,050,627	\$ 496,235	\$ 1,495,019	\$ 2,464,361	\$ 497,698	\$ -	\$ -
The District's covered employee payroll	\$ 5,038,119	\$ 4,966,090	\$ 5,249,408	\$ 5,367,705	\$ 4,963,304	\$ 4,896,216	\$ 4,816,229	\$ 4,638,808	\$ -	\$ -
The District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-22.51%	0.28%	79.03%	19.57%	10.00%	30.53%	51.17%	10.73%	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	98%	0%	0%

* The amounts presented for each fiscal year were determined as of 3/31

FOR THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM

Measurement Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
The District's proportion of the net pension liability (asset)	0.189124%	0.190306%	0.187134%	0.183277%	0.181253%	0.181005%	0.182018%	0.173915%	0%	0%
The District's proportionate share of the net pension liability (asset)	\$ (32,773,404)	\$ 5,258,673	\$ (4,861,765)	\$ (3,314,125)	\$ (1,377,702)	\$ 1,938,635	\$ (18,905,835)	\$ (19,373,063)	\$ -	\$ -
The District's covered employee payroll	\$ 33,815,677	\$ 32,624,488	\$ 32,921,934	\$ 31,929,426	\$ 30,441,611	\$ 29,399,893	\$ 28,580,679	27,826,331	\$ -	\$ -
The District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-97%	16%	-15%	-10%	-5%	7%	-66%	-69.62%	0%	0%
Plan fiduciary net position as a percentage of the total pension liability (asset)	113.25%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	0%	0%

* The amounts presented for each fiscal year were determined as of 6/30

ARDSLEY UNION FREE SCHOOL DISTRICT

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF THE LOCAL GOVERNMENT'S CONTRIBUTIONS
 FOR THE NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM AND
 FOR THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
 FOR THE YEAR ENDED JUNE 30, 2022

LAST 10 FISCAL YEARS

FOR THE NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM

Measurement Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 773,750	\$ 737,357	\$ 721,706	\$ 692,457	\$ 702,902	\$ 703,756	\$ 849,157	\$ 828,108	\$ -	\$ -
Contributions in relation to the contractually required contribution	\$ 773,750	\$ 737,357	\$ 721,706	\$ 692,457	\$ 702,902	\$ 703,756	\$ 849,157	\$ 828,108	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
The District's covered employee payroll	\$ 5,038,119	\$ 4,966,090	\$ 5,249,408	\$ 5,367,705	\$ 4,963,304	\$ 4,896,216	\$ 4,816,229	\$ 4,638,808	\$ -	\$ -
Contributions as a percentage of a covered Employee Payroll	15%	15%	14%	13%	14%	14%	18%	18%	0%	0%

FOR THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM

Measurement Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 3,059,171	\$ 2,861,867	\$ 3,317,239	\$ 2,925,664	\$ 3,366,291	\$ 3,703,628	\$ 4,792,969	\$ 4,174,621	\$ -	\$ -
Contributions in relation to the contractually required contribution	\$ 3,059,171	\$ 2,861,867	\$ 3,317,239	\$ 2,925,664	\$ 3,366,291	\$ 3,703,628	\$ 4,792,969	\$ 4,174,621	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
The District's covered employee payroll	\$ 33,815,677	\$ 32,624,488	\$ 32,921,934	\$ 31,929,426	\$ 30,441,611	\$ 29,399,893	\$ 28,580,679	\$ 27,826,331	\$ -	\$ -
Contributions as a percentage of a covered employee payroll	9.05%	8.77%	10.08%	9.16%	11.06%	12.60%	16.77%	15.00%	0%	0%

ARDSLEY UNION FREE SCHOOL DISTRICT
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
 AND SECTION 1318 REAL PROPERTY TAX LAW LIMIT CALCULATION
 FOR THE YEAR ENDED JUNE 30, 2022

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 74,680,461
Add: Prior Year's Encumbrances	<u>457,282</u>
Original Budget	75,137,743
Budget Revisions:	
Board Resolutions to Accept Donations to the District	58,625
Expenditures from Reserve Funds:	
Insurance	100,000
Tax Certiorari	<u>293,229</u>
Final Budget	<u>\$ 75,589,597</u>
Next Year's Budget is a (Voter-Approved) Budget of	<u>\$ 76,691,545</u>

SECTION 1318 REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-2023 Expenditure Budget Maximum Allowed	<u>\$ 76,691,545</u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted Fund Balance:	
Committed Fund Balance	\$ -
Assigned Fund Balance	2,655,417
Unassigned Fund Balance	<u>3,067,662</u>
Total Unrestricted Fund Balance	<u>5,723,079</u>
Less:	
Appropriated Fund Balance	1,979,998
Insurance Recovery Reserve	31,422
Tax Reduction Reserve	-
District Committed Expense	3,000
Encumbrances Included in Committed and Assigned Fund Balance	<u>640,997</u>
Total Adjustments	<u>2,655,417</u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 3,067,662</u>
Actual Percentage	4%

ARDSLEY UNION FREE SCHOOL DISTRICT
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2022

Supplemental Schedule #6

<i>PROJECT TITLE</i>	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2020
			Prior Years	Current Year	Total		Proceeds of Obligation	State Aid	Local Sources	Total	
Major Capital Projects:											
Concord Road Reconstruction	\$ 1,817,032	\$ 1,484,578	\$ 1,331,891	\$ -	\$ 1,331,891	\$ 152,687	\$ 1,549,157	\$ -	\$ -	\$ 1,549,157	\$ 217,266
Concord Road Reconstruction	1,196,600	1,628,020	1,555,693	2,500	1,558,193	69,827	1,636,306	-	-	1,636,306	78,113
Ardsley High School Reconstruction	3,354,651	3,271,410	3,067,228	-	3,067,228	204,182	3,106,305	-	-	3,106,305	39,077
Ardsley High School Reconstruction	3,102,418	3,857,011	3,750,572	11,105	3,761,677	95,334	4,000,000	-	-	4,000,000	238,323
Ardsley Middle School Reconstruction	2,486,612	2,019,101	1,821,198	-	1,821,198	197,903	1,908,232	-	-	1,908,232	87,034
Ardsley Middle School Reconstruction	1,346,640	244,081	2,347,596	46,120	2,393,716	(2,149,635)	2,500,000	-	-	2,500,000	106,284
Administration Building Interior	107,000	299,079	355,812	-	355,812	(56,733)	300,000	-	-	300,000	(55,812)
Concord Road Reconstruction, EPC	776,267	776,267	2,175	438,653	440,828	335,439	-	-	-	-	(440,828)
Ardsley Middle School Reconstruction EPC	4,218,126	4,218,126	122,896	1,329,832	1,452,728	2,765,398	-	-	-	-	(1,452,728)
	<u>18,405,346</u>	<u>17,797,673</u>	<u>14,355,061</u>	<u>1,828,210</u>	<u>16,183,271</u>	<u>1,614,402</u>	<u>15,000,000</u>	<u>-</u>	<u>-</u>	<u>15,000,000</u>	<u>(1,183,271)</u>
Totals	\$ 18,405,346	\$ 17,797,673	\$ 14,355,061	\$ 1,828,210	\$ 16,183,271	\$ 1,614,402	\$ 15,000,000	\$ -	\$ -	\$ 15,000,000	\$ (1,183,271)

ARDSLEY UNION FREE SCHOOL DISTRICT
SUPPLEMENTAL INFORMATION
SCHEDULE OF COMBINED BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Aid	Cafeteria	Debt Service	Special Miscellaneous	Total Non-Major
ASSETS					
Cash:					
Unrestricted	\$ 3,291	\$ 335,700	\$ 109,383	\$ 69,900	\$ 518,273
Restricted	-	-	-	-	-
Investments:					
Unrestricted	-	-	-	-	-
Restricted	-	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Due from Other Funds	-	185,354	430,831	-	616,185
State and Federal Aid	726,822	148,871	-	-	875,693
Due from Other Governments	-	-	-	-	-
Other	366	-	-	-	366
Inventories	-	-	-	-	-
Deferred Expenditures	-	-	-	-	-
Capital Assets, Net	-	-	-	-	-
Total Assets	<u>\$ 730,479</u>	<u>\$ 669,925</u>	<u>\$ 540,214</u>	<u>\$ 69,900</u>	<u>\$ 2,010,518</u>
LIABILITIES					
Payables:					
Accounts Payable	\$ 295,226	\$ 1,058	\$ -	\$ -	\$ 296,284
Accrued Liabilities	647	-	-	-	647
Due to Other Funds	381,751	-	-	-	381,751
Due to Other Governments	1,880	86	-	-	1,966
Retainage Payable	-	-	-	-	-
Bond Interest and Matured Bonds	-	-	-	-	-
Notes Payable:					
Tax Anticipation	-	-	-	-	-
Revenue Anticipation	-	-	-	-	-
Bond Anticipation	-	-	-	-	-
Deferred Credits:					
Overpayments and Collections in Advance	-	-	-	-	-
Deferred Revenues	50,975	98,942	-	-	149,917
Planned Balance	-	-	-	-	-
Long-Term Liabilities:					
Due to Teachers' Retirement System	-	-	-	-	-
Due to Employees' Retirement System	-	-	-	-	-
Compensated Absences Payable	-	-	-	-	-
Other Post Employment Benefits Payable	-	-	-	-	-
Judgments & Claims Payable	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Total Liabilities	<u>730,479</u>	<u>100,086</u>	<u>-</u>	<u>-</u>	<u>830,565</u>
FUND BALANCES					
Non Spendable	-	39,137	-	-	39,137
Reserved (Specify)	-	-	540,214	-	540,214
Committed	-	-	-	-	-
Assigned	-	530,702	-	69,900	600,602
Unassigned	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>569,839</u>	<u>540,214</u>	<u>69,900</u>	<u>1,179,953</u>
Total Liabilities and Fund Balances	<u>\$ 730,479</u>	<u>\$ 669,925</u>	<u>\$ 540,214</u>	<u>\$ 69,900</u>	<u>\$ 2,010,518</u>

Note: Totals may not add due to rounding.

ARDSLEY UNION FREE SCHOOL DISTRICT
SUPPLEMENTAL INFORMATION
SCHEDULE OF COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUND 30, 2022

	Special Aid	Cafeteria	Debt Service	Special Miscellaneous	Total Non-Major
REVENUES					
Real Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Tax Items	-	-	-	-	-
Nonproperty Taxes	-	-	-	-	-
Charges for Services	-	-	-	-	-
Use of Money and Property	-	3,396	7,305	-	10,701
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	-	15	-	32,417	32,433
Interfund Revenue	-	-	-	-	-
State Sources	573,489	10,033	-	-	583,522
Medicaid Reimbursement	-	-	-	-	-
Federal Sources	1,125,241	690,185	-	-	1,815,426
Surplus Food	-	39,137	-	-	39,137
Sales - School Lunch	-	157,972	-	-	157,972
Total Revenues	<u>1,698,730</u>	<u>900,739</u>	<u>7,305</u>	<u>32,417</u>	<u>2,639,191</u>
EXPENDITURES					
General Support	-	-	-	-	-
Instruction	1,857,478	-	-	7,100	1,864,578
Pupil Transportation	56,636	-	-	-	56,636
Community Service	-	-	-	-	-
Employee Benefits	-	-	-	-	-
Debt Service:					
Principal	-	-	3,543,042	-	3,543,042
Interest	-	-	979,752	-	979,752
Cost of Sales	-	784,797	-	-	784,797
Other Expenditures	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>1,914,114</u>	<u>784,797</u>	<u>4,522,794</u>	<u>7,100</u>	<u>7,228,805</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(215,384)</u>	<u>115,941</u>	<u>(4,515,490)</u>	<u>25,317</u>	<u>(4,589,615)</u>
OTHER FINANCING SOURCES AND USES					
Premium on Obligations Issued	-	-	36,674	-	36,674
Proceeds from Debt	-	-	-	-	-
Operating Transfers In	215,384	-	4,474,288	-	4,689,672
Operating Transfers (Out)	-	-	-	-	-
Rounding	-	-	-	-	-
Total Other Sources (Uses)	<u>215,384</u>	<u>-</u>	<u>4,510,962</u>	<u>-</u>	<u>4,726,346</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(0)	115,941	(4,528)	25,317	136,731
Fund Balances - Beginning of Year	<u>-</u>	<u>453,897</u>	<u>544,742</u>	<u>44,582</u>	<u>1,043,221</u>
Fund Balances - End of Year	<u>\$ (0)</u>	<u>\$ 569,838</u>	<u>\$ 540,214</u>	<u>\$ 69,899</u>	<u>\$ 1,179,952</u>

Note: Totals may not add due to rounding.

ARDSLEY UNION FREE SCHOOL DISTRICT
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
 FOR THE YEAR ENDED JUNE 30, 2022

Capital Assets, Net		\$ 62,372,503
Right to Use, Net		418,859
Add:		
Unamortized Bond Issuance Costs	\$ <u> -</u>	
Total Additions		-
Deduct:		
Lease Payable	146,524	
Short-Term Portion of Bonds Payable	3,051,220	
Long-Term Portion of Bonds Payable	20,924,268	
Short-Term Portion of Installment Purchase Debt	76,474	
Long-Term Portion of Installment Purchase Debt	195,861	
Bond Anticipation	4,994,393	
Unamortized Bond Issuance Premium Received at Closing	<u>836,182</u>	
Total Deductions		<u>(30,224,922)</u>
Investment in Capital Assets, Net of Related Debt		<u>\$ 32,566,440</u>



LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Education
Ardsley Union Free School District
500 Farm Road
Ardsley, New York 10502

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 Ardsley Union Free School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 14, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

RBT CPAs, LLP

Hudson, New York
October 14, 2022

