

FINANCIAL REPORT
AUDITED

ARDSLEY UNION FREE SCHOOL DISTRICT
For the Year Ended June 30, 2023

Audited for:

Board of Education
ARDSLEY UNION FREE SCHOOL DISTRICT



Audited By:

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ARDSLEY UNION FREE SCHOOL DISTRICT

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LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

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 "School District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS"), issued by the Comptroller General of the United States. 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 School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note XIV to the financial statements, in 2023 the School District adopted new accounting guidance GASB 96, *Subscription-Based Information Technology Arrangements*. 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 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.

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the School District's total OPEB liability and related ratios, schedule of the School District's proportionate share of the net pension asset/(liability) and related ratios, schedule of employer contributions and schedule of revenues and expenditures compared to budget 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining nonmajor fund financial statements and the schedule of indebtedness 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 and the schedule of indebtedness 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, Capital Projects – Project Length Schedule, 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.

Report Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

RBT CPAs, LLP

Hudson, NY

October 10, 2023

**ARDSLEY UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The accompanying discussion and analysis of the Ardsley Union Free School District's ("the School District") financial performance has been prepared to provide an overview of the School District's financial activities for the year ended June 30, 2023. The discussion and analysis is only an introduction and should be read in conjunction with the School District's financial statements.

Financial Highlights

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$3,275,476. This amount was within the statutory limit.
- As of the close of the current fiscal year, the School District's governmental fund financial statements report a combined ending fund balance of \$28,066,341, an increase of \$5,276,001 during the current fiscal year. This increase is due largely to interest earned and increase in state aid.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded assets and deferred outflows of resources at the close of its most recent fiscal year by (\$1,991,403). The School District's total net position increased by \$3,103,594 for the year ended June 30, 2023. This is mainly a result of substantial liability decrease in Other Post-Employment Benefits ("OPEB") relating to GASB Statement No. 75.
- For the year ending June 30, 2023, the School District recorded a liability of \$61,896,168 relating to OPEB. New York State has not authorized any legal mechanism to fund this liability.

Overview of the Financial Statements

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

Basic Financial Statements

The first two statements in the basic financial statements are the district-wide Financial Statements. They provide short and long-term information about the School District's financial status.

The next statements are Fund Financial Statements. These statements focus on the activities of the individual part of the School District. These statements provide more detail than the district-wide statements. There are two parts to the Fund Financial Statements: (1) the governmental and fiduciary statements and (2) the reconciliations to the district-wide financial statements.

The next section of the financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements.

**ARDSLEY UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

District-wide Financial Statements

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

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

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

Fund Financial Statements

- A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.
- The School District maintains six individual governmental funds. The General Fund, Capital Projects Fund, Cafeteria Fund, Debt Service Fund, Miscellaneous Special Revenue Fund and Special Aid Fund are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances, as either major or non-major funds.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund and included in Required Supplementary Information to demonstrate compliance with the budget.
- The Fiduciary Funds (inclusive of student activity funds) are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statement because the resources of these funds are not available to support the School District's programs.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

**ARDSLEY UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

DISTRICT-WIDE FINANCIAL ANALYSIS

ARDSLEY UNION FREE SCHOOL DISTRICT'S NET POSITION

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Current Assets	\$ 33,864,922	\$ 33,435,289	\$ 429,633	1.28%
Net Pension Asset	-	33,907,482	(33,907,482)	100.00%
Capital Assets, Net	64,199,283	62,791,362	1,407,921	2.24%
Total Assets	98,064,205	130,134,133	(32,069,928)	-24.64%
Deferred Outflows of Resources				
Pensions	21,402,808	21,438,376	\$ (35,568)	-0.17%
Other Postemployment Benefits	10,452,336	11,350,535	\$ (898,199)	-7.91%
Total Deferred Outflows of Resources	31,855,144	32,788,911	(933,767)	-2.85%
Current Liabilities	10,439,273	6,259,791	4,179,482	66.77%
Long-Term Liabilities	91,427,400	109,325,902	(17,898,502)	-16.37%
Total Liabilities	101,866,673	115,585,693	(13,719,020)	-11.87%
Deferred Inflows of Resources				
Other	-	1,561,426	(1,561,426)	-100.00%
Other Postemployment Benefits	2,051,727	11,025,108	(8,973,381)	-81.39%
Pension	27,992,352	40,799,989	(12,807,637)	-31.39%
Total Deferred Inflows of Resources	30,044,079	53,386,523	(23,342,444)	-43.72%
Net Position:				
Net Investment in Capital Assets	38,108,791	32,566,440	5,542,351	17.02%
Restricted	17,961,346	17,594,533	366,813	2.08%
Unrestricted	(58,061,540)	(56,210,145)	(1,851,395)	-3.29%
Total Net Position	\$ (1,991,403)	\$ (6,049,172)	\$ 4,057,769	67.08%

**ARDSLEY UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

By far, the largest component of the School District's net position, \$38,108,791 reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and, consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Those assets subject to external restrictions total \$17,961,346. The remaining balance is an unrestricted deficit of (\$58,061,539), primarily attributable to the accrual of other post-employment benefit obligations promulgated under the requirements of Governmental Accounting Standards Board Statement No. 75.

In addition, as a requirement of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date*, new items are included in the Statement of Net Position. As of June 30, 2023, the School District reported a net pension liability and deferred inflows and outflows as calculated by the New York State Teachers' and Local Employees Retirement systems. This liability and the net deferrals are not in custody of, nor are they accessible by the School District. Rather these represent the School District's share of the calculated excess/shortfall of the respective retirement systems. Please see Note X of the financial statements for more information on these pension items.

The negative unrestricted net position balance of (\$58,061,539) continues to be the result of recognizing the liability for Other Post - Employment Benefits ("OPEB"), without any legal mechanism to set-aside funds for this liability. For the 2022-2023 fiscal year, this liability decreased by a net amount of \$17,506,442 to a balance of (\$61,896,168).

**ARDSLEY UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

DISTRICT-WIDE FINANCIAL ANALYSIS

ARDSLEY UNION FREE SCHOOL DISTRICT'S CHANGES IN NET POSITION

	2023	%	2022	%	\$ Change	% Change
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,993,224	53.98%	\$ 3,708,216	58.60%	\$ 285,008	7.69%
Operating Grants and Contributions	2,353,270	31.81%	2,620,072	41.40%	(266,802)	-10.18%
Capital Grants and Contributions	1,050,559	14.20%	-	0.00%	1,050,559	100.00%
Total Program Revenue	<u>7,397,053</u>	<u>100.00%</u>	<u>6,328,288</u>	<u>100.00%</u>	<u>1,068,765</u>	<u>16.89%</u>
General Revenues:						
Real Property Taxes	57,767,886	77.85%	56,964,992	81.79%	802,894	1.41%
Other Tax Items	2,811,569	3.79%	3,038,775	4.36%	(227,206)	-7.48%
Non-Property Taxes	1,156,203	1.56%	1,216,590	1.75%	(60,387)	-4.96%
Use of Money and Property	1,472,758	1.98%	213,815	0.31%	1,258,943	588.80%
Sales of Property and Compensation for Loss	140,781	0.19%	102,844	0.15%	37,937	36.89%
Miscellaneous	261,025	0.35%	151,557	0.22%	109,468	100.00%
State Sources	10,460,113	14.09%	7,769,043	11.15%	2,691,070	34.64%
Federal Sources	116,386	0.16%	149,569	0.21%	(33,183)	-22.19%
Medicaid Reimbursement	25,484	0.03%	42,991	0.06%	(17,507)	-40.72%
Total General Revenues	<u>74,212,205</u>	<u>100.00%</u>	<u>69,650,176</u>	<u>100.00%</u>	<u>4,562,029</u>	<u>6.55%</u>
Total Revenues	<u>81,609,258</u>		<u>75,978,464</u>		<u>5,630,794</u>	<u>7.41%</u>
Program Expenses:						
General Support	10,447,080	13.31%	9,399,052	13.47%	1,048,028	11.15%
Instruction	62,111,384	79.11%	54,963,665	78.76%	7,147,719	13.00%
Pupil Transportation	3,396,829	4.33%	3,002,430	4.30%	394,399	13.14%
Community Service	802,257	1.02%	626,482	0.90%	175,775	28.06%
Debt Service	860,240	1.10%	932,357	1.34%	(72,117)	-7.73%
Cafeteria Program	887,874	1.13%	860,293	1.23%	27,581	3.21%
Total Expenses	<u>78,505,664</u>	<u>100.00%</u>	<u>69,784,279</u>	<u>100.00%</u>	<u>\$ 8,721,385</u>	<u>12.50%</u>
Change in Net Position	<u>\$ 3,103,594</u>		<u>\$ 6,194,185</u>			

**ARDSLEY UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Financial Analysis of the Ardsley Union Free School Funds

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

Governmental Funds: The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the School District's financing for spending at the end of the fiscal year.

The major changes from 2022-23 are as follows:

Revenues:

- Capital Grants and Contributions revenue increase by \$1,050,559, due to an increase in State grant for EPC.
- Use of Money and Property revenue increased by \$1,258,943. This was due to increased interest earnings.
- Miscellaneous revenue increased by \$109,468 due to an increase in revenue from facility.
- State sources increased by \$2,691,070 due to the state increasing basic and excess cost aids.

Expenses:

- General Support increased by \$1,048,028 mainly due to an increase in OPEB and ERS and TRS pension systems cost and the allocation of employee benefits based on salaries.
- Instructional Program expenses increased by \$7,147,719. This increase is mainly due to an increase in OPEB and ERS and TRS pension systems costs, and the allocation of employee benefits based on salaries.

Fund Balance Reporting

The School District classifies its fund balances into the following categories:

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

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

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

Note: According to the Office of the State Comptroller, school districts in New York State will not have committed fund balance to report.

**ARDSLEY UNION FREE SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 MANAGEMENT'S DISCUSSION AND ANALYSIS**

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the entity's highest level of decision-making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying non-spendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as non-spendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as non-spendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

Total Governmental Funds

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

As of the end of the current fiscal year, the School District's governmental funds, reported combined fund balances of \$28,066,341, an increase of \$5,276,001 from the prior year. \$6,818,035 constitutes assigned fund balance, all of which is assigned for purchases on order, projects and assigned for fund purpose. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed. The restricted fund balance includes restrictions for General Fund employment benefits of \$1,559,030, for ERS retirement contributions of \$3,593,805, TRS retirement contributions of \$2,016,321 for unemployment benefits of \$260,000, for tax certiorari of \$5,257,521, for capital projects of \$4,678,752, and for Debt Service Fund of \$595,917.

The summary of the combined fund balances are as follows:

Nonspendable	\$	11,493
Restricted		17,961,346
Assigned		6,818,035
Unassigned		3,275,467

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$24,101,314 of which \$3,275,467 or 4% of the ensuing year's budget was unassigned. As previously mentioned, New York State Law limits the amount of unreserved fund balance that can be retained to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

The fund balance of the School District's General Fund increased by \$1,334,919 during the current fiscal year.

**ARDSLEY UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

General Fund Budgetary Highlights

During the year, the School District revised the General Fund budget. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

Capital Asset and Debt Administration

Capital Assets: At June 30, 2023, the School District had \$64,199,283 net of accumulated depreciation invested in a broad range of capital assets, including land, vehicles, buildings and improvements, furniture and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below.

The decrease in capital assets during the current fiscal year is a result of depreciation.

Debt: As of June 30, 2023, the School District had \$26,090,492 in general obligation and other long-term debt outstanding.

More detailed information about the School District's capital assets and long-term debt is presented in the notes to the financial statements.

Pension

At June 30, 2023, the School District reported a liability of \$3,091,308 for its proportionate share of the ERS net pension liability. This asset was measured at March 31, 2023, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of April 1, 2022. The TRS net pension asset was measured as of June 30, 2022, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2021. At June 30, 2023 the School District reported a liability of \$3,625,150 for its proportionate share of the net pension asset of TRS.

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.

Requests for Information

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

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

ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 13,079,026
Restricted Cash	17,961,346
State and Federal Aid Receivable	2,120,309
Due from Other Governments	654,166
Accounts Receivable	38,582
Prepaid Expenses	11,493
	33,864,922
Capital Assets, not being depreciated	6,250,349
Capital Assets, being depreciated - net	57,910,924
Intangible Right-to-Use Lease Asset, net	38,010
Total Capital Assets and Intangible Assets, net (Note VI)	64,199,283
Total Assets	98,064,205
DEFERRED OUTFLOWS OF RESOURCES	
Pension (Note X)	21,402,808
Other Postemployment Benefits (Note XI)	10,452,336
Total Deferred Outflows of Resources	31,855,144
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	129,919,349
LIABILITIES	
Accounts Payable	641,707
Accrued Liabilities	132,143
Accrued Interest Payable	196,597
Unearned Revenue	838,445
Due to Other Governments	1,409
Due to Retirement Systems	4,179,676
Other Liabilities	5,201
Non-Current Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (Note IX)	4,444,095
Due and Payable More Than One Year:	
Installment Purchase Debt Payable	353,592
Lease Liability	91,900
Bonds Payable (Note IX)	22,315,932
Compensated Absences (Note IX)	53,350
Net Pension Liability-Proportionate Share (Note X)	6,716,458
Other Postemployment Benefits (Note XI)	61,896,168
Total Liabilities	101,866,673
DEFERRED INFLOWS OF RESOURCES	
Pension (Note X)	2,051,727
Other Postemployment Benefits (Note XI)	27,992,352
Total Deferred Inflows of Resources	30,044,079
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	131,910,752
NET POSITION	
Net Investment in Capital Assets	38,108,791
Restricted	17,961,346
Unrestricted	(58,061,540)
Total Net Position	\$ (1,991,403)

See accompanying notes to basic financial statements.

**ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
<u>FUNCTIONS/PROGRAMS</u>				
Primary Government:				
Governmental Activities:				
General Support	\$ (10,447,080)	\$ -	\$ -	\$ (10,447,080)
Instruction	(62,111,384)	3,448,779	2,139,563	(55,472,483)
Pupil Transportation	(3,396,829)	-	-	(3,396,829)
Community Service	(802,257)	-	-	(802,257)
Cafeteria Program	(887,874)	544,445	213,707	(129,722)
Interest on Debt	(860,240)	-	-	(860,240)
Total Primary Government	\$ (78,505,664)	\$ 3,993,224	\$ 2,353,270	\$ (71,108,611)
General Revenues:				
Real Property Taxes				57,767,886
Other Tax Items				3,967,772
Use of Money and Property				1,472,758
Sale of Property and Compensation for Loss				140,781
Miscellaneous				261,025
State Sources				10,460,113
Federal Sources				141,870
Total General Revenues				74,212,205
Change in Net Position				3,103,594
Net Position - Beginning				(6,049,172)
Prior Period Adjustment (Note XV)				954,175
Net Position - Beginning, as restated				(5,094,997)
Net Position - Ending				\$ (1,991,403)

See accompanying notes to basic financial statements.

**ARDSLEY UNION FREE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Special Aid Fund	Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 9,973,883	\$ 16,495	\$ 3,088,648	\$ 13,079,026
Restricted Cash	17,365,429	-	595,917	17,961,346
Due from Other Funds	1,004,048	-	1,014,795	2,018,843
State and Federal Aid Receivable	1,087,231	1,016,637	16,441	2,120,309
Due from Other Governments	654,166	-	-	654,166
Accounts Receivable, Net	38,143	-	439	38,582
Prepaid Expenditures	11,493	-	-	11,493
Total Assets	\$30,134,393	\$ 1,033,132	\$ 4,716,240	\$ 35,883,765
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 598,702	\$ 42,835	\$ 170	641,707
Accrued Liabilities	128,208	2,061	1,874	132,143
Unearned Revenues	627,676	45,014	165,755	838,445
Due to Other Funds	492,383	943,120	583,340	2,018,843
Due to Other Governments	1,233	102	74	1,409
Due to Teachers' Retirement System	3,995,539	-	-	3,995,539
Due to Employees' Retirement System	184,137	-	-	184,137
Other Liabilities	5,201	-	-	5,201
Total Liabilities	6,033,079	1,033,132	751,213	7,817,424
Fund Balances:				
Nonspendable	11,493	-	-	11,493
Restricted	17,365,429	-	595,917	17,961,346
Assigned	3,448,925	-	3,369,110	6,818,035
Unassigned	3,275,467	-	-	3,275,467
Total Fund Balances	24,101,314	-	3,965,027	28,066,341
Total Liabilities and Fund Balances	\$30,134,393	\$ 1,033,132	\$ 4,716,240	\$ 35,883,765

See accompanying notes to basic financial statements.

**ARDSLEY UNION FREE SCHOOL DISTRICT
RECONCILIATION OF THE TOTAL GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

	Total Governmental Funds	Long-Term Assets and Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash and Cash Equivalents	\$ 13,079,026	\$ -	\$ -	\$ 13,079,026
Restricted Cash	17,961,346	-	-	17,961,346
Due from Other Funds	2,018,843	-	(2,018,843)	-
State and Federal Aid Receivable	2,120,309	-	-	2,120,309
Due From Other Governments	654,166	-	-	654,166
Accounts Receivable, Net	38,582	-	-	38,582
Prepaid Expenditures	11,493	-	-	11,493
Capital Assets, net	-	64,161,273	-	64,161,273
Right to Use Lease Asset, net	-	38,010	-	38,010
Total Assets	35,883,765	64,199,283	(2,018,843)	98,064,205
Deferred Outflows of Resources - Pension ERS	-	2,281,886	-	2,281,886
Deferred Outflows of Resources - Pension TRS	-	19,120,922	-	19,120,922
Deferred Outflows of Resources - OPEB	-	10,452,336	-	10,452,336
Total Assets and Deferred Outflows	\$ 35,883,765	\$ 96,054,427	\$ (2,018,843)	\$ 129,919,349
LIABILITIES				
Accounts Payable	\$ 641,707	\$ -	\$ -	\$ 641,707
Accrued Liabilities	132,143	-	-	132,143
Accrued Intrest Payable	-	196,597	-	196,597
Unearned Revenues	838,445	-	-	838,445
Due to Other Funds	2,018,843	-	(2,018,843)	-
Due to Other Governments	1,409	-	-	1,409
Bond Payable	-	26,760,027	-	26,760,027
Installment Purchase Debt Payable	-	353,592	-	353,592
Lease Liability	-	91,900	-	91,900
Due to Teachers' Retirement System	3,995,539	-	-	3,995,539
Due to Employees' Retirement System	184,137	-	-	184,137
Compensated Absences	-	53,350	-	53,350
Other Postemployment Benefits Payable	-	61,896,168	-	61,896,168
Other Liabilities	5,201	-	-	5,201
TRS Net Pension Liability-Proportionate Share	-	3,625,150	-	3,625,150
ERS Net Pension Liability-Proportionate Share	-	3,091,308	-	3,091,308
Total Liabilities	7,817,424	96,068,092	(2,018,843)	101,866,673
Deferred Inflows of Resources - Pension ERS	-	202,871	-	202,871
Deferred Inflows of Resources - Pension TRS	-	1,848,856	-	1,848,856
Deferred Inflows of Resources - OPEB	-	27,992,352	-	27,992,352
Total Liabilities and Deferred Inflows	7,817,424	126,112,171	(2,018,843)	131,910,752
Total Fund Balances/Net Position	28,066,341	(30,057,744)	-	(1,991,403)
Total Liabilities, Deferred Inflows and Fund Balances/Net Position	\$ 35,883,765	\$ 96,054,427	\$ (2,018,843)	\$ 129,919,349

See accompanying notes to basic financial statements.

**ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Special Aid Fund	Non-Major Funds	Total Governmental Funds
Revenues:				
Real Property Taxes	\$ 57,767,886	\$ -	\$ -	\$ 57,767,886
Other Tax Items	2,811,569	-	-	2,811,569
Non-Property Tax Items	1,156,203	-	-	1,156,203
Charges for Services	3,448,779	-	-	3,448,779
Use of Money and Property	1,377,323	-	95,435	1,472,758
Sale of Property and Compensation for Loss	140,781	-	-	140,781
Miscellaneous	226,013	-	35,012	261,025
State Aid	10,460,113	608,895	1,058,705	12,127,713
Medicaid Reimbursement	25,484	-	-	25,484
Federal Aid	116,386	1,530,668	185,821	1,832,875
Surplus Food	-	-	19,740	19,740
Food Sales	-	-	544,445	544,445
Total Revenues	77,530,537	2,139,563	1,939,158	81,609,258
Expenditures:				
General Support	7,429,421	-	-	7,429,421
Instruction	42,435,416	2,358,550	8,050	44,802,016
Pupil Transportation	2,755,429	58,313	-	2,813,742
Community Service	563,742	-	-	563,742
Employee Benefits	16,075,530	-	-	16,075,530
Debt Service Principal	-	-	3,701,622	3,701,622
Debt Service Interest	-	-	887,508	887,508
Cost of Food Sales	-	-	799,370	799,370
Capital Outlay	-	-	3,204,936	3,204,936
Total Expenditures	69,259,538	2,416,863	8,601,486	80,277,887
Excess/(Deficiency) of Revenues Over Expenditures	8,270,999	(277,300)	(6,662,328)	1,331,371
Other Financing Sources/(Uses):				
Proceeds from Bonds	-	-	3,595,000	3,595,000
Premium on Issuance of Bonds	-	-	349,630	349,630
Operating Transfers In	-	277,300	6,658,780	6,936,080
Operating Transfers Out	(6,936,080)	-	-	(6,936,080)
Total Other Financing Sources/(Uses)	(6,936,080)	277,300	10,603,410	3,944,630
Change in Fund Balances	1,334,919	-	3,941,082	5,276,001
Fund Balances - Beginning, as previously reported	22,793,660	-	(3,320)	22,790,340
Prior Period Adjustment (Note XV)	(27,265)	-	27,265	-
Fund Balances - Beginning, as restated	22,766,395	-	23,945	22,790,340
Fund Balances - Ending	\$ 24,101,314	\$ -	\$ 3,965,027	\$ 28,066,341

See accompanying notes to basic financial statements.

**ARDSLEY UNION FREE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	Total Governmental Funds	Long-Term Revenue, Expenses	Capital Asset Transactions	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
Revenues:						
Real Property Taxes	\$ 57,767,886	\$ -	\$ -	\$ -	\$ -	\$ 57,767,886
Other Tax Items	2,811,569	-	-	-	-	2,811,569
Non-Property Tax Items	1,156,203	-	-	-	-	1,156,203
Charges for Services	3,448,779	-	-	-	-	3,448,779
Use of Money and Property	1,472,758	-	-	-	-	1,472,758
Sale of Property and Compensation for Loss	140,781	-	-	-	-	140,781
Miscellaneous	261,025	-	-	-	-	261,025
State Aid	12,127,713	-	-	-	-	12,127,713
Medicaid Reimbursement	25,484	-	-	-	-	25,484
Federal Aid	1,832,875	-	-	-	-	1,832,875
Surplus Food	19,740	-	-	-	-	19,740
Food Sales	544,445	-	-	-	-	544,445
Total Revenues	81,609,258	-	-	-	-	81,609,258
Expenditures:						
General Support	7,429,421	258,052	1,917,365	-	842,242	10,447,080
Instruction	44,802,016	2,745,667	(89,148)	-	14,652,849	62,111,384
Pupil Transportation	2,813,742	116,655	127,308	-	339,124	3,396,829
Community Service	563,742	36,873	-	-	201,642	802,257
Employee Benefits	16,075,530	(3,090)	-	-	(16,072,440)	-
Debt Service Principal	3,701,622	-	-	(3,701,622)	-	-
Debt Service Interest	887,508	-	-	(27,268)	-	860,240
Cost of Food Sales	799,370	12,552	39,369	-	36,583	887,874
Capital Outlay	3,204,936	-	(3,204,936)	-	-	-
Total Expenditures	80,277,887	3,166,709	(1,210,042)	(3,728,890)	-	78,505,664
Excess/(Deficiency) of Revenues Over Expenditures	1,331,371	(3,166,709)	1,210,042	3,728,890	-	3,103,594
Other Financing Sources/(Uses)						
Proceeds from Bonds	3,595,000	-	-	(3,595,000)	-	-
Premium on Issuance of Bonds	349,630	-	-	(349,630)	-	-
Operating Transfers In	6,936,080	-	-	-	(6,936,080)	-
Operating Transfers Out	(6,936,080)	-	-	-	6,936,080	-
Total Other Financing Sources/(Uses)	3,944,630	-	-	(3,944,630)	-	-
Change in Fund Balances	\$ 5,276,001	\$ (3,166,709)	\$ 1,210,042	\$ (215,740)	\$ -	\$ 3,103,594

**ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 161,483
Total Assets	<u>161,483</u>
LIABILITIES	
Total Liabilities	<u>-</u>
NET POSITION	
Other Custodial Activities	161,483
Total Net Position	<u>161,483</u>
Total Liabilities and Net Position	<u><u>\$ 161,483</u></u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

	Custodial Fund
ADDITIONS	
Contributions	\$ 352,786
Interest	<u>1,506</u>
Total Additions	<u>354,292</u>
DEDUCTIONS	
Unclassified	<u>341,911</u>
Total Deductions	<u>341,911</u>
Change in Fiduciary Net Position	12,381
Net Position - Beginning of Year	<u>149,102</u>
Net Position - End of Year	<u><u>\$ 161,483</u></u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

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 and policies 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*, GASB 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB No. 14 and No. 39 and GASB Statement 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.

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 also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

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 \$2,686,168 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$740,829.

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

C. Basis of Presentation:

1. District-Wide Statements

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

Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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.

2. Fund Financial Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds. 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. Special Aid Fund:

These funds are used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.

3. The District reports the following non-major governmental funds:

a. Special Revenue Funds:

These 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:

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

i. Capital Projects Funds:

These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

ii. Cafeteria Fund:

Cafeteria Fund is used to account for transactions of lunch, breakfast, and milk programs.

iii. Miscellaneous Special Revenue Fund:

A Miscellaneous 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:

These fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

4. The District reports the following fiduciary funds:

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

a. Custodial Funds:

These funds are strictly custodial in nature and are not required to be reported in pension and other employee benefit trust funds, investment trust funds or private purpose trust fund.

The District accounts for assets held as an agent for various student organizations in a Custodial Fund. 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.

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**

D. Measurement Focus and Basis of Accounting - 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 60 days after the end of the fiscal year, including real property taxes.

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:

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 deposits 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. Risk Disclosure

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

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

The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2023.

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

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

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

G. Property Taxes:

1. Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on August 16. Taxes are collected during the period September 1 to January 31.

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

2. In June of 2011, New York State passed Chapter 97 of the Laws of 2011 (“Tax Cap Law”). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of real property taxes that may be levied by the District in a particular year, beginning with the 2012 fiscal year.

The growth in annual levy is limited to the lesser of two percent or annual change in the national unadjusted Consumer Price Index for All Urban Consumers – All Items (“CPI-U”), subject to certain limited exceptions and adjustments.

H. Accounts Receivable:

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

I. Other Receivables:

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

J. 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 inventorable 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.

K. 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 financial 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.

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

K. Interfund Transactions - Continued:

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 V for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

L. Other Assets/Restricted Assets:

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

M. Capital Assets:

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

Capitalized threshold (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:

	Capitalization Threshold	Estimated Useful Life
Buildings	\$ 5,000	20 - 50 years
Improvements	5,000	20 - 50 years
Furniture and Equipment	5,000	5 - 20 years

N. Intangible Right-to-Use Lease Assets

The District is a lessee for various noncancellable leases of land, buildings, equipment, and other assets. For leases with a maximum possible term of 12 months or less at commencement (short term), the District recognizes lease expense based on the provisions of the lease agreement in the Statements of Revenues, Expenses, and Changes in Net Position. For all other leases, the BOCES recognizes a lease liability and an intangible right-to-use leased asset in the Statements of Net Position.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

The leased asset is initially measured at the amount of the lease liability, and as applicable, less lease payments made on or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the leased asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. A full month of amortization is calculated in the month the leased asset is placed in service. If the District is reasonably certain of exercising a purchase option contained in a lease, the leased asset is amortized over the useful life of the underlying asset.

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

N. Intangible Right-to-Use Lease Asset - Continued

The following key estimates and judgments are used by the District to determine the following:

- Discount rate: The District generally uses an incremental borrowing rate as the discount rate to calculate the present value of the expected lease payments unless the rate that the lessor charges is known. Since the District's bonds are not actively traded, the District determines its incremental borrowing rate by using observable inputs from yield curves from similar entities with similar ratings.
- Lease term: The lease term includes the noncancelable period of the lease, plus periods covered by either an District or lessor unilateral option to 1) extend when it is reasonably certain to be exercised, or 2) terminate when it is reasonably certain not to be exercised. Periods in which the District and the lessor have an option to terminate or those that are covered by a bilateral option, where both parties must agree, are excluded from the lease term.
- Lease payments: Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the District is reasonably certain to exercise.

The District monitors changes in circumstances that may require a remeasurement of a lease arrangement. When certain changes occur that are expected to significantly affect the amount of the lease liability, the liability is remeasured, and a corresponding adjustment is made to the lease asset.

O. Deferred Outflows and Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then.

The government has three items that qualify for reporting in this category. The first 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 differences 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 second item is the District's contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. 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.

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, therefore, 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 arises only under a modified accrual basis of accounting and is reported as unavailable revenue. 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 or asset (TRS and ERS System) and differences 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.

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

P. Vested Employee Benefits:

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Sick leave use is based on a last-in first-out (“LIFO”) basis.

Upon retirement or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

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 rates in effect at year-end as defined in the contractual bargaining agreement.

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

Q. 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. Substantially all of the District’s employees may become eligible for these benefits if they reach normal retirement age while working for the District and have completed 10 years of continuous service. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. 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 the insurance premiums as expenditure or operating transfer to other funds in the General Fund in the year paid.

R. 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 a 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 unearned revenues is removed and revenues are recorded.

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

S. 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.

T. 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.

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

U. Short-Term Debt:

The District may issue Revenue Anticipation Notes (“RANs”) and Tax Anticipation Notes (“TANs”) 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 provision is made in the annual budget. The budget note must be repaid not 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 (“BANs”) 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.

V. 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 liabilities in the fund 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.

W. Fund Balance:

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

X. Equity Classifications:

1. District-Wide Statements:

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

- a. *Net Investment in Capital Assets* – consists of net capital assets (cost less accumulated depreciation) and net intangible assets (cost less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

X. Equity Classifications - Continued:

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

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.

2. Fund 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 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. The District has established the following restricted reserve fund balances:

i. Capital/Technology:

According to Education Law §3651, restricted fund balances must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters.

The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund under Restricted Fund Balance.

ii. 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 District property or capital improvement.

iii. Employee Benefit Accrued Liability:

According to General Municipal Law §6-p, this reserve must be used for the payment of accrued employee benefits 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.

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

X. Equity Classifications - Continued:

iv. Insurance:

According to General Municipal Law §6-n, the Insurance 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.

v. Liability Claims and Property Loss:

According to Education Law §1709(8) (c), this reserve fund 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.

vi. Repairs:

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.

vii. Retirement Contributions:

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund 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 operations 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.

viii. Tax Certiorari:

According to Education Law §3651.1-a, this reserve fund 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.

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

X. Equity Classifications - Continued:

ix. Unemployment Insurance:

According to General Municipal Law §6-m, this reserve fund 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.

x. Workers' Compensation:

According to General Municipal Law §6-j, this reserve fund 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.

xi. Tax Reduction:

According to Education Law §1604(36), 1709(37), this reserve fund is available to retain the proceeds from the sale of school district real property that are not needed to pay any debts, and gradually use such proceeds to reduce real property taxes over a period not to exceed ten years.

Restricted fund balance includes the following:

General Fund:

Capital Reserve	\$ 4,678,752
Tax Certiorari	5,257,521
Employee Benefits	1,559,030
Unemployment Insurance	260,000
Retirement Contributions	3,593,805
TRS Retirement Contributions	2,016,321
Debt Service Fund	595,917
	<u>\$ 17,961,346</u>

c. *Committed* – Includes amounts that can only be used for the 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, 2023.

d. *Assigned* – Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Assigned to the reduction of the 2023-2024 tax levy is \$2,967,641. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$481,284.

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 are reported as restricted fund balance in all funds other than the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

X. Equity Classifications - Continued:

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. In funds other than the General Fund, this classification should only be used to report a deficit balance.

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. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

3. Order of Use of Fund Balance:

The District’s policy is to apply expenditures against nonspendable 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, nonspendable 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.

Y. Subsequent Events:

Management has evaluated subsequent events for disclosure and /or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 10, 2023.

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the district-wide statements, certain financial transactions are treated differently. The 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 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.

The basic financial statements contain a detailed reconciliation of the items creating the differences between fund balance reported in the Governmental Fund Statements and Net Position reported on the Statement of Net Position.

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS
STATEMENTS AND DISTRICT-WIDE STATEMENTS – CONTINUED**

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

- (1) The costs of building and acquiring capital assets (land, infrastructure, 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 School District as a whole, with their original costs capitalized and depreciation expensed annually over their lives.

Original Cost of Capital Assets	\$ 108,523,135
Accumulated Depreciation	(44,361,862)
Capital Assets, Net	<u>\$ 64,161,273</u>

- (2) The government funds do not include long-term liabilities because they are not due and payable in the current period. However, the liabilities are reported in the Statement of Net Position because they represent economic liabilities. Balances at year end were:

Intangible Right-to-Use Lease Assets	234,642
Accumulated Depreciation	(196,632)
Capital Assets, Net	<u>\$ 38,010</u>

- (3) Deferred outflows and inflows of resources 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. Balances at year end were:

Deferred Outflows of Resources	<u>\$ 31,855,144</u>
Deferred Inflows of Resources	<u>\$ 30,044,079</u>

- (4) Interest payable is recognized in the entity wide statements under full accrual accounting. No accrual is recognized in the governmental fund statements for interest that was not paid from current financial resources.

Interest Payable at June 30, 2023	<u>\$ 196,597</u>
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The governmental funds do not report long-term assets because they are not current financial resources. However, they reported in the statements of Net Position because they represent economic assets.

Bonds Payable	\$ 25,645,000
Unamortized Bond Premium	1,115,027
Lease Assets	91,900
Compensated Absences	53,350
TRS Net Pension Liability	3,995,539
ERS Net Pension Liability	184,137
Other Postemployment Benefits	61,896,168
	<u>\$ 92,981,121</u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS
STATEMENTS AND DISTRICT-WIDE STATEMENTS - CONTINUED**

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:

1. 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.

2. Capital Related Differences:

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

3. Long-Term Debt Transaction Differences:

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

4. Pension 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.

5. 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.

Total Revenues and Other Funding Sources

Total revenues reported in governmental funds	<u>\$ 81,609,258</u>
Total revenues reported in the Statement of Activities	<u>\$ 81,609,258</u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS
STATEMENTS AND DISTRICT-WIDE STATEMENTS – CONTINUED**

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

<u>Total Expenditures/Expenses</u>	
Total expenditures reported in governmental funds	\$ 80,277,887
In the Statement of Activities, certain operating expenses (compensated absences) 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.) This is the amount by which the liability for compensated absences decreased during the year.	(3,090)
In the Statement of Activities, the expenses for other postemployment benefits are measured based on the change in the actuarially determined OPEB liability and related deferred inflows/outflows of resources of the School District. In the governmental funds, however, these expenditures are measured by the amount of financial resources used (essentially the amounts paid). This is the amount by which OPEB expense exceeded the amount of financial resources used during the year.	1,313,177
In the Statement of Activities, pension expense related to ERS and TRS defined benefit plans is measured as the change in the School District's proportionate shares of the net pension assets, liabilities, deferred inflows, and deferred outflows as of the measurement dates for each plan. In the governmental funds however, these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which the amount of financial resources expended during the year pension expense exceeded.	1,911,246
Amortization of the premium received on bond reduces interest expense.	(70,786)
Interest payable is recognized in the government-wide statements under full accrual accounting whereas it is recognized when paid in the governmental fund statements. This is the amount by which interest payable for the current year exceeds the interest payable for the prior year.	43,518
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the year they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which cash capital expenditures of \$3,408,945 was greater than depreciation expense of \$2,144,279 in the current year.	(1,264,666)
Intangible right-to-use asset cost is allocated over its useful lives and reported as amortization expense. This is the amount by which amortization expense exceeded the cost of new acquisitions.	54,624
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	(54,624)
Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	<u>(3,701,622)</u>
Total expenses reported in the Statement of Activities	<u><u>\$ 78,505,664</u></u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

III. 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 will 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.

Supplemental appropriations occurred during the year and are detailed below:

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.

1. 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.

2. The District's unreserved undesignated fund balance was in excess of New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The District intends to take actions to pursue this issue.

IV. CASH AND CASH EQUIVALENTS

The District's deposits at June 30, 2023, and during the year then ended, were covered by FDIC Insurance or by pledged collateral held by the District's agent bank in the District's name. 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, 2023, \$-0- of the District's bank balance of \$32,140,920 was exposed to custodial credit risk as follows:

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

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

IV. CASH AND CASH EQUIVALENTS – CONTINUED

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 \$17,961,346 within the governmental funds and \$-0- in the fiduciary funds.

V. INTERFUND ACTIVITY

The interfund receivables and payables at June 30, 2023 were as follows:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 1,004,048	\$ 492,383
Capital Projects	-	583,340
Special Aid	-	943,120
Debt Service	522,412	-
Cafeteria	492,383	-
TOTAL	<u>\$ 2,018,843</u>	<u>\$ 2,018,843</u>

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

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 6,936,080
Capital Projects	2,106,324	-
Special Aid	277,300	-
Debt Service	4,552,456	-
TOTAL	<u>\$ 6,936,080</u>	<u>\$ 6,936,080</u>

In the normal course of its operations, the District budgets for and transfers monies between funds for budgeted purposes. From the General Fund these represent transferring the Districts 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. Unexpended debt proceeds were transferred from the Capital Projects Fund to Debt Service to be used for future debt payments.

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 the future reduction of debt service payments.

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

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

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

VI. CAPITAL AND INTANGIBLE ASSETS:

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	Restated Beginning Balance	Increases	Reclassification	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,179,121	\$ -	\$ -	\$ 1,179,121
Construction in Progress	16,183,271	132,532	(11,244,575)	5,071,228
Total capital assets, not being depreciated	<u>17,362,392</u>	<u>132,532</u>	<u>(11,244,575)</u>	<u>6,250,349</u>
Capital assets, being depreciated:				
Buildings and Improvements	81,662,180	3,045,140	11,244,575	95,951,895
Furniture and Equipment	5,891,737	429,154	-	6,320,891
Total capital assets being depreciated	<u>87,553,917</u>	<u>3,474,294</u>	<u>11,244,575</u>	<u>102,272,786</u>
Accumulated depreciation for:				
Buildings and Improvements	(37,684,936)	(1,705,805)	-	(39,390,741)
Furniture and Equipment	(4,532,647)	(438,474)	-	(4,971,121)
Vehicles	-	-	-	-
Total accumulated depreciation	<u>(42,217,583)</u>	<u>(2,144,279)</u>	<u>-</u>	<u>(44,361,862)</u>
Total capital assets, being depreciated, net	<u>45,336,334</u>	<u>1,330,015</u>	<u>11,244,575</u>	<u>57,910,924</u>
Governmental activities capital assets, net	<u>62,698,726</u>	<u>1,462,547</u>	<u>-</u>	<u>64,161,273</u>
Intangible Right-To-Use Asset				
Leased - Equipment	234,642	-	-	234,642
Less Accumulated Amortization	(142,008)	(54,624)	-	(196,632)
Total Intangible Right-To-Use Asset, net	<u>92,634</u>	<u>(54,624)</u>	<u>-</u>	<u>38,010</u>
Total	<u>\$ 62,791,360</u>	<u>\$ 1,407,923</u>	<u>-</u>	<u>\$ 64,199,283</u>
Governmental Activities:				
General Government	\$ 1,862,741	General Government		<u>\$ 54,624</u>
Instruction	95,992			
Cost of Food	39,369	Total Amortization Expense		<u>\$ 54,624</u>
Transportation	<u>146,177</u>			
Total Depreciation Expense	<u>\$ 2,144,279</u>			

In fiscal year 2022, the District implemented the guidance on GASB No. 87, Leases, and recognized the value of copiers and postage machine leased under long-term contracts. c

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.

In February 2019, November 2019, and March 2022 the District entered into a lease agreement for a total of 17 Copiers in the amount of \$219,990. The right-of-use asset is being amortized over a period of 60 months.

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

IX. LONG-TERM DEBT:

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 the 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 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 taxpayers 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.

Installment Purchase Debt

The 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 users 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.

Intangible Right-to-Use Liabilities

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 February 2019, November 2019, and March 2022 the District entered into a lease agreement for a total of 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 leases, 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.

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

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

Interest Paid	\$ 887,508
Less: Interest accrued - prior year	(153,079)
Less: Bond Premium Amortization	(70,786)
Plus: Interest accrued - current year	<u>196,597</u>
	<u>\$ 860,240</u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

IX. LONG-TERM DEBT - CONTINUED

Noncurrent liability balances and activity are as follows:

Governmental Activities	Beginning Balance	Issued/ Earned	Redeemed/ Paid	Ending Balance	Current Portion
Serial Bonds	\$ 25,635,000	\$ 3,595,000	\$ (3,585,000)	\$ 25,645,000	\$ 4,350,000
Bonds Premium	836,183	349,630	(70,786)	1,115,027	94,095
Installment Purchase Debt	272,335	197,879	(116,622)	353,592	111,573
Lease Liability	146,524	-	(54,624)	91,900	53,335
Other liabilities:					
Compensated Absences	56,440	-	(3,090)	53,350	-
ERS Pension Liability	3,654,212	184,137	(3,654,212)	184,137	-
TRS Pension Liability	153,888	3,995,539	(153,888)	3,995,539	-
Other Postemployment Benefits	79,402,610	-	(17,506,442)	61,896,168	-
Total long-term liabilities	<u>\$ 110,157,192</u>	<u>\$ 8,322,185</u>	<u>\$ (25,144,664)</u>	<u>\$ 93,334,713</u>	<u>\$ 4,609,003</u>

Activity for compensated absences is shown at net due to the impracticality of determining these amounts separately. Payments of compensated absences are dependent upon future factors and, therefore, the timing of such payments cannot be determined. Compensated absences are reflected as a long-term liability in the Statement of Net Position.

The following is a summary of maturing debt service requirements for serial bonds:

	Principal	Interest	Total
2024	\$ 4,350,000	\$ 848,381	\$ 5,198,381
2025	3,995,000	695,594	4,690,594
2026	1,950,000	581,744	2,531,744
2027	2,005,000	520,897	2,525,897
2028	2,070,000	457,236	2,527,236
2029-2033	9,335,000	1,256,805	10,591,805
2034-2039	1,940,000	167,075	2,107,075
Total	<u>\$ 25,645,000</u>	<u>\$ 4,527,732</u>	<u>\$ 30,172,732</u>

The following is a summary of maturing debt service requirements for installment purchase debt:

	Principal	Interest	Total
2024	\$ 111,573	\$ 13,682	\$ 125,255
2025	115,695	9,560	125,255
2026	84,949	5,281	90,230
2027	41,375	1,978	43,353
Total	<u>\$ 353,592</u>	<u>\$ 30,501</u>	<u>\$ 384,093</u>

The following is a summary of maturing intangible right-to-use liabilities:

	Principal	Interest	Total
2024	\$ 53,335	\$ 69	\$ 53,604
2025	22,124	78	22,202
2026	9,394	49	9,443
2027	7,047	21	7,068
Totals	<u>\$ 91,900</u>	<u>\$ 417</u>	<u>\$ 92,317</u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

X. PENSION PLANS

Plan Description

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

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

Plan Year Ended	ERS	TRS
2023	\$ 541,287	\$ 3,279,816
2022	\$ 773,750	\$ 3,059,171
2021	\$ 737,357	\$ 2,861,867

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

	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Net Pension asset/(liability)	\$ (3,091,308)	\$ (3,625,150)
School District's proportion of the net pension asset/(liability)	0.01441570%	0.18891000%

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

X. PENSION PLANS – CONTINUED

The net pension asset/(liability) was measured as of March 31, 2023 for ERS and June 30, 2022 for TRS and the total pension liability used to calculate the net pension asset/(liability) was determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension asset for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2023, the School District recognized pension expense in the district-wide financial statements of \$5,670,335 (\$1,172,677 for ERS and \$4,497,658 for TRS). Pension expenditures of \$4,060,883 (\$556,768 for ERS and \$3,504,115 for TRS) were recorded in the fund financial statements and were charged to the General, and Cafeteria Funds.

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

	Deferred Outflows of Resources		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 329,248	\$ 3,798,698	\$ 4,127,946
Changes of assumptions	1,501,338	7,032,178	8,533,516
Changes in proportion and difference between the District's contributions and proportionate share of contributions	267,163	4,726,505	4,993,668
School District's contributions subsequent to the measurement date	184,137	3,563,541	3,747,678
Total	<u>\$ 2,281,886</u>	<u>\$ 19,120,922</u>	<u>\$ 21,402,808</u>

	Deferred Inflows of Resources		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 86,816	\$ 72,642	\$ 159,458
Changes of assumptions	16,593	1,460,313	1,476,906
Net difference between projected and actual earnings on pension plan investments	18,161	-	18,161
Changes in proportion and difference between the District's contributions and proportionate share of contributions	81,301	315,901	397,202
Total	<u>\$ 202,871</u>	<u>\$ 1,848,856</u>	<u>\$ 2,051,727</u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

X. PENSION PLANS - CONTINUED

Deferred outflows of resources resulting from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended:	<u>ERS</u>	<u>TRS</u>
2024	\$ 478,659	\$ 2,592,851
2025	(122,403)	1,319,844
2026	678,594	(645,215)
2027	860,028	9,197,731
2028	-	1,186,916
Thereafter	-	56,398
Total	<u>\$ 1,894,878</u>	<u>\$ 13,708,525</u>

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

Measurement Date	<u>ERS</u> March 31, 2023	<u>TRS</u> June 30, 2022
Investment Rate of Return	5.90% compounded annually net of investment expense	6.95% compounded annually net of investment expense
Projected Salary Increases	4.40%	1.95%-5.18%
Cost of Living Adjustments	1.5% annually	1.3% annually
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience Study	1-Jul-15 June 30, 2020 System's Experience Study
Inflation Rate	2.90%	2.40%
Mortality Improvement	Society of Actuaries Scale MP - 2021	Society of Actuaries Scale MP - 2021

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

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

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

X. PENSION PLANS - CONTINUED

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

Measurement Date	ERS		TRS	
	March 31, 2023		June 30, 2022	
	Target	Long-term	Target	Long-term
	allocation	expected	allocation	expected
Asset Class:		real rate of return		real rate of return
Domestic Equity	32%	4.30%	33%	6.50%
International Equity	15%	6.85%	16%	7.20%
Private Equity	10%	7.50%	8%	9.90%
Real Estate Equity	9%	4.60%	11%	6.20%
Domestic Fixed Income Securities	0%	0.00%	16%	1.10%
Global Bonds	0%	0.00%	2%	0.60%
High Yield Bonds	0%	0.00%	1%	3.30%
Global Equities	0%	0.00%	4%	6.90%
Private Debt	0%	0.00%	2%	5.30%
Real Estate Debt	0%	0.00%	6%	2.40%
Opportunistic/Absolute Return Strategy	3%	5.38%	0%	0.00%
Credit	4%	5.43%	0%	0.00%
Real Assets	3%	5.84%	0%	0.00%
Fixed Income	23%	1.50%	0%	0.00%
Cash	1%	0.00%	1%	-0.30%
Total	<u>100%</u>		<u>100%</u>	

The discount rate used to calculate the total pension liability was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.90% for ERS and 5.95% for TRS) or 1 percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

X. PENSION PLANS - CONTINUED

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (7,470,364)	\$ (3,091,308)	\$ 567,904

TRS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (33,425,582)	\$ (3,625,150)	\$ 21,436,818

The components of the collective net pension liability as of the March 31, 2023 ERS measurement date and the June 30, 2022 TRS measurement date were as follows.

Measurement Date	(Dollars in Thousands)	
	ERS March 31, 2023	TRS June 30, 2022
Employers' total pension liability	\$ (232,627,259)	\$ (133,883,474)
Plan net position	211,183,223	131,964,582
Employers' net pension asset/(liability)	<u>\$ (21,444,036)</u>	<u>\$ (1,918,892)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	90.78%	98.57%

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

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

Accrued retirement contributions as of June 30, 2023 were \$184,137 to ERS and \$3,995,539 to TRS and were recorded in the General and Cafeteria Funds.

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

XI. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS (“OPEB”)

Plan Description

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

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

Active Employees	373
Retirees	172
Spouses of Beneficiaries	60
Total Employees Covered by Benefit Terms	605

The School District's total OPEB liability of \$61,896,168 was measured as of June 30, 2022 and was determined by an actuarial valuation dated July 1, 2022.

The total OPEB liability as of the June 30, 2022 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.16%
Projected Salary Increases, Including Wage Inflation	Varies by years of service and retirement system
Discount Rate	3.54%
Healthcare Cost Trend Rates	8.85% decreasing to 4.5% over 55 years
Retiree's Share of Benefit Related Costs	Varies depending on age, date of retirement and bargaining unit

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

Mortality rates were based on the Pub-2010 Mortality Table, as appropriate, with adjustments for mortality improvements based on Scale Mp-2021 Ultimate Scale.

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

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

XI. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (“OPEB”) - CONTINUED

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

Changes in the Current OPEB Liability

Balance - Beginning	\$	79,402,610
Changes for the Year:		
Service Cost		4,443,458
Interest		1,800,825
Differences Between Expected and Actual Experience		(439,033)
Changes in Assumptions or Other Inputs		(22,357,516)
Benefit Payments		(954,176)
Net Changes		<u>(17,506,442)</u>
Balance - Ending	<u>\$</u>	<u>61,896,168</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	2.54%	3.54%	4.54%
Total OPEB Liability	\$ 74,397,200	\$ 61,896,168	\$ 52,110,209

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trends

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.1% decreasing to 3.1%) or 1 percentage point higher (6.1% decreasing to 5.1%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 50,765,721	\$ 61,896,168	\$ 76,628,934

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

XI. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (“OPEB”) - CONTINUED

For the year ended June 30, 2023, the School District recognized additional OPEB expense of \$2,199,400 in the district-wide financial statements. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 946,648	\$ (787,146)
Changes of Assumptions or other inputs	8,619,465	(27,205,206)
Deferred Outflow of Resources for Contributions Made After Measurement Date	886,233	-
Total	<u>\$ 10,452,346</u>	<u>\$ (27,992,352)</u>

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

Year Ending June 30,	Amount
2024	\$ (4,044,883)
2025	(4,018,043)
2026	(2,668,574)
2027	(92,899)
2028	(1,295,209)
Thereafter	(5,406,631)
Total	<u>\$ (18,426,239)</u>

XII. RISK MANAGEMENT:

The District and other school districts have formed a reciprocal insurance company (“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 (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. Based on prior years, the District’s administration believes shortfalls, if any, will be immaterial.

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.

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

XII. RISK MANAGEMENT - CONTINUED:

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 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.

XIII. CONTINGENCIES AND COMMITMENTS

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.

Additionally, the School District has various cases pending; legal counsel has been appointed. All cases are being vigorously defended. Any future obligations related to such cases are undetermined.

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.

XIV. ADOPTION OF CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year June 30, 2023, the School District adopted GASB 96, *Subscription-Based Information Technology Arrangements* and it did not have a material impact to the financial statements.

XV. PRIOR PERIOD ADJUSTMENT

Capital Fund opening fund balances was understated by \$27,265 and the General Fund opening fund balance was overstated by \$27,265 due to expense charged to capital fund that should been charged to the General Fund.

Net Position as of June 30, 2022	\$ (6,049,172)
To Adjust OPEB Deferred Outflow	954,175
Net Position as of June 30, 2022 - Restated	<u><u>\$ (5,094,997)</u></u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

XVI. NEW ACCOUNTING STANDARDS

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, 2023.

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.

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.

Management has not estimated the potential impact of these statements, if any, on the District’s financial statements.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS**

<u>Total OPEB Liability</u>	6/30/23	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18
Service Cost	\$ 4,443,458	\$ 3,779,118	\$ 2,819,606	\$ 2,426,891	\$ 2,300,239	\$ 2,849,557
Interest	1,800,825	1,648,130	2,184,649	2,091,841	2,277,457	2,016,455
Change of Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(439,033)	(151,684)	1,476,487	(134,983)	(574,873)	-
Changes in Assumptions or Other Inputs	(22,357,516)	3,739,834	5,666,136	4,083,886	(13,069,906)	(10,710,056)
Benefit Payments	(954,176)	(814,886)	(725,534)	(619,579)	(626,695)	(859,393)
Net Change in Total OPEB Liability	(17,506,442)	8,200,512	11,421,344	7,848,056	(9,693,778)	(6,703,437)
Total OPEB Liability - Beginning	79,402,610	71,202,098	59,780,754	51,932,698	61,626,476	68,329,913
Total OPEB Liability - Ending (a)	\$ 61,896,168	\$ 79,402,610	\$ 71,202,098	\$ 59,780,754	\$ 51,932,698	\$ 61,626,476
<u>Plan Fiduciary Net Position</u>						
Contributions - Employer	\$ 954,176	\$ 814,886	\$ 725,534	\$ 619,579	\$ 626,695	\$ 859,393
Benefit Payments	(954,176)	(814,886)	(725,534)	(619,579)	(626,695)	(859,393)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Net OPEB Liability - Ending (a) - (b)	\$ 61,896,168	\$ 79,402,610	\$ 71,202,098	\$ 59,780,754	\$ 51,932,698	\$ 61,626,476
Plan Fiduciary Net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%
Covered Payroll	\$ 35,551,846	\$ 35,922,564	\$ 34,107,554	\$ 31,867,495	\$ 31,471,605	\$ 29,399,228
Total OPEB Liability as a percentage of covered payroll	174.1%	221.0%	208.8%	187.6%	165.0%	209.6%

Notes to Schedule:

Changes in Assumptions:

Changes in 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:

6/30/23	3.54%
6/30/22	2.16%
6/30/21	2.21%
6/30/19	3.51%
6/30/18	3.87%

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

**ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)
AND RELATED RATIOS**

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Actual Covered Member Payroll	Net Pension Asset/(Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
Teachers' Retirement System					
6/30/2022	0.188919%	\$ (3,625,150)	\$ 34,897,007	(10.39%)	13.25%
6/30/2021	0.189124%	\$ 32,773,404	\$ 33,815,677	96.92%	113.25%
6/30/2020	0.190306%	\$ (5,258,673)	\$ 32,624,488	(16.12%)	97.80%
6/30/2019	0.187134%	\$ 4,861,765	\$ 32,921,934	14.77%	102.20%
6/30/2018	0.183277%	\$ 3,314,125	\$ 31,929,426	10.38%	101.53%
6/30/2017	0.181253%	\$ 1,377,702	\$ 30,441,611	4.53%	100.66%
6/30/2016	0.181005%	\$ (1,938,635)	\$ 29,399,893	(6.59%)	99.01%
6/30/2015	0.182018%	\$ 18,905,835	\$ 28,580,679	66.15%	110.46%
6/30/2014	0.173915%	\$ 19,373,063	\$ 27,826,331	69.62%	111.48%

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Actual Covered Member Payroll	Net Pension Asset/(Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
Employees' Retirement System					
3/31/2023	0.0144157%	\$ 3,091,308	\$ 5,046,449	61.26%	103.65%
3/31/2022	0.0138732%	\$ 1,134,078	\$ 5,038,119	22.51%	103.65%
3/31/2021	0.0139066%	\$ (13,847)	\$ 4,966,090	(0.28%)	99.95%
3/31/2020	0.0156671%	\$ (4,148,751)	\$ 5,249,408	(79.03%)	86.39%
3/31/2019	0.0142828%	\$ (1,050,627)	\$ 5,367,705	(19.57%)	96.27%
3/31/2018	0.0153755%	\$ (496,235)	\$ 4,963,304	(10.00%)	98.24%
3/31/2017	0.0159108%	\$ (1,495,019)	\$ 4,896,216	(30.53%)	94.70%
3/31/2016	0.0153540%	\$ (2,464,361)	\$ 4,816,229	(51.17%)	90.68%
3/31/2015	0.1473240%	\$ (497,698)	\$ 4,638,808	(10.73%)	98.00%

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

**ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Plan Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution (deficiency) excess	Covered Employee Payroll	Required Contributions as a Percentage of Covered Payroll
Teachers' Retirement System					
6/30/2022	\$ 3,279,816	\$ 3,279,816	\$ -	\$ 34,897,007	9.40%
6/30/2021	\$ 3,059,171	\$ 3,059,171	\$ -	\$ 33,815,677	9.05%
6/30/2020	\$ 2,861,867	\$ 2,861,867	\$ -	\$ 32,624,488	8.77%
6/30/2019	\$ 3,317,239	\$ 3,317,239	\$ -	\$ 32,921,934	10.08%
6/30/2018	\$ 2,925,664	\$ 2,925,664	\$ -	\$ 31,929,426	9.16%
6/30/2017	\$ 3,366,291	\$ 3,366,291	\$ -	\$ 30,441,611	11.06%
6/30/2016	\$ 3,703,628	\$ 3,703,628	\$ -	\$ 29,399,893	12.60%
6/30/2015	\$ 4,792,969	\$ 4,792,969	\$ -	\$ 28,580,679	16.77%
6/30/2014	\$ 4,174,621	\$ 4,174,621	\$ -	\$ 27,826,331	15.00%

Plan Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution (deficiency) excess	Covered Employee Payroll	Required Contributions as a Percentage of Covered Payroll
Employees' Retirement System					
3/31/2023	\$ 541,287	\$ 541,287	\$ -	\$ 5,046,449	10.73%
3/31/2022	\$ 773,750	\$ 773,750	\$ -	\$ 5,038,119	15.36%
3/31/2021	\$ 737,357	\$ 737,357	\$ -	\$ 4,966,090	14.85%
3/31/2020	\$ 721,706	\$ 721,706	\$ -	\$ 5,249,408	13.75%
3/31/2019	\$ 692,457	\$ 692,457	\$ -	\$ 5,367,705	12.90%
3/31/2018	\$ 702,902	\$ 702,902	\$ -	\$ 4,963,304	14.16%
3/31/2017	\$ 703,756	\$ 703,756	\$ -	\$ 4,896,216	14.37%
3/31/2016	\$ 849,157	\$ 849,157	\$ -	\$ 4,816,229	17.63%
3/31/2015	\$ 828,108	\$ 828,108	\$ -	\$ 4,638,808	17.85%

GASB 68 requires that the past 10 years of information be presented. Due to the fact that GASB 68 was recently implemented, prior year information is not fully available for 10 years. The data will be accumulated over time and presented according to GASB 68.

ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts GAAP Basis	Year End Encumbrances	Final Budget Variance to Actual &
	Original	Final			
Revenues:					
Real Property Taxes	\$ 60,560,166	\$ 57,774,368	\$ 57,767,886	\$ -	\$ (6,482)
Other Tax Items	3,843	2,789,641	2,811,569	-	21,928
Non-Property Taxes	600,000	600,000	1,156,203	-	556,203
Charges for Services	3,349,312	3,349,312	3,448,779	-	99,467
Use of Money and Property	120,000	120,000	1,377,323	-	1,257,323
Sale of Property and Compensation for Loss	-	100,000	140,781	-	40,781
Miscellaneous	331,468	419,855	226,013	-	(193,842)
State Aid	9,716,755	9,716,755	10,460,113	-	743,358
Medicaid Reimbursement	15,000	15,000	25,484	-	10,484
Federal Aid	15,000	15,000	116,386	-	101,386
Total Revenues	74,711,544	74,899,931	77,530,537	-	2,630,606
Expenditures:					
General Support					
Board of Education	81,507	81,877	67,794	-	(14,083)
Central Administration	357,510	375,986	373,972	-	(2,014)
Finance	1,016,306	1,022,918	882,749	55,991	(84,178)
Staff	365,651	361,502	235,922	-	(125,580)
Central Services	4,513,786	4,788,536	4,466,060	78,524	(243,952)
Special Items	830,628	1,452,545	1,402,924	-	(49,621)
Total General Support	7,165,388	8,083,364	7,429,421	134,515	(519,428)
Instruction					
Instruction, Administration and Improvement	1,851,836	1,951,077	1,906,528	295	(44,254)
Teaching - Regular School	22,399,051	22,635,773	22,424,722	33,494	(177,557)
Programs for Students with Disabilities	12,483,214	12,409,478	11,774,177	175,943	(459,358)
Instructional Media	1,753,489	1,903,618	1,787,322	52,917	(63,379)
Pupil Services	4,783,173	4,766,924	4,542,667	188	(224,069)
Total Instruction	43,270,763	43,666,870	42,435,416	262,837	(968,617)
Pupil Transportation	2,992,464	3,001,728	2,755,429	68,476	(177,823)
Community Service	593,504	618,949	563,742	-	(55,207)
Employee Benefits	16,756,379	16,823,452	16,075,530	15,456	(732,466)
Total Expenditures	70,778,498	72,194,363	69,259,538	481,284	(2,453,541)
Excess/(Deficiency) of Revenues Over Expenditures	3,933,046	2,705,568	8,270,999	(481,284)	5,084,147
Other Financing Uses:					
Operating Transfers Out	(5,913,047)	(7,019,372)	(6,936,080)	-	83,292
Total Other Financing Sources/(Uses)	(5,913,047)	(7,019,372)	(6,936,080)	-	83,292
Change in Fund Balance	(1,980,001)	(4,313,804)	1,334,919	(481,284)	5,167,439
Appropriated Fund Balance	1,980,001	4,313,804	-	-	(4,313,804)
Net Change in Fund Balance	\$ -	\$ -	\$ 1,334,919	\$ (481,284)	\$ 853,635

**SUPPLEMENTARY
INFORMATION**

**ARDSLEY UNION FREE SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR FUNDS
JUNE 30, 2023**

	Capital Projects Fund	Cafeteria Fund	Debt Service Fund	Miscellaneous Fund	Total Non- Major Funds
ASSETS					
Cash and Cash Equivalents	\$ 2,800,702	\$ 191,102	\$ -	\$ 96,844	\$ 3,088,648
Restricted Cash	522,412	-	73,505	-	595,917
Due from Other Funds	-	492,383	522,412	-	1,014,795
State and Federal Aid Receivable	-	16,441	-	-	16,441
Accounts Receivable, Net	-	439	-	-	439
Total Assets	<u>\$ 3,323,114</u>	<u>\$ 700,365</u>	<u>\$ 595,917</u>	<u>\$ 96,844</u>	<u>4,716,240</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ 170	\$ -	\$ -	170
Accrued Liabilities	-	1,874	-	-	1,874
Unearned Revenues	-	165,755	-	-	165,755
Due to Other Funds	583,340	-	-	-	583,340
Due to Other Governments	-	74	-	-	74
Total Liabilities	<u>583,340</u>	<u>167,873</u>	<u>-</u>	<u>-</u>	<u>751,213</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	595,917	-	595,917
Assigned	2,739,774	532,492	-	96,844	3,369,110
Unassigned	-	-	-	-	-
Total Fund Balances	<u>2,739,774</u>	<u>532,492</u>	<u>595,917</u>	<u>96,844</u>	<u>3,965,027</u>
Total Liabilities and Fund Balances	<u>\$ 3,323,114</u>	<u>\$ 700,365</u>	<u>\$ 595,917</u>	<u>\$ 96,844</u>	<u>\$ 4,716,240</u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Capital Projects Fund	Cafeteria Fund	Debt Service Fund	Miscellaneous Fund	Total Non- Major Funds
Revenues:					
Real Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Money and Property	-	3,854	91,581	-	95,435
Miscellaneous	-	18	-	34,994	35,012
State Aid	1,050,559	8,146	-	-	1,058,705
Federal Aid	-	185,821	-	-	185,821
Surplus Food	-	19,740	-	-	19,740
Food Sales	-	544,445	-	-	544,445
Total Revenues	1,050,559	762,024	91,581	34,994	1,939,158
Expenditures:					
Instruction	-	-	-	8,050	8,050
Debt Service Principle	-	-	3,701,622	-	3,701,622
Debt Service Interest	-	-	887,508	-	887,508
Cost of Food Sales	-	799,370	-	-	799,370
Capital Outlay	3,204,936	-	-	-	3,204,936
Total Expenditures	3,204,936	799,370	4,589,130	8,050	8,601,486
Excess/(Deficiency) of Revenues Over Expenditures	(2,154,377)	(37,346)	(4,497,549)	26,944	(6,662,328)
Other Financing Sources/(Uses):					
Proceeds from Bonds	3,595,000	-	-	-	3,595,000
Premium on Issuance of Bonds	348,834	-	796	-	349,630
Operating Transfers In	2,106,324	-	4,552,456	-	6,658,780
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources/(Uses)	6,050,158	-	4,553,252	-	10,603,410
Change in Fund Balances	3,895,781	(37,346)	55,703	26,944	3,941,082
Fund Balances - Beginning	(1,183,272)	569,838	540,214	69,900	(3,320)
Prior Period Adjustment	27,265	-	-	-	27,265
Fund Balances - Beginning, as restated	(1,156,007)	569,838	540,214	69,900	23,945
Fund Balances - Ending	\$ 2,739,774	\$ 532,492	\$ 595,917	\$ 96,844	\$ 3,965,027

**ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2023**

	Fiscal Year of Issue	Fiscal Year of Final Maturity	Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Refinanced During Fiscal Year	Outstanding End of Fiscal Year	Amount of Interest Paid During Fiscal Year	Amount of Interest Accrued at 6/30/2023	Due Within the Next Year
<u>BOND ANTICIPATION NOTE</u>											
2022 Capital Project	2022	2023	1.50%	\$ 4,994,393	\$ -	\$ 4,994,393	\$ -	\$ -	\$ 74,491	\$ -	\$ -
TOTAL BOND ANTICIPATION NOTE				4,994,393	-	4,994,393	-	-	74,491	-	-
<u>LEASE LIABILITY</u>											
Leases	2019	2027	Various	\$ 146,524	\$ -	\$ 54,624	\$ -	\$ 91,900	\$ 424	\$ -	\$ -
TOTAL LEASE LIABILITY				146,524	-	54,624	-	91,900	424	-	-
<u>INSTALLMENT PURCHASE DEBT</u>											
2021 Bus	2021	2025	3.25%	98,602	-	31,823	-	66,779	3,202	90	32,856
2022 Bus	2022	2026	3.13%	173,733	-	41,449	-	132,284	5,431	172	42,744
2023 Bus	2023	2027	4.77%	-	197,879	43,350	-	154,529	-	308	35,973
TOTAL INSTALLMENT PURCHASE DEBT				272,335	197,879	116,622	-	353,592	8,633	570	111,573
<u>SERIAL BONDS</u>											
School Renovations 2014	2016	2025	3-4%	1,770,000	-	560,000	-	1,210,000	88,500	4,794	590,000
School Renovations 2015	2016	2031	2.00%	8,145,000	-	815,000	-	7,330,000	195,366	69,628	840,000
School Renovations 2018	2018	2033	3.00%	4,915,000	-	390,000	-	4,525,000	147,450	10,756	400,000
School Renovations 2019	2020	2034	4.00%	6,520,000	-	435,000	-	6,085,000	260,800	-	450,000
School Renovations 2023	2023	2038	2.05-3.4%	-	3,595,000	-	-	3,595,000	-	34,752	640,000
School Renovations	2011	2024	3.25%	80,488	-	26,220	-	54,268	1,921	513	26,829
School Renovations	2014	2025	2-3%	2,545,000	-	825,000	-	1,720,000	59,788	59,788	850,000
Tax Certiorari Settlements	2010	2025	3-4%	1,080,000	-	345,000	-	735,000	36,300	12,101	360,000
Tax Certiorari Settlements	2011	2025	3.25%	579,512	-	188,780	-	390,732	13,835	3,695	193,171
TOTAL SERIAL BONDS				25,635,000	3,595,000	3,585,000	-	25,645,000	803,960	196,027	4,350,000
TOTAL INDEBTEDNESS				\$ 30,901,728	\$ 3,792,879	\$ 8,696,015	\$ -	\$ 25,998,592	\$ 887,084	\$ 196,597	\$ 4,461,573

**OTHER
INFORMATION**

**ARDSLEY UNION FREE SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
YEAR ENDED JUNE 30, 2023**

Adopted Budget	\$ 76,691,545
Additions:	
Encumbrances from Prior Year	<u>640,997</u>
Original Budget	77,332,542
Budget Amendments - Other	<u>1,881,193</u>
Final Budget	<u><u>\$ 79,213,735</u></u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
GENERAL FUND
SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
YEAR ENDED JUNE 30, 2023**

2023-2024 Voter-approved expenditure budget maximum allowed	<u>\$ 81,886,893</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted Fund Balance	
Assigned Fund Balance	\$ 3,448,925
Unassigned Fund Balance	<u>3,275,467</u>
Total Unrestricted Fund Balance	<u>6,724,392</u>
Less:	
Appropriated Fund Balance for 2023-24 Budget	2,967,641
Encumbrances Included in Assigned Fund Balance	<u>481,284</u>
Total Adjustments	<u>3,448,925</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 3,275,467</u></u>
Actual Percentage	<u><u>4.00%</u></u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
PROJECT LENGTH SCHEDULE
INCEPTION OF PROJECT THROUGH JUNE 30, 2023**

Project	Expenditures and Transfers to Date					Methods of Financing					Fund Balance (Deficit) at June 30, 2023
	Project Budget	Prior Year	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Local Sources	Interfund Transfers	Totals		
Concord Road Reconstruction	\$ 1,484,578	\$ 1,331,891	\$ -	\$ 1,331,891	\$ 152,687	\$ 1,549,157	\$ -	\$ -	\$ 1,549,157	\$ 217,266	
Concord Road Reconstruction	1,628,020	1,558,193	-	1,558,193	69,827	1,636,306	-	-	1,636,306	78,113	
Ardsley High School Reconstruction	3,271,410	3,067,228	-	3,067,228	204,182	3,106,305	-	-	3,106,305	39,077	
Ardsley High School Reconstruction	3,857,011	3,761,677	-	3,761,677	95,334	4,000,000	-	-	4,000,000	238,323	
Ardsley Middle School Reconstruction	2,019,101	1,821,198	-	1,821,198	197,903	1,908,232	-	-	1,908,232	87,034	
Ardsley Middle School Reconstruction	244,081	2,393,716	-	2,393,716	(2,149,635)	2,500,000	-	-	2,500,000	106,284	
Administration Building Interior	299,079	355,812	-	355,812	(56,733)	300,000	-	-	300,000	(55,812)	
Concord Road Reconstruction, EPC	776,267	438,375	284,121	722,496	53,771	612,981	163,286	-	776,267	53,771	
Concord Road HVAC	870,000	-	36,047	36,047	833,953	-	-	870,000	870,000	833,953	
Ardsley HS HVAC	450,000	-	23,367	23,367	426,633	-	-	450,000	450,000	426,633	
Ardsley MS Pool Repair	484,200	-	28,665	28,665	455,535	-	-	106,324	106,324	77,659	
Ardsley MS HVAC	650,000	-	31,773	31,773	618,227	-	-	650,000	650,000	618,227	
Admin. Bldg HVAC	30,000	-	-	-	30,000	-	-	30,000	30,000	30,000	
Ardsley Middle School Reconstruction EPC	4,218,126	1,427,917	2,800,963	4,228,880	(10,754)	3,330,853	887,273	-	4,218,126	(10,754)	
Total	\$ 20,281,873	\$ 16,156,007	\$ 3,204,936	\$ 19,360,943	\$ 920,930	\$ 18,943,834	\$ 1,050,559	\$ 2,106,324	\$ 22,100,717	\$ 2,739,774	

**ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2023**

Capital Assets, net		\$	64,161,273
Additions:			
Intangible Right to Use Lease Asset, Net	38,010		
			<u>38,010</u>
Deductions:			
Lease Payable	91,900		
Short-term Portion of Bonds Payable	4,350,000		
Long-term Portion of Bonds Payable	21,295,000		
Short-term Portion of Installment Purchase Debt	111,573		
Long-term Portion of Installment Purchase Debt	242,019		
			<u>26,090,492</u>
Net Investment in Capital Assets		\$	<u><u>38,108,791</u></u>

**OTHER REPORTING
REQUIRED BY
GOVERNMENT AUDITING
STANDARDS**



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 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Education
Ardsley Union Free School District
73 County Route 11-A
Craryville, NY 12521

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 "School District") as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 10, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (Internal control) 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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, NY

October 10, 2023

**ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

A. Internal Control Findings

None Noted

B. Compliance Findings

None Noted

