

FINANCIAL REPORT
AUDITED

ARDSLEY UNION FREE SCHOOL DISTRICT
For the Year Ended June 30, 2024

Audited for:

Board of Education
ARDSLEY UNION FREE SCHOOL DISTRICT



Audited By:

RBT CPAs, LLP
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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 "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, 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* ("*Government Auditing Standards*"), 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the District's total OPEB liability and related ratios, schedule of the 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 on pages 4 through 11 and 49 through 52 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 District's basic financial statements. The schedule of expenditures of federal awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and by *Title 17, Part 43 of NYCRR*, combining nonmajor fund financial statements and the schedule of indebtedness are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, 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.

Other Report Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2024 on our consideration of the 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 District's internal control over financial reporting and compliance.

RBT CPAs, LLP

Hudson, NY

October 8, 2024

**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 District") financial performance has been prepared to provide an overview of the District's financial activities for the year ended June 30, 2024. The discussion and analysis is only an introduction and should be read in conjunction with the 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 \$3,374,086. This amount was within the statutory limit.
- As of the close of the current fiscal year, the District's governmental fund financial statements report a combined ending fund balance of \$30,631,224, an increase of \$2,564,883 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 assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at the close of its most recent fiscal year by \$2,419,630. The District's total net position increased by \$4,140,393 for the year ended June 30, 2024. This is mainly a result of substantial valuation fluctuation in Pension and Other Postemployment Benefits ("OPEB") relating to GASB Statements No. 68 and 75, respectively.
- For the year ending June 30, 2024, the District recorded a liability of \$64,661,345 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 District's basic financial statements. The 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 District's financial status.

The next statements are Fund Financial Statements. These statements focus on the activities of the individual part of the 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 District's finances, in a manner similar to a private-sector business.

- The statement of net position presents information on all of the District's assets, 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 District is improving or deteriorating.
- The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The governmental activities of the 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 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 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 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 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 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 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 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>2024</u>	Restated <u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Current Assets	\$ 36,722,074	\$ 33,864,922	\$ 2,857,152	8.44%
Capital Assets, Net	64,314,181	64,469,923	(155,742)	-0.24%
Total Assets	101,036,255	98,334,845	2,701,410	2.75%
Deferred Outflows of Resources				
Pensions	16,410,977	21,402,808	\$ (4,991,831)	-23.32%
Other Postemployment Benefits	8,845,839	10,452,336	\$ (1,606,497)	-15.37%
Total Deferred Outflows of Resources	25,256,816	31,855,144	(6,598,328)	-20.71%
Current Liabilities	10,487,327	10,439,273	48,054	0.46%
Long-Term Liabilities	87,533,699	91,427,400	(3,893,701)	-4.26%
Total Liabilities	98,021,026	101,866,673	(3,845,647)	-3.78%
Deferred Inflows of Resources				
Other Postemployment Benefits	2,361,456	2,051,727	309,729	15.10%
Pension	23,490,959	27,992,352	(4,501,393)	-16.08%
Total Deferred Inflows of Resources	25,852,415	30,044,079	(4,191,664)	-13.95%
Net Position:				
Net Investment in Capital Assets	41,478,974	38,379,431	3,099,543	8.08%
Restricted	18,743,169	17,961,346	781,823	4.35%
Unrestricted	(57,802,513)	(58,061,540)	259,027	0.45%
Total Net Position	\$ 2,419,630	\$ (1,720,763)	\$ 4,140,393	240.61%

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

The District's increase in current assets of \$2,857,152 was primarily due to increased cash and cash equivalents as a result of additional basic and excess cost aid received by the District.

By far, the largest component of the District's net position, \$41,478,974 reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the students and, consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Those assets subject to external restrictions total \$18,743,169. The remaining balance is an unrestricted deficit of \$57,802,513, 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, 2024, the 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 District. Rather these represent the District's share of the calculated excess/shortfall of the respective retirement systems. Please see Note VIII of the financial statements for more information on these pension items.

The negative unrestricted net position balance of \$57,802,513 continues to be the result of recognizing the liability for Other Postemployment Benefits ("OPEB"), without any legal mechanism to set-aside funds for this liability. For the 2023-2024 fiscal year, this liability increased by a net amount of \$2,765,177 to a balance of \$64,661,345.

**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

	2024	%	Restated 2023	%	\$ Change	% Change
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,787,623	61.85%	\$ 3,993,224	53.99%	\$ (205,601)	-5.15%
Operating Grants and Contributions	2,335,863	38.15%	2,353,270	31.81%	(17,407)	-0.74%
Capital Grants and Contributions	-	0.00%	1,050,559	14.20%	(1,050,559)	100.00%
Total Program Revenue	6,123,486	100.00%	7,397,053	100.00%	(1,273,567)	-17.22%
General Revenues:						
Real Property Taxes	59,110,138	74.40%	57,767,886	77.85%	1,342,252	2.32%
Other Tax Items	2,171,331	2.73%	2,811,569	3.79%	(640,238)	-22.77%
Non-Property Taxes	1,202,363	1.51%	1,156,203	1.56%	46,160	3.99%
Use of Money and Property	2,052,083	2.58%	1,472,758	1.98%	579,325	39.34%
Sales of Property and Compensation for Loss	143,190	0.18%	140,781	0.19%	2,409	1.71%
Miscellaneous	265,150	0.33%	261,025	0.35%	4,125	100.00%
State Sources	14,350,082	18.07%	10,460,113	14.09%	3,889,969	37.19%
Federal Sources	149,728	0.19%	116,386	0.16%	33,342	28.65%
Medicaid Reimbursement	11,419	0.01%	25,484	0.03%	(14,065)	-55.19%
Total General Revenues	79,455,484	100.00%	74,212,205	100.00%	5,243,279	7.07%
Total Revenues	85,578,970		81,609,258		3,969,712	4.86%
Program Expenses:						
General Support	10,460,844	12.85%	10,447,080	13.34%	13,764	0.13%
Instruction	64,896,369	79.69%	62,111,384	79.35%	2,784,985	4.48%
Pupil Transportation	3,604,721	4.43%	3,180,079	4.06%	424,642	13.35%
Community Service	866,568	1.06%	802,257	1.02%	64,311	8.02%
Debt Service	686,762	0.84%	860,240	1.10%	(173,478)	-20.17%
Cafeteria Program	923,313	1.13%	887,874	1.13%	35,439	3.99%
Total Expenses	81,438,577	100.00%	78,288,914	100.00%	\$ 3,149,663	4.02%
Change in Net Position	\$ 4,140,393		\$ 3,320,344			

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

Financial Analysis of the Ardsley Union Free School District

The major changes from 2023-24 are as follows:

Revenues:

- Real Property Taxes revenue increased by \$1,342,252. This was due to an expected increase in expenditures.
- Capital Grants and Contributions revenue decreased by \$1,050,559, due to a decrease in State grant for EPC.
- Use of Money and Property revenue increased by \$579,325. This was due to increased interest rates.
- Other Tax Items revenue decreased by \$640,238 due to a decrease in revenue from STAR reimbursements.
- State sources increased by \$3,889,969 due to the state increasing basic and excess cost aid.

Expenses:

- Instructional Program expenses increased by \$2,784,985. 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.
- Pupil Transportation expenses increased by \$424,642 mainly due to an increase in OPEB and ERS pension systems cost and the allocation of employee benefits based on salaries.

Fund Balance Reporting

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

Governmental Funds: The focus of the 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 District's financing for spending at the end of the fiscal year.

The 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 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, when 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 District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, 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 District's governmental funds, reported combined fund balances of \$30,631,224, an increase of \$2,564,883 from the prior year. \$8,502,436 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 \$1,691,142, for ERS retirement contributions of \$3,784,914, TRS retirement contributions of \$2,809,759, for unemployment benefits of \$273,000, for tax certiorari of \$6,080,989, for capital projects of \$3,262,960, for insurance of \$100,000, and for Debt Service Fund of \$595,917.

The summary of the combined fund balances are as follows:

Nonspendable	\$	14,026
Restricted		18,743,169
Assigned		8,502,426
Unassigned		3,371,603

The General Fund is the primary operating fund of the District. At the end of the current fiscal year, the total fund balance of the General Fund was \$24,538,702 of which \$3,371,603 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 District's General Fund increased by \$437,388 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 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, 2024, the District had \$64,314,181 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 increase in capital assets during the current fiscal year is a result of net prior period adjustments.

Debt: As of June 30, 2024, the District had \$21,775,710 in general obligation and other long-term debt outstanding.

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

Pension

At June 30, 2024, the District reported a liability of \$2,141,316 for its proportionate share of the ERS net pension liability. This liability was measured at March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2023. The TRS net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. At June 30, 2024 the District reported a liability of \$2,144,314 for its proportionate share of the net pension liability 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 District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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

ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 15,645,544
Restricted Cash	18,598,411
State and Federal Aid Receivable	1,695,538
Due from Other Governments	719,826
Accounts Receivable	48,729
Prepaid Expenses	14,026
	<u>36,722,074</u>
Capital Assets, not being depreciated	7,835,099
Capital Assets, being depreciated - net	56,440,517
Intangible Right-to-Use Lease Assets, net	38,565
Total Capital Assets and Intangible Assets, net (Note VI)	<u>64,314,181</u>
Total Assets	<u>101,036,255</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension (Note VIII)	16,410,977
Other Postemployment Benefits (Note IX)	8,845,839
Total Deferred Outflows of Resources	<u>25,256,816</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>126,293,071</u>
LIABILITIES	
Accounts Payable	706,994
Accrued Liabilities	284,820
Accrued Interest Payable	115,391
Unearned Revenue	866,401
Due to Other Governments	1,407
Due to Retirement Systems	4,225,833
Other Liabilities	5,395
Non-Current Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (Note VII)	3,995,000
Installment Purchase Debt (Note VII)	169,867
Bond Premiums (Note VII)	94,095
Lease Liability (Note VII)	22,124
Due and Payable More Than One Year:	
Bonds Payable (Note VII)	17,300,000
Installment Purchase Debt (Note VII)	310,843
Bond Premiums (Note VII)	926,837
Lease Liability (Note VII)	16,441
Compensated Absences Payable (Note VII)	32,603
Net Pension Liability-Proportionate Share (Note VIII)	4,285,630
Other Postemployment Benefits (Note IX)	64,661,345
Total Liabilities	<u>98,021,026</u>
DEFERRED INFLOWS OF RESOURCES	
Pension (Note VIII)	2,361,456
Other Postemployment Benefits (Note IX)	23,490,959
Total Deferred Inflows of Resources	<u>25,852,415</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>123,873,441</u>
NET POSITION	
Net Investment in Capital Assets	41,478,974
Restricted	18,743,169
Unrestricted	(57,802,513)
Total Net Position	<u>\$ 2,419,630</u>

See accompanying notes to basic financial statements.

**ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
<u>FUNCTIONS/PROGRAMS</u>					
Primary Government:					
Governmental Activities:					
General Support	\$ (10,460,844)	\$ -	\$ -	\$ -	\$ (10,460,844)
Instruction	(64,896,369)	3,222,242	2,119,494	-	(59,554,633)
Pupil Transportation	(3,604,721)	-	-	-	(3,604,721)
Community Service	(866,568)	-	-	-	(866,568)
Cafeteria Program	(923,313)	565,381	216,369	-	(141,563)
Interest on Debt	(686,762)	-	-	-	(686,762)
Total Primary Government	\$ (81,438,577)	\$ 3,787,623	\$ 2,335,863	\$ -	(75,315,091)
General Revenues:					
Real Property Taxes					59,110,138
Other Tax Items					3,373,694
Use of Money and Property					2,052,083
Sale of Property and Compensation for Loss					143,190
Miscellaneous					265,150
State Sources					14,350,082
Federal Sources					161,147
Total General Revenues					79,455,484
Change in Net Position					4,140,393
Net Position - Beginning, as previously reported					(1,991,403)
Prior Period Adjustment (Note XII)					270,640
Net Position - Beginning, as restated					(1,720,763)
Net Position - Ending					\$ 2,419,630

See accompanying notes to basic financial statements.

**ARDSLEY UNION FREE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General Fund	Capital Projects Fund	Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 9,725,783	\$ 5,128,541	\$ 791,220	\$ 15,645,544
Restricted Cash	18,002,494	522,412	73,505	18,598,411
Due from Other Funds	790,951	-	667,170	1,458,121
State and Federal Aid Receivable	978,553	-	716,985	1,695,538
Due from Other Governments	719,826	-	-	719,826
Accounts Receivable, Net	48,729	-	-	48,729
Prepaid Expenditures	14,026	-	-	14,026
Total Assets	\$30,280,362	\$ 5,650,953	\$ 2,248,880	\$ 38,180,195
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 619,160	\$ 1,792	\$ 86,042	706,994
Accrued Liabilities	258,488	-	26,332	284,820
Unearned Revenues	631,551	-	234,850	866,401
Due to Other Funds	-	859,537	598,584	1,458,121
Due to Other Governments	1,233	-	174	1,407
Due to Teachers' Retirement System	3,998,394	-	-	3,998,394
Due to Employees' Retirement System	227,439	-	-	227,439
Other Liabilities	5,395	-	-	5,395
Total Liabilities	5,741,660	861,329	945,982	7,548,971
Fund Balances:				
Nonspendable	14,026	-	-	14,026
Restricted	18,002,494	-	740,675	18,743,169
Assigned for Encumbrances	435,725	-	-	435,725
Assigned for Subsequent Years Budget	2,714,854	-	-	2,714,854
Assigned for Fund Purpose	-	4,789,624	562,223	5,351,847
Unassigned	3,371,603	-	-	3,371,603
Total Fund Balances	24,538,702	4,789,624	1,302,898	30,631,224
Total Liabilities and Fund Balances	\$30,280,362	\$ 5,650,953	\$ 2,248,880	\$ 38,180,195

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, 2024**

	Total Governmental Funds	Long-Term Assets and Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash and Cash Equivalents	\$ 15,645,544	\$ -	\$ -	\$ 15,645,544
Restricted Cash	18,598,411	-	-	18,598,411
Due from Other Funds	1,458,121	-	(1,458,121)	-
State and Federal Aid Receivable	1,695,538	-	-	1,695,538
Due From Other Governments	719,826	-	-	719,826
Accounts Receivable, Net	48,729	-	-	48,729
Prepaid Expenditures	14,026	-	-	14,026
Capital Assets, net	-	64,275,616	-	64,275,616
Right to Use Lease Asset, net	-	38,565	-	38,565
Total Assets	38,180,195	64,314,181	(1,458,121)	101,036,255
Deferred Outflows of Resources - Pension ERS	-	1,947,813	-	1,947,813
Deferred Outflows of Resources - Pension TRS	-	14,463,164	-	14,463,164
Deferred Outflows of Resources - OPEB	-	8,845,839	-	8,845,839
Total Assets and Deferred Outflows	\$ 38,180,195	\$ 89,570,997	\$ (1,458,121)	\$ 126,293,071
LIABILITIES				
Accounts Payable	\$ 706,994	\$ -	\$ -	\$ 706,994
Accrued Liabilities	284,820	-	-	284,820
Accrued Interest Payable	-	115,391	-	115,391
Unearned Revenues	866,401	-	-	866,401
Due to Other Funds	1,458,121	-	(1,458,121)	-
Due to Other Governments	1,407	-	-	1,407
Bond Payable	-	21,295,000	-	21,295,000
Bond Premiums	-	1,020,932	-	1,020,932
Installment Purchase Debt Payable	-	480,710	-	480,710
Lease Liability	-	38,565	-	38,565
Due to Teachers' Retirement System	3,998,394	-	-	3,998,394
Due to Employees' Retirement System	227,439	-	-	227,439
Compensated Absences Payable	-	32,603	-	32,603
Other Postemployment Benefits Payable	-	64,661,345	-	64,661,345
Other Liabilities	5,395	-	-	5,395
TRS Net Pension Liability-Proportionate Share	-	2,144,314	-	2,144,314
ERS Net Pension Liability-Proportionate Share	-	2,141,316	-	2,141,316
Total Liabilities	7,548,971	91,930,176	(1,458,121)	98,021,026
Deferred Inflows of Resources - Pension ERS	-	1,145,378	-	1,145,378
Deferred Inflows of Resources - Pension TRS	-	1,216,078	-	1,216,078
Deferred Inflows of Resources - OPEB	-	23,490,959	-	23,490,959
Total Liabilities and Deferred Inflows	7,548,971	117,782,591	(1,458,121)	123,873,441
Total Fund Balances/Net Position	30,631,224	(28,211,594)	-	2,419,630
Total Liabilities, Deferred Inflows and Fund Balances/Net Position	\$ 38,180,195	\$ 89,570,997	\$ (1,458,121)	\$ 126,293,071

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, 2024**

	General Fund	Capital Projects Fund	Non-Major Funds	Total Governmental Funds
Revenues:				
Real Property Taxes	\$ 59,110,138	\$ -	\$ -	\$ 59,110,138
Other Tax Items	2,171,331	-	-	2,171,331
Non-Property Tax Items	1,202,363	-	-	1,202,363
Charges for Services	3,222,242	-	-	3,222,242
Use of Money and Property	1,904,900	-	147,183	2,052,083
Sale of Property and Compensation for Loss	148,872	-	-	148,872
Miscellaneous	257,275	-	7,875	265,150
State Aid	14,350,082	-	579,821	14,929,903
Medicaid Reimbursement	11,419	-	-	11,419
Federal Aid	149,728	-	1,707,341	1,857,069
Surplus Food	-	-	48,701	48,701
Food Sales	-	-	565,381	565,381
Total Revenues	82,528,350	-	3,056,302	85,584,652
Expenditures:				
General Support	7,617,821	-	-	7,617,821
Instruction	44,737,896	-	2,259,095	46,996,991
Pupil Transportation	2,955,938	-	74,270	3,030,208
Community Service	611,259	-	-	611,259
Employee Benefits	16,933,841	-	-	16,933,841
Debt Service Principal	-	-	4,531,223	4,531,223
Debt Service Interest	-	-	862,063	862,063
Cost of Food Sales	-	-	851,613	851,613
Capital Outlay	-	1,893,091	-	1,893,091
Total Expenditures	72,856,755	1,893,091	8,578,264	83,328,110
Excess/(Deficiency) of Revenues Over Expenditures	9,671,595	(1,893,091)	(5,521,962)	2,256,542
Other Financing Sources/(Uses):				
Proceeds from Bonds	-	308,341	-	308,341
Operating Transfers In	-	3,634,600	5,599,607	9,234,207
Operating Transfers Out	(9,234,207)	-	-	(9,234,207)
Total Other Financing Sources/(Uses)	(9,234,207)	3,942,941	5,599,607	308,341
Change in Fund Balances	437,388	2,049,850	77,645	2,564,883
Fund Balances - Beginning	24,101,314	2,739,774	1,225,253	28,066,341
Fund Balances - Ending	\$ 24,538,702	\$ 4,789,624	\$ 1,302,898	\$ 30,631,224

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, 2024**

	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	\$ 59,110,138	\$ -	\$ -	\$ -	\$ -	\$ 59,110,138
Other Tax Items	2,171,331	-	-	-	-	2,171,331
Non-Property Tax Items	1,202,363	-	-	-	-	1,202,363
Charges for Services	3,222,242	-	-	-	-	3,222,242
Use of Money and Property	2,052,083	-	-	-	-	2,052,083
Sale of Property and Compensation for Loss	148,872	-	(5,682)	-	-	143,190
Miscellaneous	265,150	-	-	-	-	265,150
State Aid	14,929,903	-	-	-	-	14,929,903
Medicaid Reimbursement	11,419	-	-	-	-	11,419
Federal Aid	1,857,069	-	-	-	-	1,857,069
Surplus Food	48,701	-	-	-	-	48,701
Food Sales	565,381	-	-	-	-	565,381
Total Revenues	85,584,652	-	(5,682)	-	-	85,578,970
Expenditures:						
General Support	7,617,821	-	1,802,288	-	1,040,735	10,460,844
Instruction	46,996,991	(53,335)	74,195	-	17,878,518	64,896,369
Pupil Transportation	3,030,208	-	136,783	-	437,730	3,604,721
Community Service	611,259	-	-	-	255,309	866,568
Employee Benefits	16,933,841	2,720,266	-	-	(19,654,107)	-
Debt Service Principal	4,531,223	-	-	(4,531,223)	-	-
Debt Service Interest	862,063	-	-	(175,301)	-	686,762
Cost of Food Sales	851,613	-	29,885	-	41,815	923,313
Capital Outlay	1,893,091	-	(1,893,091)	-	-	-
Total Expenditures	83,328,110	2,666,931	150,060	(4,706,524)	-	81,438,577
Excess/(Deficiency) of Revenues Over Expenditures	2,256,542	(2,666,931)	(155,742)	4,706,524	-	4,140,393
Other Financing Sources/(Uses)						
Proceeds from Bonds	308,341	-	-	(308,341)	-	-
Premium on Issuance of Bonds	-	-	-	-	-	-
Operating Transfers In	9,234,207	-	-	-	(9,234,207)	-
Operating Transfers Out	(9,234,207)	-	-	-	9,234,207	-
Total Other Financing Sources/(Uses)	308,341	-	-	(308,341)	-	-
Change in Fund Balances	\$ 2,564,883	\$ (2,666,931)	\$ (155,742)	\$ 4,398,183	\$ -	\$ 4,140,393

See accompanying notes to basic financial statements.

**ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024**

	Custodial Fund
ASSETS	
Cash and Cash Equivalents	\$ 191,712
Total Assets	<u>191,712</u>
LIABILITIES	
Total Liabilities	<u>-</u>
NET POSITION	
Other Custodial Activities	191,712
Total Net Position	<u>191,712</u>
Total Liabilities and Net Position	<u><u>\$ 191,712</u></u>

See accompanying notes to basic financial statements.

**ARDSLEY UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024**

	Custodial Fund
ADDITIONS	
Contributions	\$ 367,132
Interest	<u>2,489</u>
Total Additions	<u>369,621</u>
DEDUCTIONS	
Unclassified	<u>339,392</u>
Total Deductions	<u>339,392</u>
Change in Fiduciary Net Position	30,229
Net Position - Beginning of Year	<u>161,483</u>
Net Position - End of Year	<u><u>\$ 191,712</u></u>

See accompanying notes to basic financial statements.

**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 any component units 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, there are no component units 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.

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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES - CONTINUED

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. Capital Projects Fund:

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

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:

i. Special Aid Funds:

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

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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES - CONTINUED

C. Basis of Presentation - Continued:

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

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 obtained from 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.

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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES – CONTINUED

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 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 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 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 District's name.

The District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2024.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the issuer or other counterparty's complete failure. The 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 District's investment policy limits the amount on deposit at each of its banking institutions.

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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES – CONTINUED

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 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 inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

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

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

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.

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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES – CONTINUED

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 District recognizes a lease liability and an intangible right-to-use leased asset in the Statement 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.

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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES – CONTINUED

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.

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. 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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES – CONTINUED

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.

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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES – CONTINUED

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 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 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.
- 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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES – CONTINUED

X. Equity Classifications - Continued:

2. Fund Statements - Continued:

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.

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 (*Not in use*):

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 (*Not in use*):

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES – CONTINUED

X. Equity Classifications - Continued:

2. Fund Statements - Continued:

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.

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 (*Not in use*):

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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES – CONTINUED

X. Equity Classifications - Continued:

2. Fund Statements - Continued:

xi. Tax Reduction (*Not in use*):

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	\$ 3,262,690
Tax Certiorari	6,080,989
Employee Benefits	1,691,142
Unemployment Insurance	273,000
Insurance	100,000
ERS Retirement Contributions	3,784,914
TRS Retirement Contributions	2,809,759
Debt Service Fund	740,675
	<u>\$ 18,743,169</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, 2024.
- 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 2024-2025 tax levy is \$2,714,854. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$435,425.

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.

- 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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES – CONTINUED

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 8, 2024.

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 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.

- (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 District as a whole, with their original costs capitalized and depreciation expensed annually over their lives.

Original Cost of Capital Assets	\$ 110,932,449
Accumulated Depreciation	<u>(46,656,833)</u>
Capital Assets, Net	<u><u>\$ 64,275,616</u></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	<u>(196,077)</u>
Capital Assets, Net	<u><u>\$ 38,565</u></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><u>\$ 25,256,816</u></u>
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Deferred Inflows of Resources	<u><u>\$ 25,852,415</u></u>
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- (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, 2024	<u><u>\$ 115,391</u></u>
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**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:

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

Bonds Payable	\$ 21,295,000
Unamortized Bond Premium	1,020,932
Installment Purchase Debt	480,710
Lease Liability	38,565
Compensated Absences Payable	32,603
TRS Net Pension Liability	2,144,314
ERS Net Pension Liability	2,141,316
Other Postemployment Benefits	64,661,345
	<u>\$ 91,814,785</u>

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.

The basic financial statements contain a detailed reconciliation of the items creating the difference between the change in fund balance reported in the governmental funds and the change in net position reported in the Statement of Activities.

**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 Revenues and Other Funding Sources</u>	
Total revenues reported in governmental funds	\$ 85,584,652
Loss on Sale of Property	(5,682)
Total revenues reported in the Statement of Activities	<u>\$ 85,578,970</u>
<u>Total Expenditures/Expenses</u>	
Total expenditures reported in governmental funds	\$ 83,328,110
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.	(20,747)
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 was less than the amount of financial resources used during the year.	(129,719)
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 pension expense exceeded the amount of financial resources expended during the year.	2,870,732
Amortization of the premium received on bond reduces interest expense.	(94,095)
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 was less than the interest payable for the prior year.	(81,206)
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 \$2,234,199 was less than depreciation expense of \$2,330,924 in the current year.	96,725
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.	53,335
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	(53,335)
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>(4,531,223)</u>
Total expenses reported in the Statement of Activities	<u>\$ 81,438,577</u>

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

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Procedures and Budgetary Accounting:

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental fund 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

At June 30, 2024, the carrying amount of the District's deposit (cash, certificates of deposits and interest-bearing savings accounts) was \$34,435,667, and the bank balance was \$36,520,875. The District's deposits at June 30, 2024, 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, 2024, \$-0- of the District's bank balance of \$36,520,875 was exposed to custodial credit risk.

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 \$18,598,411 within the governmental funds and \$-0- in the fiduciary funds.

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

V. INTERFUND ACTIVITY

The interfund receivables and payables at June 30, 2024 were as follows:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 790,951	\$ -
Capital Projects	-	859,537
Special Aid	-	598,584
Debt Service	667,170	-
TOTAL	<u><u>\$ 1,458,121</u></u>	<u><u>\$ 1,458,121</u></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	\$ -	\$ 9,234,207
Capital Projects	3,634,600	-
Special Aid	206,321	-
Debt Service	5,393,286	-
TOTAL	<u><u>\$ 9,234,207</u></u>	<u><u>\$ 9,234,207</u></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 District's 20% share of the Special Aid Fund's Summer Handicapped Program, transfers to the Capital Fund for voter authorized capital items such as construction and bus purchases and transfers to the Debt Service Fund for bond 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, 2024 were as follows:

	Beginning Balance	Prior Period Adjustments	Restated Beginning Balance	Increases	Disposals	Reclassifications	Ending Balance
Governmental activities:							
Capital assets, not being depreciated:							
Land	\$ 1,179,121	\$ -	\$ 1,179,121	\$ -	\$ -	\$ -	\$ 1,179,121
Construction in Progress	5,071,228	-	5,071,228	1,893,091	-	(308,341)	6,655,978
Total capital assets, not being depreciated	<u>6,250,349</u>	<u>-</u>	<u>6,250,349</u>	<u>1,893,091</u>	<u>-</u>	<u>(308,341)</u>	<u>7,835,099</u>
Capital assets, being depreciated:							
Buildings and Improvements	95,951,895	-	95,951,895	-	-	-	95,951,895
Furniture and Equipment	6,320,891	216,750	6,537,641	341,108	(41,635)	308,341	7,145,455
Total capital assets being depreciated	<u>102,272,786</u>	<u>216,750</u>	<u>102,489,536</u>	<u>341,108</u>	<u>(41,635)</u>	<u>308,341</u>	<u>103,097,350</u>
Accumulated depreciation for:							
Buildings and Improvements	(39,390,741)	-	(39,390,741)	(1,800,650)	-	-	(41,191,391)
Furniture and Equipment	(4,971,121)	-	(4,971,121)	(530,274)	35,953	-	(5,465,442)
Total accumulated depreciation	<u>(44,361,862)</u>	<u>-</u>	<u>(44,361,862)</u>	<u>(2,330,924)</u>	<u>35,953</u>	<u>-</u>	<u>(46,656,833)</u>
Total capital assets, being depreciated, net	<u>57,910,924</u>	<u>216,750</u>	<u>58,127,674</u>	<u>(1,989,816)</u>	<u>(5,682)</u>	<u>308,341</u>	<u>56,440,517</u>
Governmental activities capital assets, net	<u>64,161,273</u>	<u>216,750</u>	<u>64,378,023</u>	<u>(96,725)</u>	<u>(5,682)</u>	<u>-</u>	<u>64,275,616</u>
Intangible Right-To-Use Assets							
Leased - Equipment	234,642	-	234,642	-	-	-	234,642
Less Accumulated Amortization	(196,632)	53,890	(142,742)	(53,335)	-	-	(196,077)
Total Intangible Right-To-Use Assets, net	<u>38,010</u>	<u>53,890</u>	<u>91,900</u>	<u>(53,335)</u>	<u>-</u>	<u>-</u>	<u>38,565</u>
Total	<u>\$ 64,199,283</u>	<u>\$ 270,640</u>	<u>\$64,469,923</u>	<u>\$ (150,060)</u>	<u>\$ (5,682)</u>	<u>\$ -</u>	<u>\$ 64,314,181</u>
Governmental Activities:							
General Government	\$ 2,039,573				General Government		\$ 53,335
Instruction	119,573						
Cost of Food	34,995				Total Amortization Expense		\$ 53,335
Transportation	136,783						
Total Depreciation Expense	<u>\$ 2,330,924</u>						

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

VII. 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 lease agreements for a total of 17 Copiers in the amount of \$219,990. The right-of-use assets are 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 reported in Note VI.

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

Interest Paid	\$ 862,063
Less: Interest accrued - prior year	(196,597)
Less: Bond Premium Amortization	(94,095)
Plus: Interest accrued - current year	<u>115,391</u>
	<u><u>\$ 686,762</u></u>

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

VII. LONG-TERM DEBT - CONTINUED

Noncurrent liability balances and activity are as follows:

	Beginning Balance	Issued/ Earned	Redeemed/ Paid	Ending Balance	Current Portion
Governmental Activities					
Serial Bonds	\$ 25,645,000	\$ -	\$ (4,350,000)	\$ 21,295,000	\$ 3,995,000
Bonds Premium	1,115,027	-	(94,095)	1,020,932	94,095
Installment Purchase Debt	353,592	308,341	(181,223)	480,710	169,867
Lease Liability	91,900	-	(53,335)	38,565	22,124
Other liabilities:					
Compensated Absences Payable	53,350	-	(20,747)	32,603	-
ERS Pension Liability	3,091,308	-	(949,992)	2,141,316	-
TRS Pension Liability	3,625,150	-	(1,480,836)	2,144,314	-
Other Postemployment Benefits	61,896,168	2,765,177	-	64,661,345	-
Total long-term liabilities	\$ 95,871,495	\$ 3,073,518	\$ (7,130,228)	\$ 91,814,785	\$ 4,281,086

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
2025	\$ 3,995,000	\$ 628,900	\$ 4,623,900
2026	1,950,000	519,175	2,469,175
2027	2,005,000	462,328	2,467,328
2028	2,070,000	402,794	2,472,794
2029	2,140,000	389,594	2,529,594
2030-2034	8,100,000	942,688	9,042,688
2035-2038	1,035,000	91,138	1,126,138
Total	\$21,295,000	\$ 3,436,617	\$24,731,617

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

	Principal	Interest	Total
2025	\$ 169,867	\$ 1,102	\$ 170,969
2026	142,634	17,246	159,880
2027	102,800	10,203	113,003
2028	65,409	4,241	69,650
Total	\$ 480,710	\$ 32,792	\$ 513,502

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

	Principal	Interest	Total
2025	22,124	78	22,202
2026	9,394	49	9,443
2027	7,047	21	7,068
Totals	\$ 38,565	\$ 148	\$ 38,713

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

VIII. PENSION PLANS

Plan Description

The 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 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 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
2024	\$ 648,663	\$ 3,488,266
2023	\$ 541,287	\$ 3,563,541
2022	\$ 773,750	\$ 3,279,816

At June 30, 2024, the District reported the following for its proportionate share of the net pension liability for ERS and TRS:

	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
Net Pension (asset)/liability	\$ 2,141,316	\$ 2,144,314
School District's proportion of the net pension liability	0.01454300%	0.18750800%

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

VIII. PENSION PLANS – CONTINUED

The net pension liability was measured as of March 31, 2024 for ERS and June 30, 2023 for TRS and the total pension liability used to calculate the net pension (asset)/liability was determined by actuarial valuations as of April 1, 2023 and June 30, 2022, respectively. The 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 District's proportion of the net pension asset for TRS was based on the District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2024, the District recognized pension expense in the district-wide financial statements of \$7,010,141 (\$1,014,326 for ERS and \$5,995,815 for TRS). Pension expenditures of \$4,166,452 (\$678,186 for ERS and \$3,488,266 for TRS) were recorded in the fund financial statements and were charged to the General Fund and Special Aid Fund.

At June 30, 2024, the 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	\$ 689,716	\$ 5,199,391	\$ 5,889,107
Changes of assumptions	809,584	4,616,645	5,426,229
Net difference between projected and actual earnings on pension plan investments	-	1,096,131	1,096,131
Changes in proportion and difference between the District's contributions and proportionate share of contributions	221,074	98,224	319,298
School District's contributions subsequent to the measurement date	227,439	3,452,773	3,680,212
Total	<u>\$ 1,947,813</u>	<u>\$ 14,463,164</u>	<u>\$ 16,410,977</u>

	Deferred Inflows of Resources		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 58,388	\$ 12,850	\$ 71,238
Changes of assumptions	-	1,006,172	1,006,172
Net difference between projected and actual earnings on pension plan investments	1,046,022	-	1,046,022
Changes in proportion and difference between the District's contributions and proportionate share of contributions	40,968	197,056	238,024
Total	<u>\$ 1,145,378</u>	<u>\$ 1,216,078</u>	<u>\$ 2,361,456</u>

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

VIII. PENSION PLANS - CONTINUED

Deferred outflows of resources resulting from the 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, 2025. 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	\$ (337,727)	\$ 800,558
2025	470,296	(1,149,599)
2026	654,903	8,620,117
2027	(212,476)	669,322
2028	-	525,356
Thereafter	-	328,559
Total	<u>\$ 574,996</u>	<u>\$ 9,794,313</u>

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

Measurement Date	<u>ERS</u> March 31, 2024	<u>TRS</u> June 30, 2023
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	July 1, 2015 - 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**

VIII. 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, 2024		June 30, 2023	
	Target allocation	Long-term expected real rate of return	Target allocation	Long-term expected real rate of return
Asset Class:				
Domestic Equity	32%	4.00%	33%	6.80%
International Equity	15%	6.65%	15%	7.60%
Private Equity	10%	7.25%	9%	10.10%
Real Estate Equity	9%	4.60%	11%	6.30%
Domestic Fixed Income Securities	0%	0.00%	16%	2.20%
Global Bonds	0%	0.00%	2%	1.60%
High Yield Bonds	0%	0.00%	1%	4.40%
Global Equities	0%	0.00%	4%	7.20%
Private Debt	0%	0.00%	2%	6.00%
Real Estate Debt	0%	0.00%	6%	3.20%
Opportunistic/Absolute Return Strategy	3%	5.25%	0%	0.00%
Credit	4%	5.40%	0%	0.00%
Real Assets	3%	5.79%	0%	0.00%
Fixed Income	23%	1.50%	0%	0.00%
Cash	1%	0.25%	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 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 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:

	1% Decrease	Current Assumption	1% Increase
ERS	4.90%	5.90%	6.90%
Employer's Proportionate Share of the Net Pension (Asset)/Liability	\$ 6,732,517	\$ 2,141,316	\$ (1,693,289)
TRS	5.95%	6.95%	7.95%
Employer's Proportionate Share of the Net Pension (Asset)/Liability	\$ 32,658,993	\$ 2,144,314	\$ (23,519,850)

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

VIII. PENSION PLANS - CONTINUED

The components of the collective net pension liability as of the March 31, 2024 ERS measurement date and the June 30, 2023 TRS measurement date were as follows.

Measurement Date	(Dollars in Thousands)	
	ERS March 31, 2024	TRS June 30, 2023
Employers' total pension liability	\$ 240,696,851	\$ 138,365,122
Plan net position	225,972,801	137,221,537
Employers' net pension (asset)/liability	<u>\$ 14,724,050</u>	<u>\$ 1,143,585</u>
Ratio of plan net position to the employers' total pension (asset)/liability	93.88%	99.17%

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, 2024 represent the projected employer contribution for the period April 1, 2024 through June 30, 2024 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, 2024 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 District to TRS. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 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, 2024 were \$227,439 to ERS and \$3,998,394 to TRS and was recorded in the General Fund.

IX. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS (“OPEB”)

Plan Description

The 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 District may vary according to length of service. The cost of providing post-employment health care benefits is shared between the District and the retired employee as noted below. Substantially all of the District's employees may become eligible for those benefits if they reach normal retirement age while working for the 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, 2024, the following employees were covered by the benefit terms:

Active Employees	373
Retirees	172
Spouses of Beneficiaries	60
Total Employees Covered by Benefit Terms	<u>605</u>

The District's total OPEB liability of \$64,661,345 was measured as of June 30, 2023 and was determined by an actuarial valuation dated July 1, 2022.

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

IX. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS (“OPEB”) - CONTINUED

The total OPEB liability as of the June 30, 2024 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	4% Average (Varies by years of service and retirement system)
Discount Rate	3.65%
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.

The District's change in the total OPEB liability for the year ended June 30, 2024 is as follows:

Changes in the Current OPEB Liability

Balance - Beginning	\$	61,896,168
Changes for the Year:		
Service Cost		2,894,030
Interest		2,278,023
Differences Between Expected and Actual Experience		(257,289)
Changes in Assumptions or Other Inputs		(1,263,354)
Benefit Payments		(886,233)
Net Changes		<u>2,765,177</u>
Balance - Ending	\$	<u>64,661,345</u>

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current discount rate:

	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	\$ 77,512,859	\$ 64,661,345	\$ 54,581,561

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

IX. OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS (“OPEB”) - CONTINUED

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 52,724,596	\$ 64,661,345	\$ 80,497,571

For the year ended June 30, 2024, the District recognized additional OPEB expense/(benefit) of \$(129,719) in the district-wide financial statements. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 770,035	\$ 852,900
Changes of Assumptions or other inputs	7,011,656	22,638,059
Deferred Outflow of Resources for Contributions Made After Measurement Date	1,064,148	-
Total	<u>\$ 8,845,839</u>	<u>\$ 23,490,959</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	\$ (4,210,774)
2025	(2,861,305)
2026	(1,185,630)
2027	(1,487,940)
2028	(2,204,784)
Thereafter	(3,758,835)
Total	<u>\$ (15,709,268)</u>

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

X. RISK MANAGEMENT

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

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

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

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.

XI. 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 District has various cases pending; legal counsel has been appointed to handle these cases and 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.

XII. PRIOR PERIOD ADJUSTMENT

The District recorded prior period adjustments as of July 1, 2023 for the following items:

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

Governmental Activities:

Net Position Beginning of Year	\$ (1,991,403)
Prior Period Adjustments:	
Capital Asset not Previously Recorded	216,750
Prior Accumulated Amortization Overstated	53,890
Net Position Beginning of Year, as Restated	<u>\$ (1,720,763)</u>

XIII. PROPERTY TAX ABATEMENTS

The District is party to 2 real property tax abatement agreements under Article 18-A of the real property law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (“PILOT”) in compliance with RPTL 412-A, Article V & XI of the Private Housing Finance Law and Title I of Article 18-A of NYS GML Exemption Policy.

The following provides information related to the PILOT agreements in effect for the year ended June 30, 2024:

Start Date	Agreement	Total Assessed Value	Tax Rate	Tax Value	Pilot Received	Taxes Abated
2008	Ardsley Housing Development Fund Corp.	\$ 821,400	20.4803%	\$ 16,823	\$ 3,792	\$ 13,031
1965	Greenburgh Housing Authority	3,679,800	20.4803%	75,363	27,678	47,685
		<u>\$ 4,501,200</u>		<u>\$ 92,186</u>	<u>\$ 31,470</u>	<u>\$ 60,716</u>

XIV. NEW ACCOUNTING STANDARDS

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.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement provides users of the financial statements with essential information about risks related to concentrations and constraints. The requirements of this statement are effective for fiscal years beginning after June 15, 2024.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The statement addresses application issues related to Management’s Discussion and Analysis, Unusual or Infrequent Items, Presentation of the Proprietary Fund, Major Component Unit, and Budgetary Comparison Information. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

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>	6/30/24	6/30/23	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18
Service Cost	\$ 2,894,030	\$ 4,443,458	\$ 3,779,118	\$ 2,819,606	\$ 2,426,891	\$ 2,300,239	\$ 2,849,557
Interest	2,278,023	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	(257,289)	(439,033)	(151,684)	1,476,487	(134,983)	(574,873)	-
Changes in Assumptions or Other Inputs	(1,263,354)	(22,357,516)	3,739,834	5,666,136	4,083,886	(13,069,906)	(10,710,056)
Benefit Payments	(886,233)	(954,176)	(814,886)	(725,534)	(619,579)	(626,695)	(859,393)
Net Change in Total OPEB Liability	2,765,177	(17,506,442)	8,200,512	11,421,344	7,848,056	(9,693,778)	(6,703,437)
Total OPEB Liability - Beginning	61,896,168	79,402,610	71,202,098	59,780,754	51,932,698	61,626,476	68,329,913
Total OPEB Liability - Ending (a)	\$ 64,661,345	\$ 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	\$ 886,233	\$ 954,176	\$ 814,886	\$ 725,534	\$ 619,579	\$ 626,695	\$ 859,393
Benefit Payments	(886,233)	(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)	\$ 64,661,345	\$ 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%	0%
Covered Payroll	\$ 38,580,859	\$ 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	167.6%	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:

6/30/24	3.65%
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					
6/30/2023	0.187508%	\$ 2,144,314	\$ 34,897,007	6.14%	99.17%
6/30/2022	0.188919%	\$ 3,625,150	\$ 33,815,677	10.72%	98.60%
6/30/2021	0.189124%	\$ (32,773,404)	\$ 32,624,488	(100.46%)	113.25%
6/30/2020	0.190306%	\$ 5,258,673	\$ 32,921,934	15.97%	97.80%
6/30/2019	0.187134%	\$ 4,861,765	\$ 31,929,426	15.23%	102.20%
6/30/2018	0.183277%	\$ 3,314,125	\$ 30,441,611	10.89%	101.53%
6/30/2017	0.181253%	\$ 1,377,702	\$ 29,399,893	4.69%	100.66%
6/30/2016	0.181005%	\$ (1,938,635)	\$ 28,580,679	(6.78%)	99.01%
6/30/2015	0.182018%	\$ 18,905,835	\$ 27,826,331	67.94%	110.46%
6/30/2014	0.173915%	\$ 19,373,063	N/A	N/A	111.48%
Employees' Retirement System					
3/31/2024	0.0145430%	\$ 2,141,316	\$ 5,468,328	39.16%	93.88%
3/31/2023	0.0144157%	\$ 3,091,308	\$ 5,046,449	61.26%	90.78%
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%	90.70%
3/31/2015	0.1473240%	\$ 497,698	\$ 4,638,808	10.73%	97.90%

N/A - Not available or not applicable

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

Fiscal 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					
6/30/2024	\$ 3,563,541	\$ 3,563,541	\$ -	\$ 35,862,389	9.94%
6/30/2023	\$ 3,279,816	\$ 3,279,816	\$ -	\$ 34,897,007	9.40%
6/30/2022	\$ 3,059,171	\$ 3,059,171	\$ -	\$ 33,815,677	9.05%
6/30/2021	\$ 2,861,867	\$ 2,861,867	\$ -	\$ 32,624,488	8.77%
6/30/2020	\$ 3,317,239	\$ 3,317,239	\$ -	\$ 32,921,934	10.08%
6/30/2019	\$ 2,925,664	\$ 2,925,664	\$ -	\$ 31,929,426	9.16%
6/30/2018	\$ 3,366,291	\$ 3,366,291	\$ -	\$ 30,441,611	11.06%
6/30/2017	\$ 3,703,628	\$ 3,703,628	\$ -	\$ 29,399,893	12.60%
6/30/2016	\$ 4,792,969	\$ 4,792,969	\$ -	\$ 28,580,679	16.77%
6/30/2015	\$ 4,174,621	\$ 4,174,621	\$ -	\$ 27,826,331	15.00%

Fiscal 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					
6/30/2024	\$ 648,663	\$ 648,663	\$ -	\$ 5,550,649	11.69%
6/30/2023	\$ 541,287	\$ 541,287	\$ -	\$ 5,311,835	10.19%
6/30/2022	\$ 773,750	\$ 773,750	\$ -	\$ 5,003,936	15.46%
6/30/2021	\$ 737,357	\$ 737,357	\$ -	\$ 4,966,090	14.85%
6/30/2020	\$ 721,706	\$ 721,706	\$ -	\$ 5,249,408	13.75%
6/30/2019	\$ 692,457	\$ 692,457	\$ -	\$ 5,297,689	13.07%
6/30/2018	\$ 702,902	\$ 702,902	\$ -	\$ 4,963,304	14.16%
6/30/2017	\$ 703,756	\$ 703,756	\$ -	\$ 4,896,216	14.37%
6/30/2016	\$ 849,157	\$ 849,157	\$ -	\$ 4,816,229	17.63%
6/30/2015	\$ 828,108	\$ 828,108	\$ -	\$ 3,378,881	24.51%

ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Year End Encumbrances	Final Budget Variance to Actual &
	Original	Final			
Revenues:					
Real Property Taxes	\$ 61,250,000	\$ 59,110,138	\$ 59,110,138	\$ -	\$ -
Other Tax Items	19,368	2,159,230	2,171,331	-	12,101
Non-Property Taxes	600,000	600,000	1,202,363	-	602,363
Charges for Services	3,082,454	3,082,454	3,222,242	-	139,788
Use of Money and Property	170,000	170,000	1,904,900	-	1,734,900
Sale of Property and Compensation for Loss	-	134,600	148,872	-	14,272
Miscellaneous	215,306	327,938	257,275	-	(70,663)
State Aid	13,567,123	13,567,123	14,350,082	-	782,959
Medicaid Reimbursement	15,000	15,000	11,419	-	(3,581)
Federal Aid	-	-	149,728	-	149,728
Total Revenues	78,919,251	79,166,483	82,528,350	-	3,361,867
Expenditures:					
General Support					
Board of Education	81,507	126,544	125,473	-	1,071
Central Administration	368,010	399,443	388,620	9,194	1,629
Finance	1,039,542	1,106,551	956,558	98,600	51,393
Staff	369,201	374,340	282,988	-	91,352
Central Services	5,399,659	5,526,828	4,915,267	207,215	404,346
Special Items	851,581	986,573	948,915	-	37,658
Total General Support	8,109,500	8,520,279	7,617,821	315,009	587,449
Instruction					
Administration and Improvement	1,894,416	2,106,086	2,069,341	50	36,695
Teaching - Regular School	24,044,563	24,278,633	23,885,331	45,414	347,888
Programs for Students with Disabilities	13,018,580	12,819,589	11,835,908	1,028	982,653
Instructional Media	2,258,683	2,374,273	2,286,264	24,715	63,294
Pupil Services	4,957,179	5,031,815	4,661,052	17,383	353,380
Total Instruction	46,173,421	46,610,396	44,737,896	88,590	1,783,910
Pupil Transportation	3,276,893	3,321,778	2,955,938	25,359	340,481
Community Service	664,034	659,834	611,259	228	48,347
Employee Benefits	17,917,597	17,759,482	16,933,841	6,539	819,102
Total Expenditures	76,141,445	76,871,769	72,856,755	435,725	3,579,289
Excess/(Deficiency) of Revenues Over Expenditures	2,777,806	2,294,714	9,671,595	(435,725)	6,941,156
Other Financing Uses:					
Operating Transfers Out	(5,745,447)	(9,380,047)	(9,234,207)	-	145,840
Total Other Financing Sources/(Uses)	(5,745,447)	(9,380,047)	(9,234,207)	-	145,840
Change in Fund Balance	(2,967,641)	(7,085,333)	437,388	(435,725)	7,086,996
Appropriated Fund Balance	2,967,641	7,085,333	-	-	(7,085,333)
Net Change in Fund Balance	\$ -	\$ -	\$ 437,388	\$ (435,725)	\$ 1,663

**SUPPLEMENTARY
INFORMATION**

**ARDSLEY UNION FREE SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR FUNDS
JUNE 30, 2024**

	Special Aid Fund	Cafeteria Fund	Debt Service Fund	Miscellaneous Fund	Total Non- Major Funds
ASSETS					
Cash and Cash Equivalents	\$ 5,535	\$ 689,671	\$ -	\$ 96,014	\$ 791,220
Restricted Cash	-	-	73,505	-	73,505
Due from Other Funds	-	-	667,170	-	667,170
State and Federal Aid Receivable	704,013	12,972	-	-	716,985
Total Assets	\$ 709,548	\$ 702,643	\$ 740,675	\$ 96,014	2,248,880
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 86,042	\$ -	\$ -	\$ -	86,042
Accrued Liabilities	22,820	3,512	-	-	26,332
Unearned Revenues	2,000	232,850	-	-	234,850
Due to Other Funds	598,584	-	-	-	598,584
Due to Other Governments	102	72	-	-	174
Total Liabilities	709,548	236,434	-	-	945,982
Fund Balances:					
Restricted	-	-	740,675	-	740,675
Assigned	-	466,209	-	96,014	562,223
Total Fund Balances	-	466,209	740,675	96,014	1,302,898
Total Liabilities and Fund Balances	\$ 709,548	\$ 702,643	\$ 740,675	\$ 96,014	\$ 2,248,880

**ARDSLEY UNION FREE SCHOOL DISTRICT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Special Aid Fund	Cafeteria Fund	Debt Service Fund	Miscellaneous Fund	Total Non- Major Funds
Revenues:					
Use of Money and Property	\$ -	\$ 2,425	\$ 144,758	\$ -	\$ 147,183
Miscellaneous	-	1,155	-	6,720	7,875
State Aid	571,285	8,536	-	-	579,821
Federal Aid	1,548,209	159,132	-	-	1,707,341
Surplus Food	-	48,701	-	-	48,701
Food Sales	-	565,381	-	-	565,381
Total Revenues	<u>2,119,494</u>	<u>785,330</u>	<u>144,758</u>	<u>6,720</u>	<u>3,056,302</u>
Expenditures:					
Instruction	2,251,545	-	-	7,550	2,259,095
Pupil Transportation	74,270	-	-	-	74,270
Debt Service Principal	-	-	4,531,223	-	4,531,223
Debt Service Interest	-	-	862,063	-	862,063
Cost of Food Sales	-	851,613	-	-	851,613
Total Expenditures	<u>2,325,815</u>	<u>851,613</u>	<u>5,393,286</u>	<u>7,550</u>	<u>8,578,264</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(206,321)</u>	<u>(66,283)</u>	<u>(5,248,528)</u>	<u>(830)</u>	<u>(5,521,962)</u>
Other Financing Sources/(Uses):					
Proceeds from Bonds	-	-	-	-	-
Operating Transfers In	206,321	-	5,393,286	-	5,599,607
Total Other Financing Sources/(Uses)	<u>206,321</u>	<u>-</u>	<u>5,393,286</u>	<u>-</u>	<u>5,599,607</u>
Change in Fund Balances	-	(66,283)	144,758	(830)	77,645
Fund Balances - Beginning	-	532,492	595,917	96,844	1,225,253
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 466,209</u>	<u>\$ 740,675</u>	<u>\$ 96,014</u>	<u>\$ 1,302,898</u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2024**

	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 6/30/2024	Due Within the Next Year
<u>LEASE LIABILITY</u>											
Leases	2019	2027	Various	\$ 91,900	\$ -	\$ 53,335	\$ -	\$ 38,565	\$ 269	\$ -	\$ 22,124
TOTAL LEASE LIABILITY				91,900	-	53,335	-	38,565	269	-	22,124
<u>INSTALLMENT PURCHASE DEBT</u>											
2021 Bus	2021	2025	3.25%	66,779	-	32,856	-	33,923	2,169	46	33,923
2022 Bus	2022	2026	3.13%	132,284	-	42,744	-	89,540	4,136	117	44,081
2023 Bus	2023	2027	4.77%	154,529	-	35,973	-	118,556	7,377	629	37,691
2024 Bus	2023	2027	4.77%	-	308,341	69,650	-	238,691	-	1,548	54,172
TOTAL INSTALLMENT PURCHASE DEBT				353,592	308,341	181,223	-	480,710	13,682	2,340	169,867
<u>SERIAL BONDS</u>											
School Renovations 2014	2016	2025	3.0-4.0%	1,210,000	-	590,000	-	620,000	60,500	2,456	620,000
School Renovations 2015	2016	2031	2.00%	7,330,000	-	840,000	-	6,490,000	177,256	62,697	860,000
School Renovations 2018	2018	2033	3.00%	4,525,000	-	400,000	-	4,125,000	135,750	9,805	410,000
School Renovations 2019	2020	2034	4.00%	6,085,000	-	450,000	-	5,635,000	243,400	-	470,000
School Renovations 2023	2023	2038	2.05-3.4%	3,595,000	-	640,000	-	2,955,000	161,712	27,788	165,000
School Renovations	2011	2024	3.25%	54,268	-	26,829	-	27,439	412	-	27,439
School Renovations	2014	2025	2.0-3.0%	1,720,000	-	850,000	-	870,000	37,788	2,175	870,000
Tax Certiorari Settlements	2010	2025	3.0-4.0%	735,000	-	360,000	-	375,000	22,200	6,181	375,000
Tax Certiorari Settlements	2011	2025	3.25%	390,732	-	193,171	-	197,561	9,363	1,949	197,561
TOTAL SERIAL BONDS				25,645,000	-	4,350,000	-	21,295,000	848,381	113,051	3,995,000
TOTAL INDEBTEDNESS				\$25,998,592	\$ 308,341	\$ 4,531,223	\$ -	\$21,775,710	\$ 862,063	\$ 115,391	\$ 4,164,867

**OTHER
INFORMATION**

**ARDSLEY UNION FREE SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
YEAR ENDED JUNE 30, 2024**

Adopted Budget	\$ 81,886,892
Additions:	
Encumbrances from Prior Year	<u>481,284</u>
Original Budget	82,368,176
Budget Amendments - Other	<u>4,364,924</u>
Final Budget	<u><u>\$ 86,733,100</u></u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
GENERAL FUND
SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
YEAR ENDED JUNE 30, 2024**

2024-2025 Voter-approved expenditure budget maximum allowed	<u>\$ 84,290,149</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted Fund Balance	
Assigned Fund Balance	\$ 3,150,579
Unassigned Fund Balance	<u>3,371,603</u>
Total Unrestricted Fund Balance	<u>6,522,182</u>
Less:	
Appropriated Fund Balance for 2024-25 Budget	2,714,854
Encumbrances Included in Assigned Fund Balance	<u>435,725</u>
Total Adjustments	<u>3,150,579</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 3,371,603</u></u>
Actual Percentage	<u><u>4%</u></u>

**ARDSLEY UNION FREE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
PROJECT LENGTH SCHEDULE
INCEPTION OF PROJECT THROUGH JUNE 30, 2024**

Project	Expenditures and Transfers to Date					Methods of Financing				Fund Balance (Deficit) at June 30, 2024
	Project Budget	Prior Year	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Local Sources	Interfund Transfers	Totals	
002026 CRS, Reconstr-Bldg Mgmt	\$ 203,097	\$ -	\$ -	\$ -	\$ 203,097	\$ 203,097	\$ -	\$ -	\$ 203,097	\$ 203,097
003030 AHS, Reconstr.-Bldg Mgmt	299,410	-	-	-	299,410	299,410	-	-	299,410	299,410
006030 AMS, Reconstr.-Bldg Mgmt	207,778	-	-	-	207,778	207,778	-	-	207,778	207,778
Concord Road Reconstruction, EPC	776,267	722,496	5,000	727,496	48,771	612,981	163,286	-	776,267	48,771
Concord Road HVAC	856,007	36,047	603,668	639,715	216,292	-	-	870,000	870,000	230,285
Ardsley HS HVAC	621,108	23,367	312,283	335,650	285,458	-	-	450,000	450,000	114,350
Ardsley MS Pool Repair	455,535	28,665	110,643	139,308	316,227	-	-	240,924	240,924	101,616
Ardsley MS HVAC	403,282	31,773	338,052	369,825	33,457	-	-	650,000	650,000	280,175
Admin. Bldg HVAC	28,416	-	11,522	11,522	16,894	-	-	30,000	30,000	18,478
Ardsley Middle School Reconstruction EPC	4,218,126	4,228,880	(22,842)	4,206,038	12,088	3,330,853	887,273	-	4,218,126	12,088
002027 CRS Additions and Alterations	5,055,771	-	29,532	29,532	5,026,239	-	700,000	-	700,000	670,468
003031 AHS, Turf Field-Additions	11,052,000	-	29,390	29,390	11,022,610	-	700,000	-	700,000	670,610
003032 AHS Additions and Alterations	13,188,020	-	63,360	63,360	13,124,660	-	700,000	-	700,000	636,640
006031 AMS Additions and Alterations	13,203,209	-	56,420	56,420	13,146,789	-	700,000	-	700,000	643,580
014001 Bus Maint - New Construction	11,000,000	-	47,722	47,722	10,952,278	-	700,000	-	700,000	652,278
2024 Buses	308,341	-	308,341	308,341	-	308,341	-	-	308,341	-
Total	\$61,876,367	\$ 5,071,228	\$ 1,893,091	\$ 6,964,319	\$54,912,048	\$ 4,962,460	\$ 4,550,559	\$ 2,240,924	\$11,753,943	\$ 4,789,624

**ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2024**

Capital Assets, net		\$	64,275,616
Additions:			
Intangible Right to Use Lease Asset, Net	38,565		
			<u>38,565</u>
Deductions:			
Lease Payable	38,565		
Short-term Portion of Bonds Payable	3,995,000		
Long-term Portion of Bonds Payable	17,300,000		
Short-term Portion of Bond Premiums	94,095		
Long-term Portion of Bond Premiums	926,837		
Short-term Portion of Installment Purchase Debt	169,867		
Long-term Portion of Installment Purchase Debt	310,843		
			<u>22,835,207</u>
Net Investment in Capital Assets		\$	<u><u>41,478,974</u></u>

**OTHER REPORTING
REQUIRED BY
GOVERNMENT AUDITING
STANDARDS**

**ARDSLEY FREE UNION CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Name of Federal Agency or Department	Assistance Listing Number	Pass - Through Entity Identifying Number	Disbursement/ Expenditures
<i>U.S. Department of Education:</i>			
Flow Through NYS Education Department:			
Special Education Cluster:			
Special Education Grants to States	84.027A	0032-24-1057	\$ 454,007
Special Education Grants to States, APR	84.027X	5532-22-1057	30,184
Special Education Preschool Grants, ARP	84.173X	5533-22-1057	1,344
Special Education Preschool Grants	84.173A	0033-24-1057	12,533
Total Special Education Cluster			<u>498,068</u>
Title I Grants to Local Education Agencies	84.010	0021-24-3655	60,737
Total Title I			<u>60,737</u>
Supporting Effective Instruction State Grants	84.367	0147-24-3655	27,750
Total Improving Teacher Quality State Grants			<u>27,750</u>
Educational Stabilization Fund, GEER II	84.425C	5896-21-3655	99,748
Educational Stabilization Fund, ESSER II	84.425D	5891-21-3655	590,872
Educational Stabilization Fund, ESSER II	84.425D	N/A	271,034
Total Education Stabilization Fund			<u>961,654</u>
Total U.S. Department of Education			<u>1,548,209</u>
<i>U.S. Department of Agriculture:</i>			
Flow Through NYS Education Department:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	13,963
National School Lunch Program	10.555	N/A	193,870
Total Child Nutrition Cluster			<u>207,833</u>
Total U.S. Department of Agriculture			<u>207,833</u>
<i>U.S. Department of Homeland Security</i>			
Direct			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	123,183
Total Public Assistance			<u>123,183</u>
Total U.S. Department of Homeland Security			<u>123,183</u>
Total Expenditures of Federal Awards			<u>\$ 1,879,225</u>

N/A - Pass-Through entity identifying number not applicable or not available

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

**ARDSLEY FREE UNION CENTRAL SCHOOL DISTRICT
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the “schedule”) presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's basic financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 – INDIRECT COST RATE:

Certain federal award programs of the District have been charged with indirect costs, based upon a rate established by New York State. The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance applied to overall expenditures.

NOTE 3 – MATCHING COSTS:

Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

NOTE 4 – INSURANCE:

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value and is covered by the District's casualty insurance policies.

NOTE 5 – NON-MONETARY ASSISTANCE:

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Such assistance has been apportioned to the lunch and breakfast program and total \$48,701.

NOTE 6 – RECONCILIATION TO FINANCIAL STATEMENTS:

The federal expenditures presented in the Schedule reconcile to the State and Federal revenue reported in the Statement of Revenues, Expenditures and Changes in Fund Balance as follows:

Federal Expenditures as reported in the Schedule	\$ 1,879,225
Reconciling Items:	
Add E-Rate in General Fund Federal Revenue	26,545
Add Medicaid in General Fund Federal Revenue	<u>11,419</u>
Federal Aid as reported in the Statement of Revenues, Expenditures and Changes in Fund Balance as shown in Federal Aid, Medicaid Reimbursement and Surplus Food	<u><u>\$ 1,917,189</u></u>



LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF 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 "District") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 8, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the schedule of findings and questioned costs as item 2024-001.

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 8, 2024



LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

**INDEPENDENT AUDITOR’S REPORT ON
COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ardsley Union Free School District’s (the “District”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2024. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

RBT CPAs, LLP

Hudson, New York

October 8, 2024

**ARDSLEY UNION FREE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

A. Financial Statement Findings

None Noted

B. Findings and Questioned Costs for Federal Awards

None Noted

**ARDSLEY UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

II. FINANCIAL STATEMENTS FINDINGS

A. Internal Control Findings

None Noted

B. Compliance Findings

2024-001 *Annual Sexual Harassment Prevention Training*

Condition: Not all District employees completed annual sexual harassment prevention training.

Criteria: Every employer in New York is required to provide all employees with sexual harassment prevention training pursuant to Section 201-g of the Labor Law, and every employee must complete sexual harassment prevention training annually.

Cause: The District did not require seasonal employees to complete sexual harassment prevention training.

Effect: The District was not in compliance with New York State laws.

Recommendation: RBT recommends that the District implement a policy and procedure to ensure that all District employees complete the required sexual harassment training.

Management's Response: The District agrees with the finding. The District will work on creating a corrective action plan to address the compliance finding.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None Noted

