

**Edgemont Union Free
School District, New York**

Financial Statements and
Supplementary Information

Year Ended June 30, 2021

Edgemont Union Free School District, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4
Management's Discussion and Analysis	6
Basic Financial Statements	
District-Wide Financial Statements	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements	
Balance Sheet - Governmental Funds	21
Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	27
Notes to Financial Statements	28
Required Supplementary Information	
Other Postemployment Benefits	
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	55
New York State Teachers' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	56
Schedule of Contributions	56
New York State and Local Employees' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability	57
Schedule of Contributions	57
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	58
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	59
Schedule of Revenues Compared to Budget	61
Schedule of Expenditures and Other Financing Uses Compared to Budget	63
Special Aid Fund	
Comparative Balance Sheet	66
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	67

Edgemont Union Free School District, New York

Table of Contents (Concluded)

	<u>Page No.</u>
Capital Projects Fund	
Comparative Balance Sheet	68
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	69
Project-Length Schedule	70
Non-Major Governmental Funds	
Combining Balance Sheet	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	74
School Lunch Fund	
Comparative Balance Sheet	76
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	77
Special Purpose Fund	
Comparative Balance Sheet	78
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	79
Debt Service Fund	
Comparative Balance Sheet	80
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	81
Supplementary Information	
Analysis of Change from Adopted Budget to Final Budget	83
Section 1318 of Real Property Tax Law Limit Calculation	83
Schedule of Net Investment in Capital Assets	84



Independent Auditors' Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Notes 2D and 2G in the notes to financial statements which disclose the effects of the School District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84 "*Fiduciary Activities*". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit for the year ended June 30, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2021 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the School District as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated October 9, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2020 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2020 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 1, 2021

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Edgemont Union Free School District, New York ("School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 1, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 1, 2021

Edgemont Union Free School District, New York

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

Introduction

Our discussion and analysis of the financial performance of the Edgemont Union Free School District, New York ("School District") provides an overview of the School District's financial activities for the year ended June 30, 2021 (fy 2021). To enhance understanding of the School District's financial performance, it should be read in conjunction with the basic financial statements, which immediately follow this section.

The 2020-2021 financial statements reflect the School District's continued commitment to strong financial and operational management. The Board of Education and the administration believe that maintaining a fund balance at the statutory limit and funding reserves when possible contributes to this strong financial position.

Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

- New York State Law limits the amount of committed, assigned and unassigned fund balance, exclusive of encumbrances and amounts assigned for the subsequent year's budget, which can be retained by the General Fund to 4% of the ensuing year's budget. At the end of the current fiscal year, this amount for the General Fund was \$2,610,055 or 4% of the 2021-2022 school district budget.
- The School District appropriated \$1,970,000 of the unassigned fund balance of the General Fund as a surplus contribution to reduce property taxes in the 2021-2022 fiscal year. An additional \$766,182 of the restricted fund balance for retirement contributions was appropriated toward offsetting the mandated contributions to the New York State and Local Employees' Retirement System ("ERS") (\$606,182) and the New York State Teacher's Retirement System ("TRS") (\$160,000) in 2021-2022. Accordingly, a total of \$2,736,182 of fund balance was utilized in balancing the School District's 2021-2022 spending plan. Lastly, the Board of Education approved four resolutions that permitted the School District to place \$943,919 of its 2020-2021 budget surplus in its restricted fund balances for tax certiorari obligations, \$928,354 to offset future ERS obligations, \$525,068 to offset future TRS obligations, and \$177,000 to offset future employee benefit accrued liabilities.
- The total fund balance (nonspendable, restricted, assigned and unassigned) of the General Fund increased by \$1,230,387 to \$15,377,001. The increase is predominantly attributable to a reduction in expenditures in the instructional program, co-curricular programs and transportation costs in the 2020-2021 school year due to the coronavirus pandemic.
- As of the end of the 2020-2021 fiscal year, the School District's governmental fund financial statements report a combined ending fund balance of \$16,839,309 an increase of \$836,007 from the prior year resulting from increased General Fund balance.
- The fund balance in the Special Purpose Fund was \$412,152. This balance is the result of generous donations from the PTSA, the PTA, Edgemont Recreation, the Edgemont School Foundation, and members of the Edgemont community.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded the assets and deferred outflows of resources at the close of its most recent fiscal

year by \$44,825,416 (deficit net position). This is primarily the result of the School District's implementation of the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB"). This statement addresses accounting and financial reporting for OPEB by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. This statement supersedes the provisions of GASB Statement No. 45, "*Accounting and Financial Reporting By Employers for Postemployment Benefits Other Than Pensions*". The primary distinction between the two standards is that since no mechanism exists under current New York State law for New York municipalities and school districts to pre-fund these obligations in an irrevocable trust, entities must now report their *total* OPEB liability as opposed to the *net* OPEB liability that has been reported under the prior standard. For the year ending June 30, 2021, the School District's OPEB obligations of \$104,188,467 are reflected as a liability on the district-wide Statement of Net Position and, thus, negatively impacts the total net position calculation. More detailed information about the School District's OPEB obligations reported in accordance with the provisions of GASB Statement No. 75 is presented in note 3D in the notes to the financial statements.

- The district-wide financial statements for the year ended June 30, 2021 are also significantly impacted by the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*." This pronouncement established accounting and financial reporting requirements associated with the School District's participation in the cost sharing multiple employer pension plans administered by the ERS and the TRS. Under this standard, cost-sharing employers are required to report in their district-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. On June 30, 2021, the School District reported in its Statement of Net Position a liability of \$14,509 for its proportionate share of the ERS net pension liability and a liability of \$4,274,111 for its proportionate share of the TRS net pension liability. More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in note 3D in the notes to financial statements.
- The School District retired \$1,910,000 of previously issued bonded indebtedness and \$242,714 of energy performance contract debt.
- Net Position as of July 1, 2020 was restated for a due to the implementation of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". In accordance with GASB Statement No. 84, the School District determined that the extra classroom activity funds should be reported with governmental activities (and governmental funds) and not within fiduciary funds.

Overview of the Financial Statements

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

District-Wide Financial Statements

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

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

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

Fund Financial Statements

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate a comparison between *governmental funds* and *governmental activities*.
- The School District maintains six individual governmental funds: General Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Special Aid Fund and the Capital Projects Fund, which are considered to be major funds. Data for the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.
- The School District adopts an annual budget for its General Fund and Debt Service Fund. A budgetary comparison statement has been provided within the basic financial statements for the General Fund (major fund) to demonstrate compliance with the respective budget.

- The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statement because the resources of these funds are *not* available to support the School District's programs. In accordance with the provisions of GASB Statement No. 84, the School District had no such activity to report in this fund category.

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

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to financial statements can be found following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the School District's other postemployment and pension benefit obligations, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. For the Edgemont Union Free School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$44,825,416 for the year ending June 30, 2021.

Net Position

	June 30,	
	2021	2020
Current Assets	\$ 20,908,378	\$ 24,118,043
Capital Assets, net	40,267,131	40,638,166
Total Assets	61,175,509	64,756,209
Deferred Outflows of Resources	27,016,691	16,075,185
Current Liabilities	4,112,911	4,199,907
Long-term Liabilities	122,003,950	111,634,685
Total Liabilities	126,116,861	115,834,592
Deferred Inflows of Resources	6,900,755	5,878,526
Net Position		
Net Investment in Capital Assets	27,096,188	25,370,351
Restricted		
Capital Projects	508,515	692,306
Tax Certiorari	5,785,020	4,850,561
ERS Retirement Contributions	2,734,508	2,641,154
TRS Retirement Contributions	1,035,984	960,916
Special Purposes	412,152	448,120
Debt Service	537,537	537,233
Unrestricted	(82,935,320)	(76,382,365)
Total Net Position	\$ (44,825,416)	\$ (40,881,724)

By far the largest component of the School District's net position reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. The School District uses these capital assets to provide services to the students, and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions listed above constitute \$11,013,716 of net position and are comprised of amounts restricted for specific purposes, i.e., payments of tax certiorari claims, debt service, etc. There is a negative balance of unrestricted net position of \$82,935,320 primarily a result of the recognition of the OPEB liabilities. Overall, net position decreased by \$3,943,692 predominantly from the recording of an increase in the OPEB liability caused by the change in the mandated discount rates and valuation assumption methods. See Note 3D in the notes to financial statements for a more detailed discussion.

Changes in Net Position

	June 30,	
	2021	2020
REVENUES		
Program Revenues		
Charges for Services	\$ 708,373	\$ 1,379,356
Operating Grants and Contributions	1,268,417	1,555,751
Capital Grants and Contributions	304	4,758
	1,977,094	2,939,865
General Revenues		
Real Property Taxes	53,374,957	51,942,903
Other Tax Items	1,603,335	1,795,867
Non-Property Taxes	718,957	556,694
Unrestricted Use of Money and Property	38,460	222,596
Unrestricted State Aid	4,418,909	4,205,745
Miscellaneous	249,396	188,751
	60,404,014	58,912,556
Total General Revenues		
Total Revenues	62,381,108	61,852,421
PROGRAM EXPENSES		
General Support	8,394,169	8,759,843
Instruction	56,592,160	52,850,324
Pupil Transportation	657,924	897,971
Cost of Food Sales	45,299	333,819
Other	432,514	544,683
Interest	264,341	331,226
	66,386,407	63,717,866
Total Expenses		
Change in Net Position	(4,005,299)	(1,865,445)
NET POSITION		
Beginning, as reported	(40,881,724)	(39,016,279)
Cumulative Effect of Change in Accounting Principle	61,607	-
	(40,820,117)	(39,016,279)
Beginning, as restated		
Ending	\$ (44,825,416)	\$ (40,881,724)

The major changes are as follows:

Revenues:

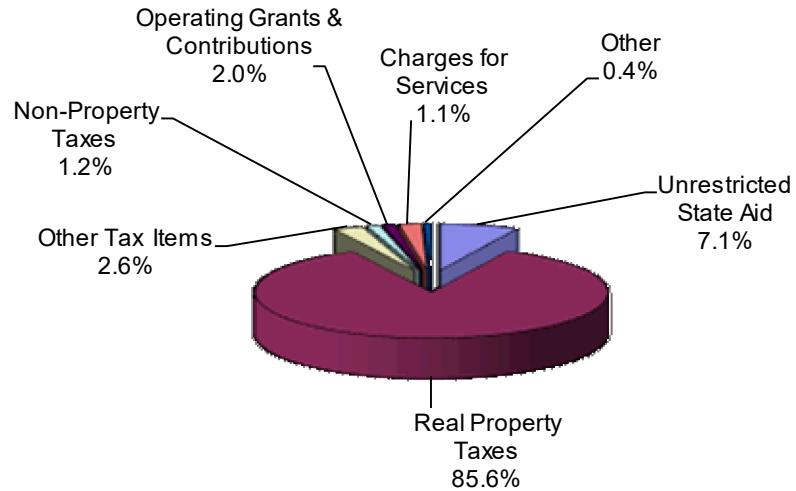
- Charges for Services decreased by \$670,983. This was the result of the decrease in the number of students enrolled via tuition in the 2020-2021 school year and significant reduction in revenue received from cafeteria services while suspended from September through February and operating on a limited basis from March through June.
- Operating Grants and Contributions decreased by \$287,334. Predominantly, this was due to a decrease in services requiring parent contributions during the pandemic-related school operations.
- Capital Grants and Contributions decreased by \$4,454, on par with last year's revenue received.
- Revenue from real property taxes increased by \$1,432,054 as a result of a higher tax levy to support an increased budget while remaining under the maximum allowable tax-levy limit.
- Other tax items decreased by \$192,532. This amount represents reimbursements received from the School Tax Relief Reimbursement Program ("STAR"). The STAR Program provides tax relief to homeowners through State reimbursement to the School District. Homeowners earning between \$250,000 and \$500,000 a year, receive a check for their STAR rebates rather than receiving an upfront savings directly in their school tax bills. Therefore, the 2020-2021 STAR payment to the School District was reduced by the aggregate amount of payments NYS made directly to local homeowners.
- Non-property taxes representing sales tax distributions from the County to the School District increased by 29.1% or \$162,263 from the prior year.
- Unrestricted State Aid increased by 5.1%, or \$213,164. This is predominantly due to increases in expense-based aid, including building aid.
- Miscellaneous revenues increased by \$60,645, returning to levels seen prior to the start of the pandemic.

Expenses:

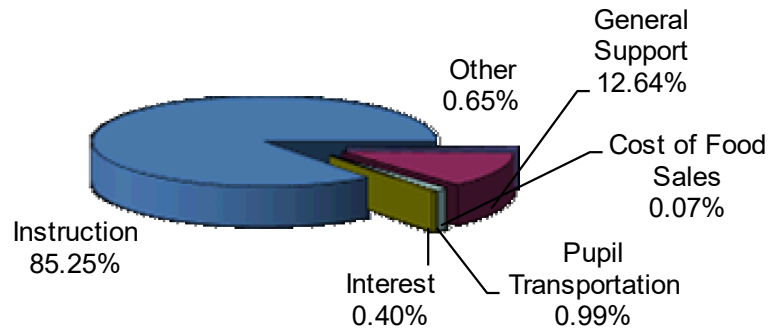
- Instructional program expenses increased by \$3,741,836 from the prior year as a result of contractual salary increases, an increase in staff development opportunities, additional staff, and the increase in the long-term OPEB liabilities.
- Cost of food sales decreased by \$288,520 with cafeteria service suspended from September through February and operating on a limited basis from March through June.
- Pupil Transportation expenses decreased by 26.7%, or \$240,047 as a result of the utilization of shared transportation services with four local school districts.

As indicated on the following graphs, unrestricted state aid provided only 7.1% of total revenue in 2020-2021. Real property taxes (excluding the STAR program reimbursement) are the School District's main source of revenue (85.6%). Instruction costs account for 85.25% of the School District's expenses.

Sources of Revenue for Fiscal Year 2021 Governmental Activities



Expenses for Fiscal year 2021 Governmental Activities



Financial Analysis of the School District's Funds

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

Fund Balance Reporting

GASB issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" in February 2009. The requirements of Statement No. 54 became effective for financial statements for periods ending June 30, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

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

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. According to GASB, this pronouncement should result in an improvement in the usefulness of fund balance information.

Governmental Funds

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

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$16,839,309 an increase of \$774,400 from the prior year.

Exclusive of the Capital Projects Fund, total fund balance aggregates to \$16,330,794. Of this amount, \$25,812 is in non-spendable form representing prepaid expenditures, while \$10,757,092 is restricted for various purposes (\$5,785,020 for tax certiorari obligations, \$3,770,492 for retirement system obligations (both ERS and TRS), \$512,428 for debt service purposes, \$277,000 for EBALR and \$412,152 for special purposes). Another \$2,937,835 of the total fund balance is assigned to fund purchases on order (\$963,731), school lunch fund purposes (\$4,104), and (\$1,970,000) for the subsequent year's budget as property tax relief. The remainder of the total fund balance of \$2,610,055 represents the unassigned fund balance in the General Fund and is available for use at the School District's discretion.

The General Fund is the primary operating fund of the School District. Revenues were \$58,584 less than the amount contained in the final budget. This is the result of a number of factors, including: worse than expected interest earnings; reduced day school tuition enrollment from other districts; and, a reduction in the enrollment of students residing in border properties. Expenditures and other financing uses were \$4,674,109 less than the final budget. The savings occurred as a result of decreases in the cost of instruction, co-curricular programs, and employee benefits due to the modified schedule resulting from the pandemic. Additionally, decreases in transportation expenses resulting from a shift to a consortium model contribute to the savings yielded.

Capital Assets

On June 30, 2021, the School District had \$40,267,131 net of accumulated depreciation invested in a broad range of capital assets, including land, construction-in-progress, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below.

Class	June 30,	
	2021	2020
Land	\$ 447,447	\$ 447,447
Construction-in-Progress	2,285,921	4,595,058
Buildings and Improvements	37,279,853	35,370,929
Machinery and Equipment	253,910	224,732
Total Capital Assets, net of accumulated depreciation	\$ 40,267,131	\$ 40,638,166

The change in capital assets during the current fiscal year is the result of the ongoing costs associated with various district-wide improvement projects.

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

Long-Term Debt

On June 30, 2021, the School District had \$122,003,950 in general obligation and other long-term debt outstanding as follows:

	<u>2021</u>	<u>2020</u>
Bonds Payable, net	\$ 11,511,086	\$ 13,567,693
Energy Performance Contract Payable	1,678,480	1,921,194
Compensated Absences	337,297	327,855
Net Pension Liability	4,288,620	4,060,546
Other Post Employment Benefit Obligations	<u>104,188,467</u>	<u>91,757,397</u>
Total	<u>\$ 122,003,950</u>	<u>\$ 111,634,685</u>

The School District recorded its net pension liability to ERS and TRS as required by the provisions of GASB Statement No. 68. The School District's other postemployment benefit obligation was recorded in accordance with the provisions of GASB Statement No. 75. This liability will continue to grow as the School District is permitted at this time by New York State only to fund its pay-as-you-go obligations for health insurance.

More detailed information about the School District's long-term liabilities is presented in Note 3D in the notes to financial statements.

Future Considerations

The Edgemont School District is committed to providing an excellent education in a fiscally responsible way by collaborating with the community. This is accomplished through both strategic and tactical planning.

The School District consistently receives community support in the annual school budget elections with the budgets exceeding 75% affirmative votes for each of the past sixteen years. Last year, the District passed two bond propositions totaling \$54,241,125 for the purpose of constructing additional classrooms, renovating cafeterias, providing increased air quality within buildings, and improving access to the three school campuses. The need was driven by a 6.9% increase in enrollment over the past 10 years, a multi-family housing project in the District, and the space needed for our current instructional programs. The Board and administration are committed to managing the stability of the tax-rate increases over time. As a district, we endeavor to maintain an unassigned fund balance close to or at the statutory limit of 4% to address unanticipated needs or expenditures.

Now that the Bond has been approved to address the significant instructional space needs and to upgrade antiquated building systems, Edgemont must meet the benchmarks and timelines regarding financing, pre-construction, construction, and final approvals. Work on these projects, from design to construction, is ongoing and will span a number of years. This will involve a reconsideration of business office personnel for support both based on the bond and upcoming retirements.

We continue to meet the needs of all students in Edgemont. Health and safety have been first and foremost during the pandemic. We are implementing weekly testing as required by the NYS DOH. We follow all requirements regarding masking, distancing and reporting to the DOH.

We increased our attention to safety and security through the inclusion of security monitors on the Edgemont Junior-Senior High School campus and vestibules at the elementary schools to provide a secondary layer of access.

We have an updated District strategic goal with three components that meet these needs in compliance with new requirements from NYSED. These components include the goal of system-wide social emotional learning as part of our existing curriculum. This is aligned with the state and national attention to emotional resiliency within a culture of high academic standards especially during the pandemic.

DISTRICT GOAL:

As we prepare our students for life in a rapidly changing, interconnected world, we will design learning opportunities that engage students in deep understandings of themselves, others and the complex and evolving landscape around them.

COMPONENT ONE: UNDERSTANDING AND APPRECIATION OF SELF

In these times when we are preparing students for careers that may not yet exist, students must be able to collaborate effectively with others, understand different viewpoints, and persist in the face of challenges. The latest educational research shows that when schools actively work to cultivate these skills in students, there is a positive effect on academic achievement, social integration, and mental health. We will create and maintain an educational program that supports the development of social, emotional, and academic behaviors to promote learning and well-being for all students. Self-awareness, self-management, social awareness, relationship skills, and responsible decision-making are behaviors and skills our robust curricula support.

COMPONENT TWO: UNDERSTANDING AND APPRECIATION OF OTHERS

We will develop curricula, policies, and practices that value and support diversity, equity, and inclusion in education. Through purposeful exposure to multiple perspectives, cultures, and ideas in an inclusive environment, students can develop greater compassion, confidence, empathy and creativity. Developing a rich understanding of the importance of diversity and equity prepares students to be the leaders of the future and to make meaningful contributions to their communities.

COMPONENT THREE: CONNECTING LEARNING TO LIFE

When asked about what they are learning in the classroom or beyond the school setting, students will be able to meaningfully describe not just “what” but “why.” According to research in the area of growth mindset, students learn more deeply when the learning is relevant to their lives, connected to a broader purpose, and reflective of their own voice and agency. We will provide purposeful instruction to deepen student learning, regardless of the educational setting, across all content areas. Ultimately, students will not only understand the powerful connections of their learning to the world around them, but will embrace new opportunities, new questions, and new possibilities with courage and passion.

The challenge of providing a fiscally responsible budget with costly unfunded state mandates, especially with the additional COVID-19 expenditures, will continue to require effective and efficient management of School District resources. The District Treasurer continues to monitor the fiscal health of the school district through analyses of monthly financial reports and the utilization of various audits in addition to thinking creatively about how to meet the needs of the students more effectively and efficiently. We continue using a web-based system for Board of Education policies and meetings and have moved to live-streamed Board of Education meetings. We will continue to maximize all recent system updates such as nVision and My Learning Plan for increased efficiency and effectiveness. The Edgemont Union Free School District is committed to educational excellence, collaboration, and fiscal discipline.

Requests for Information

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

Edgemont Union Free School District
Attn: Bryan A. Paul
Assistant Superintendent for Administration & Business
300 White Oak Lane
Scarsdale, New York 10583

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Edgemont Union Free School District, New YorkStatement of Net Position
June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 19,575,640
Receivables	
Accounts	107,176
State and Federal aid	1,019,750
Due from other governments	180,000
Prepaid expenses	25,812
Capital assets	
Not being depreciated	2,733,368
Being depreciated, net	<u>37,533,763</u>
Total Assets	<u>61,175,509</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	18,623
Pension Related	18,040,648
OPEB Related	<u>8,957,420</u>
Total Deferred Outflows of Resourced	<u>27,016,691</u>
LIABILITIES	
Accounts payable	525,095
Accrued liabilities	318,615
Due to other governments	183,049
Unearned revenues	17,901
Due to retirement systems	3,024,409
Accrued interest payable	43,842
Non-current liabilities	
Due within one year	2,273,426
Due in more than one year	<u>119,730,524</u>
Total Liabilities	<u>126,116,861</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	<u>6,900,755</u>
NET POSITION	
Net investment in capital assets	27,096,188
Restricted	
Capital projects	508,515
Tax certiorari	5,785,020
ERS retirement contributions	2,734,508
TRS retirement contributions	1,035,984
Special purposes	412,152
Debt service	537,537
Unrestricted	<u>(82,935,320)</u>
Total Net Position	<u>\$ (44,825,416)</u>

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

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Edgemont Union Free School District, New York

Statement of Activities

For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 8,394,169	\$ 8,805	\$ -	\$ -	\$ (8,385,364)
Instruction	56,592,160	671,956	933,377	-	(54,986,827)
Pupil transportation	657,924	-	-	-	(657,924)
Cost of food sales	45,299	27,612	101	-	(17,586)
Other	432,514	-	334,939	-	(97,575)
Interest	264,341	-	-	304	(264,037)
Total Governmental Activities	66,386,407	708,373	1,268,417	304	(64,409,313)
General revenues					
Real property taxes					53,374,957
Other tax items					
School tax relief reimbursement					1,603,335
Non-property taxes					
Non-property tax distribution from County					718,957
Unrestricted use of money and property					38,460
Unrestricted State aid					4,418,909
Miscellaneous					249,396
Total General Revenues					60,404,014
Change in Net Position					(4,005,299)
Net Position - Beginning, as reported					(40,881,724)
Cumulative Effect of Change in Accounting Principle					61,607
Net Position - Beginning, as restated					(40,820,117)
Net Position - Ending					\$ (44,825,416)

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

Edgemont Union Free School District, New York

Balance Sheet
 Governmental Funds
 June 30, 2021

	<u>General</u>	<u>Special Aid</u>	<u>Capital Projects</u>
ASSETS			
Cash and equivalents	\$ 17,349,321	\$ 738,327	\$ 516,409
Receivables			
Accounts	107,176	-	-
State and Federal aid	515,850	503,900	-
Due from other governments	180,000	-	-
Due from other funds	1,251,896	-	-
Prepaid expenditures	703	-	-
	<u>19,404,946</u>	<u>1,242,227</u>	<u>516,409</u>
Total Assets	<u>\$ 19,404,946</u>	<u>\$ 1,242,227</u>	<u>\$ 516,409</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 499,528	\$ 4,427	\$ 7,850
Accrued liabilities	303,058	15,557	-
Due to other funds	-	1,222,243	44
Due to other governments	183,049	-	-
Unearned revenues	17,901	-	-
Due to retirement systems	3,024,409	-	-
	<u>4,027,945</u>	<u>1,242,227</u>	<u>7,894</u>
Total Liabilities	<u>4,027,945</u>	<u>1,242,227</u>	<u>7,894</u>
Fund balances			
Nonspendable	703	-	-
Restricted	9,832,512	-	508,515
Assigned	2,933,731	-	-
Unassigned	2,610,055	-	-
	<u>15,377,001</u>	<u>-</u>	<u>508,515</u>
Total Fund Balances	<u>15,377,001</u>	<u>-</u>	<u>508,515</u>
Total Liabilities and Fund Balances	<u>\$ 19,404,946</u>	<u>\$ 1,242,227</u>	<u>\$ 516,409</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 971,583	\$ 19,575,640
-	107,176
-	1,019,750
-	180,000
-	1,251,896
<u>25,109</u>	<u>25,812</u>
<u>\$ 996,692</u>	<u>\$ 22,160,274</u>

\$ 13,290	\$ 525,095
-	318,615
29,609	1,251,896
-	183,049
-	17,901
-	<u>3,024,409</u>
<u>42,899</u>	<u>5,320,965</u>

25,109	25,812
924,580	11,265,607
4,104	2,937,835
-	<u>2,610,055</u>
<u>953,793</u>	<u>16,839,309</u>
<u>\$ 996,692</u>	<u>\$ 22,160,274</u>

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Edgemont Union Free School District, New York

Reconciliation of Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2021

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

Fund Balances - Total Governmental Funds	\$ 16,839,309
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	2,733,368
Capital assets - depreciable	60,272,018
Accumulated depreciation	<u>(22,738,255)</u>
	<u>40,267,131</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	18,040,648
Deferred outflows - OPEB related	8,957,420
Deferred inflows - pension related	<u>(6,900,755)</u>
	<u>20,097,313</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(43,842)
General obligation bonds payable	(11,450,000)
Energy performance contract payable	(1,678,480)
Compensated absences	(337,297)
Net pension liability	(4,288,620)
Total OPEB Liability	<u>(104,188,467)</u>
	<u>(121,986,706)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding	18,623
Premium on general obligation bonds	<u>(61,086)</u>
	<u>(42,463)</u>
Net Position of Governmental Activities	<u>\$ (44,825,416)</u>

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

Edgemont Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2021

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 53,374,957	\$ -	\$ -
Other tax items	1,603,335	-	-
Non-property taxes	718,957	-	-
Charges for services	671,956	-	-
Use of money and property	47,265	-	-
State aid	4,563,118	166,450	-
Federal aid	66,122	495,100	-
Food sales	-	-	-
Miscellaneous	310,892	-	-
	<u>61,356,602</u>	<u>661,550</u>	<u>-</u>
Total Revenues			
EXPENDITURES			
Current			
General support	6,841,437	-	-
Instruction	35,432,484	703,162	-
Pupil transportation	693,044	-	-
Employee benefits	13,931,216	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	991,541
	<u>56,898,181</u>	<u>703,162</u>	<u>991,541</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>4,458,421</u>	<u>(41,612)</u>	<u>(991,541)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	41,612	650,000
Transfers out	<u>(3,228,034)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(3,228,034)</u>	<u>41,612</u>	<u>650,000</u>
Net Change in Fund Balances	1,230,387	-	(341,541)
FUND BALANCES			
Beginning of Year, as restated	<u>14,146,614</u>	<u>-</u>	<u>850,056</u>
End of Year	<u>\$ 15,377,001</u>	<u>\$ -</u>	<u>\$ 508,515</u>

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 53,374,957
-	1,603,335
-	718,957
-	671,956
499	47,764
-	4,729,568
-	561,222
27,612	27,612
334,845	645,737
<u>362,956</u>	<u>62,381,108</u>
-	6,841,437
-	36,135,646
-	693,044
-	13,931,216
44,888	44,888
432,514	432,514
2,152,714	2,152,714
383,708	383,708
-	991,541
<u>3,013,824</u>	<u>61,606,708</u>
<u>(2,650,868)</u>	<u>774,400</u>
2,536,422	3,228,034
-	(3,228,034)
<u>2,536,422</u>	<u>-</u>
(114,446)	774,400
<u>1,068,239</u>	<u>16,064,909</u>
<u>\$ 953,793</u>	<u>\$ 16,839,309</u>

Edgemont Union Free School District, New York

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2021

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 774,400</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay expenditures	1,068,338
Depreciation expense	<u>(1,439,373)</u>
	<u>(371,035)</u>
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Principal paid on general obligation bonds	1,910,000
Principal paid on energy performance contract	<u>242,714</u>
	<u>2,152,714</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	(9,442)
Changes in pension liabilities and related deferred outflows and inflows of resources	(2,777,132)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(3,894,171)
Accrued interest	17,459
Amortization of premium and loss on refunding bonds	<u>101,908</u>
	<u>(6,561,378)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (4,005,299)</u></u>

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

Edgemont Union Free School District, New York

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 53,374,957	\$ 53,374,957	\$ 53,374,957	\$ -
Other tax items	1,603,335	1,603,335	1,603,335	-
Non-property taxes	500,000	500,000	718,957	218,957
Charges for services	835,000	835,000	671,956	(163,044)
Use of money and property	218,500	218,500	47,265	(171,235)
Interfund revenues	4,500	4,500	-	(4,500)
State aid	4,629,340	4,629,340	4,563,118	(66,222)
Federal aid	66,116	66,116	66,122	6
Miscellaneous	160,333	183,438	310,892	127,454
Total Revenues	61,392,081	61,415,186	61,356,602	(58,584)
EXPENDITURES				
Current				
General support	8,126,275	8,348,053	6,841,437	1,506,616
Instruction	37,003,071	37,045,199	35,432,484	1,612,715
Pupil transportation	1,341,043	1,118,268	693,044	425,224
Employee benefits	15,034,830	15,032,380	13,931,216	1,101,164
Total Expenditures	61,505,219	61,543,900	56,898,181	4,645,719
Excess of Revenues Over Expenditures	(113,138)	(128,714)	4,458,421	4,587,135
OTHER FINANCING USES				
Transfers out	(3,256,424)	(3,256,424)	(3,228,034)	28,390
Net Change in Fund Balance	(3,369,562)	(3,385,138)	1,230,387	4,615,525
FUND BALANCE				
Beginning of Year	3,369,562	3,385,138	14,146,614	10,761,476
End of Year	\$ -	\$ -	\$ 15,377,001	\$ 15,377,001

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

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Note 1 - Summary of Significant Accounting Policies

The Edgemont Union Free School District, New York ("School District"), as presently constituted, was established in 1912 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The financial statements of the School District have been prepared in conformity with accounting principles general accepted in the United States of America as applied to local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The School District's significant accounting policies are described below:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the School District, b) organizations for which the School District is financially accountable and c) other organizations for which the nature and significance of their relationship with the School District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the School District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the School District's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

The School District participates in the Southern Westchester Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating district's governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined in Education Law. Copies of BOCES' financial statement can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

B. District-Wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to

Note 1 - Summary of Significant Accounting Policies (Continued)

customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities.

While separate district-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following represents the School District's major governmental funds.

General Fund - The General Fund constitutes the primary fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal or State funds. The major revenues of this fund are Federal and State aid.

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

The following represents the School District's non-major governmental funds:

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs of the School District.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with grantor or contributor stipulations. Among the activities included in the Special Purpose Fund are extraclassroom activities.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

- b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84 "*Fiduciary Activities*" the School District had no such activity to report in this fund category.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the Fiduciary Fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual

Note 1 - Summary of Significant Accounting Policies (Continued)

accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liabilities and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

The School District utilizes a pooled investment concept for all governmental funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Note 1 - Summary of Significant Accounting Policies (Continued)

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2021.

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

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

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable in two installments, September and January. The Town of Greenburgh, New York ("Town") is responsible for the billing and collection of the taxes. The Town guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

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

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

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consist of certain debt service costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported

Note 1 - Summary of Significant Accounting Policies (Continued)

amounts are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the School District. Purchases of inventoriable items are recorded as expenditures at the time of purchase and year-end balances are not material.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

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

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

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

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the district-wide financial statements, unearned revenues consist of revenue received in advance and/or grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$17,901 for miscellaneous amounts received in advance in the General Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The School District reported deferred amounts on refunding bonds results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Other amounts reported as deferred outflows of resources and deferred inflows of resources are in relation to the School District's pension and other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3D.

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

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

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

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

Other Postemployment Benefit Liability ("OPEB") – In addition to providing pension benefits, the School District provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*.

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws and regulations of governments. Restricted net position for the School District includes, restricted for capital projects, tax certiorari, ERS retirement contributions, TRS retirement contributions, special purposes and debt service.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or by delegated authority to the Assistant Superintendent for Business for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 1, 2021.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The School District generally follows the procedures enumerated below in establishing the budgetary data reflected in the fund financial statements:

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for General and Debt Service funds.
- g) Budgets for General and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, School Lunch or Special Purpose funds since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Education.

Note 2 - Stewardship, Compliance and Accountability (Continued)

B. Limitation on Fund Balance

The School District is limited to the amount of committed, assigned and unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount of fund balance to 4% of the ensuing year's budget.

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to its enactment, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of 4% of the prior year's budget or 120% of the consumer price index ("CPI").

Under the Tax Levy Limitation Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

D. Adoption of Accounting Standard

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

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 2 - Stewardship, Compliance and Accountability (Continued)

E. Capital Projects Fund Deficits

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

F. Reclassification of Prior Year Presentation

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

G. Cumulative Effect of Change in Accounting Principle

The School District implemented the provisions of GASB Statement No. 84, "*Fiduciary Activities*", for the year ended June 30, 2021. Certain amounts previously reported in the School District's Fiduciary Fund are now being reported within the Special Purpose Fund and /or General Fund. As a result, the School District has reported a cumulative effect of change in accounting principle of \$70,235 to the July 1, 2019 fund balance of the Special Purpose Fund (the earliest year presented). The School District also reported on its Statement of Activities as a cumulative effect of change in accounting principle of \$61,607 to the July, 1, 2020 net position of governmental activities for this same reason.

Note 3 - Detailed Notes on All Funds

A. Interfund Receivable/Payables

The composition of due from/to other funds at June 30, 2021 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,251,896	\$ -
Special Aid	-	1,222,243
Capital Projects	-	44
Non-Major Governmental	-	29,609
	<u>\$ 1,251,896</u>	<u>\$ 1,251,896</u>

The outstanding balances between funds results 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.

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

B. Capital Assets

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

Class	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 447,447	\$ -	\$ -	\$ 447,447
Construction-in-progress	4,595,058	991,541	3,300,678	2,285,921
Total Capital Assets, not being depreciated	<u>\$ 5,042,505</u>	<u>\$ 991,541</u>	<u>\$ 3,300,678</u>	<u>\$ 2,733,368</u>
Capital assets, being depreciated:				
Buildings and Improvements	\$ 56,005,566	\$ 3,300,678	\$ -	\$ 59,306,244
Machinery and Equipment	888,977	76,797	-	965,774
Total Capital Assets, being depreciated	<u>56,894,543</u>	<u>3,377,475</u>	<u>-</u>	<u>60,272,018</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	20,634,637	1,391,754	-	22,026,391
Machinery and Equipment	664,245	47,619	-	711,864
Total Accumulated Depreciation	<u>21,298,882</u>	<u>1,439,373</u>	<u>-</u>	<u>22,738,255</u>
Total Capital Assets, being Depreciated, net	<u>\$ 35,595,661</u>	<u>\$ 1,938,102</u>	<u>\$ -</u>	<u>\$ 37,533,763</u>
Capital Assets, net	<u>\$ 40,638,166</u>	<u>\$ 2,929,643</u>	<u>\$ 3,300,678</u>	<u>\$ 40,267,131</u>

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

General Support	\$ 33,003
Instruction	1,391,754
Pupil Transportation	14,205
Cost of Sales	<u>411</u>
Total Depreciation Expense	<u>\$ 1,439,373</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2021 were as follows:

	Fund		Total
	General	Special Aid	
Payroll and Employee Benefits	<u>\$ 303,058</u>	<u>\$ 15,557</u>	<u>\$ 318,615</u>

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

D. Long-Term Liabilities

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

	Balance July 1, 2020	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2021	Due Within One-Year
General Obligation Bonds Payable	\$ 13,360,000	\$ -	\$ 1,910,000	\$ 11,450,000	\$ 1,980,000
Plus - Unamortized Premium on Bonds	207,693	-	146,607	61,086	-
	<u>13,567,693</u>	<u>-</u>	<u>2,056,607</u>	<u>11,511,086</u>	<u>1,980,000</u>
Energy Performance Contract Payable	1,921,194	-	242,714	1,678,480	259,426
Other Non-current Liabilities:					
Compensated Absences	327,855	42,442	33,000	337,297	34,000
Net Pension Liability - ERS	4,060,546	-	4,046,037	14,509	-
Net Pension Liability (Asset) - TRS	(3,976,135)	8,250,246	-	4,274,111	-
Other Postemployment Benefit Liability	91,757,397	14,181,626	1,750,556	104,188,467	-
Total Other Non-current Liabilities	<u>92,169,663</u>	<u>22,474,314</u>	<u>5,829,593</u>	<u>108,814,384</u>	<u>34,000</u>
Total Long-Term Liabilities	<u>\$ 107,658,550</u>	<u>\$ 22,474,314</u>	<u>\$ 8,128,914</u>	<u>\$ 122,003,950</u>	<u>\$ 2,273,426</u>

Each governmental fund's liability for compensated absences, net pension liability and other postemployment benefit liability is liquidated by the General Fund. The School District's indebtedness for general obligation bonds and energy performance contract debt is satisfied by the Debt Service Fund, which is primarily funded by the General Fund.

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2021 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at June 30, 2021
Refunding Bonds	2012	\$ 9,400,000	August, 2022	4.0 %	\$ 2,350,000
District-wide Improvements	2016	10,000,000	December, 2030	2.0 - 3.0	7,170,000
District-wide Improvements	2017	2,800,000	June, 2031	2.0	1,930,000
					<u>\$ 11,450,000</u>

Interest expenditures of \$332,263 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$212,896 was recorded in the district-wide financial statements.

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Energy Performance Contract Payable

The School District, in December 2011, entered into a \$3,408,453 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for remaining annual payments ranging from \$294,160 to \$326,395 payable in monthly installments, including interest at 2.84%, through March 2027. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. Interest expenditures/expenses of \$51,445 were recorded in the fund financial statements in the Debt Service Fund and in the district-wide financial statements. The balance due at June 30, 2021 was \$1,678,480.

Payments to Maturity

The annual requirements to amortize all outstanding bonded and energy performance contract debt as of June 30, 2021 including interest payments of \$1,401,501 are as follows:

Year Ending June 30,	General Obligations Bonds		Energy Performance Contract		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,980,000	\$ 270,563	\$ 259,426	\$ 44,336	\$ 2,239,426	\$ 314,899
2023	2,015,000	207,113	276,923	36,743	2,291,923	243,856
2024	855,000	166,613	295,224	28,642	1,150,224	195,255
2025	875,000	149,312	306,365	20,030	1,181,365	169,342
2026	900,000	131,168	301,930	11,473	1,201,930	142,641
2027-2031	4,825,000	332,675	238,612	2,833	5,063,612	335,508
	<u>\$ 11,450,000</u>	<u>\$ 1,257,444</u>	<u>\$ 1,678,480</u>	<u>\$ 144,057</u>	<u>\$ 13,128,480</u>	<u>\$ 1,401,501</u>

The above general obligation bonds and energy performance contract debt are direct borrowings of the School District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the School District.

Legal Debt Margin

The School District is subject to legal limitations on the amount of debt that it may issue. The School District's legal debt margin is 10% of the most recent full valuation of taxable real property.

Compensated Absences

Pursuant to collective bargaining agreements, certain employees may accumulate sick leave. Clerical and custodial employees, upon separation of service or retirement, will be compensated for accumulated sick leave, based upon the terms of their respective agreement. Vacation time must be taken in the year subsequent to the year earned. The value of the compensated absences has been reflected in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

New York State and Local Retirement System and Teachers' Retirement System

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

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

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2021 are as follows:

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	2 75l	19.8 %
	3 A15	16.2
	4 A15	16.2
	5 A15	13.5
	6 A15	9.7
TRS	1-6	9.53 %

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Net pension liability	\$ 14,509	\$ 4,274,111
School Districts' proportion of the net pension liability	0.0145706 %	0.154676 %
Change in proportion since the prior measurement date	(0.0007635) %	0.001630 %

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

For the year ended June 30, 2021, the School District recognized pension expense in the district-wide financial statements of \$6,183,837 (\$497,943 for ERS and \$5,685,894 for TRS). Pension expenditures of \$847,205 for ERS and \$2,559,500 for TRS were recorded in the fund financial statements and were charged to the General Fund.

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>TRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 177,188	\$ -	\$ 3,744,976	\$ 219,040
Changes of assumptions	2,667,650	50,313	5,405,755	1,926,869
Net difference between projected and actual earnings on pension plan investments	-	4,167,703	2,791,369	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	445,483	131,378	17,218	405,452
School District contributions subsequent to the measurement date	232,089	-	2,558,920	-
	<u>\$ 3,522,410</u>	<u>\$ 4,349,394</u>	<u>\$ 14,518,238</u>	<u>\$ 2,551,361</u>

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,922,164	\$ 219,040
Changes of assumptions	8,073,405	1,977,182
Net difference between projected and actual earnings on pension plan investments	2,791,369	4,167,703
Changes in proportion and differences between School District contributions and proportionate share of contributions	462,701	536,830
School District contributions subsequent to the measurement date	2,791,009	-
	<u>\$ 18,040,648</u>	<u>\$ 6,900,755</u>

\$232,089 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2022. The \$2,558,920 reported as deferred outflows of resources related to TRS will be recognized as an decrease of the net pension liability in the plan's year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2021	\$ -	\$ 1,588,768
2022	(117,035)	3,284,840
2023	4,321	2,692,286
2024	(173,829)	1,645,545
2025	(772,530)	17,431
Thereafter	-	179,087
	<u>\$ (1,059,073)</u>	<u>\$ 9,407,957</u>

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

	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Investment rate of return	5.9% *	7.1% *
Salary scale	4.4%	1.90%-4.72%
Inflation rate	2.7%	2.2%
Cost of living adjustments	1.4%	1.3%

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

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2019, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

Asset Type	ERS March 31, 2021		TRS June 30, 2020	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %	33 %	7.1 %
International Equity	15	6.30	16	7.7
Private Equity	10	6.75	8	10.4
Real Estate	9	4.95	11	6.8
Domestic Fixed Income Securities	-	-	16	1.8
Global Fixed Income Securities	-	-	2	1.0
High Yield Fixed Income Securities	-	-	1	3.9
Global Equities	-	-	4	7.4
Private Debt	-	-	1	5.2
Real Estate Debt	-	-	7	3.6
Opportunistic / ARS Portfolio	3	4.50	-	-
Credit	4	3.63	-	-
Real Assets	3	5.95	-	-
Fixed Income	23	-	-	-
Cash	1	0.50	1	0.7
	<u>100 %</u>		<u>100 %</u>	

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The real rate of return is net of the long-term inflation assumption of 2.7% for ERS and 2.2% for TRS.

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 7.1% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for ERS and 6.1% for TRS) or 1 percentage point higher (6.9% for ERS and 8.1% for TRS) than the current rate:

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	\$ 4,027,006	\$ 14,509	\$ (3,685,953)
	1% Decrease (6.1%)	Current Discount Rate (7.1%)	1% Increase (8.1%)
School District's proportionate share of the TRS net pension liability (asset)	\$ 26,998,084	\$ 4,274,111	\$ (14,797,062)

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

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

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Note 3 - Detailed Notes on All Funds (Continued)

Employer and employee contributions for the year ended June 30, 2021 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2021 were \$232,089 to ERS and \$2,792,320 to TRS (including employee contributions of \$233,400).

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Postemployment Benefit Liability ("OPEB")

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

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

Inactive employees currently receiving benefit payments	167
Active employees	<u>265</u>
	<u><u>432</u></u>

The School District's total OPEB liability of \$104,188,467 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2019.

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.0%, average, including inflation
Discount rate	2.14%
Healthcare cost trend rates	7.0% for 2021, decreasing 0.5% per year to an ultimate rate of 4.5% for 2026 and later years
Retirees' share of benefit-related costs	Varies from 0% to 17%, depending on applicable retirement year and bargaining unit

The discount rate was based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of March 31, 2021.

Mortality rates were based on the RP-2014 Healthy Male and Female Tables for both pre and post retirement, projected with mortality improvements using Projection Scale AA for 5.5 years, (i.e., from date of table to the valuation date), plus fifteen years additional mortality improvement.

The actuarial assumptions used in the July 1, 2019 valuation were based on the most recent decrement tables for turnover, disability and retirement for ERS and TRS. ERS and TRS tables were based on a version released in 2015.

The School District's change in the total OPEB liability for the year ended June 30, 2021 is as follows:

Total OPEB Liability - Beginning of Year	\$ 91,757,397
Service cost	1,422,963
Interest	1,944,877
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	10,813,786
Benefit payments	<u>(1,750,556)</u>
 Total OPEB Liability - End of Year	 <u><u>\$ 104,188,467</u></u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.14%) or 1 percentage point higher (3.14%) than the current discount rate:

	1% Decrease (1.14%)	Current Discount Rate (2.14%)	1% Increase (3.14%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB Liability	<u>\$ 134,058,478</u>	<u>\$ 104,188,467</u>	<u>\$ 83,284,324</u>

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.5%) or 1 percentage point higher (8.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Total OPEB Liability	<u>\$ 82,069,620</u>	<u>\$ 104,188,467</u>	<u>\$ 134,865,059</u>

For the year ended June 30, 2021, the School District recognized OPEB expense of \$3,856,410 in the district-wide financial statements. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions or other inputs	<u>\$ 8,957,420</u>	<u>\$ -</u>

Amount reports as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	
2022	\$ 1,953,285
2023	1,953,285
2024	1,953,282
2025	1,295,272
2026	<u>1,802,296</u>
	<u>\$ 8,957,420</u>

E. Revenues and Expenditures

Interfund Transfers

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

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>Special Aid</u>	<u>Capital Projects</u>	<u>Non-Major Governmental</u>	
General	<u>\$ 41,612</u>	<u>\$ 650,000</u>	<u>\$ 2,536,422</u>	<u>\$ 3,228,034</u>

Transfers are used to 1) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and 2) move amounts earmarked in the operating funds to fulfill commitments for Special Aid and Capital Projects funds expenditures.

F. Net Position

The components of net position are detailed below:

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

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, less unexpended bond proceeds and unrestricted interest earnings.

Restricted for Tax Certiorari - the component of net position that has been established in accordance with the Education Law of the State of New York to provide funding for court ordered tax refunds which are currently in process.

Restricted for ERS Retirement Contributions - the component of net position that reports the amounts set aside to be used for ERS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for TRS Retirement Contributions - the component of net position that reports the amounts set aside to be used for TRS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for Special Purposes - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by either external parties and/or statute.

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

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

	2021				2020			
	General Fund	Capital Projects Fund	Non-Major Governmental	Total	General Fund	Capital Projects Fund	Non-Major Governmental	Total
Nonspendable -								
Prepaid expenditures	\$ 703	\$ -	\$ 25,109	\$ 25,812	\$ 385	\$ -	\$ 24,315	\$ 24,700
Restricted:								
Tax certiorari	5,785,020	-	-	5,785,020	4,850,561	-	-	4,850,561
Employee benefit accrued liability	277,000	-	-	277,000	100,000	-	-	100,000
ERS retirement contributions	2,128,326	-	-	2,128,326	1,806,154	-	-	1,806,154
ERS retirement contributions - for subsequent year's expenditures	606,182	-	-	606,182	835,000	-	-	835,000
TRS retirement contributions	875,984	-	-	875,984	510,916	-	-	510,916
TRS retirement contributions - for subsequent year's expenditures	160,000	-	-	160,000	450,000	-	-	450,000
Debt service	-	-	512,428	512,428	-	-	512,918	512,918
Capital projects	-	508,515	-	508,515	-	850,056	-	850,056
Special purposes (1)	-	-	412,152	412,152	-	-	509,727	509,727
Total Restricted	9,832,512	508,515	924,580	11,265,607	8,552,631	850,056	1,022,645	10,425,332
Assigned:								
Purchases on order:								
General government support	892,799	-	-	892,799	972,087	-	-	972,087
Instruction	70,932	-	-	70,932	107,632	-	-	107,632
Transportation	-	-	-	-	4,843	-	-	4,843
	963,731	-	-	963,731	1,084,562	-	-	1,084,562
Subsequent year's expenditures from -								
General Fund	1,970,000	-	-	1,970,000	1,000,000	-	-	1,000,000
State aid reduction	-	-	-	-	970,000	-	-	970,000
School Lunch Fund	-	-	4,104	4,104	-	-	21,279	21,279
Total Assigned	2,933,731	-	4,104	2,937,835	3,054,562	-	21,279	3,075,841
Unassigned	2,610,055	-	-	2,610,055	2,539,036	-	-	2,539,036
Total Fund Balances	\$ 15,377,001	\$ 508,515	\$ 953,793	\$ 16,839,309	\$ 14,146,614	\$ 850,056	\$ 1,068,239	\$ 16,064,909

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been provided to account for certain payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to Section 6-p of the General Municipal Law of the State of New York to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service

Purchases on order are assigned and represent the School District's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Subsequent year's expenditures represent that at June 30, 2021, the Board of Education has utilized the above amounts to be appropriated for the ensuing year's budget.

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

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

B. Contingencies

The School District participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Uniform Guidance. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

The School District purchases various insurance coverages to reduce its exposure to loss. The School District maintains general liability insurance and liability coverage for school board members with policy limits of \$1 million per occurrence and \$3 million in the aggregate. The School District also maintains an umbrella policy with coverage of \$15 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

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

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

Note 5 - Subsequent Event

The School District, on September 3, 2021, issued bond anticipation notes in the amount of \$3,800,000 for voter approved capital projects. The bond anticipation notes are due on September 2, 2022 with interest at 1.25%.

Note 6 - Recently Issued GASB Pronouncements

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

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the School District believes will most impact its financial statements. The School District will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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Edgemont Union Free School District, New York

Required Supplementary Information - Schedule of Changes in the
School District's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1)(2)

	2021	2020	2019	2018
Total OPEB Liability:				
Service cost	\$ 1,422,963	\$ 1,275,847	\$ 1,500,787	\$ 1,401,520
Interest	1,944,877	2,315,088	3,121,746	3,051,391
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	-	-
Changes of assumptions or other inputs	10,813,786 (5)	(3,042,171) (4)	3,948,093	-
Benefit payments	<u>(1,750,556)</u>	<u>(1,750,760)</u>	<u>(1,711,779)</u>	<u>(1,644,794)</u>
Net Change in Total OPEB Liability	12,431,070	(1,201,996)	6,858,847	2,808,117
Total OPEB Liability – Beginning of Year	<u>91,757,397</u>	<u>92,959,393</u>	<u>86,100,546</u>	<u>83,292,429 (3)</u>
Total OPEB Liability – End of Year	<u>\$ 104,188,467</u>	<u>\$ 91,757,397</u>	<u>\$ 92,959,393</u>	<u>\$ 86,100,546</u>
School District's covered-employee payroll	<u>\$ 29,367,623</u>	<u>\$ 29,367,623</u>	<u>\$ 27,779,455</u>	<u>\$ 27,779,455</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>354.77%</u>	<u>312.44%</u>	<u>334.63%</u>	<u>309.94%</u>

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

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

(4) The discount rate used to calculate the total OPEB liability was decreased from 3.5% to 2.6% effective with the June 30, 2020 measurement date.

(5) Discount rate decreased from 2.6% in 2020 to 2.14% in 2021.

Edgemont Union Free School District, New York

Required Supplementary Information
 New York State Teachers' Retirement System
 Last Ten Fiscal Years (1)

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)

	2021 (6)	2020 (5)	2019	2018 (4)	2017 (3)	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.154676%</u>	<u>0.153046%</u>	<u>0.148822%</u>	<u>0.148091%</u>	<u>0.146981%</u>	<u>0.145276%</u>	<u>0.146638%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 4,274,111</u>	<u>\$ (3,976,135)</u>	<u>\$ (2,691,101)</u>	<u>\$ (1,125,640)</u>	<u>\$ 1,574,226</u>	<u>\$ (15,089,534)</u>	<u>\$ (16,334,540)</u>
School District's covered payroll	<u>\$ 26,346,502</u>	<u>\$ 25,711,638</u>	<u>\$ 24,230,778</u>	<u>\$ 23,662,766</u>	<u>\$ 22,913,418</u>	<u>\$ 21,822,407</u>	<u>\$ 21,806,295</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>16.22%</u>	<u>(15.46)%</u>	<u>(11.11)%</u>	<u>(4.76)%</u>	<u>6.87%</u>	<u>(69.15)%</u>	<u>(74.91)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.76%</u>	<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 2,558,920</u>	<u>\$ 2,334,477</u>	<u>\$ 2,730,576</u>	<u>\$ 2,374,616</u>	<u>\$ 2,773,276</u>	<u>\$ 3,038,328</u>	<u>\$ 3,825,468</u>
Contributions in relation to the contractually required contribution	<u>(2,558,920)</u>	<u>(2,334,477)</u>	<u>(2,730,576)</u>	<u>(2,374,616)</u>	<u>(2,773,276)</u>	<u>(3,038,328)</u>	<u>(3,825,468)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 26,851,202</u>	<u>\$ 26,346,502</u>	<u>\$ 25,711,638</u>	<u>\$ 24,230,778</u>	<u>\$ 23,662,766</u>	<u>\$ 22,913,418</u>	<u>\$ 21,822,407</u>
Contributions as a percentage of covered payroll	<u>9.53%</u>	<u>8.86%</u>	<u>10.62%</u>	<u>9.80%</u>	<u>11.72%</u>	<u>13.26%</u>	<u>17.53%</u>

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

(2) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

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

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

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

(6) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

See independent auditors' report.

Edgemont Union Free School District, New York

Required Supplementary Information
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years (1)

Schedule of the School District's Proportionate Share of the Net Pension Liability (2)

	2021 (6)	2020 (4)(5)	2019	2018	2017	2016 (3)	2015
School District's proportion of the net pension liability	0.0145706%	0.0153341%	0.0170137%	0.0163977%	0.0160599%	0.0166573%	0.0169164%
School District's proportionate share of the net pension liability	\$ 14,509	\$ 4,060,546	\$ 1,205,474	\$ 529,226	\$ 1,509,028	\$ 2,673,536	\$ 571,476
School District's covered payroll	\$ 5,683,652	\$ 5,715,999	\$ 5,627,506	\$ 5,584,936	\$ 5,383,807	\$ 5,103,772	\$ 5,015,002
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.26%	71.04%	21.42%	9.48%	28.03%	52.38%	11.40%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 837,010	\$ 822,505	\$ 827,184	\$ 813,490	\$ 804,070	\$ 857,136	\$ 1,043,197
Contributions in relation to the contractually required contribution	(837,010)	(822,505)	(827,184)	(813,490)	(804,070)	(857,136)	(1,043,197)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 5,707,542	\$ 5,752,675	\$ 5,606,754	\$ 5,631,406	\$ 5,085,715	\$ 5,139,096	\$ 5,021,349
Contributions as a percentage of covered payroll	14.66%	14.30%	14.75%	14.45%	15.81%	16.68%	20.78%

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

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

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

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

(5) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position to investment losses.

(6) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

See independent auditors' report.

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Edgemont Union Free School District, New York

General Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 17,349,321	\$ 16,181,207
Receivables		
Accounts	107,176	8,532
State and Federal aid	515,850	616,324
Due from other governments	180,000	100,000
Due from other funds	<u>1,251,896</u>	<u>1,336,404</u>
	<u>2,054,922</u>	<u>2,061,260</u>
Prepaid expenditures	<u>703</u>	<u>385</u>
Total Assets	<u>\$ 19,404,946</u>	<u>\$ 18,242,852</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 499,528	\$ 499,033
Accrued liabilities	303,058	680,289
Due to other governments	183,049	132,286
Unearned revenues	17,901	33,137
Due to retirement systems	<u>3,024,409</u>	<u>2,751,493</u>
Total Liabilities	<u>4,027,945</u>	<u>4,096,238</u>
Fund balance		
Nonspendable	703	385
Restricted	9,832,512	8,552,631
Assigned	2,933,731	3,054,562
Unassigned	<u>2,610,055</u>	<u>2,539,036</u>
Total Fund Balance	<u>15,377,001</u>	<u>14,146,614</u>
Total Liabilities and Fund Balance	<u>\$ 19,404,946</u>	<u>\$ 18,242,852</u>

See independent auditors' report.

Edgemont Union Free School District, New York

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

	2021				
	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 53,374,957	\$ 53,374,957	\$ 53,374,957	\$	\$ -
Other tax items	1,603,335	1,603,335	1,603,335		-
Non-property taxes	500,000	500,000	718,957		218,957
Charges for services	835,000	835,000	671,956		(163,044)
Use of money and property	218,500	218,500	47,265		(171,235)
Interfund revenues	4,500	4,500	-		(4,500)
State aid	4,629,340	4,629,340	4,563,118		(66,222)
Federal aid	66,116	66,116	66,122		6
Miscellaneous	160,333	183,438	310,892		127,454
Total Revenues	61,392,081	61,415,186	61,356,602		(58,584)
EXPENDITURES					
Current					
General support					
Board of education	70,629	70,629	46,442	210	23,977
Central administration	461,107	553,552	512,321	555	40,676
Finance	1,089,636	1,128,574	1,029,751	54,702	44,121
Staff	436,458	432,458	375,925	6,398	50,135
Central services	5,247,000	5,325,819	4,317,482	830,934	177,403
Special items	821,445	837,021	559,516	-	277,505
Total General Support	8,126,275	8,348,053	6,841,437	892,799	613,817
Instruction					
Instruction, administration and improvement	2,179,243	2,194,426	2,118,916	1,304	74,206
Teaching - Regular school	19,510,280	19,410,892	18,962,723	52,071	396,098
Programs for students with disabilities	9,473,469	9,654,747	9,228,092	112	426,543
Instructional media	2,264,066	2,195,969	2,027,308	9,786	158,875
Pupil services	3,576,013	3,589,165	3,095,445	7,659	486,061
Total Instruction	37,003,071	37,045,199	35,432,484	70,932	1,541,783
Pupil transportation	1,341,043	1,118,268	693,044	-	425,224
Employee benefits	15,034,830	15,032,380	13,931,216	-	1,101,164
Total Expenditures	61,505,219	61,543,900	56,898,181	963,731	3,681,988
Excess (Deficiency) of Revenues Over Expenditures	(113,138)	(128,714)	4,458,421	(963,731)	3,623,404
OTHER FINANCING USES					
Transfers out	(3,256,424)	(3,256,424)	(3,228,034)	-	28,390
Net Change in Fund Balance	(3,369,562)	(3,385,138)	1,230,387	\$ (963,731)	\$ 3,651,794
FUND BALANCE					
Beginning of Year	3,369,562	3,385,138	14,146,614		
End of Year	\$ -	\$ -	\$ 15,377,001		

See independent auditors' report.

2020

Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
\$ 51,942,903	\$ 51,942,903	\$ 51,942,903	\$	\$ -
1,795,867	1,795,867	1,795,867		-
390,000	390,000	556,694		166,694
591,688	591,688	1,026,092		434,404
138,500	138,500	317,137		178,637
4,500	4,500	4,500		-
4,531,130	4,531,130	4,378,532		(152,598)
190,333	254,767	232,428		(22,339)
<u>59,584,921</u>	<u>59,649,355</u>	<u>60,254,153</u>		<u>604,798</u>
66,214	65,520	44,484	719	20,317
398,160	429,682	409,749	14,320	5,613
1,026,507	1,095,146	1,009,194	54,705	31,247
267,339	501,986	277,433	183,158	41,395
5,146,032	4,934,378	4,015,705	719,185	199,488
852,122	1,042,429	696,371	-	346,058
<u>7,756,374</u>	<u>8,069,141</u>	<u>6,452,936</u>	<u>972,087</u>	<u>644,118</u>
2,155,690	2,305,093	2,231,082	1,629	72,382
20,325,415	19,057,078	18,447,282	24,882	584,914
7,729,944	8,638,200	8,285,258	3,825	349,117
2,110,444	2,250,025	2,128,748	63,170	58,107
3,522,509	3,583,180	3,342,145	14,126	226,909
<u>35,844,002</u>	<u>35,833,576</u>	<u>34,434,515</u>	<u>107,632</u>	<u>1,291,429</u>
1,048,302	1,079,402	881,600	4,843	192,959
14,166,203	14,075,103	13,498,297	-	576,806
<u>58,814,881</u>	<u>59,057,222</u>	<u>55,267,348</u>	<u>1,084,562</u>	<u>2,705,312</u>
770,040	592,133	4,986,805	(1,084,562)	3,310,110
<u>(3,281,643)</u>	<u>(3,296,643)</u>	<u>(3,296,125)</u>	<u>-</u>	<u>518</u>
<u>(2,511,603)</u>	<u>(2,704,510)</u>	<u>1,690,680</u>	<u>\$ (1,084,562)</u>	<u>\$ 3,310,628</u>
<u>2,511,603</u>	<u>2,704,510</u>	<u>12,455,934</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,146,614</u>		

Edgemont Union Free School District, New York

General Fund
 Schedule of Revenues Compared to Budget
 Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	\$ 53,374,957	\$ 53,374,957	\$ 53,374,957	\$ -
OTHER TAX ITEMS				
School tax relief reimbursement	1,603,335	1,603,335	1,603,335	-
NON-PROPERTY TAXES				
Non-property tax distribution from County	500,000	500,000	718,957	218,957
CHARGES FOR SERVICES				
Day school tuition from individuals	310,000	310,000	290,860	(19,140)
Day school tuition - Other districts	380,000	380,000	279,068	(100,932)
Other services for other districts and other governments	145,000	145,000	102,028	(42,972)
	835,000	835,000	671,956	(163,044)
USE OF MONEY AND PROPERTY				
Earnings on investments	180,000	180,000	38,460	(141,540)
Rental of real property - Individuals	38,500	38,500	8,805	(29,695)
	218,500	218,500	47,265	(171,235)
INTERFUND REVENUES	4,500	4,500	-	(4,500)
STATE AID				
Basic formula	3,061,676	3,061,676	2,952,555	(109,121)
Lottery aid	643,748	643,748	703,194	59,446
BOCES aid	748,947	748,947	763,160	14,213
Textbook aid	119,180	119,180	88,447	(30,733)
Computer software aid	42,939	42,939	42,919	(20)
Library loan program	12,850	12,850	12,843	(7)
	4,629,340	4,629,340	4,563,118	(66,222)

FEDERAL AID

Elementary and Secondary School Emergency

Relief Fund (CARES)

Governor's Emergency Education Relief Fund (CARES)

66,116	66,116	56,540	(9,576)
-	-	9,582	9,582

66,116	66,116	66,122	6
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MISCELLANEOUS

Refund for BOCES aided services

Refund of prior year's expenditures

Gifts and donations

Other

35,000	35,000	84,411	49,411
45,000	45,000	143,502	98,502
38,333	61,438	61,496	58
42,000	42,000	21,483	(20,517)

160,333	183,438	310,892	127,454
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TOTAL REVENUES

\$ 61,392,081	\$ 61,415,186	\$ 61,356,602	\$ (58,584)
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See independent auditors' report.

Edgemont Union Free School District, New York

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

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 46,410	\$ 46,410	\$ 41,692	\$ -	\$ 4,718
District meeting	24,219	24,219	4,750	210	19,259
Total Board of Education	<u>70,629</u>	<u>70,629</u>	<u>46,442</u>	<u>210</u>	<u>23,977</u>
CENTRAL ADMINISTRATION					
Chief school administrator	461,107	553,552	512,321	555	40,676
FINANCE					
Business administration	877,206	945,031	902,063	4,037	38,931
Auditing	154,300	137,300	81,445	50,665	5,190
Treasurer	16,030	46,243	46,243	-	-
Total Finance	<u>1,089,636</u>	<u>1,128,574</u>	<u>1,029,751</u>	<u>54,702</u>	<u>44,121</u>
STAFF					
Legal	220,300	210,300	176,463	-	33,837
Public information and services	216,158	222,158	199,462	6,398	16,298
Total Staff	<u>436,458</u>	<u>432,458</u>	<u>375,925</u>	<u>6,398</u>	<u>50,135</u>
CENTRAL SERVICES					
Operation and maintenance of plant	5,227,260	5,306,079	4,305,874	830,934	169,271
Central printing and mailing	19,740	19,740	11,608	-	8,132
Total Central Services	<u>5,247,000</u>	<u>5,325,819</u>	<u>4,317,482</u>	<u>830,934</u>	<u>177,403</u>

SPECIAL ITEMS

Unallocated insurance	200,000	200,000	191,049	-	8,951
Assessments on school property	58,000	58,000	39,446	-	18,554
Refunds of real property taxes	250,000	265,576	15,576	-	250,000
Administrative charge - BOCES	313,445	313,445	313,445	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Special Items	821,445	837,021	559,516	-	277,505
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Support	8,126,275	8,348,053	6,841,437	892,799	613,817
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

INSTRUCTION**INSTRUCTION, ADMINISTRATION
AND IMPROVEMENT**

Curriculum development and supervision	349,840	353,947	317,994	595	35,358
Supervision - Regular school	1,801,403	1,825,599	1,793,172	709	31,718
In-service training and instruction	28,000	14,880	7,750	-	7,130
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Instruction, Administration and Improvement	2,179,243	2,194,426	2,118,916	1,304	74,206
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

TEACHING - REGULAR SCHOOL

	19,510,280	19,410,892	18,962,723	52,071	396,098
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**PROGRAMS FOR STUDENTS
WITH DISABILITIES**

	9,473,469	9,654,747	9,228,092	112	426,543
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

INSTRUCTIONAL MEDIA

School library and audiovisual	726,063	616,055	480,762	9,639	125,654
Computer assisted instruction	1,538,003	1,579,914	1,546,546	147	33,221
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Instructional Media	2,264,066	2,195,969	2,027,308	9,786	158,875
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

PUPIL SERVICES

Attendance - Regular school	76,252	76,752	74,709	-	2,043
Guidance - Regular school	857,948	860,289	819,919	71	40,299
Health services - Regular school	376,728	375,321	351,700	230	23,391
Psychological services - Regular school	837,016	847,794	845,594	28	2,172
Co-curricular activities - Regular school	454,388	454,068	202,119	580	251,369
Interscholastic athletics - Regular school	973,681	974,941	801,404	6,750	166,787
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Pupil Services	3,576,013	3,589,165	3,095,445	7,659	486,061
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Instruction	37,003,071	37,045,199	35,432,484	70,932	1,541,783
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

(Continued)

Edgemont Union Free School District, New York

General Fund

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

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
PUPIL TRANSPORTATION					
District transportation services	\$ 43,500	\$ 43,500	\$ 27,877	\$ -	\$ 15,623
Contract transportation	1,177,543	954,768	632,986	-	321,782
Transportation from BOCES	120,000	120,000	32,181	-	87,819
Total Pupil Transportation	<u>1,341,043</u>	<u>1,118,268</u>	<u>693,044</u>	<u>-</u>	<u>425,224</u>
EMPLOYEE BENEFITS					
State retirement	883,626	883,626	847,205	-	36,421
Teachers' retirement	2,847,117	2,847,117	2,559,500	-	287,617
Social security	2,597,956	2,595,506	2,445,565	-	149,941
Life insurance	12,550	12,550	11,499	-	1,051
Hospital, medical and dental insurance	7,611,934	7,611,934	7,169,325	-	442,609
Workers' compensation benefits	264,772	264,772	233,388	-	31,384
Unemployment benefits	60,000	60,000	15,519	-	44,481
Disability insurance	7,815	7,815	2,751	-	5,064
Union welfare benefits	749,060	749,060	646,464	-	102,596
Total Employee Benefits	<u>15,034,830</u>	<u>15,032,380</u>	<u>13,931,216</u>	<u>-</u>	<u>1,101,164</u>
TOTAL EXPENDITURES	<u>61,505,219</u>	<u>61,543,900</u>	<u>56,898,181</u>	<u>963,731</u>	<u>3,681,988</u>
OTHER FINANCING USES					
Transfers out					
Special Aid Fund	70,000	70,000	41,612	-	28,388
Capital Projects Fund	650,000	650,000	650,000	-	-
Debt Service Fund	2,536,424	2,536,424	2,536,422	-	2
TOTAL OTHER FINANCING USES	<u>3,256,424</u>	<u>3,256,424</u>	<u>3,228,034</u>	<u>-</u>	<u>28,390</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 64,761,643</u>	<u>\$ 64,800,324</u>	<u>\$ 60,126,215</u>	<u>\$ 963,731</u>	<u>\$ 3,710,378</u>

See independent auditors' report.

Edgemont Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 738,327	\$ 480,444
State and Federal aid receivable	<u>503,900</u>	<u>837,861</u>
Total Assets	<u>\$ 1,242,227</u>	<u>\$ 1,318,305</u>
LIABILITIES		
Accounts payable	\$ 4,427	\$ 5,000
Accrued liabilities	15,557	5,888
Due to other funds	1,222,243	1,305,417
Unearned revenues	<u>-</u>	<u>2,000</u>
Total Liabilities	<u>\$ 1,242,227</u>	<u>\$ 1,318,305</u>

See independent auditors' report.

Edgemont Union Free School District, New York

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

	<u>2021</u>	<u>2020</u>
REVENUES		
State aid	\$ 166,450	\$ 277,953
Federal aid	<u>495,100</u>	<u>461,020</u>
Total Revenues	661,550	738,973
EXPENDITURES		
Current		
Instruction	<u>703,162</u>	<u>808,456</u>
Deficiency of Revenues Over Expenditures	(41,612)	(69,483)
OTHER FINANCING SOURCES		
Transfers in	<u>41,612</u>	<u>69,483</u>
Net Change in Fund Balance	-	-
FUND BALANCE		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report.

Edgemont Union Free School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	<u>\$ 516,409</u>	<u>\$ 880,448</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 7,850	\$ 28,173
Due to other funds	<u>44</u>	<u>2,219</u>
Total Liabilities	7,894	30,392
Fund balance		
Restricted	<u>508,515</u>	<u>850,056</u>
Total Liabilities and Fund Balance	<u>\$ 516,409</u>	<u>\$ 880,448</u>

See independent auditors' report.

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Edgemont Union Free School District, New York

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

	<u>2021</u>	<u>2020</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Capital outlay	<u>991,541</u>	<u>804,837</u>
Deficiency of Revenues Over Expenditures	(991,541)	(804,837)
OTHER FINANCING SOURCES		
Transfers in	<u>650,000</u>	<u>700,000</u>
Net Change in Fund Balance	(341,541)	(104,837)
FUND BALANCE		
Beginning of Year	<u>850,056</u>	<u>954,893</u>
End of Year	<u><u>\$ 508,515</u></u>	<u><u>\$ 850,056</u></u>

See independent auditors' report.

Edgemont Union Free School District, New York

Capital Projects Fund

Project Length Schedule

Inception of Project Through June 30, 2021

Project	Authorization	Expenditures and Transfers to Date		
		Prior Year	Current Year	Total
Various District Wide Improvements	\$ 1,392,044	\$ 712,654	\$ 370,007	\$ 1,082,661
Greenville School General Construction and Fire Alarm	700,000	36,879	160,610	197,489
Seely Place Lavatories Phase II	450,000	242,122	460,924	703,046
	<u>\$ 2,542,044</u>	<u>\$ 991,655</u>	<u>\$ 991,541</u>	<u>\$ 1,983,196</u>

See independent auditors' report.

<u>Unexpended Balance</u>	<u>Method of Financing</u> <u>Transfers In</u>	<u>Fund Balance (Deficit) at June 30, 2021</u>
\$ 309,383	\$ 1,392,044	\$ 309,383
502,511	686,879	489,390
<u>(253,046)</u>	<u>412,788</u>	<u>(290,258)</u>
<u><u>\$ 558,848</u></u>	<u><u>\$ 2,491,711</u></u>	<u><u>\$ 508,515</u></u>

Edgemont Union Free School District, New York

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

	School Lunch	Special Purpose	Debt Service
ASSETS			
Cash and equivalents	\$ 20,684	\$ 413,362	\$ 537,537
Receivables			
Due from other funds	-	-	-
Prepaid expenditures	-	-	25,109
Total Assets	<u>\$ 20,684</u>	<u>\$ 413,362</u>	<u>\$ 562,646</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 12,080	\$ 1,210	\$ -
Due to other funds	4,500	-	25,109
Total Liabilities	<u>16,580</u>	<u>1,210</u>	<u>25,109</u>
Fund balances			
Nonspendable	-	-	25,109
Restricted	-	412,152	512,428
Assigned	4,104	-	-
Total Fund Balances	<u>4,104</u>	<u>412,152</u>	<u>537,537</u>
Total Liabilities and Fund Balances	<u>\$ 20,684</u>	<u>\$ 413,362</u>	<u>\$ 562,646</u>

See independent auditors' report.

Total Non-Major Governmental Funds	
2021	2020
\$ 971,583	\$ 1,073,999
-	47
25,109	24,315
<u>\$ 996,692</u>	<u>\$ 1,098,361</u>
\$ 13,290	\$ 1,307
29,609	28,815
42,899	30,122
25,109	24,315
924,580	1,022,645
4,104	21,279
953,793	1,068,239
<u>\$ 996,692</u>	<u>\$ 1,098,361</u>

Edgemont Union Free School District, New York

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Non-Major Governmental Funds
 Year Ended June 30, 2021
 (With Comparative Totals for 2020)

	School Lunch	Special Purpose	Debt Service
REVENUES			
Use of money and property	\$ 8	\$ 187	\$ 304
Federal aid	-	-	-
Food sales	27,612	-	-
Miscellaneous	93	334,752	-
	<u>27,713</u>	<u>334,939</u>	<u>304</u>
Total Revenues			
EXPENDITURES			
Current			
Cost of food sales	44,888	-	-
Other	-	432,514	-
Debt service			
Principal	-	-	2,152,714
Interest	-	-	383,708
	<u>44,888</u>	<u>432,514</u>	<u>2,536,422</u>
Total Expenditures			
Deficiency of Revenues Over Expenditures	(17,175)	(97,575)	(2,536,118)
OTHER FINANCING SOURCES			
Transfers in	-	-	2,536,422
	<u>-</u>	<u>-</u>	<u>2,536,422</u>
Net Change in Fund Balances	(17,175)	(97,575)	304
FUND BALANCES			
Beginning of Year, as reported	21,279	509,727	537,233
Cumulative Effect of Change in Accounting Principle	-	-	-
	<u>21,279</u>	<u>509,727</u>	<u>537,233</u>
Beginning of Year, as restated			
End of Year	<u>\$ 4,104</u>	<u>\$ 412,152</u>	<u>\$ 537,537</u>

See independent auditors' report.

Total Non-Major Governmental Funds	
2021	2020
\$ 499	\$ 5,921
-	2,099
27,612	315,862
334,845	571,722
<u>362,956</u>	<u>895,604</u>
44,888	337,909
432,514	585,120
2,152,714	2,076,739
383,708	449,904
<u>3,013,824</u>	<u>3,449,672</u>
(2,650,868)	(2,554,068)
<u>2,536,422</u>	<u>2,526,642</u>
(114,446)	(27,426)
1,068,239	1,025,430
-	70,235
<u>1,068,239</u>	<u>1,095,665</u>
<u>\$ 953,793</u>	<u>\$ 1,068,239</u>

Edgemont Union Free School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	<u>\$ 20,684</u>	<u>\$ 25,779</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 12,080	\$ -
Due to other funds	<u>4,500</u>	<u>4,500</u>
Total Liabilities	<u>16,580</u>	<u>4,500</u>
Fund balance		
Assigned	<u>4,104</u>	<u>21,279</u>
Total Liabilities and Fund Balance	<u>\$ 20,684</u>	<u>\$ 25,779</u>

See independent auditors' report.

Edgemont Union Free School District, New York

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

	<u>2021</u>	<u>2020</u>
REVENUES		
Use of money and property	\$ 8	\$ 198
Federal aid	-	2,099
Food sales	27,612	315,862
Miscellaneous	93	-
	<u>27,713</u>	<u>318,159</u>
Total Revenues	27,713	318,159
EXPENDITURES		
Current		
Cost of food sales	<u>44,888</u>	<u>337,909</u>
Deficiency of Revenues Over Expenditures	(17,175)	(19,750)
FUND BALANCE		
Beginning of Year	<u>21,279</u>	<u>41,029</u>
End of Year	<u>\$ 4,104</u>	<u>\$ 21,279</u>

See independent auditors' report.

Edgemont Union Free School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	<u>\$ 413,362</u>	<u>\$ 511,034</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,210	\$ 1,307
Fund balance		
Restricted	<u>412,152</u>	<u>509,727</u>
Total Liabilities and Fund Balance	<u>\$ 413,362</u>	<u>\$ 511,034</u>

See independent auditors' report.

Edgemont Union Free School District, New YorkSpecial Purpose Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2021</u>	<u>2020</u>
REVENUES		
Use of money and property	\$ 187	\$ 965
Miscellaneous	<u>334,752</u>	<u>571,722</u>
Total Revenues	334,939	572,687
EXPENDITURES		
Current		
Other	<u>432,514</u>	<u>585,120</u>
Deficiency of Revenues Over Expenditures	(97,575)	(12,433)
FUND BALANCE		
Beginning of Year, as reported	509,727	451,925
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>70,235</u>
Beginning of Year, as restated	<u>509,727</u>	<u>522,160</u>
End of Year	<u><u>\$ 412,152</u></u>	<u><u>\$ 509,727</u></u>

See independent auditors' report.

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Edgemont Union Free School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 537,537	\$ 537,186
Due from other funds	-	47
Prepaid expenditures	<u>25,109</u>	<u>24,315</u>
 Total Assets	 <u><u>\$ 562,646</u></u>	 <u><u>\$ 561,548</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	<u>\$ 25,109</u>	<u>\$ 24,315</u>
 Fund balance		
Nonspendable	25,109	24,315
Restricted	<u>512,428</u>	<u>512,918</u>
 Total Fund Balance	 <u>537,537</u>	 <u>537,233</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 562,646</u></u>	 <u><u>\$ 561,548</u></u>

See independent auditors' report.

Edgemont Union Free School District, New York

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

	2021			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 304	\$ 304
EXPENDITURES				
Debt service				
Principal				
Serial bonds	1,910,000	1,910,000	1,910,000	-
Energy performance contract	242,715	242,715	242,714	1
	<u>2,152,715</u>	<u>2,152,715</u>	<u>2,152,714</u>	<u>1</u>
Interest				
Serial bonds	332,263	332,263	332,263	-
Energy performance contract	51,446	51,446	51,445	1
	<u>383,709</u>	<u>383,709</u>	<u>383,708</u>	<u>1</u>
Total Expenditures	<u>2,536,424</u>	<u>2,536,424</u>	<u>2,536,422</u>	<u>2</u>
Deficiency of Revenues Over Expenditures	(2,536,424)	(2,536,424)	(2,536,118)	306
OTHER FINANCING SOURCES				
Transfers in	<u>2,536,424</u>	<u>2,536,424</u>	<u>2,536,422</u>	<u>(2)</u>
Net Change in Fund Balance	-	-	304	304
FUND BALANCE				
Beginning of Year	-	-	537,233	537,233
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,537</u>	<u>\$ 537,537</u>

See independent auditors' report.

2020			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ 4,758	\$ 4,758
1,850,000	1,850,000	1,850,000	-
226,739	226,739	226,739	-
2,076,739	2,076,739	2,076,739	-
391,813	391,813	391,813	-
58,091	58,091	58,091	-
449,904	449,904	449,904	-
2,526,643	2,526,643	2,526,643	-
(2,526,643)	(2,526,643)	(2,521,885)	4,758
2,526,643	2,526,643	2,526,642	(1)
-	-	4,757	4,757
-	-	532,476	532,476
\$ -	\$ -	\$ 537,233	\$ 537,233

Edgemont Union Free School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2021

Adopted Budget		\$ 63,677,081
Additions -		
Encumbrances		<u>1,084,562</u>
Original Budget		64,761,643
Additions - Budget revisions		<u>38,681</u>
Final Budget		<u><u>\$ 64,800,324</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

2021-22 Expenditure Budget		\$ <u>65,251,389</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	\$ 2,933,731	
Unassigned fund balance	<u>2,610,055</u>	
Total Unrestricted Fund Balance		<u>5,543,786</u>
Less		
Appropriated for subsequent year's budget	1,970,000	
Encumbrances	<u>963,731</u>	
Total Adjustments		<u>2,933,731</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u><u>\$ 2,610,055</u></u>
Actual Percentage		<u><u>4.00%</u></u>

See independent auditors' report.

Edgemont Union Free School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2021

Capital Assets, net		\$ 40,267,131
Plus		
Unamortized portion of loss on refunding bonds		18,623
Less		
General obligation bonds payable	\$ (11,450,000)	
Energy performance contract payable	(1,678,480)	
Unamortized portion of issuance premium on refunding bonds	<u>(61,086)</u>	<u>(13,189,566)</u>
Net Investment in Capital Assets		<u>\$ 27,096,188</u>

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