

**ELMSFORD UNION FREE
SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

ELMSFORD UNION FREE SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Elmsford Union Free School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Elmsford Union Free School District (the "District"), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the 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.

Auditor's 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 auditor's 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 entity'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 entity'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 and each major fund of the District, as of June 30, 2021, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis on Matter

As described in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021. 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 the management's discussion and analysis, budgetary comparison information, schedule of changes in District's total other post-employment benefits liability, schedule of District's proportionate share of the net pension liability, and the schedule of District's contributions on pages 3 through 16 and 56 through 60, respectively, 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.

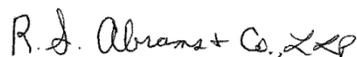
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary financial information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



R.S. Abrams & Co., LLP
Islandia, NY
October 6, 2021

**ELMSFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The following is a discussion and analysis of the Elmsford Union Free School District’s (the “District”) financial performance for the fiscal year ended June 30, 2021. This section is a summary of the District’s financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District’s financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

- New York State Law limits the amount of assigned and unassigned fund balance, excluding encumbrances and amounts designated for the subsequent year’s budget, which can be retained by the general fund up to 4.00% of the ensuing year’s budget. At the end of the current fiscal year, this amount for the general fund was \$1,528,478, or 4.00%, and is therefore within the statutory limit.
- The District assigned \$654,548 from 2020-21 as appropriated fund balance to partially fund the subsequent year’s budget and reduce taxes for the 2021-22 fiscal year.
- The District’s expenses for the year, as reflected in the District-Wide Financial Statements, totaled \$40,070,329. Of this amount, \$188,107 was offset by program charges for services and \$1,359,098 was offset by operating grants and contributions. General revenues of \$36,756,964 amounted to 95.96% of total revenues.
- The District implemented GASB Statement No. 84, *Fiduciary Activities*, in 2021. This resulted in the restatement of opening net position in the amount of \$65,326.
- During the year, the District recognized \$89,078 in federal grants revenue in relation to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). These funds were recorded in the operating grants and contributions section of the Statement of Activities on the District-Wide Financial Statements.
- The District applied for additional funding under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) in the amounts of \$530,117 for the Elementary and Secondary School Emergency Relief Program (ESSER), which was approved in July of 2021.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management’s discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

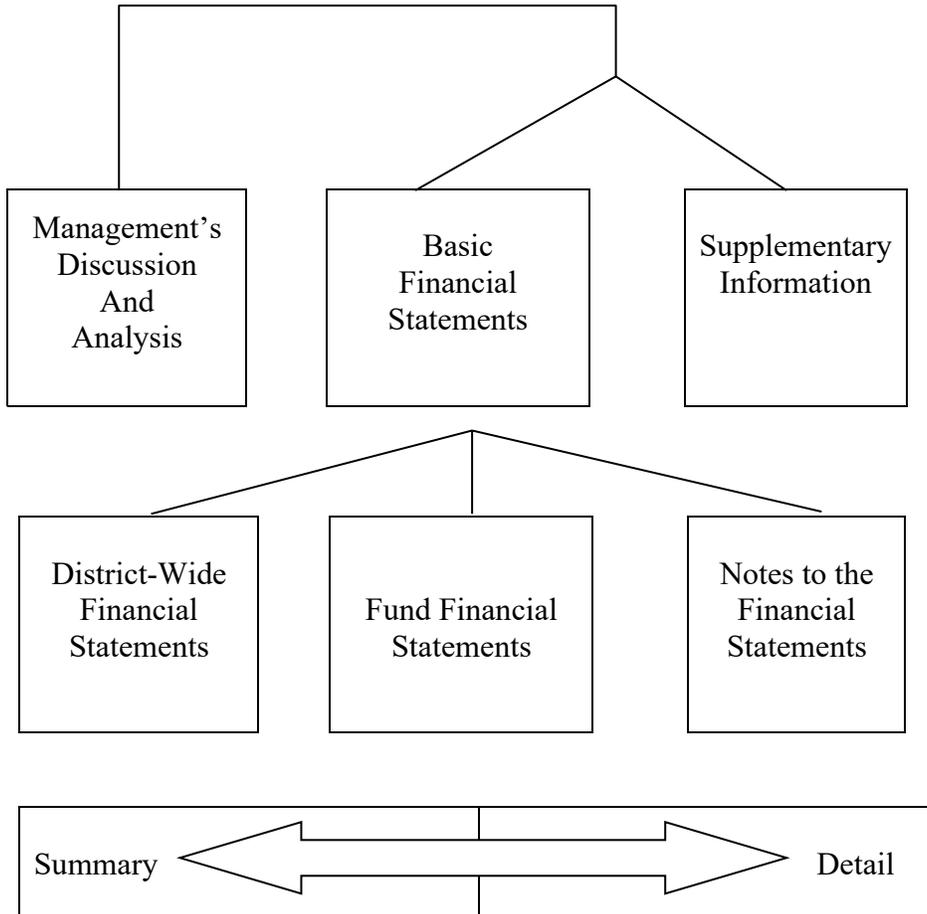
- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.

**ELMSFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Financial Statements.
 - The *Governmental Fund Statements* tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.

The notes to the basic financial statements provide additional information about the basic financial statements and the balances reported. The basic financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. The following table shows how the various parts of this annual report are arranged and related to one another.

Organization of the District’s Annual Financial Report



The following table summarizes the major features of the District’s basic financial statements, including the portion of the District’s activities that they cover and the types of information that they contain. The remainder of this overview section of Management’s Discussion and Analysis highlights the structure and contents of each of the statements.

**ELMSFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Major Features of the District-Wide Financial Statements and Fund Financial Statements

	District-Wide Financial Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus
Type of asset/deferred outflow of resources and liability/deferred inflow of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Current assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable

A) District-Wide Financial Statements:

The District-Wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year’s revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two District-Wide Financial Statements report the District’s net position and how it has changed. Net position, the difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the District’s financial health or position.

- Over time, increases and decreases in net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional non-financial factors such as changes in the District’s property tax base and the condition of buildings and other facilities should be considered.

**ELMSFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (money) are expended to purchase or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated if it does not provide or reduce current financial resources. Finally, capital assets and long-term debt are both accounted for in account groups and do not affect the fund balances.

District-Wide Financial Statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets;
- Report long-term debt as a liability;
- Depreciate capital assets and allocate the depreciation to the proper program/activities;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
 - *Net investment in capital assets*;
 - *Restricted net position* are those with constraints placed on the use by external sources (creditors, grantors, contributors or laws or regulations of governments) or approved by law through constitutional provisions or enabling legislation; and
 - *Unrestricted net position* are net position that do not meet any of the above restrictions.

B) Fund Financial Statements:

The Fund Financial Statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York.

The District has one kind of fund:

- *Governmental funds:* Most of the basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide Financial Statements, additional information in a separate reconciliation schedule explains the relationship (or differences) between them. In summary, the Governmental Fund Financial Statements focus primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Included are the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund, capital projects fund, and debt service fund. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.

**ELMSFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position:

Current assets and unrestricted net position for 2020 have been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. This Statement eliminates the trust and agency fund and now records those activities in the general fund and miscellaneous special revenue fund. See Footnote 16 for further information.

	As Restated 2020	As Reported 2020	Increase (Decrease)
Current and other assets	\$ 31,969,769	\$ 31,904,443	\$ 65,326
Net position			
Unrestricted (deficit)	(41,956,319)	(42,021,645)	65,326
Total net position (deficit)	(4,432,345)	(4,497,671)	65,326

The District's net deficit increased by \$1,766,160 in the fiscal year ended June 30, 2021 as detailed in the table that follows.

Condensed Statement of Net Position

	Fiscal Year 2021	(As Restated) Fiscal Year 2020	Change	Total Percentage Change
Current assets	\$35,624,257	\$31,969,769	\$3,654,488	11.43%
Capital assets	19,175,741	19,573,936	(398,195)	-2.03%
Net pension asset -proportionate share	-	2,212,914	(2,212,914)	-100.00%
Total Assets	54,799,998	53,756,619	1,043,379	1.94%
Deferred outflows of resources	25,541,784	26,967,507	(1,425,723)	-5.29%
Total assets and deferred outflows of resources	80,341,782	80,724,126	(382,344)	-0.47%
Current liabilities	2,549,326	2,878,665	(329,339)	-11.44%
Long-term liabilities	70,736,223	70,903,967	(167,744)	-0.24%
Total Liabilities	73,285,549	73,782,632	(497,083)	-0.67%
Deferred inflows of resources	13,254,738	11,373,839	1,880,899	16.54%
Total liabilities and deferred inflows of resources	86,540,287	85,156,471	1,383,816	1.63%
Net Position				
Net investment in capital assets	11,023,838	11,085,559	(61,721)	-0.56%
Restricted	30,372,074	26,438,415	3,933,659	14.88%
Unrestricted (deficit)	(47,594,417)	(41,956,319)	(5,638,098)	-13.44%
Total Net Position	(\$6,198,505)	(\$4,432,345)	(\$1,766,160)	-39.85%

**ELMSFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

Current assets increased \$3,654,488 primarily due to an increase in cash on hand, partially offset by a decrease in state and federal aid receivable.

Capital assets (net of depreciation) decreased \$398,195 primarily due current year depreciation exceeding current year additions and capital outlay. The net pension asset - proportionate share for the teachers' retirement system resulted in a net pension liability in the current year in the amount of \$2,336,624 as a result of the actuarial valuation provided by the state.

The changes in deferred outflows of resources relate to changes in the District's pension and other post-employment benefits plans. Factors affecting the District's pension plans include amortization of pension related items, contributions subsequent to the measurement date, and changes in actuarial assumptions, as discussed in Note 11. Factors affecting the District's other post-employment benefit plan include service costs, interest costs, and changes in actuarial assumptions, as discussed in Note 13.

Current liabilities decreased \$329,339 primarily due to decreases in accounts payable and due to other governments, partially offset by increases in accrued liabilities, due to teachers' retirement system and due to employees' retirement system.

Long-term liabilities decreased by \$167,744 which was primarily due to decrease in bonds payable, judgments and claims payable, and the net pension liability – proportionate share for the employees' retirement system, partially offset by increases in the total other post-employment benefits obligation and the net pension liability – proportionate share for the teachers' retirement system.

The changes in deferred inflows of resources relate to changes in the District's pension and other post-employment benefits plans. Factors affecting the District's pension plans include amortization of pension related items, contributions subsequent to the measurement date, and changes in actuarial assumptions, as discussed in Note 11. Factors affecting the District's other post-employment benefit plan include service costs, interest costs, and changes in actuarial assumptions, as discussed in Note 13.

The net investment in capital assets relates to the investment in capital assets at cost such as land, construction in progress, buildings and improvements, and furniture & equipment, net of depreciation and related debt (including debt related items such as premiums and deferred charges). This number decreased from the prior year by \$61,721 due to current year depreciation, partially offset by current year additions, capital outlay, and decreases in bonds payable.

The restricted net position at June 30, 2021, relates to the District's reserves and restricted amounts for special purposes. Restricted net position increased by \$3,933,659.

The unrestricted net deficit at June 30, 2021 of \$47,594,417 relates to the balance of the District's net position. The unrestricted net deficit increased by \$5,638,098.

**ELMSFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

B) Changes in Net Position:

Charges for services for extraclassroom activities, and instructional expenses were increased, and reclassifications between other revenues and grants and contributions were made due to the implementation of GASB Statement No. 84, *Fiduciary Activities*.

	As Restated 2020	As Reported 2020	Increase (Decrease)
Revenues			
Charges for services	\$ 353,511	\$ 239,201	\$ 114,310
Grants and contributions	1,210,789	1,206,774	4,015
Other	350,234	354,249	(4,015)
Expenses			
Instruction	31,879,149	31,763,433	115,716

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the years ended June 30, 2021 and 2020 are as follows:

Change in Net Position from Operating Results

	Fiscal Year 2021	(As Restated) Fiscal Year 2020	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	\$188,107	\$353,511	(\$165,404)	-46.79%
Grants and contributions	1,359,098	1,210,789	148,309	12.25%
General Revenues				
Real property taxes and other tax items	33,228,832	32,033,847	1,194,985	3.73%
State sources	3,163,275	3,366,930	(203,655)	-6.05%
Use of money and property	113,554	414,779	(301,225)	-72.62%
Other	251,303	350,234	(98,931)	-28.25%
Total Revenues	<u>\$38,304,169</u>	<u>\$37,730,090</u>	<u>\$574,079</u>	1.52%
Expenses				
General support	\$4,126,718	\$4,799,944	(\$673,226)	-14.03%
Instruction	32,814,235	31,879,149	935,086	2.93%
Pupil transportation	2,546,090	2,627,816	(81,726)	-3.11%
Community service and other	3,090	3,000	90	3.00%
Debt service - interest	246,639	256,688	(10,049)	-3.91%
Food service program	333,557	372,335	(38,778)	-10.41%
Total Expenses	<u>\$40,070,329</u>	<u>\$39,938,932</u>	<u>\$131,397</u>	0.33%
Total Change in Net Position	<u>(\$1,766,160)</u>	<u>(\$2,208,842)</u>	<u>\$442,682</u>	-20.04%

The District's fiscal year 2021 revenues totaled \$38,304,169. Real property taxes and other tax items and state sources accounted for most of the District's revenue by contributing 86.75% and 8.26%, respectively of total revenue. The remainder came from fees charged for services, grants and contributions, use of money and property, and other miscellaneous sources. Total revenues increased by \$574,079 or 1.52%. Real property taxes and other tax items had an increase from the

**ELMSFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

prior year of \$1,194,985, which was partially offset by decreases in charges for services, state sources, use of money and property, and other miscellaneous revenues.

The cost of all programs and services totaled \$40,070,329 for fiscal year 2021. These expenses are predominantly related to instruction, which account for 81.89% of District expenses. The District’s general support activities accounted for 10.30% of total costs. Total expenses increased by \$131,397 or 0.33%. This was primarily attributable to an increase in instruction expenses, partially offset by decreases in general support and pupil transportation.

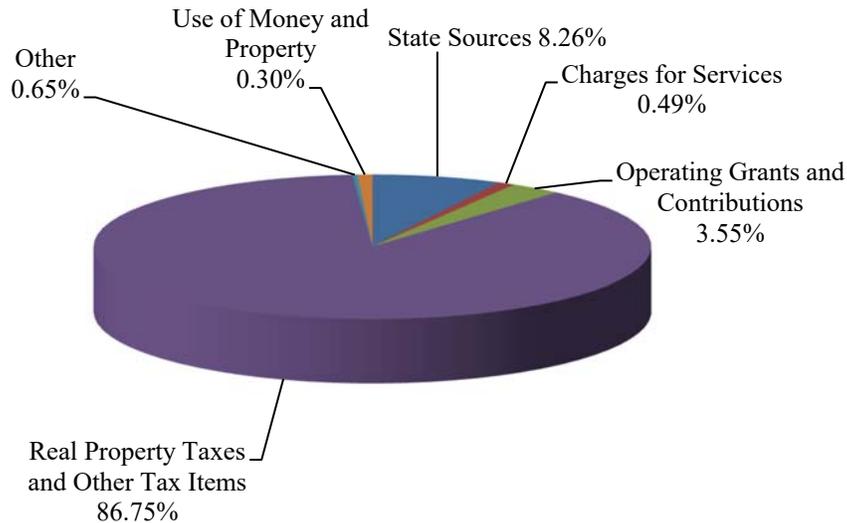
The users of the District’s programs financed \$188,107 of the cost. The federal and state governments along with external donors subsidized certain programs with grants and contributions of \$1,359,098, which includes scholarships and donations received. The remainder of the District’s net costs of \$38,523,124 were financed primarily by District taxpayers and state sources.

C) Governmental Activities:

The continuation of the overall financial position will be positive and is due to the following:

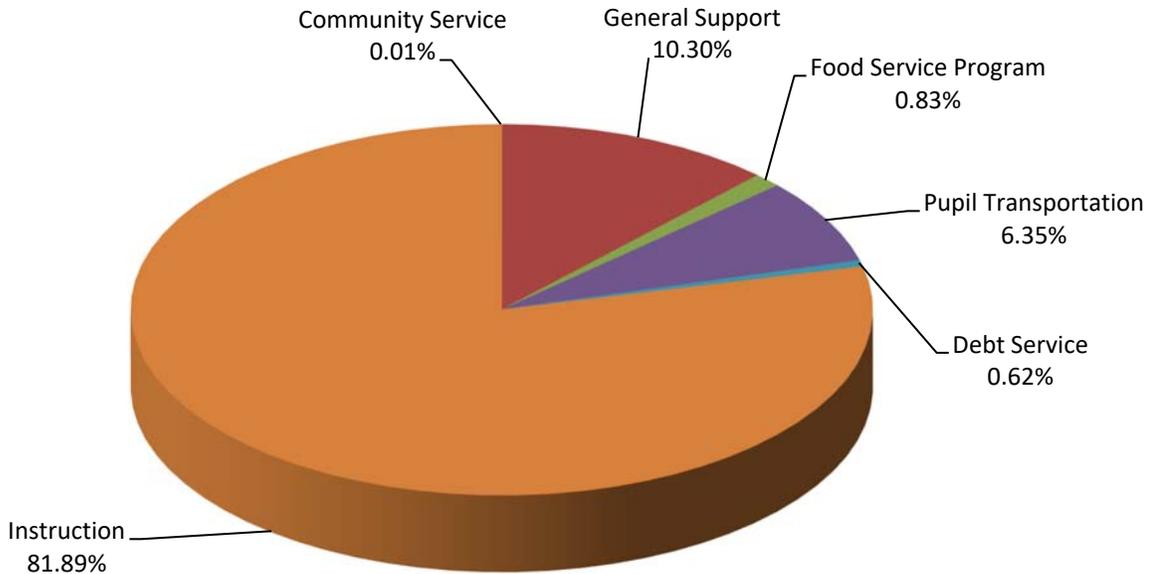
- Continued leadership of the District’s Board and administration;
- Strategic use of services from BOCES;
- Improved curriculum and community support.

Revenues for Fiscal Year 2021



**ELMSFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Expenditures for Fiscal Year 2021



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Variations between years for the Fund Financial Statements are not the same as variations between years for the District-Wide Financial Statements. The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term liabilities, certain deferred outflows or inflows, and capital assets purchased by the District. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt, and the current payments on other long-term liabilities.

As of June 30, 2021, the District's combined governmental funds reported a total fund balance of \$33,198,987, which is an increase of \$4,063,071 from the prior year. Fund balance for 2020 was restated to include a miscellaneous special revenue fund for scholarships and donations and extraclassroom activities due to the implementation of GASB Statement No. 84, *Fiduciary Activities*. See Footnote 16.

A summary of the change in fund balance for all the funds is as follows:

**ELMSFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

	Fiscal Year 2021	(As Restated) Fiscal Year 2020	Increase/ (Decrease)	Total Percentage Change
General Fund				
Restricted for tax certiorari	\$9,557,322	\$9,674,452	(\$117,130)	-1.21%
Restricted for employee benefit accrued liability	1,244,423	1,275,184	(30,761)	-2.41%
Restricted for capital	13,434,283	13,876,368	(442,085)	-3.19%
Restricted for workers' compensation	355,039	354,330	709	0.20%
Restricted for retirement contribution - ERS	326,020	325,369	651	0.20%
Restricted for retirement contribution - TRS	875,029	583,660	291,369	49.92%
Restricted for repairs	300,000	300,000	-	0.00%
Assigned - general support	88,601	56,156	32,445	57.78%
Assigned - instruction	120,912	189,823	(68,911)	-36.30%
Assigned- employee benefits		16,390	(16,390)	-100.00%
Assigned-designated for subsequent year's expenditures	654,548	500,000	154,548	30.91%
Unassigned	1,528,478	1,483,434	45,044	3.04%
Total Fund Balance - General Fund	<u>\$28,484,655</u>	<u>\$28,635,166</u>	<u>(\$150,511)</u>	-0.53%
School Lunch Fund				
Nonspendable	\$4,937	\$1,784	\$3,153	176.74%
Assigned - unappropriated	365,374	381,426	(16,052)	-4.21%
Total Fund Balance - School Lunch Fund	<u>\$370,311</u>	<u>\$383,210</u>	<u>(\$12,899)</u>	-3.37%
Miscellaneous Special Revenue Fund				
Restricted - Scholarships and donations	\$22,267	\$19,267	\$3,000	15.57%
Assigned unappropriated - extraclassroom	60,901	65,326	(4,425)	-6.77%
Total Fund Balance - Miscellaneous Special Revenue Fund	<u>\$83,168</u>	<u>\$84,593</u>	<u>(\$1,425)</u>	-1.68%
Capital Projects Fund				
Restricted	\$4,231,068	\$3,162	\$4,227,906	133709.87%
Total Fund Balance - Capital Projects Fund	<u>\$4,231,068</u>	<u>\$3,162</u>	<u>\$4,227,906</u>	133709.87%
Debt Service Fund				
Restricted	\$29,785	\$29,785	\$ -	0.00%
Total Fund Balance - Debt Service Fund	<u>\$29,785</u>	<u>\$29,785</u>	<u>\$ -</u>	0.00%
Total Fund Balance - All Funds	<u>\$33,198,987</u>	<u>\$29,135,916</u>	<u>\$4,063,071</u>	13.95%

**ELMSFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

A) General Fund

The fund balance in the general fund decreased by \$150,511 as a result of expenditures and other financing uses of \$37,209,341 exceeding revenues of \$37,058,830. Revenues increased \$825,440 or 2.28% compared to the prior year, mostly due to the increases in real property taxes. Expenditures and other financing uses increased \$4,740,570 or 14.60% compared to the prior year, primarily due to increases in instruction expenditures as well as operating transfers as a result of a voter approved transfer to the capital projects fund of \$4,670,742.

B) School Lunch Fund

The fund balance in the school lunch fund decreased by \$12,899. This decrease is due to the operating loss for the current year.

C) Miscellaneous Special Revenue Fund:

The fund balance in the miscellaneous special revenue fund decreased by \$1,425. This decrease is due to current year expenditures of \$54,039 for scholarships and awards and extraclassroom activities exceeding current year revenues of \$52,614 for donations and monies collected for scholarships and extraclassroom activities.

D) Capital Projects Fund

The fund balance in the capital projects fund increased by \$4,227,906. This increase is primarily due to a voter approved transfer from the capital reserve in general fund in the amount of \$4,670,742, partially offset by current year's capital outlay.

E) Debt Service Fund

There was no change in fund balance in the debt service fund. The fund balance of \$29,785 represents bond premium that was received in prior years that will be utilized to offset future years debt payments.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2020-2021 Budget:

The District's general fund adopted budget for the fiscal year ended June 30, 2021 was \$37,085,845. This amount was increased by encumbrances carried forward from the prior year in the amount of \$262,369, and budget revisions of \$5,033,421, bringing the final budget to \$42,381,635. The majority of the funding was real property taxes and other tax items budget of \$32,719,191.

**ELMSFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

B) Change in the General Fund Unassigned Fund Balance (Budget to Actual):

The general fund unassigned fund balance is a component to total fund balance that is the residual of prior years’ excess revenues over expenditures, net of transfers to reserves and assignments to fund subsequent years’ budgets. It is this balance that is commonly referred to as “Fund Balance”. The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget are as follows:

Opening, unassigned fund balance	\$1,483,434
Revenues over budget	280,096
Expenditures and encumbrances under budget	4,962,781
Funding to reserves	(4,491,106)
Interest allocated to reserves	(52,179)
Assigned, appropriated for June 30, 2022	<u>(654,548)</u>
Closing, unassigned fund balance	<u><u>\$1,528,478</u></u>

The opening unassigned fund balance of \$1,483,434 is the June 30, 2020 unassigned fund balance.

The revenues over budget of \$280,096 were primarily in real property taxes and other tax items and other miscellaneous sources, which were partially offset by revenues under budget in state sources, federal sources, charges for services, and use of money and property. Refer to Supplemental Schedule #1 for more details.

The expenditures and encumbrances under budget of \$4,962,781 reflect savings across the budget, but \$849,717 was in general support, \$2,817,522 was in instructional, \$590,457 was in pupil transportation, \$694,989 was in employee benefits, and \$10,096 was in transfers to other funds. Refer to Supplemental Schedule #1 for more details.

The District transferred \$4,200,904 to the capital reserve for future capital projects and \$290,202 to the TRS retirement contribution reserve.

The District utilized the employee benefits accrued liability reserve in the amount of \$33,311, the tax certiorari reserve in the amount of \$136,479, and the capital reserve in the amount of \$4,670,742. These were recorded as budget revisions and therefore resulted in no net effect on ending unassigned fund balance.

The District allocated \$52,179 of interest to the reserves as follows: \$19,349 to the tax certiorari reserve, \$2,550 to the employee benefit accrued liability reserve, \$27,753 to the capital reserve, \$709 to the workers compensation reserve, \$651 to the ERS retirement contribution reserve, and \$1,167 to the TRS retirement contribution reserve.

The District has chosen to use \$654,548 of its available June 30, 2021 fund balance to partially fund its 2021-2022 approved operating budget.

**ELMSFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

The District will close the 2020-2021 fiscal year with \$1,528,478 in unassigned fund balance. NYS Real Property Tax Law §1318 restricts this number to an amount not greater than 4% of the District’s budget for the ensuing fiscal year. The District’s unassigned fund balance is within this legal limit.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A) Capital Assets:

The District paid for equipment, and various building additions and renovations during the 2021 fiscal year. A summary of the District’s capital assets net of depreciation are as follows:

Capital Assets (Net of Depreciation)

Category	Fiscal Year 2021	Fiscal Year 2020*	Net Increase/ (Decrease)	Percentage Change
Land	\$177,800	\$177,800	\$ -	0.00%
Construction in Progress	442,836		442,836	N/A
Buildings & Improvements	33,045,740	33,045,740	-	0.00%
Machinery & Equipment	1,324,870	1,211,892	112,978	9.32%
Land Improvements	176,702	176,702	-	0.00%
Subtotal	<u>35,167,948</u>	<u>34,612,134</u>	<u>555,814</u>	1.61%
Less: Accumulated Depreciation	<u>15,992,207</u>	<u>15,038,198</u>	<u>954,009</u>	6.34%
Total Net Capital Assets	<u>\$19,175,741</u>	<u>\$19,573,936</u>	<u>(\$398,195)</u>	-2.03%

*Certain reclassifications were made to opening capital asset costs and accumulated depreciation. These reclassifications resulted in no net effect on ending capital assets, net.

The District purchased capital asset additions totaling \$112,978 in the general fund and \$442,836 in the capital projects fund. The District also recorded depreciation expense of \$954,009. See Note 8 to the financial statement for detail.

B) Long-Term Debt:

At June 30, 2021, the District had total debt payable of \$8,130,000. The decrease is due to principal payments made in the current year. More detailed information about the District’s long-term debt is presented in Note 10 to the financial statements. A summary of outstanding debt at June 30, 2021 and 2020 is as follows:

**ELMSFORD UNION FREE SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

	2021	2020	Increase (Decrease)
Bonds payable	\$8,130,000	\$8,465,000	(\$335,000)
Total	\$8,130,000	\$8,465,000	(\$335,000)

7. FACTORS BEARING ON THE DISTRICT’S FUTURE

- A) The general fund budget for the 2021-2022 school year in the amount of \$38,211,938 was approved by voters. This represents an increase of \$1,126,093 or 3.04% over the previous year’s budget. This increase was primarily due to an increases in the expenditures for additional special education students, as well as health insurance costs.

- B) Future budgets may be negatively affected by certain trends impacting school districts. These factors include rising health care premiums, increased costs associated with meeting the requirements for instructional services and the property tax cap which will continue to impact the District’s ability to fund its current cost of services.

- C) The federal government has passed several laws in the past year to address the economic and health consequences of the COVID-19 pandemic, including the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan (ARP) Act. The District expects to receive non-recurring revenues to be used to fund expenditures that meet the requirements set forth by the U.S. Department of Education.

8. CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, contact:

Elmsford Central School District
Ms. Linda Carlin
Assistant Superintendent for Finance & Operations
98 South Goodwin Avenue
Elmsford, New York 10503
914-592-2276

ELMSFORD UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	
Current assets	
Cash	
Unrestricted	\$4,063,642
Restricted	30,375,236
Receivables	
Accounts receivable	1,805
State and federal aid	984,156
Due from other governments	194,481
Inventories	4,937
Non-current assets	
Capital assets not being depreciated	620,636
Capital assets being depreciated, net of accumulated depreciation	18,555,105
TOTAL ASSETS	<u>54,799,998</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	9,674,909
Other post-employment benefits obligation	15,866,875
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>25,541,784</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>80,341,782</u>
LIABILITIES	
Payables	
Accounts payable	\$459,558
Accrued liabilities	74,311
Accrued interest payable	124,056
Due to teachers' retirement system	1,491,883
Due to employees' retirement system	107,664
Due to other governments	267,038
Unearned credits	
Collections in advance	24,816
Long-term liabilities	
Due and payable within one year	
Bond payable (inclusive of unamortized premium)	346,474
Compensated absences payable	89,992
Due and payable after one year	
Bond payable (inclusive of unamortized premium)	7,808,591
Compensated absences payable	1,171,153
Total other post-employment benefits obligation	58,975,728
Net pension liability - proportionate share - employees' retirement system	7,661
Net pension liability - proportionate share - teachers' retirement system	2,336,624
TOTAL LIABILITIES	<u>73,285,549</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	3,531,633
Other post-employment benefits obligation	9,723,105
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>13,254,738</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>86,540,287</u>
NET POSITION	
Net investment in capital assets	<u>11,023,838</u>
Restricted	
Tax certiorari	9,557,322
Employee benefit accrued liability	1,244,423
Capital	17,662,189
Workers' compensation	355,039
Retirement contribution - ERS	326,020
Retirement contribution - TRS	875,029
Repairs	300,000
Debt service	29,785
Scholarships and donations	22,267
	<u>30,372,074</u>
Unrestricted (deficit)	<u>(47,594,417)</u>
TOTAL NET POSITION (DEFICIT)	<u><u>(\$6,198,505)</u></u>

**ELMSFORD UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
FUNCTIONS / PROGRAMS				
General support	(\$4,126,718)			(\$4,126,718)
Instruction	(32,814,235)	\$172,948	\$1,061,481	(31,579,806)
Pupil transportation	(2,546,090)			(2,546,090)
Community service	(3,090)			(3,090)
Debt service-interest	(246,639)			(246,639)
Food service program	(333,557)	15,159	297,617	(20,781)
TOTAL FUNCTIONS AND PROGRAMS	<u>(\$40,070,329)</u>	<u>\$188,107</u>	<u>\$1,359,098</u>	<u>(38,523,124)</u>
 GENERAL REVENUES				
Real property taxes				30,315,039
Other tax items - including STAR reimbursement				2,913,793
Use of money and property				113,554
Miscellaneous				224,280
State sources				3,163,275
Medicaid reimbursement				27,023
TOTAL GENERAL REVENUES				<u>36,756,964</u>
 CHANGE IN NET POSITION				(1,766,160)
 TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 16)				<u>(4,432,345)</u>
 TOTAL NET POSITION - END OF YEAR				<u><u>(\$6,198,505)</u></u>

ELMSFORD UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Miscellaneous Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash							
Unrestricted	\$3,719,506	\$2,500	\$280,735	\$60,901			\$4,063,642
Restricted	30,354,799			17,267	\$3,170		30,375,236
Receivables							
Accounts receivable	25	1,780					1,805
Due from state and federal	295,088	554,001	135,067				984,156
Due from other governments	194,481						194,481
Due from other funds	825,709	625	29	5,000	4,399,479	\$29,785	5,260,627
Inventories			4,937				4,937
TOTAL ASSETS	<u>\$35,389,608</u>	<u>\$558,906</u>	<u>\$420,768</u>	<u>\$83,168</u>	<u>\$4,402,649</u>	<u>\$29,785</u>	<u>\$40,884,884</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Payables							
Accounts payable	\$201,984	\$42,350	\$43,643		\$171,581		\$459,558
Accrued liabilities	72,019	2,292					74,311
Due to other governments	244,692	22,346					267,038
Due to other funds	4,788,797	471,830					5,260,627
Due to teachers' retirement system	1,486,425	5,458					1,491,883
Due to employees' retirement system	107,664						107,664
Unearned credits							
Collections in advance	3,372	14,630	6,814				24,816
TOTAL LIABILITIES	<u>6,904,953</u>	<u>558,906</u>	<u>50,457</u>	<u>-</u>	<u>171,581</u>	<u>-</u>	<u>7,685,897</u>
FUND BALANCES							
Nonspendable - inventory			4,937				4,937
Restricted							
Tax certiorari	9,557,322						9,557,322
Employee benefit accrued liability	1,244,423						1,244,423
Capital	13,434,283				4,227,906		17,662,189
Workers' compensation	355,039						355,039
Retirement contribution - ERS	326,020						326,020
Retirement contribution - TRS	875,029						875,029
Repairs	300,000						300,000
Debt service						\$29,785	29,785
Unspent bond proceeds					3,162		3,162
Scholarships and donations				\$22,267			22,267
Assigned							
Appropriated fund balance	654,548						654,548
Unappropriated fund balance	209,513		365,374	60,901			635,788
Unassigned	1,528,478						1,528,478
TOTAL FUND BALANCES	<u>28,484,655</u>	<u>-</u>	<u>370,311</u>	<u>83,168</u>	<u>4,231,068</u>	<u>29,785</u>	<u>33,198,987</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$35,389,608</u>	<u>\$558,906</u>	<u>\$420,768</u>	<u>\$83,168</u>	<u>\$4,402,649</u>	<u>\$29,785</u>	<u>\$40,884,884</u>

**ELMSFORD UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2021**

Total Governmental Fund Balances \$ 33,198,987

Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Original cost of capital assets	\$35,167,948	
Accumulated depreciation	<u>(15,992,207)</u>	19,175,741

Deferred inflows of resources- The Statement of Net Position recognizes revenues and expenditures under the full accrual method. Governmental funds recognize revenues and expenditures under the modified accrual method. Deferred inflows related to pensions and OPEB that will be recognized as a reduction in expenses in future periods amounted to:

Deferred inflows related to pensions	(\$3,531,633)	
Deferred inflows related to total OPEB liability	<u>(9,723,105)</u>	(13,254,738)

Deferred outflows of resources - The Statement of Net Position recognizes expenditures incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows related to pensions and OPEB that will be recognized as expenditures in future periods amounted to:

Deferred outflows related to pensions	\$9,674,909	
Deferred outflows related to total OPEB liability	<u>15,866,875</u>	25,541,784

Payables that are associated with certain long-term liabilities that are not payable in the current period are not reported as liabilities in the funds. Additional payables relating to long-term liabilities at year end consisted of accrued interest payable of:

(124,056)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:

Bonds payable (inclusive of unamortized premium)	\$8,155,065	
Compensated absences payable	1,261,145	
Total other post-employment benefits obligation	58,975,728	
Net pension liability - proportionate share - ERS	7,661	
Net pension liability - proportionate share - TRS	<u>2,336,624</u>	<u>(70,736,223)</u>

Total Net Position \$ (6,198,505)

ELMSFORD UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
REVENUES							
Real property taxes	\$30,315,039						\$30,315,039
Other tax items - including STAR reimbursement	2,913,793						2,913,793
Charges for services	129,341			\$43,607			172,948
Use of money and property	113,547			7			113,554
Miscellaneous	223,465		\$815	9,000			233,280
State sources	3,247,544	\$241,679	6,487				3,495,710
Federal sources	116,101	721,724	271,887				1,109,712
Surplus food			19,243				19,243
Sales			15,159				15,159
TOTAL REVENUES	37,058,830	963,403	313,591	52,614	-	-	38,388,438
EXPENDITURES							
General support	3,333,753						3,333,753
Instruction	19,417,054	1,012,438		54,039			20,483,531
Pupil transportation	2,438,562	19,368					2,457,930
Community service	3,090						3,090
Employee benefits	6,689,599						6,689,599
Cost of sales			326,490				326,490
Capital outlay					\$442,836		442,836
Debt service - principal						\$335,000	335,000
Debt service - interest						253,138	253,138
TOTAL EXPENDITURES	31,882,058	1,031,806	326,490	54,039	442,836	588,138	34,325,367
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,176,772	(68,403)	(12,899)	(1,425)	(442,836)	(588,138)	4,063,071
OTHER FINANCING SOURCES AND (USES)							
Operating transfers in		68,403			4,670,742	588,138	5,327,283
Operating transfers (out)	(5,327,283)						(5,327,283)
TOTAL OTHER FINANCING SOURCES AND (USES)	(5,327,283)	68,403	-	-	4,670,742	588,138	-
NET CHANGE IN FUND BALANCES	(150,511)	-	(12,899)	(1,425)	4,227,906	-	4,063,071
FUND BALANCES - BEGINNING OF YEAR AS RESTATED (SEE NOTE 16)	28,635,166		383,210	84,593	3,162	29,785	29,135,916
FUND BALANCES - END OF YEAR	\$28,484,655	\$ -	\$370,311	\$83,168	\$4,231,068	\$29,785	\$33,198,987

**ELMSFORD UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances		\$4,063,071
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
In the Statement of Activities, certain operating expenses are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used.		
Decrease in judgements, claims and settlements payable	\$579,937	
Decrease in compensated absences payable	<u>(60,339)</u>	519,598
Changes in the proportionate share of net pension asset/liability, and total other post-employment benefits obligation and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Teachers' retirement system	(\$1,756,467)	
Employees' retirement system	129,271	
Other post-employment benefits obligation	<u>(4,580,668)</u>	(6,207,864)
Unearned revenue - The Statement of Net Position recognized revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual method.		
		(84,269)
Capital Related Items		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities.		
Capital asset additions	\$555,814	
Depreciation expense	<u>(954,009)</u>	<u>(398,195)</u>
Long-Term Debt Transactions		
Repayment of bond principal is an expenditure in the governmental funds, but it reduced long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		335,000
Interest on certain short and long-term debt in the Statement of Activities differs from the amounts reported in the governmental current financial resources. In the Statement of Activities, interest expense is recognized as it accrues. Accrued interest from June 30, 2020 to June 30, 2021 changed by:		5,025
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.		<u>1,474</u>
Change in Net Position		<u><u>(\$1,766,160)</u></u>

**ELMSFORD UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

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

A) Reporting entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 5 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District’s reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, there are no other entities that would be included in the District’s reporting entity.

B) Joint venture:

The District is a component district in the Southern Westchester Board of Cooperative Educational Services (“BOCES”). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES is organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)).

**ELMSFORD UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

C) Basis of presentation:

i) District-Wide Financial Statements:

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

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

ii) Fund financial statements:

The Fund Financial Statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

Special Aid Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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School Lunch Fund: This fund is used to account for the activities of the District's food service operations. The school lunch operations are supported by federal and state grants and charges to participants for its services.

Miscellaneous Special Revenue Fund: This fund is used to account for assets held by the District in accordance with grantor or contributor stipulations for scholarships and awards. Other activities included in this fund are extraclassroom activities.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

D) Measurement focus and basis of accounting:

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

The Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within six months after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

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

E) Real property taxes:

Calendar

Real property taxes are levied annually by the Board of Education no later than November 1st.

**ELMSFORD UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Enforcement

Real property taxes become an enforceable lien on real property as of July 1st and are payable in two installments in September and January. The Town of Greenburgh is responsible for the billing and collection of these taxes and guarantees the full payment of the District warrant and assumes responsibility for uncollected taxes.

F) Restricted resources:

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

G) Interfund transactions:

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

In the District-Wide Financial Statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities). Eliminations have been made for all interfund receivables and payables between the funds.

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

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H) Estimates:

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

I) Cash and cash equivalents:

The District's cash and cash equivalents consist of cash on hand and demand deposits.

**ELMSFORD UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

J) Receivables:

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

K) Prepaid items and inventories:

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's stated value, which approximates market. Purchases of inventoriable items in other funds are recorded as expenses/expenditures at the time of purchase, and are considered immaterial in amount.

Non-spendable fund balance for these non-liquid assets (inventories) has been recognized in the school lunch fund to signify that a portion of fund balance is not available for other subsequent expenditures.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-Wide and fund financial statements. These items are reported as assets on the Statement of Net Position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. The District had no prepaid items as of June 30, 2021.

L) Capital assets:

Capital assets are reflected in the District-Wide Financial Statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the time received.

All capital assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Site improvements	\$2,500	Straight-line	20-40 years
Buildings and improvements	\$2,500	Straight-line	20-50 years
Machinery and equipment	\$2,500	Straight-line	5-20 years

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M) Collections in advance:

Collections in advance arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded. Collections in advance as of June 30, 2021 consisted of unearned grant revenues and employee health insurance prepayments received in advance in the general fund, state and federal aid received in advance in the special aid fund, and prepaid balances for meals in the school lunch fund.

N) Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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. The District has two items that qualify for reporting in this category. These amounts are related to pensions and other post-employment benefits liability reported in the District-Wide Statement of Net Position, which are detailed further in Notes 11 and 13.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The District has two items that qualify for reporting in this category. These amounts are related to pensions and other post-employment benefits liability, which are reported in the District-Wide Statement of Net Position, which are detailed further in Notes 11 and 13.

O) Vested employee benefits:

Compensated absences:

Compensated absences consist of unpaid accumulated annual sick leave and vacation time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave. Certain collectively bargained agreements may require these termination payments to be paid in the form of non-elective contributions into the employees' 403(b) plan.

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

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Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting method and an accrual for that liability is included in the District-Wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the Fund Financial Statements only, the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis. The liability is reported only for payments due for unused compensated absences for those employees who have obligated themselves to separate from service with the District by June 30th.

P) Other benefits:

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Section 403(b).

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payments). In the District-Wide Financials Statements, the cost of postemployment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Q) Short-term debt:

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

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for

**ELMSFORD UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

capital purposes be converted to long-term financing within five years after the original issue dated.

R) Accrued liabilities and long-term obligations:

Payables, accrued liabilities and long-term obligations are reported in the District-Wide Financial Statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, net pension liability, other post-employment benefits obligation, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund's financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the Fund Financial Statements when due.

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

S) Equity classifications:

District-Wide Financial Statements:

In the District-Wide Financial Statements there are three classes of net position:

Net investment in capital assets consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets, net of any unexpended proceeds and including any unamortized premiums.

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

Unrestricted net position – reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Fund Financial Statements:

There are five classifications of fund balance as detailed below; however, in the Fund Financial Statements there are four classifications of fund balance presented:

- 1) **Non-spendable fund balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance at June 30, 2021 includes inventory recorded in the school lunch fund of \$4,937.

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- 2) **Restricted fund balance** – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

The District has established the following as restricted:

Tax Certiorari Reserve

Tax certiorari reserve (ED § 3651 [1-a]) permits the establishment of a reserve fund for tax certiorari and to expend from the fund without voter approval of the qualified voters of the school district. The total of the monies held in the reserve fund shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings in accordance with Article 7 of the Real Property Tax Law. This reserve is accounted for in the general fund under restricted fund balance.

Employee Benefit Accrued Liability Reserve

Employee benefit accrued liability reserve (GML§6-p), must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund under restricted fund balance.

Capital Reserve

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

Workers' Compensation Reserve

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

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Retirement Contributions Reserve

Retirement Contribution Reserve (GML§6-r), must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions to the New York State Teachers' Retirement System. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The Teachers' Retirement System subfund is subject to contribution limits. This reserve is accounted for in the general fund under restricted fund balance.

Repair Reserve

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

Debt Service

Debt service accumulates funds from unused bond proceeds and interest earnings. The accumulated funds must be used to offset the cost of the bond principal and interest payments. This reserve is accounted for in the debt service fund, as restricted fund balance.

Unspent Bond Proceeds

Unspent bond proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. This restricted fund balance is accounted for in the capital projects fund.

Scholarships and Donations

Amounts restricted for scholarships and donations are used to account for monies donated for scholarship purposes, net of earnings and awards. These restricted funds are accounted in the miscellaneous special revenue fund.

- 3) **Committed fund balance** – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (i.e. Board of Education). The District has no committed fund balances as of June 30, 2021.

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- 4) **Assigned fund balance** – Includes amounts that are subject to a purpose constraint that represents an intended use established by the District’s Board of Education. 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. Assigned fund balance includes an amount appropriated to partially fund the subsequent year’s budget. Assigned fund balance also includes Board designations and encumbrances not classified as restricted or committed at the end of the fiscal year.
- 5) **Unassigned fund balance** – Includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District’s budget for the general fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in assigned fund balance are also excluded from the 4% limitation. The District’s unassigned fund balance in the general fund at June 30, 2021 is within the legal limit.

Order of Use of Fund Balance

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (i.e. expenditures related to reserves) the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

T) New accounting pronouncements:

GASB has issued Statement No. 84, *Fiduciary Activities* (GASB Statement No. 84), effective for the fiscal year ended June 30, 2021. It provides guidance for identifying fiduciary activities, primarily based on whether the government is controlling the assets, and the beneficiaries with whom the fiduciary relationship exists, and on how different fiduciary activities should be reported. The District has adopted and implemented GASB Statement No. 84, *Fiduciary Activities*, in 2021. See Note 16 for further consideration.

U) Future accounting pronouncements:

GASB has issued Statement No. 87, *Leases*, effective for fiscal year ended June 30, 2022. This Statement establishes a single model for lease accounting based on the idea that leases are financings of the right-to-use an underlying asset. As such, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources.

**ELMSFORD UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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These are the statements that the District feels may have an impact on these financial statements and are not an all-inclusive list of GASB statements issued. The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS:

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

(A) Total fund balances of governmental funds vs. net position of governmental activities:

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

(B) Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities:

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of the three broad categories. The amounts shown below represent:

(i) Long-term revenue and expense differences:

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

(ii) Capital related differences:

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

**ELMSFORD UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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(iii) Long-term debt transaction differences:

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

The District administration prepares a proposed budget for approval by the Board for the following governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the fiscal year are shown on the other supplemental information – schedule of change from adopted budget to final budget.

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

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

B) Encumbrances:

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

**ELMSFORD UNION FREE SCHOOL DISTRICT
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NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Company (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

- A) Uncollateralized;
- B) Collateralized with securities held by the pledging financial institution in the District's name; or
- C) Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

All of the District's aggregate bank balances were covered by depository insurance or collateralized with securities held by the pledging financial institution in the District's name at year end.

B) Restricted Cash and Cash Equivalents:

Restricted cash and cash equivalents represent cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2021 included \$30,375,236 within the governmental funds for general reserve purposes, scholarships and donations, capital projects, unspent bond proceeds, and debt service.

C) Investments:

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

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NOTE 5 – PARTICIPATION IN BOCES:

During the year, the District was billed \$2,367,599 for BOCES administrative and program costs. The District’s share of BOCES aid amounted to \$266,522. Copies of financial statements for BOCES can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

NOTE 6 – DUE FROM OTHER GOVERNMENTS:

Due from other governments in the general fund at June 30, 2021 consisted of the following:

Tuition service billings	\$ 8,158
County tax billings	<u>186,323</u>
Total due from other governments	<u><u>\$ 194,481</u></u>

District management has deemed these amounts to be fully collectible.

NOTE 7 – STATE AND FEDERAL AID RECEIVABLES:

State and federal aid receivables at June 30, 2021 consisted of the following:

General Fund	
Excess cost aid	\$ 141,639
BOCES aid	137,813
Medicaid	3,333
Federal CARES Act Grants	1,513
NYS Department of Health	<u>10,790</u>
Total-General fund	<u>295,088</u>
Special Aid Fund	
Federal grants	350,553
State grants	<u>203,448</u>
Total-Special Aid Fund	<u>554,001</u>
School Lunch Fund	
Lunch - federal	99,051
Lunch - state	1,658
Breakfast - federal	32,885
Breakfast - state	<u>1,473</u>
Total School Lunch Fund	<u>135,067</u>
Total-All Funds	<u><u>\$ 984,156</u></u>

District management has deemed these amounts to be fully collectible.

**ELMSFORD UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 8 - CAPITAL ASSETS:

Capital asset balances and activity for the fiscal year ended June 30, 2021 were as follows:

	<u>Beginning Balance*</u>	<u>Additions</u>	<u>Disposals/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$177,800			\$177,800
Construction in progress		\$442,836		442,836
Total capital assets not being depreciated	<u>177,800</u>	<u>442,836</u>	<u>-</u>	<u>620,636</u>
Capital assets being depreciated:				
Building & improvements	33,045,740			33,045,740
Machinery & equipment	1,211,892	112,978		1,324,870
Land improvements	176,702			176,702
Total capital assets being depreciated	<u>34,434,334</u>	<u>112,978</u>	<u>-</u>	<u>34,547,312</u>
Less accumulated depreciation:				
Building & improvements	14,217,770	836,076		15,053,846
Machinery & equipment	706,096	115,646		821,742
Land improvements	114,332	2,287		116,619
Total accumulated depreciation	<u>15,038,198</u>	<u>954,009</u>	<u>-</u>	<u>15,992,207</u>
Total capital assets being depreciated, net	<u>19,396,136</u>	<u>(841,031)</u>	<u>-</u>	<u>18,555,105</u>
Total capital assets, net	<u>\$19,573,936</u>	<u>(\$398,195)</u>	<u>-</u>	<u>\$19,175,741</u>

*Certain reclassifications were made to opening capital asset costs and accumulated depreciation. These reclassifications resulted in no net effect on ending capital assets, net.

Depreciation expense was charged to governmental functions as follows:

General support	\$17,893
Instruction	929,049
Food service	7,067
Total depreciation expense	<u>\$954,009</u>

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NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. It is expected that all interfund payables should be repaid within one year.

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$825,709	\$4,788,797		\$5,327,283
Special aid fund	625	471,830	\$68,403	
School lunch fund	29			
Miscellaneous special revenue fund	5,000			
Capital projects fund	4,399,479		4,670,742	
Debt service fund	29,785		588,138	
Totals	\$5,260,627	\$5,260,627	\$5,327,283	\$5,327,283

The District typically transfers from the general fund to the special aid fund to fund the District's local share of summer school handicap expenses required by New York State Law and any shortfalls from in-district programs. The District transferred from the general fund to the capital projects fund as a result of the voter approved usage of the District's capital reserve to fund ongoing capital projects. The District also transferred from the general fund to the debt service fund to cover the current year's principal and interest payments on bonds payable.

NOTE 10 – LONG-TERM LIABILITIES:

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Due within one year
Long-term debt:					
Bonds payable	\$8,465,000		(\$335,000)	\$8,130,000	\$345,000
Add: premium on obligations	26,539		(1,474)	25,065	1,474
Total bonds payable	8,491,539	-	(336,474)	8,155,065	346,474
Other liabilities:					
Judgments and claims payable	579,937		(579,937)	-	
Compensated absences payable	1,200,806	\$93,650	(33,311)	1,261,145	89,992
Total other post-employment benefits	58,773,563	1,190,278	(988,113)	58,975,728	
Net pension liability - proportionate share - ERS	1,858,122		(1,850,461)	7,661	
Net pension liability - proportionate share - TRS		5,476,638	(3,140,014)	2,336,624	
Total other liabilities	62,412,428	6,760,566	(6,591,836)	62,581,158	89,992
Total long-term liabilities	\$70,903,967	\$6,760,566	(\$6,928,310)	\$70,736,223	\$436,466

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The general fund has typically been used to liquidate long-term liabilities such as bonds payable, bond premiums, judgments and claims payable, compensated absences, other post-employment benefits and net pension liabilities.

Issued Debt

On October 6, 2015 the voters approved a Bond Proposition authorizing the construction of infrastructure improvements and alterations to District school buildings and sites at the estimated cost of \$9,652,000. This voter approval also included the authorized issuance of serial bonds in the amount \$8,652,000, with the remainder of the appropriation balance to be funded by District reserves. These bonds were issued on July 5, 2018 in the amount of \$8,652,000. Additional details surrounding these outstanding bonds as of June 30, 2021 can be found below.

A) Bonds Payable:

Bonds Payable is comprised of the following:

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Average Interest Rate</u>	<u>Outstanding at Year End</u>
Serial Bond	7/5/2018	7/1/2038	3.00% - 3.25%	\$8,130,000
				<u>\$8,130,000</u>

The following is a summary of debt service requirements for the bond payable:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$345,000	\$242,937	\$587,937
2023	355,000	232,437	587,437
2024	365,000	221,637	586,637
2025	375,000	210,537	585,537
2026	390,000	199,062	589,062
2027-2031	2,130,000	810,061	2,940,061
2032-2036	2,475,000	465,108	2,940,108
2037-2039	1,695,000	83,592	1,778,592
	<u>\$8,130,000</u>	<u>\$2,465,371</u>	<u>\$10,595,371</u>

Upon default of the payment of principal or interest on the serial bonds of the District, the bond holders have the right to litigate and the New York State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the New York State Finance Law, to withhold state aid and assistance of the District and apply the amount so withheld to the payment of the defaulted principal or interest with respect to the serial bonds.

**ELMSFORD UNION FREE SCHOOL DISTRICT
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B) Long-Term Interest:

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

	Total
Interest paid	\$ 253,138
Less interest accrued in the prior year	(129,081)
Plus interest accrued in the current year	124,056
Less: amortization of bond premium	(1,474)
Total expense	\$ 246,639

C) Premiums on Bonds:

Premium on bonds, net of amortization, amounted to \$25,065 at June 30, 2021. This premium is being amortized using the straight-line method over the life of the bond. Amortization is recorded as a reduction in interest expense on the District-Wide Statement of Activities.

NOTE 11 – PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers’ Retirement System

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

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ii) Employees' Retirement System

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

B) Funding Policies:

The Systems are noncontributory, except as follows:

1. New York State Teachers' Retirement System:
 - a. Employees who joined the system after July 27, 1976
 - i. Employees contribute 3% of their salary, except that employees in the system more than ten years are no longer required to contribute.
 - b. Employees who joined the system on or after January 1, 2010 before April 1, 2012
 - i. Employees contribute 3.5% of their salary throughout active membership.
 - c. Employees who joined the system on or after April 1, 2012
 - i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.
2. New York State Employees' Retirement System
 - a. Employees who joined the system after July 27, 1976
 - i. Employees contribute 3% of their salary, except that employees in the system more than ten years are no longer required to contribute.
 - b. Employees who joined the system on or after January 1, 2010 before April 1, 2012
 - i. Employees contribute 3% of their salary throughout active membership.
 - c. Employees who joined the system on or after April 1, 2012
 - i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

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For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31. The District's contribution rates for ERS' fiscal year ended March 31, 2021 for covered payroll (applicable tiers) was 16.1% for Tiers 3 & 4, 13.4% for Tier 5, and 9.6% for Tier 6.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2021 was 9.53% of covered payroll.

The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years based on covered payroll for the District's year end were:

	NYSERS	NYSTRS
2021	\$ 328,920	\$ 1,382,815
2020	\$ 300,342	\$ 1,271,634
2019	\$ 322,513	\$ 1,509,898

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

At June 30, 2021, the District reported the following liabilities for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, as actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Net pension liability	\$ 7,661	\$ 2,336,624
District's portion of the Plan's total net pension liability	0.0076936%	0.084560%
Change in proportion since the prior measurement date	0.0000068%	-0.000006%

For the year ended June 30, 2021, the District recognized pension expense of \$119,652 for ERS and \$3,140,014 for TRS. At June 30, 2021 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflow of Resources</u>		<u>Deferred Inflow of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 93,559	\$ 2,047,351		\$ 119,748
Net difference between projected and actual earnings on pension plan investments		1,526,021	\$ 2,200,640	
Changes of assumptions	1,408,578	2,955,285	26,566	1,053,405
Changes in proportion and differences between the District's contributions and proportionate share of contributions	90,014	63,622	17,686	113,588
District's contributions subsequent to the measurement date	107,664	1,382,815		
	<u>\$ 1,699,815</u>	<u>\$ 7,975,094</u>	<u>\$ 2,244,892</u>	<u>\$ 1,286,741</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
Plan Year ended:		
2021		\$ 904,339
2022	\$ (110,837)	1,831,569
2023	(27,022)	1,488,389
2024	(105,850)	924,592
2025	(409,032)	43,036
Thereafter	-	113,613
	<u>\$ (652,741)</u>	<u>\$ 5,305,538</u>

Actuarial Assumptions

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

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	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest rate	5.90%	7.10%
Salary scale	4.40%	4.72% - 1.90%
Cost of living adjustments	1.4% annually	1.3%, annually
Decrement tables	April 1, 2015 - March 31, 2020	July 1, 2009 - June 30, 2014
	System's Experience	System's Experience
Inflation rate	2.70%	2.20%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on the 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.

For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selections 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 investment expense and inflation) for each major asset class, as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the valuation date are summarized below:

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<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	March 31, 2021		June 30, 2020	
	<u>Target</u>	<u>Long-term</u> <u>expected real</u>	<u>Target</u>	<u>Long-term</u> <u>expected real</u>
<u>Asset type</u>	<u>Allocation</u>	<u>rate of return</u>	<u>Allocation</u>	<u>rate of return</u>
Domestic equity	32%	4.05%	33%	7.10%
International equity	15%	6.30%	16%	7.70%
Global equity			4%	7.40%
Private equity	10%	6.75%	8%	10.40%
Real estate	9%	4.95%	11%	6.80%
Opportunistic/Absolute return strategy	3%	4.50%		
Credit	4%	3.63%		
Real assets	3%	5.95%		
Fixed income	23%	0.00%		
Cash	1%	0.50%		
Domestic fixed income securities			16%	1.80%
Global bonds			2%	1.00%
High-yield bonds			1%	3.90%
Private debt			1%	5.20%
Real estate debt			7%	3.60%
Cash equivalents			1%	0.70%
	100%		100%	

The expected real rate of return is net of the long-term inflation assumptions of 2.00% for ERS, and 2.20% for TRS.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.9% for ERS and 7.1% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) 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:

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ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
District's proportionate share of the net pension asset/(liability)	(\$2,126,348)	(\$7,661)	\$1,946,265
TRS	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
District's proportionate share of the net pension asset/(liability)	(\$14,759,651)	(\$2,336,624)	\$8,089,443

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective measurement dates, were as follows:

	(Dollars in Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Employers' total pension liability	\$ (220,680,157)	\$ (123,242,776)
Plan Net Position	220,580,583	120,479,505
Employers' net pension liability	<u>\$ (99,574)</u>	<u>\$ (2,763,271)</u>
Ratio of plan net position to the Employers' total pension liability	99.95%	97.76%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$107,664.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept, with a balance to be paid by the District, if necessary. 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 employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$1,491,883.

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NOTE 12 – RETIREMENT PLANS: OTHER:

A) Tax Sheltered Annuities:

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the employees for the year ended June 30, 2021 totaled \$718,112.

B) Deferred Compensation Plan:

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for some employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2021 totaled \$55,550.

NOTE 13 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):

A) General Information about the OPEB Plan:

Plan Description

The District's OPEB Plan (the "OPEB Plan"), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Medicare Part B benefits are also provided. Benefits are provided through the New York State Health Insurance Program (NYSHIP), and are administered by the Empire Plan (Core Plus Enhancements). Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. No Assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. The contribution requirements of Plan members and the District are established and may be amended by the District. Benefit terms provide for the District to contribute between 76% and 100% of the premiums for individual and family coverage, 0-50% of the premiums for surviving spouses, and recognizes the cost of the healthcare plan annually as expenditures in the general fund of the fund financial statements as payments are accrued. For measurement period ending June 30, 2021, the District contributed an estimated \$988,113 to the Plan, including \$988,113 for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund other postemployment benefits by any means other than the "pay as you go" method.

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Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefit payments	86
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	151
Total	237

B) Total OPEB Liability:

The District’s total OPEB liability of \$58,975,728 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases, including wage inflation	Varied by years of service and retirement system
Discount rate	2.16%
Healthcare cost trend rates	
Medical:	Actual rate increases from 2020 to 2021 followed by 5.40% for 2021 decreasing to an ultimate rate of 4.04% by 2075.
Part B Reimbursement:	2.70% from 2020 to 2021 decreasing to an ultimate rate of 4.04% by 2075.

The discount rate was based on the index rate for 20-year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher.

Mortality rates were based on Pub-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS group) projected fully generationally using MP-2020.

The actuarial assumptions used in the June 30, 2020 valuation were based on the actual experience of the covered group, to the extent that creditable experience data are available, but emphasizes expected long-term future trends.

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C) Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at June 30, 2020	\$ 58,773,563
Changes for the fiscal year:	
Service cost	2,957,091
Interest	1,353,388
Changes of benefit terms	-
Differences between expected and actual experience	(2,186,156)
Changes in assumptions or other inputs	(934,045)
Benefit payments	(988,113)
Net changes	202,165
Balance at June 30, 2021	\$ 58,975,728

Changes in assumptions or other inputs include the following:

- The discount rate was changed from 2.21% to 2.16%.
- The inflation rate was changed from 2.20% to 2.50%.
- Aging subsidy has been added to the post-65 periods as a reflection of healthcare costs that vary by age (higher cost as the participant gets older).
- Mortality improvement scale has been updated from MP-2018 and MP-2020.
- Health care trend rates have been updated as follows:
 - Medical and prescription drug trend rates have been updated from 2018 Getzen to 2020 Getzen model, with an initial rate that is based on the actual NYSHIP premium increases from 2020 to 2021.
 - Medicare Part B trend rates have been updated to an initial rate of 2.70% in 2020, followed by projected Part B premium increase shown in the 2020 Medicare Trustees report, decreasing gradually to an ultimate rate of 4.04% by 2075.
- Salary scale, termination, and retirement rates have been updated based NYS ERS assumptions first adopted on April 1, 2020.
- Percentage of active employees assumed to elect spousal coverage at retirement has been updated from (a) 60% male and 40% female to (b) 50% male and 35% female.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

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	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	<u>\$71,442,108</u>	<u>\$58,975,728</u>	<u>\$49,246,698</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.40%) or 1-percentage-point higher (6.40%) than the current healthcare cost trend rates:

	1% Decrease (4.40% decreasing to 3.04%)	Healthcare Cost Trend Rates (5.40% decreasing to 4.04%)	1% Increase (6.40% decreasing to 5.04%)
Total OPEB liability	<u>\$47,298,963</u>	<u>\$58,975,728</u>	<u>\$74,756,028</u>

D) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the fiscal year ended June 30, 2021, the District recognized OPEB expense (credit) of \$5,568,781. At June 30, 2021, the 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>
Differences between expected and actual experience		\$ (7,791,365)
Changes of assumptions or other inputs	\$ 15,866,875	<u>(1,931,740)</u>
	<u>\$ 15,866,875</u>	<u>\$ (9,723,105)</u>

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

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Fiscal Year ended June 30:	
2022	\$ 1,258,302
2023	1,258,302
2024	1,258,302
2025	1,258,302
2026	1,278,672
Thereafter	(168,110)
	\$ 6,143,770

NOTE 14 – RISK MANAGEMENT:

A) General:

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. The District and other districts have formed a reciprocal insurance company to be owned by these districts. The Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers, and machinery, and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote. The Company is an “assessable” insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

B) Risk Retention:

The District purchases various insurance coverages from the aforementioned Reciprocal Insurance Company to reduce its exposure to loss. The District maintains a general liability insurance policy with coverage up to \$1 million per occurrence. The District also maintains liability coverage for school board members up to \$1 million and an excess liability policy with coverage up to \$25 million. Property insurance for fire loss is also maintained for the District’s buildings and contents. Settled claims resulting from these risks have no exceeded commercial insurance coverage in any of the past three fiscal years.

**ELMSFORD UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

C) Public Entity Risk Pool:

The District also participates 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 participating district. Billings are based upon participants' experience rating. The District has transferred all related risk to the Plan.

NOTE 15 – COMMITMENTS AND CONTINGENCIES:

A) Assigned: Appropriated:

The amount of \$654,548 has been designated as the amount estimated to be appropriated to reduce taxes for the fiscal year ending June 30, 2022 in the general fund.

B) Encumbrances:

All encumbrances are classified as assigned fund balance. At June 30, 2021, the District encumbered the following amounts:

General Fund	
General support	\$88,601
Instruction	120,912
	209,513
Special Aid Fund	
Instruction	102,469
	102,469
Capital Projects Fund	
Capital outlay	4,301,651
	4,301,651
Total Encumbrances	\$4,613,633

C) Grants:

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

**ELMSFORD UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

D) Litigation:

The District is involved in various litigation proceedings resulting from the normal conduct of its affairs. There are also pending tax certiorari proceedings, which may result in the District having to pay future tax refunds. However, as of June 30, 2021 there have been no court orders entered into related to these cases. It is, however, expected that such payments will be due during the 2021-22 fiscal year. The District has a reserve established to pay future payments for this.

NOTE 16 – RESTATEMENT OF FUND BALANCE AND NET POSITION (DEFICIT)

During the year ended June 30, 2021, the District implemented GASB Statement No. 84, *Fiduciary Activities*. The adoption and implementation of this Statement resulted in certain reporting changes in both the District’s governmental funds and fiduciary funds. These reporting changes resulted in a restatement of the governmental fund’s miscellaneous special revenue fund opening fund balance, as well as the government-wide financial statement’s opening net position (deficit) to properly reflect the opening balance of fund balances and net position (deficit) as of July 1, 2020, based on these reclassifications of previously presented governmental and fiduciary fund balances.

	Miscellaneous Special Revenue Fund	Statement of Net Position
Fund Balance/Net Position (Deficit)		
Beginning of Year as Reported	\$ -	\$ (4,497,671)
Assets		
Cash	84,593	65,326
Total Assets	84,593	65,326
Liabilities		
Other liabilities		
Total Liabilities	-	-
Fund Balance/Net Position (Deficit)		
Restricted for scholarships	19,267	
Assigned unappropriated fund balance	65,326	65,326
Total Fund Balance	84,593	65,326
Fund Balance/Net Position (Deficit)		
Beginning of Year, as Restated	\$ 84,593	\$ (4,432,345)

**ELMSFORD UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 17 – SUBSEQUENT EVENTS:

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management evaluated the activity of the District through the date of this report and concluded that the following subsequent events have occurred that would require disclosure in the notes to financial statements:

A) Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA):

In July 2021, the District was awarded CRSSA funding of \$530,117 through the Elementary and Secondary School Emergency Relief Program (ESSER). The funds are to be used for eligible expenditures, which support the District's ability to continue to provide educational services. The funds will be recognized in the Special Aid Fund as they are expended.

SUPPLEMENTARY INFORMATION

**ELMSFORD UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUES				
Local Sources				
Real property taxes	\$32,519,191	\$32,519,191	\$30,315,039	(\$2,204,152)
Other real property tax items	200,000	200,000	2,913,793	2,713,793
Charges for services	190,000	190,000	129,341	(60,659)
Use of money & property	174,999	174,999	113,547	(61,452)
Miscellaneous		500	223,465	222,965
State Sources	3,501,654	3,501,654	3,247,544	(254,110)
Federal Sources		192,390	116,101	(76,289)
TOTAL REVENUES AND FINANCING OTHER SOURCES	<u>36,585,844</u>	<u>36,778,734</u>	<u>37,058,830</u>	<u>\$280,096</u>
Appropriated reserves	262,369	5,102,901		
Appropriated fund balance	<u>500,000</u>	<u>500,000</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES, APPROPRIATED FUND BALANCE & RESERVES	<u>\$37,348,213</u>	<u>\$42,381,635</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

ELMSFORD UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Year-End Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual and Encumbrances</u>
EXPENDITURES					
General Support					
Board of education	\$84,038	\$82,224	\$58,400		\$23,824
Central administration	345,384	354,985	341,297		13,688
Finance	634,448	642,886	573,305	\$4,618	64,963
Staff	104,806	111,904	72,962		38,942
Central services	2,421,094	2,446,505	1,768,684	83,983	593,838
Special items	494,496	633,567	519,105		114,462
Total General Support	<u>4,084,266</u>	<u>\$4,272,071</u>	<u>3,333,753</u>	<u>88,601</u>	<u>849,717</u>
Instructional					
Instruction, administration & improvement	1,154,610	1,417,442	1,092,535	40,000	284,907
Teaching - regular school	11,485,972	10,997,588	9,836,942	34,732	1,125,914
Programs for children with handicap conditions	5,811,516	6,329,196	5,541,703	1,826	785,667
Occupational education	284,896	284,896	189,453		95,443
Instructional media	1,221,961	1,228,108	1,087,101	19,863	121,144
Pupil services	2,096,644	2,098,258	1,669,320	24,491	404,447
Total Instructional	<u>22,055,599</u>	<u>22,355,488</u>	<u>19,417,054</u>	<u>120,912</u>	<u>2,817,522</u>
Pupil transportation	<u>3,025,035</u>	<u>3,029,019</u>	<u>2,438,562</u>		<u>590,457</u>
Community services	<u>2,875</u>	<u>3,090</u>	<u>3,090</u>		<u>-</u>
Employee benefits	<u>7,513,800</u>	<u>7,384,588</u>	<u>6,689,599</u>		<u>694,989</u>
Debt service - principal	335,000				-
Debt service - interest	<u>253,138</u>				<u>-</u>
TOTAL EXPENDITURES	<u>37,269,713</u>	<u>37,044,256</u>	<u>31,882,058</u>	<u>209,513</u>	<u>4,952,685</u>
Other Financing Uses					
Transfers to other funds	<u>78,500</u>	<u>5,337,379</u>	<u>5,327,283</u>		<u>10,096</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$37,348,213</u>	<u>\$42,381,635</u>	<u>37,209,341</u>	<u>\$209,513</u>	<u>\$4,962,781</u>
Net change in fund balances			(150,511)		
Fund balances - beginning of year			<u>28,635,166</u>		
Fund balances - end of year			<u>\$28,484,655</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

**ELMSFORD UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEARS ENDED JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	2,957,091	\$ 2,243,239	\$ 1,316,298	\$ 1,367,100
Interest	1,353,388	1,843,705	1,601,337	1,435,827
Changes of benefit terms			(1,822,397)	-
Differences between expected and actual experience	(2,186,156)	(7,347,387)	(588,702)	-
Changes of assumptions or other inputs	(934,045)	12,242,881	10,695,543	(2,022,307)
Benefit payments	(988,113)	(977,234)	(981,973)	(678,505)
Net change in total OPEB liability	202,165	8,005,204	10,220,106	102,115
Total OPEB liability - beginning	<u>58,773,563</u>	<u>50,768,359</u>	<u>40,548,253</u>	<u>40,446,138</u>
Total OPEB liability - ending	<u>\$ 58,975,728</u>	<u>\$ 58,773,563</u>	<u>\$ 50,768,359</u>	<u>\$ 40,548,253</u>
Covered-employee payroll	15,597,594	\$ 16,589,346	\$ 14,616,490	\$ 15,293,957
Total OPEB liability as a percentage of covered-employee payroll	378.11%	354.28%	347.34%	265.13%

Notes to Schedule:*Trust Assets*

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75 to pay related benefits.

Changes of Economic Assumptions

The discount rate was 3.87%, and the inflation rate was 2.20%, as of June 30, 2018.
The discount rate was 3.51%, and the inflation rate was 3.00%, as of June 30, 2019.
The discount rate was 2.21%, and the inflation rate was 2.20%, as of June 30, 2020.
The discount rate was 2.16%, and the inflation rate was 2.50%, as of June 30, 2021.

Other Changes of Assumptions

Aging subsidy has been added to the post-65 periods as a reflection of healthcare costs that vary by age (higher cost as the participant gets older). This change caused an increase in the District's liability.

Mortality improvement scale has been updated from MP-2018 and MP-2020, which caused a decrease in liability.

Health care trend rates have been updated as follows, which caused a decrease in the District's liability.

- Medical and prescription drug trend rates have been updated from 2018 Getzen to 2020 Getzen model, with an initial rate that is based on the actual NYSHIP premium increases from 2020 to 2021.
- Medicare Part B trend rates have been updated to an initial rate of 2.70% in 2020, followed by projected Part B premium increase shown in the 2020 Medicare Trustees report, decreasing gradually to an ultimate rate of 4.04% by 2075.

Salary scale, termination, and retirement rates have been updated based NYS ERS assumptions first adopted on April 1, 2020. The net impact of this change is a slight decrease in liability.

Percentage of active employees assumed to elect spousal coverage at retirement has been updated from (a) 60% male and 40% female to (b) 50% male and 35% female. This change caused a decrease in the District's liability.

**ELMSFORD UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (LIABILITY)/ASSET
FOR THE FISCAL YEARS ENDED JUNE 30, ***

NYSERS Pension Plan							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension (liability)	0.0076936%	0.0070169%	0.0074200%	0.0073275%	0.0075714%	0.0075726%	0.0075530%
District's proportionate share of the net pension (liability)	\$ (7,661)	\$ (1,858,122)	\$ (525,733)	\$ (236,492)	\$ (711,422)	\$ (1,215,418)	\$ (255,158)
District's covered payroll	\$ 2,509,479	\$ 2,434,973	\$ 2,093,192	\$ 2,164,026	\$ 2,030,723	\$ 1,908,373	\$ 2,002,815
District's proportionate share of the net pension (liability) as a percentage of its covered payroll	0.31%	76.31%	25.12%	10.93%	35.03%	63.69%	12.74%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
NYSTRS Pension Plan							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension asset (liability)	0.084560%	0.085177%	0.085000%	0.084098%	0.082425%	0.083948%	0.082688%
District's proportionate share of the net pension asset (liability)	\$ (2,336,624)	\$ 2,212,914	\$ 1,537,016	\$ 639,226	\$ (882,801)	\$ 8,719,529	\$ 9,210,973
District's covered payroll	\$14,718,169	\$ 14,217,492	\$ 14,032,799	\$ 13,556,369	\$ 12,793,360	\$ 12,767,180	\$12,322,831
District's proportionate share of the net pension asset as a percentage of its covered payroll	15.88%	15.56%	10.95%	4.72%	6.90%	68.30%	74.75%
Plan fiduciary net position as a percentage of the total pension asset	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

*The amounts presented for each fiscal year were determined as of the measurement dates of the plans.

**An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.

**ELMSFORD UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED JUNE 30,**

NYSERS Pension Plan							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 328,920	\$ 300,342	\$ 322,513	\$ 292,700	\$ 317,213	\$ 309,836	\$ 367,545
Contributions in relation to the contractually required contribution	<u>328,920</u>	<u>300,342</u>	<u>322,513</u>	<u>292,700</u>	<u>317,213</u>	<u>309,836</u>	<u>367,545</u>
Contribution deficiency (excess)	<u>\$ -</u>						
District's covered payroll	\$ 2,532,529	\$ 2,450,125	\$ 2,211,066	\$ 2,113,803	\$ 2,035,377	\$ 1,991,509	\$ 1,987,965
Contributions as a percentage of covered payroll	12.99%	12.26%	14.59%	13.85%	15.58%	15.56%	18.49%
NYSTRS Pension Plan							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,382,815	\$ 1,271,634	\$ 1,509,898	\$ 1,356,856	\$ 1,568,798	\$ 1,686,530	\$ 2,238,087
Contributions in relation to the contractually required contribution	<u>1,382,815</u>	<u>1,271,634</u>	<u>1,509,898</u>	<u>1,356,856</u>	<u>1,568,798</u>	<u>1,686,530</u>	<u>2,238,087</u>
Contribution deficiency (excess)	<u>\$ -</u>						
District's covered payroll	\$14,708,022	\$14,718,169	\$14,217,492	\$ 14,032,799	\$ 13,556,369	\$12,793,360	\$12,767,180
Contributions as a percentage of covered payroll	9.40%	8.64%	10.62%	9.67%	11.57%	13.18%	17.53%

*An additional year of historical information will be added each year, subsequent to the year of implementation, until 10 years of historical data is available.

**ELMSFORD UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET -GENERAL FUND
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$37,085,845
Add: Prior year's encumbrances		262,369
Original Budget		37,348,214
Add: Budget revisions:		
Appropriated use reserves	\$4,840,531	
Federal CARES Act grants (ESSER and GEER)	192,390	
Miscellaneous donation	500	5,033,421
Final Budget		42,381,635

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-22 voter approved expenditure budget		\$38,211,938
Maximum allowed (4% of 2021-2022 budget)		\$1,528,478
General fund fund balance subject to Section 1318 of Real Property Tax Law		
Assigned fund balance	\$864,061	
Unassigned fund balance	1,528,478	
Total unrestricted fund balance		2,392,539
Less:		
Appropriated fund balance	\$654,548	
Encumbrances included in assigned fund balance	209,513	
Total adjustments		864,061
General fund fund balance subject to Section 1318 of Real Property Tax Law		\$1,528,478
Actual percentage		4.00%

**ELMSFORD UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance June 30, 2021	
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources		Total
Schools Infrastructure	\$6,271,558	\$7,071,710	\$7,844,799		\$7,844,799	(\$773,089)	\$7,609,211		\$238,750	\$7,847,961	\$3,162
Hamilton High School Athletic Fields, Doors, Windows (Cap Res)	4,884,687	4,884,687		442,836	442,836	4,441,851			4,670,742	4,670,742	4,227,906
	<u>\$11,156,245</u>	<u>\$11,956,397</u>	<u>\$7,844,799</u>	<u>\$ 442,836</u>	<u>\$8,287,635</u>	<u>\$3,668,762</u>	<u>\$ 7,609,211</u>	<u>\$ -</u>	<u>\$ 4,909,492</u>	<u>\$12,518,703</u>	<u>\$4,231,068</u>

**ELMSFORD UNION FREE SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2021**

Capital assets, net		\$19,175,741
Deduct:		
Short-term portion of construction bond payable (inclusive of unamortized premium)	\$346,474	
Long-term portion of construction bonds payable (inclusive of unamortized premium)	7,808,591	
Less: Unspent bond proceeds	<u>(3,162)</u>	<u>8,151,903</u>
 Net investment in capital assets		 <u><u>\$11,023,838</u></u>



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

To the Board of Education
Elmsford Union Free School District

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 and each major fund of Elmsford Union Free School District (the "District"), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 6, 2021.

Internal Control over Financial Reporting

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

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

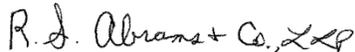
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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



R.S. Abrams & Co., LLP
Islandia, NY
October 6, 2021