

ELMSFORD UNION FREE
SCHOOL DISTRICT
Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report
June 30, 2023

ELMSFORD UNION FREE SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Elmsford Union Free School District:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional information on pages 51 through 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we

obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary information as listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are 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 4, 2023 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 District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 4, 2023

ELMSFORD UNION FREE SCHOOL DISTRICT

Management's Discussion and Analysis

June 30, 2023

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, 2023. 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.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2023 are as follows:

- The proposed 2023-2024 budget in the amount of \$41,749,424 was authorized by the District's residents.
- The District's total net position, as reflected in the District-Wide financial statements increased to \$484,475.
- The District continues to maintain its buildings and complete various District-Wide projects with amounts budgeted and authorized by the District's residents.
- New York State Law limits the amount of unassigned and assigned fund balance, exclusive of encumbrances and amounts designated for the subsequent year's budget, that can be retained by the General Fund, to 4% of the ensuing year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$1,669,977 or 4.00%, and therefore within the statutory limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (MD&A) (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:

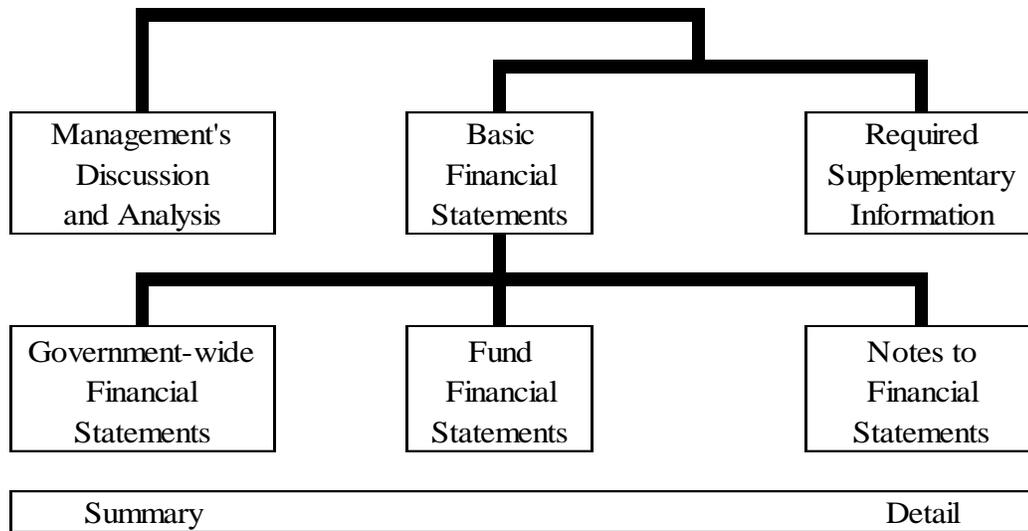
- The first two statements are District-Wide financial statements that provide both short-term and long-term information about the District's overall financial status.

ELMSFORD UNION FREE SCHOOL DISTRICT
 Management's Discussion and Analysis, Continued

- 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 MD&A highlights the structure and contents of each of the statements.

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

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

Description	District-wide Statements	Fund Financial Statements
		Governmental Funds
Scope	Entire District (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 revenue, expenditures and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/liability 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/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

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 revenue 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.

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

- 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.

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 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.

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:

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

- **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, capital projects fund, special aid fund, school lunch fund, miscellaneous special revenue fund, and debt service fund. Required statements are the Balance Sheet and the Statement of Revenue, Expenditures and Changes in Fund Balances.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's net deficit decreased by \$1,878,623 in the fiscal year ended June 30, 2023 as detailed in the table that follows.

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Assets:			
Current	\$ 42,721,709	37,439,460	5,282,249
Capital assets	22,423,414	22,938,387	(514,973)
Net pension assets	<u> -</u>	<u>15,462,906</u>	<u>(15,462,906)</u>
Total assets	<u>65,145,123</u>	<u>75,840,753</u>	<u>(10,695,630)</u>
Deferred outflows of resources	<u>24,653,236</u>	<u>23,031,948</u>	<u>1,621,288</u>
Liabilities:			
Current	4,203,905	3,760,371	443,534
Noncurrent	<u>64,265,199</u>	<u>57,739,772</u>	<u>6,525,427</u>
Total liabilities	<u>68,469,104</u>	<u>61,500,143</u>	<u>6,968,961</u>
Deferred inflows of resources	<u>20,844,780</u>	<u>38,766,706</u>	<u>(17,921,926)</u>
Net position:			
Net investment in capital assets	14,971,297	15,129,796	(158,499)
Restricted	36,456,520	31,624,451	4,832,069
Unrestricted (deficit)	<u>(50,943,342)</u>	<u>(48,148,395)</u>	<u>(2,794,947)</u>
Total net position	<u>\$ 484,475</u>	<u>(1,394,148)</u>	<u>1,878,623</u>

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Current assets increased \$5,282,249 primarily due to an increase in investments due to the increase in interest revenue.

Capital assets (net of depreciation) decreased \$514,973 primarily due current year depreciation expense exceeding current year additions and capital outlay. The net pension asset - proportionate share for the employees' retirement system and the teachers' retirement system resulted in net pension liabilities in the current year in the amount of \$3,277,021 as a result of the actuarial valuation provided by New York State.

The changes in deferred outflows of resources relate to changes in the District's pension and other postemployment 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. Factors affecting the District's other postemployment benefit plan include service costs, interest costs, and changes in actuarial assumptions.

Current liabilities increased \$443,534 primarily due to an increase in accounts payable and accrued liabilities.

Long-term liabilities increased by \$6,525,427 which was primarily due to the total other postemployment benefits obligation and the pensions mentioned above.

The changes in deferred inflows of resources relate to changes in the District's pension and other postemployment 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. Factors affecting the District's other postemployment benefit plan include service costs, interest costs, and changes in actuarial assumptions.

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 and 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 \$158,499 due to current year depreciation expense.

The restricted net position at June 30, 2023, relates to the District's reserves and restricted amounts for special purposes. Restricted net position increased by \$4,832,069.

The unrestricted net deficit at June 30, 2023 of \$(50,943,342) relates to the balance of the District's net position. The unrestricted net deficit increased by \$2,794,947.

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Changes in Net Position

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, 2023 and 2022 are as follows:

Change in Net Position from Operating Results

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Revenue:			
Program revenue:			
Charges for services	\$ 259,902	207,443	52,459
Operating grants	1,822,200	2,307,430	(485,230)
General revenue:			
Property and other taxes	35,454,354	34,200,172	1,254,182
State sources	4,919,146	4,031,089	888,057
Other	<u>1,683,309</u>	<u>586,038</u>	<u>1,097,271</u>
Total revenue	<u>44,138,911</u>	<u>41,332,172</u>	<u>2,806,739</u>
Expenses:			
General support	5,335,743	4,545,460	790,283
Instruction	31,761,552	28,166,488	3,595,064
Pupil transportation	4,461,827	2,919,842	1,541,985
Community services	4,880	4,684	196
Cost of food sales	470,647	655,052	(184,405)
Interest	<u>225,639</u>	<u>236,289</u>	<u>(10,650)</u>
Total expenses	<u>42,260,288</u>	<u>36,527,815</u>	<u>5,732,473</u>
Change in net position	<u>\$ 1,878,623</u>	<u>4,804,357</u>	<u>(2,925,734)</u>

The District's fiscal year 2023 revenue totaled \$44,138,911. Property and other taxes and state sources accounted for most of the District's revenue by contributing 80% and 11%, respectively, of total revenue. The remainder came from fees charged for services, grants and contributions, use of money and property, and other miscellaneous sources.

The cost of all programs and services totaled \$42,260,288 for fiscal year 2023. These expenses are predominantly related to instruction, which account for 74% of District expenses.

The users of the District's programs financed \$259,902 of the cost. The federal and state governments along with external donors subsidized certain programs with grants and contributions of \$1,822,200. The remainder of the District's net costs of \$42,055,809 were financed primarily by District taxpayers and state sources.

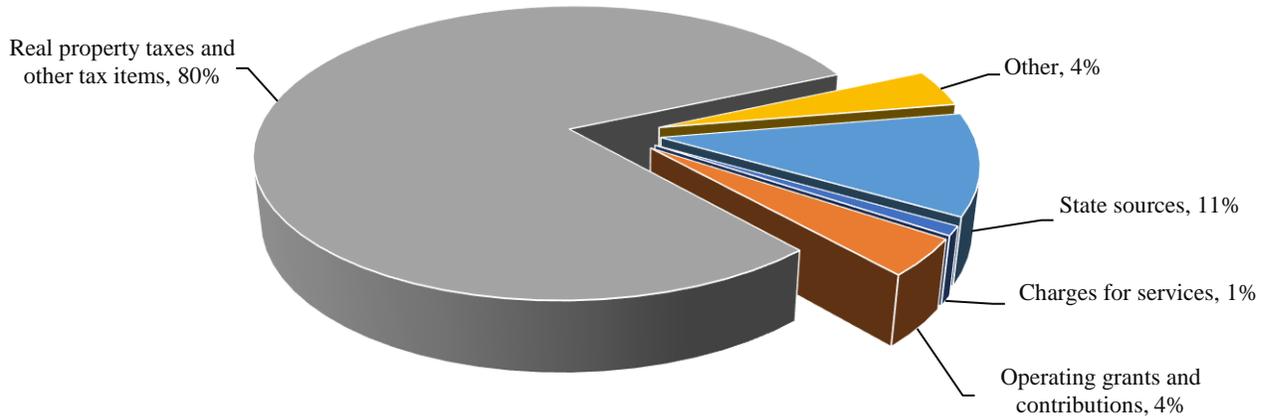
ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Governmental Activities:

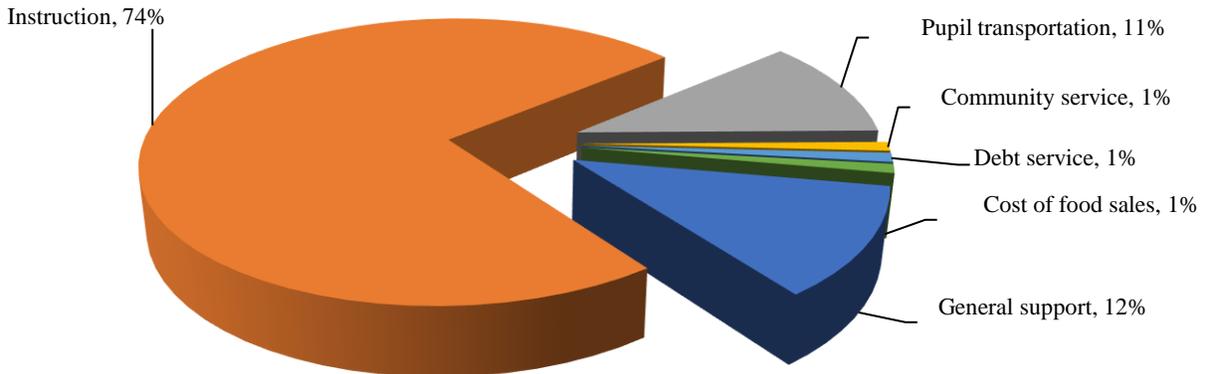
The continuation of the overall financial position will be positive and is due to the following:

- Continued leadership of the District's Board and administration;
- Strategic use of services from BOCES.

Revenue for Fiscal Year 2023



Expenditures for Fiscal Year 2023



ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

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, 2023, the District's combined governmental funds reported a total fund balance of \$38,902,083, which is an increase of \$4,834,616 from the prior year.

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

	<u>2023</u>	<u>2022</u>	<u>Change</u>
General fund:			
Restricted:			
Tax certiorari	\$ 12,531,430	10,194,905	2,336,525
Employee benefit accrued liability	1,198,324	1,227,713	(29,389)
Capital	20,000,000	17,954,434	2,045,566
Workers' compensation	369,795	355,572	14,223
Retirement contribution - ERS	339,569	326,509	13,060
Retirement contribution - TRS	1,522,460	1,165,075	357,385
Repairs	373,090	300,000	73,090
Assigned:			
Encumbrances	311,915	213,482	98,433
Designated for subsequent year's expenditures	-	300,000	(300,000)
Unassigned	<u>1,669,977</u>	<u>1,592,290</u>	<u>77,687</u>
Total general fund	<u>38,316,560</u>	<u>33,629,980</u>	<u>4,686,580</u>
Capital projects fund:			
Restricted	41,701	-	41,701
Unassigned	<u>-</u>	<u>(129,326)</u>	<u>129,326</u>
Total capital projects fund	<u>41,701</u>	<u>(129,326)</u>	<u>171,027</u>

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

	<u>2023</u>	<u>2022</u>	<u>Change</u>
School lunch fund:			
Nonspendable	\$ 851	13,021	(12,170)
Assigned:			
Encumbrances	3,956	62,484	(58,528)
Surplus	<u>458,864</u>	<u>391,065</u>	<u>67,799</u>
Total school lunch fund	<u>463,671</u>	<u>466,570</u>	<u>(2,899)</u>
Miscellaneous special revenue fund:			
Restricted:			
Scholarships and donations	11,767	14,267	(2,500)
Extraclassroom	<u>38,599</u>	<u>56,191</u>	<u>(17,592)</u>
Total miscellaneous special revenue fund	<u>50,366</u>	<u>70,458</u>	<u>(20,092)</u>
Debt service fund - restricted	<u>29,785</u>	<u>29,785</u>	<u>-</u>
Total fund balance - all funds	<u>\$ 38,902,083</u>	<u>34,067,467</u>	<u>4,834,616</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

2022-2023 Budget

The District's general fund adopted budget for the fiscal year ended June 30, 2023 was \$39,807,300. This amount was increased by encumbrances carried forward from the prior year in the amount of \$213,482, and budget revisions of \$57,143, bringing the final budget to \$40,077,925.

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 revenue over expenditures, net of transfers to reserves and assignments to fund subsequent years' budget. It is this balance that is commonly referred to as fund balance. The change in this balance demonstrated through a comparison of the actual revenue and expenditures for the year compared to budget are as follows:

Opening, unassigned fund balance	\$ 1,592,290
Revenue over budget	2,566,101
Expenditures and encumbrances under budget	2,322,046
Funding to reserves	(3,574,136)
Interest allocated to reserves	<u>(1,236,324)</u>
Closing, unassigned fund balance	\$ <u>1,669,977</u>

The opening unassigned fund balance of \$1,592,290 is the June 30, 2022 unassigned fund balance.

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

The revenue over budget of \$2,566,101 was primarily in other real property tax items, use of money and property, and state aid. Refer to the Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund for more details.

The expenditures and encumbrances under budget of \$2,322,046 reflect savings across the budget. Refer to the Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund for more details.

The District allocated \$3,574,136 to reserves based on Board of Education approved resolutions. The District allocated \$1,236,324 of interest to the reserves as follows: \$407,795 to the tax certiorari reserve, \$49,109 to the employee benefit accrued liability reserve, \$632,444 to the capital reserve, \$14,223 to the workers' compensation reserve, \$13,060 to the ERS retirement contribution reserve, \$46,603 to the TRS retirement contribution reserve.

The District has chosen not to use any of its available June 30, 2023 fund balance to partially fund its 2023-2024 approved operating budget.

The District will close the 2022-2023 fiscal year with \$1,669,977 in unassigned fund balance. New York State 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.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District paid for equipment, and various building additions and renovations during the 2023 fiscal year. A summary of the District's capital assets net of depreciation are as follows:

Capital Assets (Net of Depreciation)

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Land	\$ 177,800	177,800	-
Construction in progress	-	4,813,230	(4,813,230)
Buildings and improvements	38,153,193	33,100,809	5,052,384
Machinery and equipment	1,536,483	1,446,918	89,565
Land improvements	<u>182,522</u>	<u>182,522</u>	<u>-</u>
	40,049,998	39,721,279	328,719
Less accumulated depreciation	<u>17,626,584</u>	<u>16,782,892</u>	<u>843,692</u>
Change in net position	<u>\$ 22,423,414</u>	<u>22,938,387</u>	<u>(514,973)</u>

ELMSFORD UNION FREE SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Long-Term Debt

At June 30, 2023, the District had total debt payable of \$7,430,000. The decrease is due to principal payments made in the current year. A summary of outstanding debt at June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>	<u>Decrease</u>
Bonds payable	\$ <u>7,430,000</u>	<u>7,785,000</u>	<u>355,000</u>

FACTORS BEARING ON THE DISTRICT'S FUTURE

The general fund budget for the 2023-2024 school year in the amount of \$41,749,424 was approved by voters. This represents an increase of \$1,942,124 from the previous year's budget with no increase in tax revenue.

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.

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 and Operations
98 South Goodwin Avenue
Elmsford, New York 10503 914-592-2276

ELMSFORD UNION FREE SCHOOL DISTRICT
Statement of Net Position
Governmental Activities
June 30, 2023

Assets

Current assets:	
Cash and equivalents - unrestricted	\$ 515,504
Cash and equivalents - restricted	14,190,143
Investments	26,658,512
Receivables:	
Accounts receivable	23,473
State and Federal aid	1,083,210
Due from other governments	250,016
Inventory	851
Total current assets	<u>42,721,709</u>
Noncurrent assets:	
Land	177,800
Capital assets - depreciable, net	<u>22,245,614</u>
Total noncurrent assets	<u>22,423,414</u>
Total assets	<u>65,145,123</u>

Deferred outflows of resources

OPEB	14,917,584
Pension - ERS	1,148,766
Pension - TRS	<u>8,586,886</u>
Total deferred outflows of resources	<u>24,653,236</u>

Liabilities

Current liabilities:	
Accounts payable	1,591,718
Accrued liabilities	269,893
Accrued interest	113,556
Due to other governments	12,915
Due to teachers' retirement system	1,765,661
Due to employees' retirement system	83,688
Bonds payable	<u>366,474</u>
Total current liabilities	<u>4,203,905</u>
Noncurrent liabilities:	
Bonds payable	7,085,643
Compensated absences	1,198,324
Total OPEB liability	52,704,211
Net pension liability - employees' retirement system - proportionate share	1,650,406
Net pension liability - teachers' retirement system - proportionate share	<u>1,626,615</u>
Total noncurrent liabilities	<u>64,265,199</u>
Total liabilities	<u>68,469,104</u>

Deferred inflows of resources

OPEB	19,908,369
Pension - ERS	80,111
Pension - TRS	760,549
Unearned revenue	<u>95,751</u>
Total deferred inflows of resources	<u>20,844,780</u>

Net position

Net investment in capital assets	14,971,297
Restricted	36,456,520
Unrestricted (deficit)	<u>(50,943,342)</u>
Total net position	<u>\$ 484,475</u>

See accompanying notes to financial statements.

ELMSFORD UNION FREE SCHOOL DISTRICT
Statement of Activities
Governmental Activities
Year ended June 30, 2023

		Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions	Net Expense and Changes in Net Position
Functions and programs:				
General support	\$ 5,335,743	-	-	(5,335,743)
Instruction	31,761,552	136,892	1,506,200	(30,118,460)
Pupil transportation	4,461,827	-	-	(4,461,827)
Community services	4,880	-	-	(4,880)
Cost of food sales	470,647	123,010	316,000	(31,637)
Interest	225,639	-	-	(225,639)
Total functions and programs	\$ 42,260,288	259,902	1,822,200	(40,178,186)
General revenue:				
Real property taxes				34,473,960
Other real property tax items				980,394
Use of money and property				1,498,997
State sources				4,919,146
Federal sources				37,519
Miscellaneous				146,793
Total general revenue				42,056,809
Change in net position				1,878,623
Net position (deficit) at beginning of year				(1,394,148)
Net position at end of year				\$ 484,475

See accompanying notes to financial statements.

ELMSFORD UNION FREE SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Miscellaneous</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<u>Assets</u>							
Cash and equivalents - unrestricted	\$ -	-	12,063	503,441	-	-	515,504
Cash and equivalents - restricted	14,137,914	3,170	-	-	49,059	-	14,190,143
Investments	26,658,512	-	-	-	-	-	26,658,512
Receivables:							
Accounts receivable	18,473	-	-	-	5,000	-	23,473
State and Federal aid	314,676	-	748,902	19,632	-	-	1,083,210
Due from other governments	250,016	-	-	-	-	-	250,016
Due from other funds	607,314	51,131	3,013	-	-	29,785	691,243
Inventory	-	-	-	851	-	-	851
Total assets	<u>\$ 41,986,905</u>	<u>54,301</u>	<u>763,978</u>	<u>523,924</u>	<u>54,059</u>	<u>29,785</u>	<u>43,412,952</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>							
Liabilities:							
Accounts payable	1,401,353	12,600	174,561	3,204	-	-	1,591,718
Accrued liabilities	260,283	-	9,610	-	-	-	269,893
Due to other governments	12,915	-	-	-	-	-	12,915
Due to other funds	122,833	-	562,314	2,403	3,693	-	691,243
Due to teachers' retirement system	1,765,661	-	-	-	-	-	1,765,661
Due to employees' retirement system	83,688	-	-	-	-	-	83,688
Total liabilities	<u>3,646,733</u>	<u>12,600</u>	<u>746,485</u>	<u>5,607</u>	<u>3,693</u>	<u>-</u>	<u>4,415,118</u>
Deferred inflows of resources - unearned revenue	<u>23,612</u>	<u>-</u>	<u>17,493</u>	<u>54,646</u>	<u>-</u>	<u>-</u>	<u>95,751</u>
Fund balances:							
Nonspendable	-	-	-	851	-	-	851
Restricted	36,334,668	41,701	-	-	50,366	29,785	36,456,520
Assigned	311,915	-	-	462,820	-	-	774,735
Unassigned	1,669,977	-	-	-	-	-	1,669,977
Total fund balances	<u>38,316,560</u>	<u>41,701</u>	<u>-</u>	<u>463,671</u>	<u>50,366</u>	<u>29,785</u>	<u>38,902,083</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 41,986,905</u>	<u>54,301</u>	<u>763,978</u>	<u>523,924</u>	<u>54,059</u>	<u>29,785</u>	<u>43,412,952</u>

ELMSFORD UNION FREE SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2023

Total governmental fund balances		\$ 38,902,083
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The assets consist of:		
Land	\$ 177,800	
Capital assets - depreciable, net	<u>22,245,614</u>	
Total capital assets		22,423,414
Some deferred inflows and outflows are not reported in governmental funds. These consist of the following:		
Deferred outflows of resources - OPEB		14,917,584
Deferred outflows of resources - pension - ERS		1,148,766
Deferred outflows of resources - pension - TRS		8,586,886
Deferred inflows of resources - OPEB		(19,908,369)
Deferred inflows of resources - pension - ERS		(80,111)
Deferred inflows of resources - pension - TRS		(760,549)
Long-term liabilities that are not due and payable in the current period are not reported in the funds:		
Bonds payable	(7,430,000)	
Premium on bonds payable	(22,117)	
Accrued interest	(113,556)	
Compensated absences	(1,198,324)	
Total OPEB liability	(52,704,211)	
Net pension liability - employees' retirement system	(1,650,406)	
Net pension liability - teachers' retirement system	<u>(1,626,615)</u>	<u>(64,745,229)</u>
Total net position - end of year		<u>\$ 484,475</u>

See accompanying notes to financial statements.

ELMSFORD UNION FREE SCHOOL DISTRICT
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
Year ended June 30, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Miscellaneous</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Revenue:							
Real property taxes	\$ 34,473,960	-	-	-	-	-	34,473,960
Other real property tax items	980,394	-	-	-	-	-	980,394
Charges for services	73,794	-	-	-	63,098	-	136,892
Use of money and property	1,498,997	-	-	-	-	-	1,498,997
State sources	4,919,146	-	526,537	5,504	-	-	5,451,187
Federal sources	37,519	-	979,663	310,496	-	-	1,327,678
Food sales	-	-	-	123,010	-	-	123,010
Miscellaneous	146,734	-	-	59	-	-	146,793
Total revenue	<u>42,130,544</u>	<u>-</u>	<u>1,506,200</u>	<u>439,069</u>	<u>63,098</u>	<u>-</u>	<u>44,138,911</u>
Expenditures:							
General support	4,158,328	-	6,615	-	-	-	4,164,943
Instruction	20,368,684	-	1,419,042	-	83,190	-	21,870,916
Pupil transportation	4,195,036	-	180,347	-	-	-	4,375,383
Community services	3,090	-	-	-	-	-	3,090
Cost of food sales	-	-	-	464,169	-	-	464,169
Employee benefits	7,676,106	-	42,210	-	-	-	7,718,316
Debt service:							
Principal	-	-	-	-	-	355,000	355,000
Interest	-	-	-	-	-	232,438	232,438
Capital outlay	-	120,040	-	-	-	-	120,040
Total expenditures	<u>36,401,244</u>	<u>120,040</u>	<u>1,648,214</u>	<u>464,169</u>	<u>83,190</u>	<u>587,438</u>	<u>39,304,295</u>
Excess (deficiency) of revenue over expenditures	<u>5,729,300</u>	<u>(120,040)</u>	<u>(142,014)</u>	<u>(25,100)</u>	<u>(20,092)</u>	<u>(587,438)</u>	<u>4,834,616</u>
Other financing sources (uses):							
Transfers in	-	291,067	142,014	22,201	-	587,438	1,042,720
Transfers out	(1,042,720)	-	-	-	-	-	(1,042,720)
Total other financing sources (uses)	<u>(1,042,720)</u>	<u>291,067</u>	<u>142,014</u>	<u>22,201</u>	<u>-</u>	<u>587,438</u>	<u>-</u>
Changes in fund balances	4,686,580	171,027	-	(2,899)	(20,092)	-	4,834,616
Fund balances (deficit) at beginning of year	<u>33,629,980</u>	<u>(129,326)</u>	<u>-</u>	<u>466,570</u>	<u>70,458</u>	<u>29,785</u>	<u>34,067,467</u>
Fund balances at end of year	<u>\$ 38,316,560</u>	<u>41,701</u>	<u>-</u>	<u>463,671</u>	<u>50,366</u>	<u>29,785</u>	<u>38,902,083</u>

See accompanying notes to financial statements.

ELMSFORD UNION FREE SCHOOL DISTRICT
Reconciliation of the Statement of Revenue, Expenditures and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
Year ended June 30, 2023

Net change in fund balances \$ 4,834,616

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount may be less than the total capital outlay since the capital outlay includes amounts under the capitalization threshold.

Additions of capital assets	\$ 360,031	
Depreciation expense	(874,560)	
Disposal of capital assets	<u>(444)</u>	(514,973)

Repayment of bonds, capital leases, and energy performance contract debt, principal is an expenditures in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. Also, the governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal paid on bonds payable	355,000	
Amortization of premium on bonds payable	<u>1,474</u>	356,474

Some expenses reported in the statement if activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Accrued interest	5,325	
Compensated absences	22,644	
Other postemployment benefits	(2,029,174)	
Employees' retirement system	(330,919)	
Teachers' retirement system	<u>(465,370)</u>	<u>(2,797,494)</u>

Change in net position of governmental activities \$ 1,878,623

See accompanying notes to financial statements.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2023

(1) Summary of Significant Accounting Policies

The financial statements of Elmsford Union Free School District (the District) have been prepared in accordance with accounting principles generally accepted in the United States of America (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. Significant accounting principles and policies used by the District are described below:

(a) Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 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, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Joint Venture, Continued

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.

During the year, the District was billed \$2,444,324 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$319,623. Copies of financial statements for BOCES can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

(c) Basis of Presentation

District-Wide Statements:

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, 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 revenue 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 revenue 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. Revenue that is not classified as program revenue, including all taxes, are presented as general revenue.

Fund 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 following comprise the District's 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.

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

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Basis of Presentation, Continued

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.

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.

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. Revenue is 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 statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is 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.

(e) Real Property Taxes

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, 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.

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, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Real Property Taxes, Continued

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 revenue to provide financing or other services. In the District-Wide statements, the interfund receivables and payables have been eliminated.

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.

(h) Estimates

The preparation of financial statements in accordance with GAAP 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 revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, other postemployment 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.

(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.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(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.

Nonspendable 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, 2023.

(l) Capital Assets

Capital assets are reflected in the District-Wide 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) and estimated useful lives of capital assets reported in the District-Wide statements are as follows:

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

(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 revenue is recorded. Collections in advance as of June 30, 2023 consisted of unearned grant revenue 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.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(n) Deferred Outflows And Inflows of Resources

Deferred outflows of resources 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 postemployment benefits liability reported in the District-Wide statement of net position.

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 postemployment benefits liability, which are reported in the District-Wide statement of net position.

(o) Vested Employee Benefits

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.

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.

Consistent with GASB Statement No. 101 - "Compensated Absences," the liability has been calculated using the vesting method and an accrual for that liability is included in the District-Wide statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(p) Other Benefits, Continued

In addition to providing pension benefits, the District provides postemployment 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 revenue. 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 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 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 postemployment 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.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(r) Accrued Liabilities and Long-Term Obligations, Continued

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) Leases

The District adopted the provisions of GASB statement No. 87 - "Leases." The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The District has performed an evaluation of its leasing transactions, and determined that the implementation of this Statement will have no material impact on the financial statements of the District.

(t) Equity Classifications

District-Wide Statements

In the District-Wide 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 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:

- Nonspendable 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.
- 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 restricted fund balances:

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(t) Equity Classifications, Continued

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.

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.

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 and the capital projects fund.

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.

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.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(t) Equity Classifications, Continued

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.

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.

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.

Extraclassroom - This reserve is used to account for extraclassroom funds. This restricted fund balance is accounted for in the miscellaneous special revenue fund.

- 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, 2023.
- 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.
- 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.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(t) Equity Classifications, Continued

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. Nonspendable 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, 2023 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.

(u) Subsequent Events

The District has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(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 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 funds' balance sheet.

(b) Statement of Revenue, Expenditures and Changes in Fund Balances and the Statement of Activities

Differences between the governmental funds statement of revenue, expenditures and changes in fund balances and the statement of activities fall into one of the three broad categories. The amounts shown below represent:

- Long-term revenue and expense differences - Long-term revenue differences arise because governmental funds report revenue only when they are considered available, whereas the statement of activities reports revenue 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.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(2) Explanation of Certain Differences Between Fund Statements and District-Wide Statements, Continued

(b) Statement of Revenue, Expenditures and Changes in Fund Balances and the Statement of Activities, Continued

- 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.
- 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.

(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.

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.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(3) Stewardship, Compliance and Accountability, Continued

(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.

(4) Deposits With Financial Institutions and Investments

(a) Cash and Cash Equivalents

State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (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 the 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:

- Uncollateralized;
- Collateralized with securities held by the pledging financial institution in the District's name; or
- 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 FDIC 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, 2023 included \$14,190,143 within the governmental funds for general reserve purposes, scholarships and donations, capital projects, unspent bond proceeds, and debt service.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(4) Deposits With Financial Institutions and Investments, Continued

(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.

(5) Due From Other Governments

Due from other governments in the general fund at June 30, 2023 consisted of sales tax. District management has deemed this amount to be fully collectible.

(6) State And Federal Aid

State and federal aid at June 30, 2023 consisted of the following:

General Fund:

Excess cost aid	\$ 131,420
BOCES aid	178,402
Other	<u>4,854</u>
Total general fund	<u>314,676</u>

Special Aid Fund:

Federal grants	618,557
State grants	<u>130,345</u>
Total special aid fund	<u>748,902</u>

School Lunch Fund:

Lunch - Federal	17,106
Breakfast - Federal	2,025
Breakfast - State	<u>501</u>
Total school lunch fund	<u>19,632</u>

Total all funds \$ 1,083,210

District management has deemed these amounts to be fully collectible.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(7) Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 177,800	-	-	177,800
Construction in progress	4,813,230	239,154	(5,052,384)	-
Total capital assets not being depreciated	<u>4,991,030</u>	<u>239,154</u>	<u>(5,052,384)</u>	<u>177,800</u>
Capital assets being depreciated:				
Building and improvements	33,100,809	5,052,384	-	38,153,193
Machinery and equipment	1,446,918	120,877	(31,312)	1,536,483
Land improvements	182,522	-	-	182,522
Total capital assets being depreciated	<u>34,730,249</u>	<u>5,173,261</u>	<u>(31,312)</u>	<u>39,872,198</u>
Less accumulated depreciation for:				
Building and improvements	15,718,098	752,651	-	16,470,749
Machinery and equipment	945,719	119,331	(30,868)	1,034,182
Land improvements	119,075	2,578	-	121,653
Total accumulated depreciation	<u>16,782,892</u>	<u>874,560</u>	<u>(30,868)</u>	<u>17,626,584</u>
Total capital assets, being depreciated, net	<u>17,947,357</u>	<u>4,298,701</u>	<u>(444)</u>	<u>22,245,614</u>
Total governmental activities, net	<u>\$ 22,938,387</u>	<u>4,537,855</u>	<u>(5,052,828)</u>	<u>22,423,414</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 16,403
Instruction	851,679
Cost of food sales	<u>6,478</u>
Total depreciation expense	<u>\$ 874,560</u>

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(8) Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2023 are summarized below:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid/ Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Long-term debt:					
Bonds payable	\$ 7,785,000	-	(355,000)	7,430,000	365,000
Add: premium on obligations	<u>23,591</u>	<u>-</u>	<u>(1,474)</u>	<u>22,117</u>	<u>1,474</u>
Total bonds payable	<u>7,808,591</u>	<u>-</u>	<u>(356,474)</u>	<u>7,452,117</u>	<u>366,474</u>
Other liabilities:					
Compensated absences payable	1,220,968	-	(22,644)	1,198,324	-
Total OPEB liability	49,066,687	3,637,524	-	52,704,211	-
Net pension (asset) liability - proportionate share - ERS	(648,578)	2,298,984	-	1,650,406	-
Net pension (asset) liability - proportionate share - TRS	<u>(14,814,328)</u>	<u>16,440,943</u>	<u>-</u>	<u>1,626,615</u>	<u>-</u>
Total other liabilities	<u>34,824,749</u>	<u>22,377,451</u>	<u>(22,644)</u>	<u>57,179,556</u>	<u>-</u>
Total long-term liabilities	<u>\$ 42,633,340</u>	<u>22,377,451</u>	<u>(379,118)</u>	<u>64,631,673</u>	<u>366,474</u>

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

(a) Bonds Payable

<u>Description of Issue</u>	<u>Original Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2023</u>
Serial Bond	7/2/2018	7/1/2038	3.00% - 3.25%	<u>\$ 7,430,000</u>

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

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Premium Amortization</u>
2024	\$ 365,000	221,638	586,638	1,474
2025	375,000	210,538	585,538	1,474
2026	390,000	199,063	589,063	1,474
2027	400,000	187,213	587,213	1,474
2028	415,000	174,988	589,988	1,474
2029 - 2033	2,260,000	678,363	2,938,363	7,370
2034 - 2038	2,640,000	308,693	2,948,693	7,377
2039	<u>585,000</u>	<u>9,502</u>	<u>594,502</u>	<u>-</u>
Total	<u>\$ 7,430,000</u>	<u>1,989,998</u>	<u>9,419,998</u>	<u>22,117</u>

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(8) Long-Term Liabilities, Continued

(a) Bonds Payable, Continued

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.

(b) Long-Term Interest:

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

Interest paid	\$ 232,438
Less interest accrued in the prior year	(118,881)
Plus interest accrued in the current year	113,556
Less amortization of bond premium	<u>(1,474)</u>
Total expense	\$ <u>225,639</u>

(c) Premiums on Bonds

Premium on bonds, net of amortization, amounted to \$1,474 at June 30, 2023. 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.

(9) Pension Plans

(a) Plan Description and Benefits Provided

Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. TRS 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. TRS is governed by a 10 member Board of Trustees. 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 TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding TRS 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 TRS's website at www.nystrs.org.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(9) Pension Plans, Continued

(a) Plan Description and Benefits Provided, Continued

Employees' Retirement System

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

(b) Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2023, the District reported the following liability for its proportionate share of the net pension liability for each of ERS and TRS. The net pension liabilities were measured as of March 31, 2023 for ERS and June 30, 2022 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>
Actuarial valuation date	April 1, 2022	June 30, 2021
Measurement date	March 31, 2023	June 30, 2022
Net pension liability	\$ (1,650,406)	(1,626,615)
District's portion of the Plan's total net pension liability	0.0076963%	0.084768%
Change in proportion since the prior measurement date	(0.0002378)	(0.00720)

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(9) Pension Plans, Continued

(c) Pension Liabilities, Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions, Continued

For the year ended June 30, 2023, the District recognized pension expense of \$610,699 for ERS and \$2,053,438 for TRS. At June 30, 2023 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 175,781	1,704,487	(46,350)	(32,595)
Changes of assumptions	801,543	3,155,359	(8,859)	(655,247)
Net difference between projected and actual investment earnings on pension plan investments	-	2,101,741	(9,696)	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	87,754	61,566	(15,206)	(72,707)
District's contributions subsequent to the measurement date	<u>83,688</u>	<u>1,563,733</u>	<u>-</u>	<u>-</u>
Total	\$ <u>1,148,766</u>	<u>8,586,886</u>	<u>(80,111)</u>	<u>(760,549)</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2024. 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>Year ending</u>	<u>ERS</u>	<u>TRS</u>
2024	\$ 243,562	1,190,160
2025	(59,729)	624,938
2026	349,455	(258,819)
2027	451,679	4,143,501
2028	-	533,992
Thereafter	<u>-</u>	<u>28,832</u>
	<u>\$ 984,967</u>	<u>6,262,604</u>

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(9) Pension Plans, Continued

(d) Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	April 1, 2022	June 30, 2021
Measurement date	March 31, 2023	June 30, 2022
Investment rate of return (net of investment expense, including inflation)	5.90%	6.95%
Salary scale	4.40%	1.95% - 5.18%
Cost of living adjustments	1.5% annually	1.3%, annually
Inflation rate	2.90%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 - April 1, 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-2021, 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, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - April 1, 2020. For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

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 as follows:

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(9) Pension Plans, Continued

(d) Actuarial Assumptions, Continued

Measurement date	<u>ERS</u>		<u>TRS</u>	
	March 31, 2023		June 30, 2022	
	Long-term expected real rate of of return*	Target allocation	Long-term expected real rate of return*	Target allocation
Asset class:				
Domestic equity	4.30%	32%	6.50%	33%
International equity	6.85%	15%	7.20%	16%
Real estate equity	4.60%	9%	6.20%	11%
Global equity	-	-	6.90%	4%
Domestic fixed income	-	-	1.10%	16%
Global bonds	-	-	0.60%	2%
High-yield bonds	-	-	3.30%	1%
Real estate debt	-	-	2.40%	6%
Private equity	7.50%	10%	9.90%	8%
Private debt	-	-	5.30%	2%
Real assets	5.84%	3%	-	-
Fixed income	1.50%	23%	-	-
Opportunistic/ARS portfolio	5.38%	3%	-	-
Credit	5.43%	4%	-	-
Cash	-	1%	(0.30%)	1%

* Real rates of return are net of a long-term inflation assumption of 2.4% for TRS and 2.5% for ERS.

(d) Discount Rate

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

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(9) Pension Plans, Continued

(f) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate

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 6.95% 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 5.95% for TRS) or 1- percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

<u>ERS</u>	1% Decrease (<u>4.9%</u>)	Current Discount Rate (<u>5.9%</u>)	1% Increase (<u>6.9%</u>)
Employer's proportionate share of the net pension asset (liability)	\$ (<u>3,998,322</u>)	(<u>1,650,406</u>)	<u>303,196</u>
<u>TRS</u>	1% Decrease (<u>5.95%</u>)	Current Discount Rate (<u>6.95%</u>)	1% Increase (<u>7.95%</u>)
Employer's proportionate share of the net pension asset (liability)	\$ (<u>14,998,156</u>)	(<u>1,626,615</u>)	<u>9,618,762</u>

(g) Pension Plans 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 Millions)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Employers' total pension liability	\$ (232,627)	(133,883)
Plan net position	<u>211,183</u>	<u>131,964</u>
Employers' net pension liability	\$ <u>(21,444)</u>	<u>(1,919)</u>
Ratio of plan net position to the employers' total pension liability	90.78%	98.6%

(h) Contributions to the Pension Plans

ERS employer contributions are paid annually based on the system's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$83,688. This amount has been recorded as a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to ERS for the year ended June 30, 2023 were \$277,384.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(9) Pension Plans, Continued

(h) Contributions to the Pension Plans, Continued

TRS employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the system in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS system. Accrued employer retirement contributions to TRS as of June 30, 2023 amounted to \$1,765,661 including employees' share. The accrued contributions have been recorded as a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to TRS for the year ended June 30, 2023 were \$1,563,733.

(i) 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, 2023 totaled \$658,658.

(j) 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, 2023 totaled \$94,590.

(10) Postemployment Benefits Other Than Pensions (OPEB)

(a) Plan Description and Benefits Provided

The District's OPEB Plan (the Plan), defined as a single employer defined benefit plan, primarily provides postemployment 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, and are administered by the Empire Plan. 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.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions (OPEB), Continued

(a) Plan Description and Benefits Provided, Continued

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 ended June 30, 2023, the District contributed \$1,172,157 to the Plan. 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.

(b) Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	86
Active employees	<u>151</u>
Total	<u>237</u>

(c) Total OPEB Liability

The District’s total OPEB liability of \$52,704,211 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022.

(d) Actuarial Assumptions and Other Inputs

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

Inflation	2.70%
Salary increases, including wage inflation	Varied by years of service and retirement system
Discount rate	4.13%
Healthcare cost trend rates	
Medical:	Actual increases for 2023, followed by 6.50% for 2024, decreasing to an ultimate rate of 4.14% by 2076.
Part B:	3.06% from 2022 to 2023 decreasing to an ultimate rate of 4.14% by 2076.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions (OPEB), Continued

(d) Actuarial Assumptions and Other Inputs, Continued

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-2021.

(e) Changes in the Total OPEB Liability

Total OPEB liability at June 30, 2022	\$ 49,066,687
Changes for the fiscal year:	
Service cost	2,074,357
Interest	1,789,826
Changes of benefit terms	(455,639)
Differences between expected and actual experience	5,164,356
Changes of assumptions	(3,763,219)
Benefit payments	<u>(1,172,157)</u>
Net change	<u>3,637,524</u>
Total OPEB liability at June 30, 2023	\$ <u>52,704,211</u>

(f) 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 (3.13%) or 1-percentage point higher (5.13%) than the current discount rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB liability	\$ (61,970,171)	(52,704,211)	(45,297,488)

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ (43,906,504)	(52,704,211)	(64,136,694)

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(10) Postemployment Benefits Other Than Pensions (OPEB), Continued

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$3,201,331. At June 30, 2023, 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	\$ 4,785,315	(5,260,803)
Changes of assumptions or other inputs	<u>10,132,269</u>	<u>(14,647,566)</u>
	\$ <u>14,917,584</u>	<u>(19,908,369)</u>

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

<u>Year ending</u>	
2024	\$ (207,213)
2025	(207,213)
2026	(186,844)
2027	(1,243,606)
2028	(1,855,533)
Thereafter	<u>(1,290,376)</u>
	<u>\$ (4,990,785)</u>

(11) 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.

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditures</u>
General fund	\$ 607,314	122,833	-	1,042,720
Capital projects fund	51,131	-	291,067	-
Special aid fund	3,013	562,314	142,014	-
School lunch fund	-	2,403	22,201	-
Miscellaneous special revenue fund	-	3,693	-	-
Debt service fund	<u>29,785</u>	-	<u>587,438</u>	-
Totals	\$ <u>691,243</u>	<u>691,243</u>	<u>1,042,720</u>	<u>1,042,720</u>

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(11) Interfund Transactions - Governmental Funds, Continued

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 also transferred from the general fund to the debt service fund to cover the current year's principal and interest payments on bonds payable.

(12) 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). 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 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 not exceeded commercial insurance coverage in any of the past three fiscal years.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(12) Risk Management, Continued

(c) Public Entity Risk Pool

The District also participates in the Southern Westchester Schools Cooperative Self-Insurance Plan for Workers' Compensation (the Workers' Compensation Plan). The purpose of the Workers' Compensation 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 Workers' Compensation 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 Workers' Compensation Plan.

(13) Commitments and Contingencies

(a) Assigned - Appropriated

The District has not designated any amounts to be appropriated to reduce taxes for the fiscal year ending June 30, 2024 in the general fund.

(b) Encumbrances

All encumbrances are classified as assigned fund balance. At June 30, 2023, the District encumbered the following amounts:

General Fund:

General support	\$ 97,033
Instruction	201,360
Employee benefits	8,122
Transfers out	<u>5,400</u>
	311,915
School Lunch Fund - cost of food sales	<u>3,956</u>
Total encumbrances	\$ <u>315,871</u>

(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.

(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, 2023 there have been no court orders entered into related to these cases. It is, however, expected that such payments will be due during the 2023-24 fiscal year. The District has a reserve established to pay future payments for this.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Financial Statements, Continued

(14) Future Implementations of GASB Pronouncements

GASB has issued the following pronouncement which will be implemented in the year required.
The effects of the implementation of this pronouncement are not known at this time.

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 15, 2023.

ELMSFORD UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	Final Budget Variance with Budgetary <u>Actual</u>
Revenue:					
Real property taxes	\$ 34,480,814	34,480,814	34,473,960	-	(6,854)
Other real property tax items	270,000	270,000	980,394	-	710,394
Charges for services	85,000	85,000	73,794	-	(11,206)
Use of money and property	115,000	115,000	1,498,997	-	1,383,997
State aid	4,546,486	4,546,486	4,919,146	-	372,660
Federal aid	10,000	67,143	37,519	-	(29,624)
Miscellaneous	-	-	146,734	-	146,734
Total revenue	<u>39,507,300</u>	<u>39,564,443</u>	<u>42,130,544</u>	<u>-</u>	<u>2,566,101</u>
Expenditures:					
General support	4,354,895	4,405,897	4,158,328	97,033	150,536
Instruction	22,599,256	22,056,801	20,368,684	201,360	1,486,757
Pupil transportation	3,409,985	4,299,102	4,195,036	-	104,066
Community services	3,000	3,090	3,090	-	-
Employee benefits	8,029,226	7,818,368	7,676,106	8,122	134,140
Debt service:					
Principal	355,000	355,000	-	-	355,000
Interest	232,438	232,438	-	-	232,438
Total expenditures	<u>38,983,800</u>	<u>39,170,696</u>	<u>36,401,244</u>	<u>306,515</u>	<u>2,462,937</u>
Excess of revenue over expenditures	523,500	393,747	5,729,300	(306,515)	5,029,038
Other financing uses - transfers out	<u>(823,500)</u>	<u>(907,229)</u>	<u>(1,042,720)</u>	<u>(5,400)</u>	<u>(140,891)</u>
Change in fund balance	<u>\$ (300,000)</u>	<u>(513,482)</u>	4,686,580	<u>(311,915)</u>	<u>4,888,147</u>
Fund balance at beginning of year			<u>33,629,980</u>		
Fund balance at end of year			<u>\$ 38,316,560</u>		

ELMSFORD UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios
June 30, 2023
(Dollar amount in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability						
Service cost	\$ 2,074,357	2,966,889	2,957,091	2,243,239	1,316,298	1,367,100
Interest	1,789,826	1,326,390	1,353,388	1,843,705	1,601,337	1,435,827
Changes of benefit terms	(455,639)	-	-	-	(1,822,397)	-
Difference between expected and actual experience	5,164,356	355,338	(2,186,156)	(7,347,387)	(588,702)	-
Changes of assumptions	(3,763,219)	(13,480,599)	(934,045)	12,242,881	10,695,543	(2,022,307)
Benefit payments	<u>(1,172,157)</u>	<u>(1,077,059)</u>	<u>(988,113)</u>	<u>(977,234)</u>	<u>(981,973)</u>	<u>(678,505)</u>
Net change in total OPEB liability	3,637,524	(9,909,041)	202,165	8,005,204	10,220,106	102,115
Total OPEB liability - beginning	<u>49,066,687</u>	<u>58,975,728</u>	<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>\$ 52,704,211</u>	<u>49,066,687</u>	<u>58,975,728</u>	<u>58,773,563</u>	<u>50,768,359</u>	<u>40,548,253</u>
Covered payroll	\$ 17,656,015	16,750,975	15,597,594	16,589,346	14,616,490	15,293,957
Total OPEB liability as a percentage of covered payroll	298.51%	292.92%	378.11%	354.28%	347.34%	265.13%

Notes to schedule:

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

<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
4.13%	3.54%	2.50%	2.20%	3.00%	2.20%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available. There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

ELMSFORD UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Asset/Liability
Year ended June 30, 2023

<u>TRS System - Asset (Liability)</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The District's proportion of the net pension asset (liability)	0.084768%	0.085488%	0.084560%	0.308518%	0.085000%	0.084098%	0.082425%	0.083948%	0.082688%
The District's proportionate share of the net pension asset (liability)	\$ (1,626,615)	14,814,328	(2,336,624)	2,212,914	1,537,016	639,226	(882,801)	8,719,529	9,210,973
The District's covered payroll	\$ 15,222,348	15,016,968	14,718,169	14,217,492	14,032,799	13,556,369	12,793,360	12,767,180	12,322,831
The District's proportionate share of the net pension liability/(asset) as a percentage of covered payroll	10.69%	98.65%	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 (liability)	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%
<u>ERS System - Asset (Liability)</u>									
The District's proportion of the net pension asset (liability)	0.0076963%	0.0079341%	0.0076936%	0.0070169%	0.0074200%	0.0073275%	0.0075714%	0.0075726%	0.0075530%
The District's proportionate share of the net pension asset (liability)	\$ (1,650,406)	648,578	(7,661)	(1,858,122)	(525,733)	(236,492)	(711,422)	(1,215,418)	(255,158)
The District's covered payroll	\$ 2,645,635	2,510,155	2,509,479	2,434,973	2,093,192	2,164,026	2,030,723	1,908,373	2,002,815
The District's proportionate share of the net pension liability/(asset) as a percentage of covered payroll	62.38%	25.84%	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 asset (liability)	90.78%	103.65%	99.95%	86.39%	96.27%	98.20%	94.7%	90.7%	97.9%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available.

ELMSFORD UNION FREE SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Pension Contributions
Year ended June 30, 2023

<u>TRS System</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,563,733	1,446,614	1,382,815	1,271,634	1,509,898	1,356,856	1,568,798	1,686,530	2,238,087
Contribution in relation to the contractually required contribution	<u>1,563,733</u>	<u>1,446,614</u>	<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>	<u>-</u>							
District's covered payroll	<u>\$ 15,222,348</u>	<u>15,016,968</u>	<u>14,708,022</u>	<u>14,718,169</u>	<u>14,217,492</u>	<u>14,032,799</u>	<u>13,556,369</u>	<u>12,793,360</u>	<u>12,767,180</u>
Contribution as a percentage of covered payroll	10.27%	9.63%	9.40%	8.64%	10.62%	9.67%	11.57%	13.18%	17.53%
 <u>ERS System</u>									
Contractually required contribution	\$ 277,384	358,814	328,920	300,342	322,513	292,700	317,213	309,836	367,545
Contribution in relation to the contractually required contribution	<u>277,384</u>	<u>358,814</u>	<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>	<u>-</u>							
District's covered payroll	<u>\$ 2,645,635</u>	<u>2,510,155</u>	<u>2,532,529</u>	<u>2,450,125</u>	<u>2,211,066</u>	<u>2,113,803</u>	<u>2,035,377</u>	<u>1,991,509</u>	<u>1,987,965</u>
Contribution as a percentage of covered payroll	10.48%	14.29%	12.99%	12.26%	14.59%	13.85%	15.58%	15.56%	18.49%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available.

ELMSFORD UNION FREE SCHOOL DISTRICT
 Other Supplementary Information
 Schedule of Change from Adopted Budget to Final Budget and
 the Real Property Tax Limit - General Fund
 Year ended June 30, 2023

Change from adopted budget to final budget:

Original budget	\$ 39,807,300
Add prior year's encumbrances	213,482
Adopted budget	40,020,782
Budget revisions	57,143
Final budget	\$ 40,077,925

Section 1318 of Real Property Tax Law Limit Calculation

2023-2024 voter approved expenditure budget	\$ 41,749,424
Maximum allowed 4% of 2023-2024 budget	1,669,977

General fund fund balance subject to Section 1318 of
 Real Property Tax Law*:

Unrestricted fund balance:	
Encumbrances	\$ 311,915
Unassigned fund balance	1,669,977
Total unrestricted fund balance	1,981,892
Less - encumbrances	311,915
Total adjustments	311,915
General fund fund balance subject to Section 1318 of Real Property Tax Law	\$ 1,669,977
Actual percentage	4.00%

* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions," updated April 2011 (originally issued November 2010), the portion of [general fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

ELMSFORD UNION FREE SCHOOL DISTRICT
 Other Supplementary Information
 Schedule of Project Expenditures - Capital Projects Fund
 Year ended June 30, 2023

<u>Project title</u>	<u>Original Appropriation</u>	<u>Revised Appropriation</u>	<u>Expenditures</u>			<u>Unexpended Balance</u>	<u>Methods of Financing</u>			<u>Fund Balance 6/30/2023</u>
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>		<u>Proceeds of Obligations</u>	<u>Local Sources</u>	<u>Total</u>	
School Infrastructure Hamilton High School athletic fields, doors, windows (cap res)	\$ 6,271,558	7,071,710	7,844,799	-	7,844,799	(773,089)	7,609,211	238,750	7,847,961	3,162
	<u>4,884,687</u>	<u>4,884,687</u>	<u>4,813,230</u>	<u>120,040</u>	<u>4,933,270</u>	<u>(48,583)</u>	<u>-</u>	<u>4,971,809</u>	<u>4,971,809</u>	<u>38,539</u>
	<u>\$ 11,156,245</u>	<u>11,956,397</u>	<u>12,658,029</u>	<u>120,040</u>	<u>12,778,069</u>	<u>(821,672)</u>	<u>7,609,211</u>	<u>5,210,559</u>	<u>12,819,770</u>	<u>41,701</u>

ELMSFORD UNION FREE SCHOOL DISTRICT
Other Supplementary Information
Net Investment in Capital Assets
June 30, 2023

Capital assets, net		\$ 22,423,414
Deduct:		
Bonds payable	\$ 7,430,000	
Deferred premiums on refunding of debt	<u>22,117</u>	<u>7,452,117</u>
Net investment in capital assets		<u>\$ 14,971,297</u>

ELMSFORD UNION FREE SCHOOL DISTRICT

Federal Grant Compliance Audit

June 30, 2023

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 the Elmsford Union Free School District (the District), as of and for the fiscal year ended June 30, 2023, 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 4, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 District'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 4, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Elmsford Union Free School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Elmsford Union Free School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the District's major federal program for the year ended June 30, 2023. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such

that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

EFPR Group, CPAs, PLLC

Williamsville, New York
October 4, 2023

ELMSFORD UNION FREE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or pass-through number</u>	<u>Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Agriculture - passed-through New York				
State Education Department:				
School Breakfast Program	10.553	N/A	\$ 26,002	-
National School Lunch Program	10.555	N/A	258,916	-
National School Lunch Program (Non-Cash Food Distribution)	10.555	N/A	<u>25,578</u>	<u>-</u>
Total Child Nutrition Cluster			<u>310,496</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>310,496</u>	<u>-</u>
U.S. Department of Education - passed through New York				
State Education Department:				
Special Education Cluster:				
Special Education Grants to States (IDEA, Part B)	84.027	0032-22-1061	38,761	-
Special Education Grants to States (IDEA, Part B)	84.027	0032-23-1061	230,772	-
COVID-19-Special Education Grants to States (IDEA, Part B)	84.027	5532-22-1061	<u>20,157</u>	<u>-</u>
			<u>289,690</u>	<u>-</u>
Special Education Preschool Grants (IDEA Preschool)	84.173	0033-22-1061	1,831	-
Special Education Preschool Grants (IDEA Preschool)	84.173	0033-23-1061	8,735	-
COVID-19-Special Education Preschool Grants (IDEA Preschool)	84.173	5533-22-1061	<u>5,226</u>	<u>-</u>
			<u>15,792</u>	<u>-</u>
Total Special Education Cluster			<u>305,482</u>	<u>-</u>
Title I Grants to Local Educational Agencies	84.010	0021-22-3670	2,459	-
Title I Grants to Local Educational Agencies	84.010	0021-23-3670	112,417	-
Title I Grants to Local Educational Agencies	84.010	0011-22-2062	18,446	-
Title I Grants to Local Educational Agencies	84.010	0011-23-2062	<u>91,223</u>	<u>-</u>
			<u>224,545</u>	<u>-</u>
Supporting Effective Instruction State Grant	84.367	0147-22-3670	101	-
Supporting Effective Instruction State Grant	84.367	0147-23-3670	<u>22,679</u>	<u>-</u>
			<u>22,780</u>	<u>-</u>
English Language Acquisition Grants	84.365	0293-21-3670	4,587	-
English Language Acquisition Grants	84.365	0293-22-3670	<u>19,898</u>	<u>-</u>
			<u>24,485</u>	<u>-</u>
Student Support and Academic Enrichment Grants	84.424	0204-23-3670	<u>6,386</u>	<u>-</u>
Education Stabilization Fund:				
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-3670	6,933	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-3670	113,243	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	5218-21-3670	1,335	-
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5890-21-3670	2,000	-
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5880-21-3670	<u>279,407</u>	<u>-</u>
Total Education Stabilization Fund			<u>402,918</u>	<u>-</u>
Total U.S. Department of Education			<u>986,596</u>	<u>-</u>
Total Federal Expenditures of Federal Awards			<u>\$ 1,297,092</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

ELMSFORD UNION FREE SCHOOL DISTRICT
Notes to Schedule of Expenditures of Federal Awards
June 30, 2023

(1) Basis Of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Elmsford Union Free School District (the District) under programs of the federal government for the fiscal year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The value of food commodities was calculated using the U.S. Department of Agriculture's Food and Nutrition Service commodity price lists. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. Pass-through entity identifying numbers are presented where available.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

(3) Indirect Cost Rate

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

(4) Subrecipients

No amounts were provided to subrecipients.

ELMSFORD UNION FREE SCHOOL DISTRICT

Notes to Schedule of Expenditures of Federal Awards, Continued

(5) Other Disclosures

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

There were no loans or loan guarantees outstanding at year end.

ELMSFORD UNION FREE SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 Year ended June 30, 2023

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statement audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified?

___ Yes x No

2. Significant deficiency(ies) identified?

___ Yes x None reported

3. Noncompliance material to financial statements noted?

___ Yes x No

Federal Awards:

Internal control over major programs:

4. Material weakness(es) identified?

___ Yes x No

5. Significant deficiency(ies) identified?

___ Yes x None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)?

___ Yes x No

7. The District's major program audited was:

Assistance Listing
Number

Name of Federal Program

COVID-19 Education Stabilization Fund

84.425D/84.425U

8. Dollar threshold used to distinguish between Type A and Type B programs.

\$750,000

9. Auditee qualified as low-risk auditee?

x Yes ___ No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

No reportable findings.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings.

ELMSFORD UNION FREE SCHOOL DISTRICT
Status of Prior Audit Findings
Year ended June 30, 2023

There were no audit findings in the prior year financial statements (June 30, 2022).