

**Dobbs Ferry Union Free
School District, New York**

Financial Statements and
Supplementary Information

Year Ended June 30, 2020

Dobbs Ferry Union Free School District, New York

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
District-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	16
Reconciliation of Governmental Funds Balance Sheet to the District- Wide Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund	22
Statement of Assets and Liabilities - Fiduciary Fund	23
Notes to Financial Statements	24
Required Supplementary Information	
Other Postemployment Benefits	
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	52
New York State Teachers' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	53
Schedule of Contributions	53
New York State and Local Employees' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability	54
Schedule of Contributions	54
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	55
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	56
Schedule of Revenues Compared to Budget	58
Schedule of Expenditures and Other Financing Uses Compared to Budget	60
Capital Projects Fund	
Comparative Balance Sheet	64
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	65
Project-Length Schedule	66

Dobbs Ferry Union Free School District, New York

Table of Contents (Concluded)

	<u>Page</u>
Special Aid Fund	
Comparative Balance Sheet	68
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	69
Non-Major Governmental Funds	
Combining Balance Sheet	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	71
School Lunch Fund	
Comparative Balance Sheet	72
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	73
Special Purpose Fund	
Comparative Balance Sheet	74
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	75
Supplementary Information	
Analysis of Change from Adopted Budget to Final Budget	76
Section 1318 of Real Property Tax Law Limit Calculation	76
Schedule of Net Investment in Capital Assets	77
Federal Programs	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	78
Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	80
Schedule of Expenditures of Federal Awards	82
Notes to Schedule of Expenditures of Federal Awards	83
Schedule of Findings and Questioned Costs	84
Summary Schedule of Prior Year Audit Findings	85

Independent Auditors' Report

The Board of Education of the Dobbs Ferry Union Free School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Dobbs Ferry Union Free School District, New York ("School District") as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 4B in the notes to financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of COVID-19 ("Coronavirus"). Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit for the year ended June 30, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and 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* for the year ended June 30, 2020 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2020 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2020.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the School District as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated October 3, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2019 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 30, 2020

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Dobbs Ferry Union Free School District, New York

Management's Discussion and Analysis (MD&A) June 30, 2020

This discussion and analysis of the Dobbs Ferry Union Free School District, New York's ("School District") financial performance provides an overview of the School District's financial activities for the year ended June 30, 2020. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the School District's financial performance.

Financial Highlights for FY 2019-2020

Key financial highlights for fiscal year 2019-2020 are as follows:

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,009,750. This amount is equal to 4.27% of the subsequent year's budget.
- The School District's governmental fund financial statements report a combined ending fund balance of \$8,674,525, an increase in fund balance of \$175,669. This is due to the requirement to record expenditures in the capital projects fund in the year incurred and revenues when permanent financing is in place. The General Fund fund balance totals \$7,378,179. Of this amount, the unassigned fund balance of the General Fund is \$2,009,750. This amount is available for spending at the discretion of the School District.
- On the district-wide financial statements, the liabilities and deferred inflows of the School District exceeded assets and deferred outflows by \$32,242,971. Of this amount, the unrestricted portion is (\$67,471,432). The School District's total net position decreased by \$6,752,155 for the year ended June 30, 2020. This is due to the implementation of GASB Statement No. 75 *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")*". More detailed information is presented in Note 3D to the financial statements.
- The following were noteworthy factors in the revenues and expenditures being different than budgeted:
 - The receipt of unanticipated tuitions created a budget surplus of \$240,748
 - The increase in sales tax income resulting from a higher sales tax rates implemented in Westchester County created a budget surplus of \$184,550
 - A decrease in State Aid receipts resulted in a budget deficit of \$767,022
 - School building closures in March due to the COVID-19 pandemic contributed to central services costs and pupil transportation costs being lower than budgeted. Savings were realized in contract security, contract custodial and maintenance, and contract transportation.
 - Payment of tax certiorari refunds from the reserves are not included in the budget.

Overview of the Financial Statements

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

District-wide Financial Statements

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

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

Fund Financial Statements

- A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

- The School District maintains five individual governmental funds: General Fund, Capital Projects Fund, Special Aid Fund, School Lunch Fund and Special Purpose Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Capital Projects, and Special Aid funds, since the School District has elected to report them as major funds. Combining information for the non-major funds can be found elsewhere in this report.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the respective budgets.
- The Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statements because the resources of these funds are not available to support the School District's programs.

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

Notes to the Financial Statements

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

Other Information

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

District-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the School District's financial position. In the case of Dobbs Ferry Union Free School District, New York, the liabilities and deferred inflows exceeded assets and deferred outflows by \$32,242,971 at the close of the current fiscal year.

Net Assets

	June 30,	
	2020	2019
Current Assets	\$ 15,374,157	\$ 14,795,876
Capital Assets	42,867,228	44,722,868
Total Assets	58,241,385	59,518,744
Deferred Outflows of Resources	16,531,279	12,951,898
Current Liabilities	3,264,152	3,969,599
Long-term Liabilities	92,932,525	85,346,473
Total Liabilities	96,196,677	89,316,072
Deferred Inflows of Resources	10,818,958	8,645,386
Net Assets:		
Net investment in capital assets	28,831,848	28,661,094
Restricted for:		
Capital Projects	1,116,395	27,605
Tax Certiorari	3,925,807	4,073,084
Retirement System Contributions	726,944	726,944
Unemployment Benefits	123,083	123,083
Future Capital Projects	52,493	1,752,493
Debt Service	406,679	406,679
Special Purposes	45,212	48,382
Unrestricted	(67,471,432)	(61,310,180)
Total Net Assets	\$ (32,242,971)	\$ (25,490,816)

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

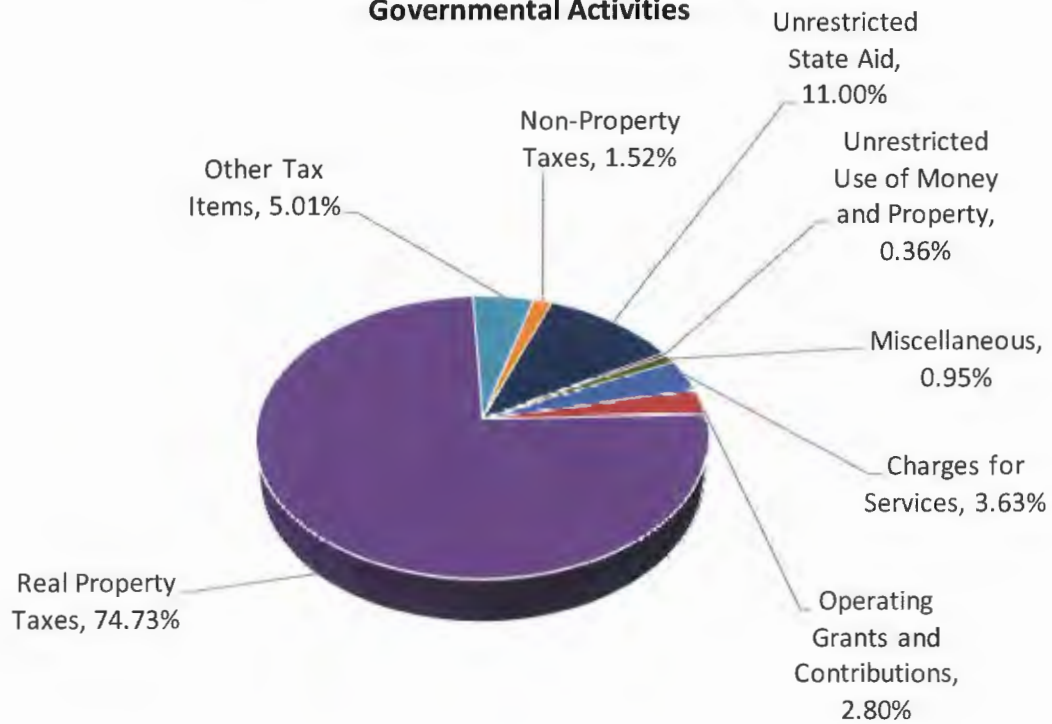
Changes in Net Assets

	June 30,	
	2020	2019
REVENUES		
Program Revenues:		
Charges for Services	\$ 1,744,845	\$ 2,007,627
Operating Grants and Contributions	1,346,932	1,469,768
Capital Grants and Contributions	-	157,082
Total Program Revenues	<u>3,091,777</u>	<u>3,634,477</u>
General Revenues:		
Real Property Taxes	35,967,062	34,247,034
Other Tax Items	2,412,140	3,068,547
Non-Property Taxes	734,550	559,532
Unrestricted Use of Money and Property	175,141	291,713
Sale of Property & Compensation for Loss	-	6,082
Unrestricted State Aid	5,294,587	4,186,278
Miscellaneous	457,045	87,299
Total General Revenues	<u>45,040,525</u>	<u>42,446,485</u>
Total Revenues	<u>48,132,302</u>	<u>46,080,962</u>
PROGRAM EXPENSES:		
General Support	7,598,371	6,849,118
Instruction	45,112,504	40,515,550
Pupil Transportation	1,113,922	1,369,201
Community Services	45,703	-
Cost of Food Sales	623,529	830,104
Other	3,200	2,300
Interest	387,228	573,631
Total Expenses	<u>54,884,457</u>	<u>50,139,904</u>
Change in Net Position	(6,752,155)	(4,058,942)
Net Position - Beginning	<u>(25,490,816)</u>	<u>(21,431,874)</u>
Net Position - Ending	<u><u>\$ (32,242,971)</u></u>	<u><u>\$ (25,490,816)</u></u>

Governmental activities decreased the School District's net assets by \$6,752,155. Primarily as a result of the reporting of GASB Statement No. 75 – OPEB. As indicated on the following graphs, the School District relies upon property taxes as its primary revenue source. The School District's instructional costs account for 82% of its expenses.

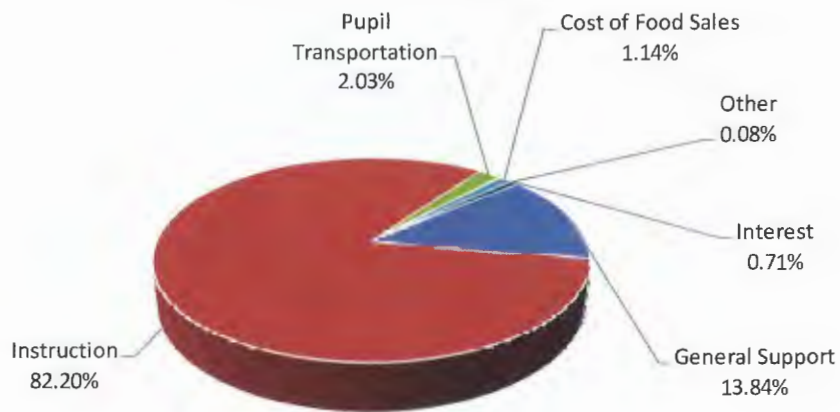
Sources of Revenue for Fiscal Year 2020

Governmental Activities



Expenses for Fiscal Year 2020

Governmental Activities



Fund Balance Reporting

It is noteworthy to report that the Governmental Accounting Standards Board ("GASB") issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in February 2009. The requirements of GASB Statement No. 54 were effective for financial statements for periods ending June 30, 2011; therefore they are continued in this report. GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

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

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

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

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

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

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

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

Financial Analysis of the School District's Fund

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

Governmental Funds

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined fund balance of \$8,674,525. The fund balance is made up as follows:

Non-Spendable	\$ 10,134
Restricted	6,483,401
Assigned	171,240
Unassigned	<u>2,009,750</u>
	<u>\$ 8,674,525</u>

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$7,378,179, of which \$2,009,750 or 4.27% of the ensuing year's budget was unassigned. As previously mentioned, New York State Law limits the amount of unassigned fund balance that can be retained to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

The final budget of the General Fund anticipated that the fund balance would remain the same during 2019-2020. However, the general fund balance actually decreased by \$875,866.

General Fund Budgetary Highlights

The original budget total expenditures, inclusive of transfers and other financing uses which included prior year encumbrances, was \$46,482,888. This differed from the final amended budget of \$46,735,145 by \$252,257. This difference is attributable to increases for the use of the Reserve for Tax Certiorari to pay tax refunds, and the use of the Reserve for Employee Benefit Accrued Liability to pay for accrued leave for retired employees.

Total Fund Balance Classifications

GASB Statement No. 54 Classification	Previous Classifications	Fund Balance
Nonspendable Fund Balance	Inventories	\$ 10,134
Restricted Fund Balance	Reserved for Tax Certiorari	3,925,807
	Reserved for Employee Benefit	
	Accrued Liability	86,788
	Reserved for Retirement Contributions	726,944
	Reserved for Debt Service	406,679
	Reserved for Trust (Special Purpose Fund)	45,212
	Reserved for Unemployment Benefits	123,083
	Reserved for Future Capital Projects	1,168,888
		<u>6,483,401</u>
Assigned Fund Balance	Reserved for Encumbrances - General	
	Government Support	7,685
	Reserved for Encumbrances - Instruction	38,950
	School Lunch Fund Unreserved Fund Balance	124,605
		<u>171,240</u>
Unassigned Fund Balance	Unassigned:	
	General Fund	2,009,750
Total Fund Balance	(as of June 30, 2020)	<u><u>\$ 8,674,525</u></u>

Capital Assets

At June 30, 2020, the School District had capital assets of \$42,867,228 net of accumulated depreciation invested in a broad range of capital assets, including land, improvements other than buildings, buildings and improvements and machinery and equipment.

Class	June 30,	
	2020	2019
Land	\$ 85,950	\$ 85,950
Construction-in-Progress	609,898	-
Buildings and Improvements	38,298,497	40,140,658
Land Improvements	3,276,551	3,449,761
Machinery and Equipment	596,332	1,046,499
	<u>42,867,228</u>	<u>44,722,868</u>
Total Capital Assets, net of accumulated depreciation	<u><u>\$ 42,867,228</u></u>	<u><u>\$ 44,722,868</u></u>

The increase in Construction-in-Progress during the current fiscal year results from the activity related to the start of work for the 2019 Capital Projects.

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

Long-Term Debt

At June 30, 2020 the School District had \$92,932,525 in general obligation and other long-term debt outstanding, as follows:

	June 30,	
	2020	2019
Bonds Payable	\$ 13,635,000	\$ 15,499,145
Plus: Unamortized Premium on Bonds	15,249	76,260
Energy Performance Contract Payable	409,060	606,009
Compensated Absences	303,663	289,091
Net Pension Liability	2,348,296	648,320
Other Post Employment Benefit Obligations Payable	76,221,257	68,227,648
Total	<u>\$ 92,932,525</u>	<u>\$ 85,346,473</u>

\$2,121,960 out of this balance of \$92,932,525 is due within one year. More detailed information about the School District's long-term liabilities is presented in Note 3D to the financial statements.

Requests for Information

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

Dobbs Ferry Union Free School District
Attn: Ron Clamser, Jr.
Assistant Superintendent for Finance, Facilities & Operations
505 Broadway
Dobbs Ferry, NY 10522

Dobbs Ferry Union Free School District, New YorkStatement of Net Position
June 30, 2020

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 5,409,832
Investments	4,438,924
Receivables	
Accounts	100,628
State and Federal aid	1,541,220
Due from other governments	418,963
Inventories	10,134
	3,454,456
Capital assets	
Not being depreciated	695,848
Being depreciated, net	42,171,380
	58,241,385
DEFERRED OUTFLOWS OF RESOURCES	16,531,279
LIABILITIES	
Accounts payable	716,753
Accrued liabilities	26,659
Due to other governments	35,839
Due to retirement systems	2,320,208
Unearned revenues	145,717
Accrued interest payable	18,976
Non-current liabilities	
Due within one year	2,121,960
Due in more than one year	90,810,565
	96,196,677
DEFERRED INFLOWS OF RESOURCES	10,818,958
NET POSITION	
Net investment in capital assets	28,831,848
Restricted	
Capital projects	1,116,395
Tax certiorari	3,925,807
Unemployment benefits	123,083
ERS retirement contributions	676,944
TRS retirement contributions	50,000
Debt service	406,679
Future capital projects	52,493
Special purposes	45,212
Unrestricted	(67,471,432)
Total Net Position	\$ (32,242,971)

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

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Dobbs Ferry Union Free School District, New York

Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
General support	\$ 7,598,371	\$ 8,494	\$ 796	\$ (7,589,081)
Instruction	45,112,504	1,313,748	1,179,265	(42,619,491)
Pupil transportation	1,113,922	-	-	(1,113,922)
Community services	45,703	-	-	(45,703)
Cost of food sales	623,529	422,603	166,841	(34,085)
	3,200	-	30	(3,170)
Interest	387,228	-	-	(387,228)
Total Governmental Activities	\$ 54,884,457	\$ 1,744,845	\$ 1,346,932	(51,792,680)
General revenues				
Real property taxes				35,967,062
Other tax items				
School tax relief reimbursement				2,353,242
Bisected property taxes				58,898
Non-property taxes				
Non-property tax distribution from County				734,550
Unrestricted use of money and property				175,141
Unrestricted State aid				5,294,587
Miscellaneous				457,045
Total General Revenues				45,040,525
Change in Net Position				(6,752,155)
Net Position - Beginning				(25,490,816)
Net Position - Ending				\$ (32,242,971)

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

Dobbs Ferry Union Free School District, New York

Balance Sheet
Governmental Funds
June 30, 2020

	General	Capital Projects	Special Aid
ASSETS			
Cash and equivalents	\$ 5,238,303	\$ 28,414	\$ 97,778
Investments	4,428,405	10,519	-
Receivables			
Accounts	40,257	-	52,788
State and Federal aid	812,715	-	693,820
Due from other governments	418,963	-	-
Due from other funds	1,062,231	1,700,000	-
Inventories	-	-	-
Total Assets	\$ 12,000,874	\$ 1,738,933	\$ 844,386
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 403,612	\$ 149,918	\$ 141,555
Accrued liabilities	26,017	-	642
Due to other funds	1,837,207	472,620	589,611
Due to other governments	35,651	-	-
Due to retirement systems	2,320,208	-	-
Unearned revenues	-	-	112,578
Total Liabilities	4,622,695	622,538	844,386
Fund balances			
Nonspendable	-	-	-
Restricted	5,321,794	1,116,395	-
Assigned	46,635	-	-
Unassigned	2,009,750	-	-
Total Fund Balances	7,378,179	1,116,395	-
Total Liabilities and Fund Balances	\$ 12,000,874	\$ 1,738,933	\$ 844,386

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

Non-Major Governmental	Total Governmental Funds
\$ 45,337	\$ 5,409,832
-	4,438,924
7,583	100,628
34,685	1,541,220
-	418,963
137,207	2,899,438
10,134	10,134
<u>\$ 234,946</u>	<u>\$ 14,819,139</u>
\$ 21,668	\$ 716,753
-	26,659
-	2,899,438
188	35,839
-	2,320,208
33,139	145,717
<u>54,995</u>	<u>6,144,614</u>
10,134	10,134
45,212	6,483,401
124,605	171,240
-	2,009,750
<u>179,951</u>	<u>8,674,525</u>
<u>\$ 234,946</u>	<u>\$ 14,819,139</u>

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Dobbs Ferry Union Free School District, New YorkReconciliation of Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2020

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

Fund Balances - Total Governmental Funds	<u>\$ 8,674,525</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>42,867,228</u>
Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension assets (liabilities) and other post employment benefit obligations whereas these amounts are deferred and amortized in the statement of activities.	
Deferred loss on refunding bonds	23,929
Deferred amounts on net pension assets (liabilities)	7,437,771
Deferred amounts on other post employment benefits	<u>(1,749,379)</u>
	<u>5,712,321</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Net pension asset	<u>3,454,456</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(18,976)
Bonds payable	(13,650,249)
Energy performance contract debt payable	(409,060)
Compensated absences	(303,663)
Net pension liability	(2,348,296)
Other post employment benefit obligations payable	<u>(76,221,257)</u>
	<u>(92,951,501)</u>
Net Position of Governmental Activities	<u><u>\$ (32,242,971)</u></u>

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

Dobbs Ferry Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2020

	General	Capital Projects	Special Aid
REVENUES			
Real property taxes	\$ 35,967,062	\$ -	\$ -
Other tax items	2,412,140	-	-
Non-property taxes	734,550	-	-
Charges for services	1,313,748	-	-
Use of money and property	183,635	-	-
State aid	5,449,562	-	214,645
Federal aid	85,483	-	640,608
Food sales	-	-	-
Miscellaneous	457,841	-	83,554
Total Revenues	46,604,021	-	938,807
EXPENDITURES			
Current			
General support	4,851,433	-	-
Instruction	27,267,273	-	992,161
Pupil transportation	1,074,196	-	-
Community services	45,703	-	-
Cost of food sales	-	-	-
Employee benefits	10,070,199	-	-
Other	-	-	-
Debt service			
Principal	2,061,094	-	-
Interest	356,635	-	-
Capital outlay	-	611,210	-
Total Expenditures	45,726,533	611,210	992,161
Excess (Deficiency) of Revenues Over Expenditures	877,488	(611,210)	(53,354)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,700,000	53,354
Transfers out	(1,753,354)	-	-
Total Other Financing Sources (Uses)	(1,753,354)	1,700,000	53,354
Net Change in Fund Balances	(875,866)	1,088,790	-
FUND BALANCES			
Beginning of Year	8,254,045	27,605	-
End of Year	\$ 7,378,179	\$ 1,116,395	\$ -

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 35,967,062
-	2,412,140
-	734,550
-	1,313,748
30	183,665
7,210	5,671,417
159,631	885,722
422,603	422,603
-	541,395
589,474	48,132,302
-	4,851,433
-	28,259,434
-	1,074,196
-	45,703
623,529	623,529
-	10,070,199
3,200	3,200
-	2,061,094
-	356,635
-	611,210
626,729	47,956,633
(37,255)	175,669
-	1,753,354
-	(1,753,354)
-	-
(37,255)	175,669
217,206	8,498,856
\$ 179,951	\$ 8,674,525

Dobbs Ferry Union Free School District, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2020

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 175,669</u>
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures	617,063
Depreciation expense	<u>(2,472,703)</u>
	<u>(1,855,640)</u>

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal paid on serial bonds	1,864,145
Principal paid on energy performance contract debt	196,949
Amortization of loss on refunding bonds and issuance premium	<u>(34,700)</u>
	<u>2,026,394</u>

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

Accrued interest	4,107
Compensated absences	(14,572)
Pension assets (liability)	(2,618,035)
Other post employment benefit obligations	<u>(4,470,078)</u>
	<u>(7,098,578)</u>

Change in Net Position of Governmental Activities	<u><u>\$ (6,752,155)</u></u>
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The notes to the financial statements are an integral part of this statement.

Dobbs Ferry Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
General Fund
Year Ended June 30, 2020

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 35,967,062	\$ 35,967,062	\$ 35,967,062	\$ -
Other tax items	2,408,242	2,408,242	2,412,140	3,898
Non-property taxes	550,000	550,000	734,550	184,550
Charges for services	1,073,000	1,073,000	1,313,748	240,748
Use of money and property	177,000	177,000	183,635	6,635
State aid	6,216,584	6,216,584	5,449,562	(767,022)
Federal aid	30,000	30,000	85,483	55,483
Miscellaneous	61,000	61,000	457,841	396,841
Total Revenues	46,482,888	46,482,888	46,604,021	121,133
EXPENDITURES				
Current				
General support	5,028,766	5,229,282	4,851,433	377,849
Instruction	27,538,848	27,487,443	27,267,273	220,170
Pupil transportation	1,343,850	1,345,590	1,074,196	271,394
Community services	-	45,703	45,703	-
Employee benefits	10,112,907	10,156,044	10,070,199	85,845
Debt service				
Principal	2,061,095	2,061,094	2,061,094	-
Interest	356,637	356,635	356,635	-
Total Expenditures	46,442,103	46,681,791	45,726,533	955,258
Excess (Deficiency) of Revenues Over Expenditures	40,785	(198,903)	877,488	1,076,391
OTHER FINANCING USES				
Transfers out	(135,000)	(1,853,354)	(1,753,354)	100,000
Net Change in Fund Balances	(94,215)	(2,052,257)	(875,866)	1,176,391
FUND BALANCES				
Beginning of Year	94,215	2,052,257	8,254,045	6,201,788
End of Year	\$ -	\$ -	\$ 7,378,179	\$ 7,378,179

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

Dobbs Ferry Union Free School District, New York

Statement of Assets and Liabilities

Fiduciary Fund

June 30, 2020

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 34,933
Accounts Receivable	<u>6,265</u>
 Total Assets	 <u><u>41,198</u></u>
 LIABILITIES	
Employee payroll deductions	\$ 6,265
	<u>34,933</u>
 Total Liabilities	 <u><u>\$ 41,198</u></u>

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

Note 1 - Summary of Significant Accounting Policies

The Dobbs Ferry Union Free School District, New York ("School District"), as presently constituted, was established in 1829 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The accounting policies of the School District conform to generally accepted accounting principles for local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the School District's more significant accounting policies:

A. Financial Reporting Entity

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

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

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

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter is excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

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

Fund Categories

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is as follows -

Special Aid Fund - The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal, State or local funds. The major revenues of this fund are Federal and State aid.

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

Special Revenue Funds

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

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with the terms of a trust agreement.

- b. Fiduciary Funds (Not Included in District-Wide Statements) - Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. Among the activities included in the Agency Fund are the student activity funds. The Agency Fund is also utilized to account for payroll tax withholdings that are payable to other jurisdictions.

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

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

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liabilities and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

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

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

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

The School District also participates in the New York Liquid Assets Fund ("NYLAF"), a cooperative investment pool, established pursuant to Articles 3A and 5G of the General Municipal Law of the State of New York. The sponsoring agency of the pool is another governmental unit, which acting through the fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. NYLAF has designated RBC Global Asset Management, Inc. as its registered investment advisor.

Note 1 - Summary of Significant Accounting Policies (Continued)

The pool is authorized to invest in various securities issued by the United States and its agencies. The amounts represent the amortized cost of the cooperative shares and are considered to approximate fair value. The School District's position in the pool is equal to the value of the pool shares.

NYLAF is rated AAAM by Standard and Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The pools invest in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Additional information concerning the NYLAF is presented in the annual report, which may be obtained from the Governing Board c/o PMA Financial Network, 2135 City Gate Lane, 7th Floor, Naperville, IL 60563.

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2020.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2020, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of surplus food, at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are received. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	20-50
Land Improvements	20-30
Machinery and Equipment	5-20

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$112,578 for aid received in advance in the Special Aid Fund and \$33,139 in the School Lunch Fund for meal purchases paid in advance. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

Deferred outflows and inflows of resources have been reported on the district-wide Statement of Net Position for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
New York State and Local Employees' Retirement System	\$ 1,556,812	\$ 63,638
New York State Teachers' Retirement System	10,919,282	4,974,685
Other post employment benefits	4,031,256	5,780,635
Deferred loss on refunding bonds	23,929	-
	<u>\$ 16,531,279</u>	<u>\$ 10,818,958</u>

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

The amounts reported as deferred outflows of resources and deferred inflows of resources in relation to the School District's pension and other post employments benefit obligations are detailed in Note 3D.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for capital projects, tax certiorari, unemployment benefits, ERS retirement contributions, TRS retirement contributions, debt service, future capital projects and special purposes. The balance is classified as unrestricted.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

F. Encumbrances

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

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 ("Coronavirus") pandemic and the mitigation responses, and such differences may be material. (See Note 4B).

H. Subsequent Event Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 30, 2020.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- f) Formal budgetary integration is employed during the year as a management control device for the General Fund.
- g) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, School Lunch or Special Purpose funds.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Limitation on Fund Balance

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

C. Property Tax Limitation

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

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

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school district. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay the debt service on tax anticipation

Note 2 - Stewardship, Compliance and Accountability (Continued)

notes, revenue anticipation notes, budget notes and deficiency notes, and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

Note 3 - Detailed Notes on All Funds**A. Due From/To Other Funds**

The balances reflected as due from/to other funds at June 30, 2020 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,062,231	\$ 1,837,207
Capital Projects	1,700,000	472,620
Special Aid	-	589,611
Non-Major Governmental	137,207	-
	<u>\$ 2,899,438</u>	<u>\$ 2,899,438</u>

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

B. Capital Assets

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

<u>Class</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
Capital Assets, not being depreciated:				
Land	\$ 85,950	\$ -	\$ -	\$ 85,950
Construction-in-Progress	-	609,898	-	609,898
Total Capital Assets, not being depreciated	<u>\$ 85,950</u>	<u>\$ 609,898</u>	<u>\$ -</u>	<u>\$ 695,848</u>
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 60,334,282	\$ -	\$ 186,657	\$ 60,147,625
Land Improvements	3,631,895	-	29,212	3,602,683
Machinery and Equipment	2,310,041	7,165	1,179,604	1,137,602
Total Capital Assets, being depreciated	<u>66,276,218</u>	<u>7,165</u>	<u>1,395,473</u>	<u>64,887,910</u>
Less Accumulated Depreciation for:				
Building and Improvements	20,193,624	1,842,161	186,657	21,849,128
Land Improvements	182,134	173,210	29,212	326,132
Machinery and Equipment	1,263,542	457,332	1,179,604	541,270
Total Accumulated Depreciation	<u>21,639,300</u>	<u>2,472,703</u>	<u>1,395,473</u>	<u>22,716,530</u>
Total Capital Assets, being depreciated, net	<u>\$ 44,636,918</u>	<u>\$ (2,465,538)</u>	<u>\$ -</u>	<u>\$ 42,171,380</u>
Capital Assets, net	<u>\$ 44,722,868</u>	<u>\$ (1,855,640)</u>	<u>\$ -</u>	<u>\$ 42,867,228</u>

Note 3 - Detailed Notes on All Funds (Continued)

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

General Support	\$ 1,330,874
Instruction	<u>1,141,829</u>
Total Depreciation Expense	<u>\$ 2,472,703</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2020 were as follows:

	General Fund	Special Aid Fund	Total
Payroll and employee benefits	<u>\$ 26,017</u>	<u>\$ 642</u>	<u>\$ 26,659</u>

D. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2020:

	Balance July 1, 2019	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2020	Due Within One-Year
General Obligation Bonds Payable	\$ 15,499,145	\$ -	\$ 1,864,145	\$ 13,635,000	\$ 1,890,000
Plus					
Unamortized premium on bonds	<u>76,260</u>	<u>-</u>	<u>61,011</u>	<u>15,249</u>	<u>-</u>
	<u>15,575,405</u>	<u>-</u>	<u>1,925,156</u>	<u>13,650,249</u>	<u>1,890,000</u>
Energy Performance Contract					
Debt Payable	<u>606,009</u>	<u>-</u>	<u>196,949</u>	<u>409,060</u>	<u>201,960</u>
Other Non-current Liabilities:					
Compensated Absences	289,091	43,572	29,000	303,663	30,000
Net Pension Liability	648,320	1,699,976	-	2,348,296	-
Other Post Employment Benefit					
Obligations	<u>68,227,648</u>	<u>9,465,051</u>	<u>1,471,442</u>	<u>76,221,257</u>	<u>-</u>
Total Non-Current Liabilities	<u>69,165,059</u>	<u>11,208,599</u>	<u>1,500,442</u>	<u>78,873,216</u>	<u>30,000</u>
Total Long-Term Liabilities	<u>\$ 85,346,473</u>	<u>\$ 11,208,599</u>	<u>\$ 3,622,547</u>	<u>\$ 92,932,525</u>	<u>\$ 2,121,960</u>

The School District's indebtedness for general obligation bonds payable, energy performance contract debt payable, compensated absences, net pension liability and other post employment benefit obligations is satisfied by the General Fund.

Note 3 - Detailed Notes on All Funds (Continued)**General Obligation Bonds Payable**

General obligations bonds payable at June 30, 2020 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2019
Refunding Bonds	2010	\$ 14,815,000	June, 2021	2.00 - 3.00 %	\$ 965,000
District-Wide Reconstruction	2018	14,269,145	June, 2033	2.00 - 3.00 %	12,670,000
					<u>\$ 13,635,000</u>

Interest expenditures of \$341,216 were recorded in the fund financial statements in the General Fund. Interest expense of \$375,150 was recorded in the district-wide financial statements.

Energy Performance Contract Debt Payable

The School District, in a prior fiscal year, entered into an energy performance contract agreement for \$2,655,000. The agreement provides for annual payments of \$212,368 including interest at 3.96%, through November 2021. The balance due at June 30, 2020 was \$409,060. Interest expenditures of \$15,419 were recorded in the fund financial statements in the General Fund. Interest expense of \$12,078 was recorded in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded and energy performance contract debt as of June 30, 2020 including interest payments of \$2,025,691 are as follows:

Ending June 30,	General Obligation Bonds		Energy Performance Contract		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,890,000	\$ 294,125	\$ 201,960	\$ 10,408	\$ 2,091,960	\$ 304,533
2022	945,000	260,950	207,100	5,270	1,152,100	266,220
2023	960,000	241,900	-	-	960,000	241,900
2024	975,000	222,550	-	-	975,000	222,550
2025	995,000	202,850	-	-	995,000	202,850
2026-2030	5,270,000	695,238	-	-	5,270,000	695,238
2031-2033	2,600,000	92,400	-	-	2,600,000	92,400
	<u>\$ 13,635,000</u>	<u>\$ 2,010,013</u>	<u>\$ 409,060</u>	<u>\$ 15,678</u>	<u>\$ 14,044,060</u>	<u>\$ 2,025,691</u>

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

Note 3 - Detailed Notes on All Funds (Continued)

Compensated Absences

Pursuant to collective bargaining agreements, upon separation of service, the School District is required to compensate administrators, clerical staff and custodians for unused vacation time. For all other employees, vacation time is generally taken in the year earned. The School District is not required to compensate employees for accumulated sick leave, except for teachers, who get paid at a rate of \$40 per day for unused sick days. The value of the compensated absences has been reflected in the district-wide financial statements.

Pension Plan

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

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

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

Note 3 - Detailed Notes on All Funds (Continued)

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2020 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	16.2 %
	5 A15	13.5
	6 A15	9.7
TRS	1-6	8.86 %

At June 30, 2020, the School District reported the following for its proportionate share of the net pension liability (asset) for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2020	June 30, 2019
Net pension liability (asset)	\$ 2,348,296	\$ (3,454,456)
School Districts' proportion of the net pension liability (asset)	0.0088680 %	0.132966 %
Change in proportion since the prior measurement date	(0.0002822) %	0.002979 %

The net pension liability (asset) was measured as of March 31, 2020 for ERS and June 30, 2019 for TRS and the total pension liability used to calculate the net pension liability (asset) were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension asset for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2020, the School District recognized pension expense in the district-wide financial statements of \$5,042,124 (\$833,921 for ERS and \$4,208,203 for TRS). Pension expenditures for ERS of \$379,705 were recorded in the fund financial statements in the General Fund. Pension expenditures for TRS of \$2,044,384 was reported in the fund financial statements and were charged to the General Fund.

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 138,207	\$ -	\$ 2,340,996	\$ 256,880
Changes of assumptions	47,284	40,829	6,525,929	1,591,206
Net difference between projected and actual earnings on pension plan investments	1,203,851	-	-	2,770,295
Changes in proportion and differences between School District contributions and proportionate share of contributions	68,703	22,809	2,030	356,304
School District contributions subsequent to the measurement date	98,767	-	2,050,327	-
	<u>\$ 1,556,812</u>	<u>\$ 63,638</u>	<u>\$ 10,919,282</u>	<u>\$ 4,974,685</u>
Total				
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 2,479,203	\$ 256,880		
Changes of assumptions	6,573,213	1,632,035		
Net difference between projected and actual earnings on pension plan investments	1,203,851	2,770,295		
Changes in proportion and differences between School District contributions and proportionate share of contributions	70,733	379,113		
School District contributions subsequent to the measurement date	2,149,094	-		
	<u>\$ 12,476,094</u>	<u>\$ 5,038,323</u>		

\$98,767 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2020. The \$2,050,327 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31,	June 30,
	ERS	TRS
2020	\$ -	\$ 1,490,184
2021	250,265	26,506
2022	353,909	1,484,519
2023	439,175	964,444
2024	351,058	76,725
Thereafter	-	(148,108)

Note 3 - Detailed Notes on All Funds (Continued)

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

	ERS	TRS
Measurement Date	March 31, 2020	June 30, 2019
Actuarial valuation date	April 1, 2019	June 30, 2018
Investment rate of return	6.8% *	7.10% *
Salary scale	4.2%	1.90%-4.72%
Inflation rate	2.5%	2.20%
Cost of living adjustments	1.3%	1.3%

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

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2018. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2018, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

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

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

Note 3 - Detailed Notes on All Funds (Continued)

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

Asset Type	ERS March 31, 2020		TRS June 30, 2019	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.05 %	33 %	6.3 %
International Equity	14	6.15	16	7.8
Private Equity	10	6.75	8	9.9
Real Estate	10	4.95	11	4.6
Domestic Fixed Income Securities	-	-	16	1.3
Global Fixed Income Securities	-	-	2	0.9
High Yield Fixed Income Securities	-	-	1	3.6
Global Equities	-	-	4	7.2
Private Debt	-	-	1	6.5
Real Estate Debt	-	-	7	2.9
Absolute Return Strategies	2	3.25	-	-
Opportunistic Portfolio	3	4.65	-	-
Real Assets	3	5.95	-	-
Bonds and Mortgages	17	0.08	-	-
Cash	1	-	1	0.3
Inflation Indexed Bonds	4	0.50	-	-
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.2% for TRS.

The discount rate used to calculate the total pension liability was 6.8% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.8% for ERS and 7.1% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.8% for ERS and 6.1% for TRS) or 1 percentage point higher (7.8% for ERS and 8.1% for TRS) than the current rate:

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 4,309,787</u>	<u>\$ 2,348,296</u>	<u>\$ 541,755</u>
	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 15,593,052</u>	<u>\$ (3,454,456)</u>	<u>\$ (19,433,165)</u>

The components of the collective net pension liability as of the March 31, 2020 ERS measurement date and the June 30, 2019 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 194,596,261,000	\$ 119,879,473,882
Fiduciary net position	<u>168,115,682,000</u>	<u>122,477,480,654</u>
Employers' net pension liability (asset)	<u>\$ 26,480,579,000</u>	<u>\$ (2,598,006,772)</u>
Fiduciary net position as a percentage of total pension liability	<u>86.39%</u>	<u>102.17%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period April 1, 2020 through June 30, 2020 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2019 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2019 represent employee and employer contributions for the fiscal year ended June 30, 2019 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2020 were \$98,767 to ERS and \$2,221,441 to TRS (including employee contributions of \$171,114).

Voluntary Defined Contribution Plan

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

Note 3 - Detailed Notes on All Funds (Continued)**Other Post Employment Benefit Obligations ("OPEB")**

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

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	186
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	262
	<hr/>
	448

The School District's total OPEB liability of \$76,221,257 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019.

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

Salary increases	2.60%
Discount rate	2.21%
Inflation	2.60%
Health care cost trend rates	6.6% in 2020 decreasing 0.5% per year to an ultimate rate of 4.1% over 56 years
Retirees' share of benefit-related costs	Varies from 12% to 50%, depending on applicable retirement year and bargaining unit

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

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2017, with mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. The plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

Note 3 - Detailed Notes on All Funds (Continued)

The School District's change in the total OPEB liability for the year ended June 30, 2020 is as follows:

Total OPEB Liability - Beginning of Year	\$ 68,227,648
Service cost	3,841,167
Interest	2,496,880
Changes of benefit terms	-
Differences between expected and actual experience	4,556,914
Changes in assumptions or other inputs	(1,429,910)
Benefit payments	<u>(1,471,442)</u>
Total OPEB Liability - End of Year	<u>\$ 76,221,257</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current discount rate:

	1% Decrease (1.21%)	Current Assumption (2.21%)	1% Increase (3.21%)
Total OPEB Liability	<u>\$ 91,437,366</u>	<u>\$ 76,221,257</u>	<u>\$ 64,237,171</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.5% decreasing to 3.1%) or 1 percentage point higher (7.6% decreasing to 6.1%) than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 3.1%)	Healthcare Cost Trend Rates (6.6% decreasing to 4.1%)	1% Increase (7.6% decreasing to 6.1%)
Total OPEB Liability	<u>\$ 61,618,551</u>	<u>\$ 76,221,257</u>	<u>\$ 95,885,351</u>

For the year ended June 30, 2020, the School District recognized OPEB expense of \$5,941,520 in the district-wide financial statements. At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,031,256	\$ -
Changes in assumptions	<u>-</u>	<u>5,780,635</u>
	<u>\$ 4,031,256</u>	<u>\$ 5,780,635</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 Ended June 30,</u>	
2021	\$ (396,527)
2022	(396,527)
2023	(396,527)
2024	(396,527)
2025	(396,527)
Thereafter	233,256

F. Revenues and Expenditures

Interfund Transfers

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

	<u>Transfer In</u>		
	<u>Capital Projects Fund</u>	<u>Special Aid Fund</u>	<u>Total</u>
<u>Transfers Out</u>			
General Fund	<u>\$ 1,700,000</u>	<u>\$ 53,354</u>	<u>\$ 1,753,354</u>

Transfers are used to move funds earmarked in the operating funds to fulfill commitments for Special Aid and Capital Projects funds expenditures.

G. Net Position

The components of net position are detailed below:

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for specific purposes in accordance with Section 6-m of the General Municipal Law of the State of New York

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

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

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

Restricted for Future Capital Projects - the component of net position that has been established to set aside funds to be used to finance all or part of the construction or acquisition of a specific type of improvement in accordance with Section 6-c of the General Municipal Law of the State of New York.

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

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

Dobbs Ferry Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2020

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2020				2019				
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Special Aid Fund	Non-Major Governmental Funds	Total
Nonspendable:									
Prepaid expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,500	\$ -	\$ 13,500
Inventories	-	-	10,134	10,134	-	-	-	7,121	7,121
	-	-	10,134	10,134	-	-	13,500	7,121	20,621
Restricted:									
Tax certiorari	3,925,807	-	-	3,925,807	4,073,084	-	-	-	4,073,084
Unemployment benefits	123,083	-	-	123,083	123,083	-	-	-	123,083
Employee benefit accrued liability	86,788	-	-	86,788	97,553	-	-	-	97,553
ERS retirement contributions	676,944	-	-	676,944	676,944	-	-	-	676,944
TRS retirement contributions	50,000	-	-	50,000	50,000	-	-	-	50,000
Debt service	406,679	-	-	406,679	406,679	-	-	-	406,679
Future capital projects	52,493	-	-	52,493	1,752,493	-	-	-	1,752,493
Capital projects	-	1,116,395	-	1,116,395	-	27,605	-	-	27,605
Special purposes	-	-	45,212	45,212	-	-	-	48,382	48,382
Total Restricted	5,321,794	1,116,395	45,212	6,483,401	7,179,836	27,605	-	48,382	7,255,823
Assigned:									
Purchases on order:									
General support	7,685	-	-	7,685	16,654	-	-	-	16,654
Instruction	38,950	-	-	38,950	77,561	-	-	-	77,561
	46,635	-	-	46,635	94,215	-	-	-	94,215
School Lunch Fund	-	-	124,605	124,605	-	-	-	161,703	161,703
Total Assigned	46,635	-	124,605	171,240	94,215	-	-	161,703	255,918
Unassigned	2,009,750	-	-	2,009,750	979,994	-	(13,500)	-	966,494
Total Fund Balance	\$ 7,378,179	\$ 1,116,395	\$ 179,951	\$ 8,674,525	\$ 8,254,045	\$ 27,605	\$ -	\$ 217,206	\$ 8,498,856

Note 3 - Detailed Notes on All Funds (Continued)

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

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

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

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

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

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

The School District is a defendant in actions in which, parents are seeking reimbursement for tuition paid by them to private schools where they have unilaterally placed (enrolled) their children. If the parents' were successful in the claim, they could receive reimbursement for both tuition and attorney's fees. The School District vigorously contests any liability for these claims.

B. Contingencies

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

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

Coronavirus

On March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of Coronavirus. This was followed by the President of the United States declaring the outbreak of Coronavirus a national emergency on March 13, 2020.

Preceding these announcements, the Governor of the State of New York declared a state of emergency on March 7, 2020 and has since issued multiple Executive Orders regarding the pandemic. Furthermore, the Enacted 2020-21 New York State budget granted the Budget Director the authority to reduce state aid payments to local governments and school districts by any amount needed to achieve a balanced budget. The Budget Director is authorized, under Section 1(f) of Chapter 53 of the Laws of 2020, to withhold all or some of specific local aid payments during state fiscal year 2020-21, that began on April 1, 2020, if the budget is deemed unbalanced and if the Budget Director further determines that such withholding is necessary to respond to the direct and indirect economic financial and social effects of the Coronavirus pandemic ("Reduction Authority").

The ultimate size of any permanent reductions would depend in part on the availability of unrestricted Federal aid. The Federal government has not reached a consensus on additional recovery legislation at this time. Therefore, in the interim, without assurance of Federal aid, New York State has begun withholding a minimum of 20% of most municipal and school district aid payments to achieve the cash flow savings anticipated in the Executive Budget Financial Plan as updated for the Governor's amendments and forecast revisions pursuant to the Reduction Authority. Such measures have already impacted the state aid revenues reported by the School District for the year ended June 30, 2020.

In addition to these New York State actions, the School District's economically sensitive revenues (i.e., sales tax distributions, interest earnings, charges for services) are being negatively impacted. Meanwhile, the School District's expenditures on health and safety measures (personal protective equipment, sanitizing supplies, custodial overtime, technology acquisitions to support remote work and remote learning, additional bus runs to lower capacity) will increase significantly.

The outbreak of the Coronavirus and the dramatic steps taken by the Federal government and New York State to address it will continue to negatively affect New York State and its local economies. The full impact of the Coronavirus on New York State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact on the School District's future operations and finances as a result of the Coronavirus is extremely difficult to predict due to uncertainties relating to its duration and severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including New York State, to contain or mitigate its effects. The spread of the outbreak or reemergence later in the year could have a material adverse financial effect on New York State and local municipalities, including the School District. The School District is continuously monitoring the situation and will take such proactive measures as may be required to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the actual impact on the School District's future financial position at this time.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

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

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million. The School District maintains liability coverage for school board members up to \$1 million. The School District also maintains an umbrella policy with coverage up to \$20 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

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

Dobbs Ferry Union Free School District, New York

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

	2020	2019	2018
Total OPEB Liability:			
Service cost	\$ 3,841,167	\$ 3,551,980	\$ 3,448,524
Interest	2,496,880	2,185,249	2,059,624
Changes of benefit terms	-	-	-
Differences between expected and actual experience	4,556,914	-	14,992
Changes of assumptions or other inputs	(1,429,910)	(6,050,798)	-
Benefit payments	(1,471,442)	(1,485,862)	(1,393,074)
	7,993,609	(1,799,431)	4,130,066
Total OPEB Liability – Beginning of Year	68,227,648	70,027,079	65,897,013 (3)
Total OPEB Liability – End of Year	<u>\$ 76,221,257</u>	<u>\$ 68,227,648</u>	<u>\$ 70,027,079</u>
School District's covered-employee payroll	<u>\$ 24,055,156</u>	<u>\$ 22,227,145</u>	<u>\$ 22,227,145</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>316.86%</u>	<u>306.96%</u>	<u>315.05%</u>

Notes to Schedule:

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

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay

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

Dobbs Ferry Union Free School District, New York

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

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

	2020 (5)	2019	2018 (4)	2017 (3)	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.132966%</u>	<u>0.129987%</u>	<u>0.128823%</u>	<u>0.126673%</u>	<u>0.126494%</u>	<u>0.125329%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (3,454,456)</u>	<u>\$ (2,350,504)</u>	<u>\$ (979,184)</u>	<u>\$ 1,356,722</u>	<u>\$ (13,138,707)</u>	<u>\$ (13,960,864)</u>
School District's covered payroll	<u>\$ 22,358,254</u>	<u>\$ 21,339,605</u>	<u>\$ 20,413,236</u>	<u>\$ 19,547,640</u>	<u>\$ 18,996,389</u>	<u>\$ 18,490,015</u>
liability (asset) as a percentage of its covered payroll	<u>(15.45)%</u>	<u>(11.01)%</u>	<u>(4.80)%</u>	<u>6.94%</u>	<u>(69.16)%</u>	<u>(75.50)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>

Schedule of Contributions

	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 2,050,327</u>	<u>\$ 2,374,447</u>	<u>\$ 2,091,281</u>	<u>\$ 2,392,431</u>	<u>\$ 2,592,017</u>	<u>\$ 3,330,067</u>
Contributions in relation to the contractually required contribution	<u>2,050,327</u>	<u>(2,374,447)</u>	<u>(2,091,281)</u>	<u>(2,392,431)</u>	<u>(2,592,017)</u>	<u>(3,330,067)</u>
Contribution excess	<u>\$ 4,100,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 23,141,390</u>	<u>\$ 22,358,254</u>	<u>\$ 21,339,605</u>	<u>\$ 20,413,236</u>	<u>\$ 19,547,640</u>	<u>\$ 18,996,389</u>
Contributions as a percentage of covered payroll	<u>8.86%</u>	<u>10.62%</u>	<u>9.80%</u>	<u>11.72%</u>	<u>13.26%</u>	<u>17.53%</u>

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

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

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

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

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

Dobbs Ferry Union Free School District, New York

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

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

	2020 (4)	2019	2018	2017	2016 (3)	2015
School District's proportion of the net pension liability	<u>0.0088680%</u>	<u>0.0091502%</u>	<u>0.0094193%</u>	<u>0.0091606%</u>	<u>0.0090176%</u>	<u>0.0092256%</u>
School District's proportionate share of the net pension liability	<u>\$ 2,348,296</u>	<u>\$ 648,320</u>	<u>\$ 304,003</u>	<u>\$ 860,754</u>	<u>\$ 1,447,343</u>	<u>\$ 311,662</u>
School District's covered payroll	<u>\$ 2,716,945</u>	<u>\$ 2,649,279</u>	<u>\$ 2,702,228</u>	<u>\$ 2,755,750</u>	<u>\$ 2,576,891</u>	<u>\$ 2,577,770</u>
School District's proportionate share of the						
of its covered payroll	<u>86.43%</u>	<u>24.47%</u>	<u>11.25%</u>	<u>31.23%</u>	<u>56.17%</u>	<u>12.09%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Schedule of Contributions

	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 369,851</u>	<u>\$ 390,167</u>	<u>\$ 413,012</u>	<u>\$ 397,184</u>	<u>\$ 460,524</u>	<u>\$ 521,089</u>
Contributions in relation to the contractually required contribution	<u>(369,851)</u>	<u>(390,167)</u>	<u>(413,012)</u>	<u>(397,184)</u>	<u>(460,524)</u>	<u>(521,089)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 2,691,048</u>	<u>\$ 2,705,864</u>	<u>\$ 2,624,512</u>	<u>\$ 2,756,291</u>	<u>\$ 2,630,266</u>	<u>\$ 2,603,190</u>
Contributions as a percentage of covered payroll	<u>13.74%</u>	<u>14.42%</u>	<u>15.74%</u>	<u>14.41%</u>	<u>17.51%</u>	<u>20.02%</u>

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

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

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

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

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Dobbs Ferry Union Free School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2020	2019
ASSETS		
Cash and equivalents	\$ 5,238,303	\$ 6,000,103
Investments	4,428,405	4,344,827
Receivables		
Accounts	40,257	86,175
State and Federal aid	812,715	560,357
Due from other governments	418,963	230,101
Due from other funds	1,062,231	666,973
	2,334,166	1,543,606
Total Assets	\$ 12,000,874	\$ 11,888,536
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 403,612	\$ 628,333
Accrued liabilities	26,017	181,060
Due to other funds	1,837,207	220,614
Due to other governments	35,651	-
Due to retirement systems	2,320,208	2,604,484
Total Liabilities	4,622,695	3,634,491
Fund balance		
Restricted	5,321,794	7,179,836
Assigned	46,635	94,215
Unassigned	2,009,750	979,994
Total Fund Balance	7,378,179	8,254,045
Total Liabilities and Fund Balance	\$ 12,000,874	\$ 11,888,536

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

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

	2020				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Encumbr- ances	
REVENUES					
Real property taxes	\$ 35,967,062	\$ 35,967,062	\$ 35,967,062	\$	\$ -
Other tax items	2,408,242	2,408,242	2,412,140		3,898
Non-property taxes	550,000	550,000	734,550		184,550
Charges for services	1,073,000	1,073,000	1,313,748		240,748
Use of money and property	177,000	177,000	183,635		6,635
Sale of property and compensation for loss	-	-	-		-
State aid	6,216,584	6,216,584	5,449,562		(767,022)
Federal aid	30,000	30,000	85,483		55,483
Miscellaneous	61,000	61,000	457,841		396,841
Total Revenues	46,482,888	46,482,888	46,604,021		121,133
EXPENDITURES					
Current					
General support					
Board of education	57,136	73,527	70,900	-	2,627
Central administration	359,091	359,203	359,203	-	-
Finance	575,788	522,155	522,155	-	-
Staff	224,558	238,623	235,610	2,986	27
Central services	3,230,163	3,269,931	2,897,722	4,699	367,510
Special items	582,030	765,843	765,843	-	-
Total General Support	5,028,766	5,229,282	4,851,433	7,685	370,164
Instruction					
Instruction, administration and improvement	1,893,666	1,818,433	1,818,412	-	21
Teaching - Regular school	14,894,107	14,764,947	14,675,231	2,500	87,216
Programs for students with disabilities	6,467,018	6,612,546	6,528,603	22,500	61,443
Occupational education	51,000	71,202	71,202	-	-
Instructional media	1,453,559	1,469,118	1,468,991	-	127
Pupil services	2,779,498	2,751,197	2,704,834	4,175	42,188
Total Instruction	27,538,848	27,487,443	27,267,273	29,175	190,995
Pupil transportation	1,343,850	1,345,590	1,074,196	-	271,394
Community services	-	45,703	45,703	-	-
Employee benefits	10,112,907	10,156,044	10,070,199	9,775	76,070
Debt service					
Principal	2,061,095	2,061,094	2,061,094	-	-
Interest	356,637	356,635	356,635	-	-
Total Expenditures	46,442,103	46,681,791	45,726,533	46,635	908,623
Excess (Deficiency) of Revenues Over Expenditures	40,785	(198,903)	877,488	(46,635)	1,029,756
OTHER FINANCING USES					
Transfers out	(135,000)	(1,853,354)	(1,753,354)	-	100,000
Net Change in Fund Balance	(94,215)	(2,052,257)	(875,866)	\$ (46,635)	\$ 1,129,756
FUND BALANCE					
Beginning of Year	94,215	2,052,257	8,254,045		
End of Year	\$ -	\$ -	\$ 7,378,179		

See independent auditors' report.

2019				
Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
\$ 37,276,560	\$ 34,269,579	\$ 34,247,034	\$	\$ (22,545)
55,000	3,061,981	3,068,547		6,566
500,000	500,000	559,532		59,532
1,048,000	1,048,000	1,329,821		281,821
97,000	97,000	311,954		214,954
-	-	6,082		6,082
5,729,389	5,729,389	4,606,182		(1,123,207)
30,000	30,000	91,907		61,907
61,000	61,000	95,600		34,600
44,796,949	44,796,949	44,316,659		(480,290)
48,064	42,972	42,972	-	-
357,315	362,063	359,926	2,137	-
584,059	569,343	569,343	-	-
196,591	222,905	220,393	2,512	-
3,209,378	3,533,821	3,521,814	12,005	2
607,321	832,527	832,527	-	-
5,002,728	5,563,631	5,546,975	16,654	2
1,857,545	1,855,735	1,855,735	-	-
14,454,423	14,659,748	14,659,420	328	-
6,158,154	6,111,384	6,041,201	70,183	-
50,286	18,090	18,090	-	-
1,830,724	1,747,069	1,746,643	426	-
2,616,829	2,583,032	2,576,408	6,624	-
26,967,961	26,975,058	26,897,497	77,561	-
1,278,178	1,308,626	1,308,626	-	-
12,600	-	-	-	-
9,958,550	9,992,427	9,992,427	-	-
1,792,062	1,792,062	1,792,062	-	-
555,234	555,234	555,234	-	-
45,567,313	46,187,038	46,092,821	94,215	2
(770,364)	(1,390,089)	(1,776,162)	(94,215)	(480,288)
(135,000)	(49,049)	(49,049)	-	-
(905,364)	(1,439,138)	(1,825,211)	\$ (94,215)	\$ (480,288)
905,364	1,439,138	10,079,256		
\$ -	\$ -	\$ 8,254,045		

Dobbs Ferry Union Free School District, New York

General Fund

Schedule of Revenues Compared to Budget

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	<u>\$ 35,967,062</u>	<u>\$ 35,967,062</u>	<u>\$ 35,967,062</u>	<u>\$ -</u>
OTHER TAX ITEMS				
School tax relief reimbursement	2,353,242	2,353,242	2,353,242	-
Bisected property taxes	<u>55,000</u>	<u>55,000</u>	<u>58,898</u>	<u>3,898</u>
	<u>2,408,242</u>	<u>2,408,242</u>	<u>2,412,140</u>	<u>3,898</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	<u>550,000</u>	<u>550,000</u>	<u>734,550</u>	<u>184,550</u>
CHARGES FOR SERVICES				
Day school tuition	450,000	450,000	653,064	203,064
Other student fees and charges	123,000	123,000	124,702	1,702
Health services for other districts	<u>500,000</u>	<u>500,000</u>	<u>535,982</u>	<u>35,982</u>
	<u>1,073,000</u>	<u>1,073,000</u>	<u>1,313,748</u>	<u>240,748</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	150,000	150,000	175,141	25,141
Rental of real property	25,000	25,000	8,142	(16,858)
Commissions	<u>2,000</u>	<u>2,000</u>	<u>352</u>	<u>(1,648)</u>
	<u>177,000</u>	<u>177,000</u>	<u>183,635</u>	<u>6,635</u>

STATE AID

Basic formula	3,958,272	2,898,383	3,465,642	567,259
BOCES	551,502	551,502	793,056	241,554
Transportation aid	269,601	269,601	-	(269,601)
Lottery aid	16,719	1,052,608	1,035,889	(16,719)
Textbooks	135,710	97,819	93,084	(4,735)
Computer software	-	50,635	50,635	-
Library aid	-	11,256	11,256	-
Tax limitation aid	1,284,780	1,284,780	-	(1,284,780)
	<u>6,216,584</u>	<u>6,216,584</u>	<u>5,449,562</u>	<u>(767,022)</u>

FEDERAL AID

Medical assistance	<u>30,000</u>	<u>30,000</u>	<u>85,483</u>	<u>55,483</u>
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MISCELLANEOUS

Other	1,000	1,000	25,401	24,401
Gifts and donations	-	-	796	796
Refund for BOCES' aided services	60,000	60,000	60,049	49
Refund of prior year's expenditures	<u>-</u>	<u>-</u>	<u>371,595</u>	<u>371,595</u>
	<u>61,000</u>	<u>61,000</u>	<u>457,841</u>	<u>396,841</u>

TOTAL REVENUES

<u>\$ 46,482,888</u>	<u>\$ 46,482,888</u>	<u>\$ 46,604,021</u>	<u>\$ 121,133</u>
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See independent auditors' report.

Dobbs Ferry Union Free School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 28,675	\$ 30,667	\$ 30,663	\$ -	\$ 4
District clerk	9,531	9,240	9,240	-	-
District meeting	18,930	33,620	30,997	-	2,623
Total Board of Education	57,136	73,527	70,900	-	2,627
CENTRAL ADMINISTRATION					
Chief school administrator	359,091	359,203	359,203	-	-
FINANCE					
Business administration	424,103	379,552	379,552	-	-
Accounting and auditing	48,700	41,573	41,573	-	-
Treasurer	102,985	101,030	101,030	-	-
Total Finance	575,788	522,155	522,155	-	-
STAFF					
Legal	63,000	64,651	61,638	2,986	27
Personnel	91,370	104,949	104,949	-	-
Public information and services	70,188	69,023	69,023	-	-
Total Staff	224,558	238,623	235,610	2,986	27

CENTRAL SERVICES

Operation and maintenance of plant	2,973,113	2,970,757	2,598,548	4,699	367,510
Central printing and mailing	15,750	26,274	26,274	-	-
Central data processing	241,300	272,900	272,900	-	-

Total Central Services	3,230,163	3,269,931	2,897,722	4,699	367,510
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SPECIAL ITEMS

Unallocated insurance	163,700	180,313	180,313	-	-
Refunds of real property taxes	-	147,277	147,277	-	-
Assessments on school property	196,500	216,423	216,423	-	-
Administrative charge - BOCES	221,830	221,830	221,830	-	-

Total Special Items	582,030	765,843	765,843	-	-
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Total General Support	5,028,766	5,229,282	4,851,433	7,685	370,164
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INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	302,055	258,568	258,568	-	-
Supervision - Regular school	1,434,628	1,437,716	1,437,695	-	21
Research, planning and evaluation	2,300	2,300	2,300	-	-
In-service training - Instruction	154,683	119,849	119,849	-	-

Total Instruction, Administration and Improvement	1,893,666	1,818,433	1,818,412	-	21
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TEACHING - REGULAR SCHOOL	14,894,107	14,764,947	14,675,231	2,500	87,216
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PROGRAMS FOR STUDENTS WITH DISABILITIES	6,467,018	6,612,546	6,528,603	22,500	61,443
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OCCUPATIONAL EDUCATION	51,000	71,202	71,202	-	-
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(Continued)

Dobbs Ferry Union Free School District, New York

General Fund

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

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
INSTRUCTION (Continued)					
<i>INSTRUCTIONAL MEDIA</i>					
School library and audiovisual	\$ 335,765	\$ 346,707	\$ 346,707	\$ -	\$ -
Computer assisted instruction	1,117,794	1,122,411	1,122,284	-	127
Total Instructional Media	1,453,559	1,469,118	1,468,991	-	127
<i>PUPIL SERVICES</i>					
Guidance - Regular school	809,041	811,693	811,693	-	-
Health services - Regular school	442,560	459,428	454,357	-	5,071
Psychological services - Regular school	773,726	727,251	727,251	-	-
Co-curricular activities - Regular school	237,921	236,706	227,509	-	9,197
Interscholastic athletics - Regular school	516,250	516,119	484,024	4,175	27,920
Total Pupil Services	2,779,498	2,751,197	2,704,834	4,175	42,188
Total Instruction	27,538,848	27,487,443	27,267,273	29,175	190,995
<i>PUPIL TRANSPORTATION</i>					
District transportation services	24,250	23,602	23,551	-	51
Contract and public carrier transportation	1,319,600	1,321,988	1,050,645	-	271,343
Total Pupil Transportation	1,343,850	1,345,590	1,074,196	-	271,394
<i>COMMUNITY SERVICES</i>					
Civic activities	-	45,703	45,703	-	-

EMPLOYEE BENEFITS

State retirement	385,281	379,799	379,705	-	94
Teachers' retirement	2,031,565	2,054,047	2,044,384	-	9,663
Social security	1,943,613	1,944,378	1,923,483	-	20,895
Hospital, medical and dental insurance	5,199,663	5,186,705	5,148,417	-	38,288
Unemployment insurance	5,000	35,000	25,225	9,775	-
Workers' compensation benefits	170,741	170,741	170,064	-	677
Union welfare benefits	348,994	350,984	350,984	-	-
Other	28,050	34,390	27,937	-	6,453
Total Employee Benefits	10,112,907	10,156,044	10,070,199	9,775	76,070

DEBT SERVICE

Principal					
Serial bonds	1,864,145	1,864,145	1,864,145	-	-
Energy performance contract debt	196,950	196,949	196,949	-	-
	2,061,095	2,061,094	2,061,094	-	-
Interest					
Serial bonds	341,217	341,216	341,216	-	-
Energy performance contract debt	15,420	15,419	15,419	-	-
	356,637	356,635	356,635	-	-
Total Debt Service	2,417,732	2,417,729	2,417,729	-	-
TOTAL EXPENDITURES	46,442,103	46,681,791	45,726,533	46,635	908,623

OTHER FINANCING USES

Transfers out					
Capital Projects Fund	100,000	1,800,000	1,700,000	-	100,000
Special Aid Fund	35,000	53,354	53,354	-	-
TOTAL OTHER FINANCING USES	135,000	1,853,354	1,753,354	-	100,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 46,577,103	\$ 48,535,145	\$ 47,479,887	\$ 46,635	\$ 1,008,623

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	\$ 28,414	\$ 35,513
Investments	10,519	10,411
State and Federal aid receivable	-	157,082
Due from other funds	<u>1,700,000</u>	<u>-</u>
Total Assets	<u>\$ 1,738,933</u>	<u>\$ 203,006</u>
 Liabilities		
Accounts payable	\$ 149,918	\$ 144,120
Due to other funds	<u>472,620</u>	<u>31,281</u>
Total Liabilities	<u>622,538</u>	<u>175,401</u>
 Fund balance		
Restricted	<u>1,116,395</u>	<u>27,605</u>
Total Liabilities and Fund Balance	<u>\$ 1,738,933</u>	<u>\$ 203,006</u>

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

Capital Projects Fund

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

	2020	2019
REVENUES		
State aid	\$ -	\$ 157,082
EXPENDITURES		
Capital outlay	611,210	540,702
Deficiency of Revenues Over Expenditures	(611,210)	(383,620)
OTHER FINANCING SOURCES		
Transfer in	1,700,000	-
Net Change in Fund Balance	1,088,790	(383,620)
FUND BALANCE		
Beginning of Year	27,605	411,225
End of Year	<u>\$ 1,116,395</u>	<u>\$ 27,605</u>

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through June 30, 2020

PROJECT	Authorization	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
2020 Construction for Buildings (HS/MS)	\$ 18,020,000	\$ -	\$ 498,333	\$ 498,333
2020 Construction for Buildings (Elementary)	1,957,378	-	85,272	85,272
District-Wide Reconstruction	16,019,145	15,986,240	27,605	16,013,845
2019 Smart Schools Bond -				
	367,973	157,082	-	157,082
	<u>\$ 36,364,496</u>	<u>\$ 16,143,322</u>	<u>\$ 611,210</u>	<u>\$ 16,754,532</u>

See independent auditors' report.

Unexpended Balance	Methods of Financing			Total	Fund Balance at June 30, 2020
	Interfund Transfers	Proceeds of Obligations	State Aid		
\$ 17,521,667	\$ 1,530,000	\$ -	\$ -	\$ 1,530,000	\$ 1,031,667
1,872,106	170,000	-	-	170,000	84,728
5,300	1,744,700	14,269,145	-	16,013,845	-
210,891	-	-	157,082	157,082	-
<u>\$ 19,609,964</u>	<u>\$ 3,444,700</u>	<u>\$ 14,269,145</u>	<u>\$ 157,082</u>	<u>\$ 17,870,927</u>	<u>\$ 1,116,395</u>

Dobbs Ferry Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	2020	2019
ASSETS		
Cash and equivalents	\$ 97,778	\$ 271,261
Receivables		
Accounts	52,788	43,728
State and Federal aid	693,820	541,506
	746,608	585,234
Prepaid expenditures	-	13,500
Total Assets	\$ 844,386	\$ 869,995
LIABILITIES AND FUND BALANCE		
Accounts payable	\$ 141,555	\$ 29,698
Accrued liabilities	642	756
Due to other funds	589,611	635,692
Unearned revenues	112,578	203,849
Total Liabilities	844,386	869,995
Fund balance (deficit)		
Nonspendable	-	13,500
Unassigned	-	(13,500)
Total Fund Balance	-	-
Total Liabilities and Fund Balance	\$ 844,386	\$ 869,995

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

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

	<u>2020</u>	<u>2019</u>
REVENUES		
State aid	\$ 214,645	\$ 196,194
Federal aid	640,608	530,675
Miscellaneous	<u>83,554</u>	<u>94,984</u>
Total Revenues	938,807	821,853
EXPENDITURES		
Current		
Instruction	<u>992,161</u>	<u>870,902</u>
Deficiency of Revenues Over Expenditures	(53,354)	(49,049)
OTHER FINANCING SOURCES		
Transfers in	<u>53,354</u>	<u>49,049</u>
Net Change in Fund Balance	-	-
FUND BALANCE		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020
(With Comparative Totals for 2019)

			Total Non-Major Governmental Funds	
	School Lunch	Special Purpose	2020	2019
ASSETS				
Cash and equivalents	\$ 125	\$ 45,212	\$ 45,337	\$ 134,191
Receivables				
Accounts	7,583	-	7,583	-
State and Federal aid	34,685	-	34,685	9,496
Due from other funds	137,207	-	137,207	220,614
	179,475	-	179,475	230,110
Inventories	10,134	-	10,134	7,121
Total Assets	<u>\$ 189,734</u>	<u>\$ 45,212</u>	<u>\$ 234,946</u>	<u>\$ 371,422</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 21,668	\$ -	\$ 21,668	\$ 136,827
Due to other governments	188	-	188	1,111
Unearned revenues	33,139	-	33,139	16,278
Total Liabilities	54,995	-	54,995	154,216
Fund balances				
Nonspendable	10,134	-	10,134	7,121
Restricted	-	45,212	45,212	48,382
Assigned	124,605	-	124,605	161,703
Total Fund Balances	134,739	45,212	179,951	217,206
Total Liabilities and Fund Balances	<u>\$ 189,734</u>	<u>\$ 45,212</u>	<u>\$ 234,946</u>	<u>\$ 371,422</u>

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2020
(With Comparative Totals for 2019)

			Total Non-Major Governmental Funds	
	School Lunch	Special Purpose	2020	2019
REVENUES				
Use of money and property	\$ -	\$ 30	\$ 30	\$ 42
State aid	7,210	-	7,210	7,624
	159,631	-	159,631	117,044
Food sales	422,603	-	422,603	657,565
Miscellaneous	-	-	-	3,093
Total Revenues	589,444	30	589,474	785,368
EXPENDITURES				
Current				
Cost of food sales	623,529	-	623,529	879,343
Other	-	3,200	3,200	2,300
Total Expenditures	623,529	3,200	626,729	881,643
Deficiency of Revenues Over Expenditures	(34,085)	(3,170)	(37,255)	(96,275)
FUND BALANCES				
Beginning of Year	168,824	48,382	217,206	313,481
End of Year	\$ 134,739	\$ 45,212	\$ 179,951	\$ 217,206

See independent auditors' report.

Dobbs Ferry Union Free School District, New YorkSchool Lunch Fund
Comparative Balance Sheet
June 30,

	2020	2019
ASSETS		
Cash and equivalents	\$ 125	\$ 85,809
Receivables		
Accounts	7,583	-
State and Federal aid	34,685	9,496
Due from other funds	137,207	220,614
	179,475	230,110
Inventories	10,134	7,121
Total Assets	\$ 189,734	\$ 323,040
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 21,668	\$ 136,827
Due to other governments	188	1,111
Unearned revenues	33,139	16,278
Total Liabilities	54,995	154,216
Fund balance		
Nonspendable	10,134	7,121
Assigned	124,605	161,703
Total Fund Balance	134,739	168,824
Total Liabilities and Fund Balance	\$ 189,734	\$ 323,040

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

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

	<u>2020</u>	<u>2019</u>
REVENUES		
State aid	\$ 7,210	\$ 7,624
Federal aid	159,631	117,044
Food sales	422,603	657,565
Miscellaneous	<u>-</u>	<u>3,093</u>
Total Revenues	589,444	785,326
EXPENDITURES		
Current		
Cost of food sales	<u>623,529</u>	<u>879,343</u>
Deficiency of Revenues Over Expenditures	(34,085)	(94,017)
FUND BALANCE		
Beginning of Year	<u>168,824</u>	<u>262,841</u>
End of Year	<u><u>\$ 134,739</u></u>	<u><u>\$ 168,824</u></u>

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	<u>\$ 45,212</u>	<u>\$ 48,382</u>
FUND BALANCE		
Restricted	<u>\$ 45,212</u>	<u>\$ 48,382</u>

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

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

	<u>2020</u>	<u>2019</u>
REVENUES		
Use of money and property	\$ 30	\$ 42
EXPENDITURES		
Current		
Other	<u>3,200</u>	<u>2,300</u>
Deficiency of Revenues Over Expenditures	(3,170)	(2,258)
FUND BALANCE		
Beginning of Year	<u>48,382</u>	<u>50,640</u>
End of Year	<u>\$ 45,212</u>	<u>\$ 48,382</u>

See independent auditors' report.

Dobbs Ferry Union Free School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2020

Adopted Budget	\$ 46,482,888
Additions	
Encumbrances	<u>94,215</u>
Original Budget	46,577,103
Budget Amendments	<u>1,958,042</u>
Final Budget	<u><u>\$ 48,535,145</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

Year Ended June 30, 2020

2020-2021 Expenditure Budget	<u>\$ 47,065,725</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	46,635
Unassigned fund balance	<u>2,009,750</u>
Total Unrestricted Fund Balance	<u>2,056,385</u>
Less	
Encumbrances	<u>46,635</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 2,009,750</u></u>
Actual Percentage	<u><u>4.27%</u></u>

See independent auditors' report.

Dobbs Ferry Union Free School District, New YorkSchedule of Net Investment in Capital Assets
Year Ended June 30, 2020

Capital Assets, net		\$ 42,867,228
Less		
Bonds payable	(13,635,000)	
Energy performance contract debt payable	(409,060)	
Unamortized portion of premium on bonds	<u>(15,249)</u>	(14,059,309)
Plus		
Unamortized portion of loss on refunding bonds	<u>23,929</u>	<u>23,929</u>
Net Investment in Capital Assets		<u><u>\$ 28,831,848</u></u>

See independent auditors' report.

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Dobbs Ferry Union Free School District, New York ("School District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 30, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 30, 2020

**Report on Compliance For Each Major Federal Program and Report
on Internal Control Over Compliance Required by
the Uniform Guidance**

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited the Dobbs Ferry Union Free School District, New York's ("School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2020. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 30, 2020

DOBBS FERRY UNION FREE SCHOOL DISTRICT, NEW YORK

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided To Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Indirect Programs - Passed through New York State Department of Education				
School Breakfast Program (SBP)	10.553	N/A	\$ -	\$ 26,414
National School Lunch Program (NSLP)	10.555	N/A	-	98,319
National School Lunch Program (NSLP) Commodities	10.555	N/A	-	34,898
Total U.S. Department of Agriculture			-	159,631
<u>U.S. Department of Education</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Special Education - Cluster (IDEA)</i>				
Special Education - Grants to States (IDEA, Part B)	84.027	0033-20-1054	-	394,531
Special Education - Preschool Grants (IDEA, Preschool)	84.173	0033-20-1054	-	9,282
Subtotal Special Education Cluster			-	403,813
Title I Grants to Local Educational Agencies	84.010	0021-19-3645	-	83,097
Title I Grants Local Educational Agencies	84.010	0021-20-3645	-	109,960
			-	193,057
English Language Acquisition State Grants	84.365	0293-19-3645	-	2,213
			-	2,213
Supporting Effective Instruction State Grants	84.367	0147-19-3645	-	25,300
Supporting Effective Instruction State Grants	84.367	0147-20-3645	-	6,325
			-	31,625
Student Support and Academic Enrichment Program	84.424	0204-19-3645	-	7,920
Student Support and Academic Enrichment Program	84.424	0204-20-3645	-	1,980
			-	9,900
Total U.S. Department of Education			-	640,608
Total Expenditures of Federal Awards			\$ -	\$ 800,239

(1) Catalog of Federal Domestic Assistance number

The accompanying notes are an integral part of this schedule.

Dobbs Ferry Union Free School District, New York

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Dobbs Ferry Union Free School District, New York ("School District") under programs of the federal government for the year ended June 30, 2020. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. 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 School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

Note 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. The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Pass-through identifying numbers are presented where available.

Dobbs Ferry Union Free School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on
whether the financial statements audited were
prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
____ Yes X None reported

Noncompliance material to financial statements
noted?

____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
____ Yes X None reported

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

Unmodified

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

____ Yes X No

Identification of major federal programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027
84.173

Special Education Cluster (IDEA):
Special Education – Grants to States
Special Education – Preschool Grants

Dollar threshold used to distinguish
between Type A and Type B programs:
Auditee qualified as low-risk auditee?

\$750,000
____ Yes X No

Dobbs Ferry Union Free School District, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended June 30, 2020

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Dobbs Ferry Union Free School District, New York

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020

No Prior Year Audit Findings.