

Irvington Union Free School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2023

Irvington Union Free School District, New York

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Irvington Union Free School District, New York ("School District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 26, 2023

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Irvington Union Free School District, New York

Management's Discussion and Analysis ("MD&A") June 30, 2023

Introduction

Our discussion and analysis of the Irvington Union Free School District, New York's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2023. It should be read in conjunction with the basic financial statements, which immediately follows this section, to enhance understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2022-2023 are as follows:

- New York State Law limits the amount of committed, assigned and unassigned fund balance, exclusive of encumbrances and amounts designated for the subsequent year's budget that can be retained by the General Fund to 4% of the ensuing year's budget. At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$2,923,165. This is at the 4% limit for unassigned fund balance.
- As of the close of the current fiscal year, the School Districts governmental fund financial statements report a combined ending fund balance of \$15,582,725, a decrease of \$7,561,160 from the prior year. This overall decrease was the result a decrease in Capital Projects Fund of \$9,630,994 as funds were spent during the capital project. However, the General fund balance increased by \$1,984,447, mostly due to revenues that were above budget.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded the assets and deferred outflows of resources at the close of its most recent fiscal year by \$113,373,519. This represented an improvement of \$3,417,838 for the year ended June 30, 2023, when compared to fiscal year 2022, leaving the District in a better net position year over year. It is important to note that New York State pension obligations are included in these figures, as noted in the next paragraph. These obligations are not managed by the Irvington UFSD.
- The district-wide financial statements for the year ended June 30, 2023 are also significantly impacted by the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*." This pronouncement established accounting and financial reporting requirements associated with the School District's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS"). Under this standard, cost-sharing employers are required to report in their district-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At June 30, 2023, the School District reported in its Statement of Net Position a non-current liability for its proportionate share of the ERS net pension liability of \$3,380,317 and a non-current liability of \$2,773,324 for its proportionate share of the TRS net pension liability. More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as

pension expense and deferred inflows/outflows of resources, is presented in Note 3D on page 26 in the notes to financial statements.

- For the year ended June 30, 2023, the School District's OPEB liability of \$118,873,068 is reflected on the district-wide Statement of Net Position and impacts the total net position calculation. This increase of \$9,131,858 from the prior year was due to changes in the discount rate and actuarial assumptions. More detailed information about the School District's OPEB obligations reported in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", is presented in Note 3D on page 31 in the notes to the financial statements.
- School Lunch Fund ended with an increase to the fund balance in the amount of \$97,646 as meals sales increased year over year. In 2022-2023, meals were no longer free to all students in the District as they were during 2021-2022. Fund balance will be used toward cafeteria kitchen equipment upgrades and various programs for the next school years. It is important to note that the General Fund does not supplement the School Lunch Fund. The District receives Federal and State Aid on meals served.

Overview of the Financial Statements

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

District-Wide Financial Statements

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

- The *statement of net position* presents information on all of the School District's assets, liabilities and deferred inflows/outflows of resources, with the difference 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, cost of food sales, other, interest and general administrative support.

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

Fund Financial Statements

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

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

Notes to Financial Statements

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

Other Information

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

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the Irvington Union Free School District, New York, liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources by \$113,373,519 at the close of the current fiscal year, however the net position improved by \$3,417,838 during this fiscal year.

Statement of Net Position

	June 30,	
	2023	2022
Current Assets	\$ 20,800,378	\$ 55,381,920
Capital Assets, net	48,767,631	40,760,511
Total Assets	69,568,009	96,142,431
Deferred Outflows of Resources	23,336,080	20,717,401
Current Liabilities	5,396,105	5,952,010
Long-term Liabilities	167,111,472	155,695,514
Total Liabilities	172,507,577	161,647,524
Deferred Inflows of Resources	33,770,031	72,003,665
Net Position		
Net Investment in Capital Assets	13,286,049	12,286,098
Restricted	4,366,160	3,113,421
Unrestricted	(131,025,728)	(132,190,876)
Total Net Position	\$ (113,373,519)	\$ (116,791,357)

One component of the School District's net position, \$13,286,049, reflects its investment in capital assets, less any related debt that is still outstanding that was used to acquire those assets. The School District uses these capital assets to provide services to students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions listed above constitute \$4,366,160 of net position and are comprised of amounts restricted for specific purposes, i.e., payments of tax certiorari claims, capital projects, debt service, retirement contributions, etc. There is a negative balance of unrestricted net position of \$131,025,728 primarily a result of the recognition of the OPEB liabilities. Overall, net position increased positively by \$3,417,838 as total expenses were lower than revenues. Current Assets decreased by \$34,581,542 as a result of New York State pension activity. As per GASB 68, the District recognized a net pension liability of \$6,153,641, whereas in the previous year, the New York State pensions were recorded as a net pension asset. It is important to note that these funds are all controlled by New York State for retirement obligation and not controlled by the District.

Changes in Net Position

	June 30,	
	2023	2022
REVENUES		
Program Revenues		
Charges for Services	\$ 1,478,158	\$ 1,201,461
Operating Grants and Contributions	2,949,920	2,446,258
Capital Grants and Contributions	271,712	820
Total Program Revenues	<u>4,699,790</u>	<u>3,648,539</u>
General Revenues		
Real Property Taxes	59,154,433	57,945,883
Other Tax Items	1,887,608	2,004,087
Non-Property Taxes	986,588	920,676
Unrestricted Use of Money and Property	574,917	22,489
Sale of Property and Compensation for Loss	34,132	4,080
Unrestricted State Aid	4,571,144	3,677,680
Miscellaneous	414,877	618,758
Total General Revenues	<u>67,623,699</u>	<u>65,193,653</u>
Total Revenues	<u>72,323,489</u>	<u>68,842,192</u>
PROGRAM EXPENSES		
General Support	10,243,342	5,474,796
Instruction	53,775,122	50,918,797
Pupil Transportation	2,933,191	2,585,589
Cost of Food Sales	731,584	723,883
Other	396,048	186,444
Interest	826,364	661,128
Total Expenses	<u>68,905,651</u>	<u>60,550,637</u>
Change in Net Position	3,417,838	8,291,555
NET POSITION		
Beginning	<u>(116,791,357)</u>	<u>(125,082,912)</u>
Ending	<u><u>\$ (113,373,519)</u></u>	<u><u>\$ (116,791,357)</u></u>

The following are the major changes in Net Position:

Revenues:

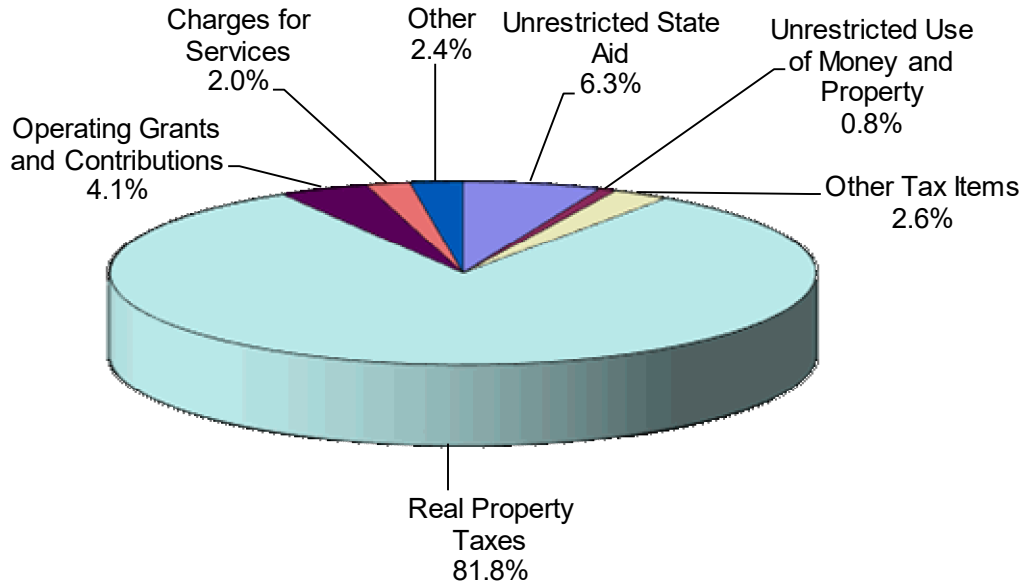
- Real Property Taxes increased by \$1,208,550 based on the adopted budget.
- Unrestricted State Aid increased by \$893,464 due to increased formula aid from NYS.
- Operating Grants and Contributions increased by \$503,662 due to increased State and Federal aid used to support District programs.
- Other tax items include reimbursements received under the School Tax Relief Reimbursement Program ("STAR"). The STAR program provides tax relief to homeowners through State reimbursement to the School District. Other tax items decreased by \$116,479 because new home owners are reimbursed by the State directly via check in lieu of a credit on tax bills.
- Charges for services increased by \$276,697 due to increases in food sales credited to the District as the National School Lunch directive for free lunch to all students ended.

Expenses:

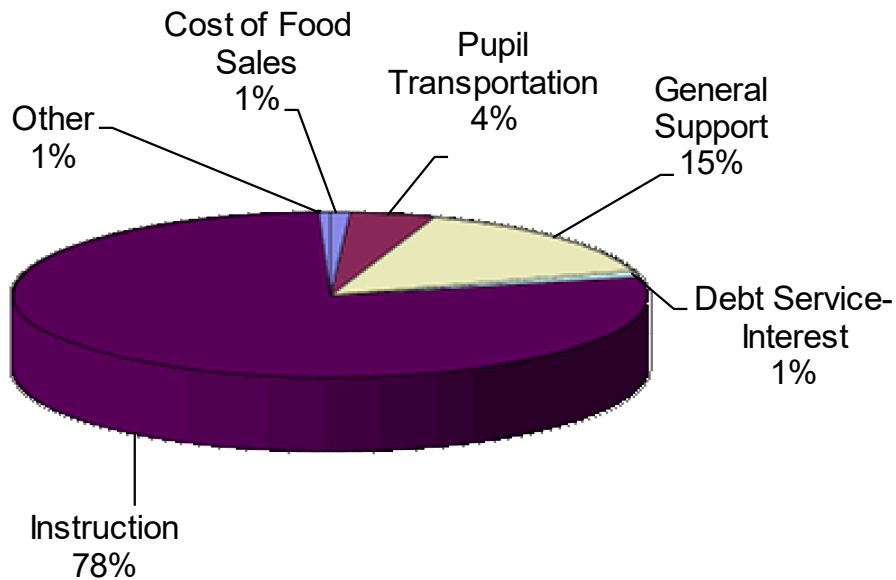
- Capital Fund expenses increased by 78% as Phase 2 of the District's capital project was completed resulting in payments funded by the capital bond.
- General Fund expenses were \$3,054,058 higher than the prior year, reflecting salary and benefit increases and other key expenditures including transportation.
- Payment on OPEB liability were \$2,843,176 in 2022-23 compared to \$2,695,604 in the prior year. This amounts to 2.4% of the total OPEB liability booked on the balance sheet.

As shown on the pie chart below, the School District relies upon real property taxes as its primary revenue source, accounting for 81.8 % of total revenue. Note that this is a decrease of approximately 2% from the prior year as the Unrestricted State Aid percentage increased due to the increased formula aid from New York State. Regarding expenses, the School District's total instruction costs account for 78% of its expenses.

**Sources of Revenue for Fiscal Year End 2023
Governmental Activities**



**Expenses for Fiscal Year End 2023
Governmental Activities**



Financial Analysis of the School District's Funds

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

Governmental Funds

The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the School District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a School District's net resources available for spending at the end of the fiscal year. Additionally, as per New York State law, the District is able to utilize restricted fund balance for additional funds to help ensure the instructional programs are not impacted by key external events. Through long-range financial planning, the District establishes and incrementally funds these reserves to handle financial fluctuations.

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$15,582,725, a decrease of \$7,561,160 from the prior year. The decrease is a result of nearly completing the current capital project. The total fund balance consists of the following:

Nonspendable -		
	Inventories	\$ 12,408
Restricted:		
	Workers compensation	1,010,948
	Tax Certiorari	4,423,699
	Employee Benefit Accrued Liability	658,522
	Retirement Contributions	1,037,525
	Future Capital Projects	2,421,184
	Capital Projects	885,696
	Debt Service	122,532
	Special Purposes	315,832
Total Restricted		10,875,938
Assigned:		
Purchases On Order:		
	General Government Support	552,311
	Instruction	285,963
		838,274
Subsequent year's expenditures from-		
General Fund		422,500
School Lunch Fund		510,442
Total Assigned		1,771,216
Unassigned -		
	General Fund	2,923,163
Total Fund Balances		\$ 15,582,725

The General Fund is the primary operating fund of the School District. Revenues and other financing sources were higher than the final budget by \$1,557,498, or 2.2% due to strong sales tax revenue, higher interest rates, and improved state aid. Total Expenditures, including encumbrances and transfers from reserves accounts, were \$1,831,681 lower than the final budget. However, the actual General Fund balance increased year over year by \$1,984,447, which reflects the difference between the actual revenues and expenditures for the year. Please refer to page 8 for more information.

Capital Assets

As of June 30, 2023, the School District had \$48,767,631 net of accumulated depreciation, invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below.

Class	June 30,	
	2023	2022
Land	\$ 793,200	\$ 793,200
Buildings and Improvements	31,428,471	33,275,002
Land improvements	306,358	463,946
Machinery and Equipment	432,452	423,919
Construction-in-Progress	15,807,150	5,804,444
Total Capital Assets, net of accumulated depreciation	<u>\$ 48,767,631</u>	<u>\$ 40,760,511</u>

As noted previously, the District is currently in the middle of an \$18,867,640 voter approved capital project which is anticipated to be completed by the fall of 2023. More detailed information about the School District's capital assets is presented in note 3B in the notes to financial statements.

Long-Term Debt

The School District had general obligation and other long-term debt outstanding as follows:

	June 30,	
	2023	2022
Bonds Payable	\$ 35,902,566	\$ 38,898,103
Claims	5,454,602	6,451,846
Compensated Absences	727,595	604,355
Net Pension Liability - ERS	3,380,317	-
Net Pension Liability - TRS	2,773,324	-
Other Post Employment Benefit Liability	118,873,068	109,741,210
Total	<u>\$ 167,111,472</u>	<u>\$ 155,695,514</u>

Changes in pension obligations and OPEB liabilities caused the increase year over year.

Future Considerations

The School District and Board monitor its fiscal health through monthly financial reports and analyses and utilize various audit methods. These analyses and audits assist in identifying areas of potential financial stress, developing realistic budgets that serve the academic and emotional needs of students, as well as, in making timely decisions when faced with important financial decisions. There are four types of auditors that assist in the School District setting: claims auditor, internal auditor, external auditor, and State auditors. Each has a very important role in ensuring that the School District is financially solvent and that the School Board upholds its fiduciary responsibilities to its community. They each inform that the School District's financial operations are performing in accordance with state laws and/or existing School Board policies and administrative regulations.

At the time the financial statements were prepared and audited, the School District is aware of several unsettled tax certiorari cases. While the School District has settled several significant tax certiorari cases in recent years, other cases continue to be brought forward. As noted with the inclusion of the tax certiorari exposure in our financial statements, the results of these tax certiorari cases could impact the district's financial health. However, the continued funding of the tax certiorari reserves serves to mitigate this risk.

Additionally, at the time the financial statements were prepared and audited, the district has settled contracts with all of its bargaining units. Agreements with the Irvington Administrator Association and the CSEA Custodial Unit both end in June 2024. The Irvington Facility Association agreement will end in June 2027. Likewise, The CSEA Clerical/Aide contract will end in June 2027.

The District has applied for and received multiple federal grant opportunities due to COVID-19 related expenses since 2020. The District was granted \$68,978 through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and \$206,845 for the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). All those funds have been allocated and received. The District was also approved for the American Rescue Plan Act (ARP) in the amount of \$464,879, of which \$219,699 is outstanding. These funds are available to the District until September 2024. While this grant spans multiple years, the District has engaged and will continue to engage with all stakeholders to generate sound fiscal plans to address the pandemic to ensure a safe learning environment and address the social, emotional and academic toll the pandemic has on the District's students.

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:

Irvington Union Free School District
Attention: Carol Stein
Assistant Superintendent for Business
40 North Broadway
Irvington, New York 10533

Irvington Union Free School District, New York

Statement of Net Position

June 30, 2023

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 2,062,126
Investments	17,323,772
Receivables	
Accounts	100,948
State and Federal aid	491,580
Due from other governments	809,544
Inventories	12,408
Capital assets	
Not being depreciated	16,600,350
Being depreciated, net	32,167,281
Total Assets	<u>69,568,009</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	17,299,864
OPEB related	<u>6,036,216</u>
Total Deferred Outflows of Resources	<u>23,336,080</u>
LIABILITIES	
Accounts payable	1,386,284
Accrued liabilities	70,952
Unearned revenues	36,393
Due to other governments	286,907
Due to retirement systems	3,436,252
Employee payroll deductions	865
Accrued interest payable	178,452
Non-current liabilities	
Due within one year	3,258,000
Due in more than one year	<u>163,853,472</u>
Total Liabilities	<u>172,507,577</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	1,451,892
OPEB related	<u>32,318,139</u>
Total Deferred Inflows of Resources	<u>33,770,031</u>
NET POSITION	
Net investment in capital assets	13,286,049
Restricted	
Future capital projects	2,421,184
Capital projects	464,712
Debt service	122,532
Workers compensation	4,375
Special purpose	315,832
Retirement contributions	1,037,525
Unrestricted	<u>(131,025,728)</u>
Total Net Position	<u>\$ (113,373,519)</u>

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

Irvington Union Free School District, New York

Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 10,243,342	\$ 347,340	\$ 391,632	\$ -	\$ (9,504,370)
Instruction	53,775,122	539,146	1,879,419	-	(51,356,557)
Pupil transportation	2,933,191	-	57,522	-	(2,875,669)
Cost of food sales	731,584	591,672	237,558	-	97,646
Other	396,048	-	383,789	150,000	137,741
Interest	826,364	-	-	121,712	(704,652)
Total Governmental Activities	<u>\$ 68,905,651</u>	<u>\$ 1,478,158</u>	<u>\$ 2,949,920</u>	<u>\$ 271,712</u>	<u>(64,205,861)</u>
General revenues					
Real property taxes					59,154,433
Other tax items					
Payments in lieu of taxes					14,557
School tax relief reimbursement					1,873,051
Non-property taxes					
Non-property tax distribution from County					986,588
Unrestricted use of money and property					574,917
Sale of property and compensation for loss					34,132
Unrestricted State aid					4,571,144
Miscellaneous					414,877
Total General Revenues					<u>67,623,699</u>
Change in Net Position					3,417,838
Net Position - Beginning					<u>(116,791,357)</u>
Net Position - Ending					<u>\$ (113,373,519)</u>

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

Irvington Union Free School District, New York

Balance Sheet
Governmental Funds
June 30, 2023

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 950,728	\$ 202,123	\$ 909,275	\$ 2,062,126
Investments	16,106,172	1,217,600	-	17,323,772
Receivables				
Accounts	9,146	-	91,802	100,948
State and Federal aid	120,041	-	371,539	491,580
Due from other governments	809,544	-	-	809,544
Due from other funds	432,671	-	56,466	489,137
Inventories	-	-	12,408	12,408
Total Assets	\$ 18,428,302	\$ 1,419,723	\$ 1,441,490	\$ 21,289,515
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 899,673	\$ 411,495	\$ 75,116	\$ 1,386,284
Accrued liabilities	68,790	-	2,162	70,952
Unearned revenue	-	-	36,393	36,393
Due to other funds	-	-	489,137	489,137
Due to other governments	286,907	-	-	286,907
Due to retirement systems	3,436,252	-	-	3,436,252
Employee payroll deductions	865	-	-	865
Total Liabilities	4,692,487	411,495	602,808	5,706,790
Fund balances				
Nonspendable	-	-	12,408	12,408
Restricted	9,551,878	1,008,228	315,832	10,875,938
Assigned	1,260,774	-	510,442	1,771,216
Unassigned	2,923,163	-	-	2,923,163
Total Fund Balances	13,735,815	1,008,228	838,682	15,582,725
Total Liabilities and Fund Balances	\$ 18,428,302	\$ 1,419,723	\$ 1,441,490	\$ 21,289,515

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

Irvington Union Free School District, New York

Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position June 30, 2023

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

Total Fund Balances - Governmental Funds	\$ 15,582,725
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	16,600,350
Capital assets - depreciable	78,899,790
Accumulated depreciation	<u>(46,732,509)</u>
	<u>48,767,631</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	17,299,864
Deferred outflows - OPEB related	6,036,216
Deferred inflows - pension related	(1,451,892)
Deferred inflows - OPEB related	<u>(32,318,139)</u>
	<u>(10,433,951)</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(178,452)
General obligation bond payable	(34,430,000)
Claims payable	(5,454,602)
Net pension liability - ERS	(3,380,317)
Net pension liability - TRS	(2,773,324)
Compensated absences	(727,595)
Total OPEB liability	<u>(118,873,068)</u>
	<u>(165,817,358)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Premium on general obligation bonds	<u>(1,472,566)</u>
Net Position of Governmental Activities	<u>\$ (113,373,519)</u>

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

Irvington Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
REVENUES				
Real property taxes	\$ 59,154,433	\$ -	\$ -	\$ 59,154,433
Other tax items	1,887,608	-	-	1,887,608
Non-property taxes	986,588	-	-	986,588
Charges for services	539,146	-	-	539,146
Use of money and property	1,313,889	121,712	4,961	1,440,562
Sale of property and compensation for loss	34,132	-	-	34,132
State aid	5,279,325	-	274,722	5,554,047
Federal aid	-	-	1,058,797	1,058,797
Food sales	-	-	591,672	591,672
Miscellaneous	414,877	150,000	511,627	1,076,504
Total Revenues	69,609,998	271,712	2,441,779	72,323,489
EXPENDITURES				
Current				
General support	9,128,193	-	-	9,128,193
Instruction	36,022,672	-	1,202,982	37,225,654
Pupil transportation	2,819,913	-	82,735	2,902,648
Employee benefits	15,394,032	-	-	15,394,032
Cost of food sales	-	-	731,584	731,584
Other	-	-	396,048	396,048
Debt service				
Principal	2,650,000	-	-	2,650,000
Interest	1,453,784	-	-	1,453,784
Capital outlay	-	10,002,706	-	10,002,706
Total Expenditures	67,468,594	10,002,706	2,413,349	79,884,649
Excess (Deficiency) of Revenues Over Expenditures	2,141,404	(9,730,994)	28,430	(7,561,160)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	100,000	56,957	156,957
Transfers out	(156,957)	-	-	(156,957)
Total Other Financing Sources (Uses)	(156,957)	100,000	56,957	-
Net Change in Fund Balances	1,984,447	(9,630,994)	85,387	(7,561,160)
FUND BALANCES				
Beginning of Year	11,751,368	10,639,222	753,295	23,143,885
End of Year	\$ 13,735,815	\$ 1,008,228	\$ 838,682	\$ 15,582,725

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

Irvington 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, 2023

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (7,561,160)</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	10,108,299
Depreciation expense	<u>(2,101,179)</u>
	<u>8,007,120</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 general obligation bonds	<u>2,650,000</u>
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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	281,883
Compensated absences	(123,240)
Claims payable	997,244
Changes in pension liabilities and related deferred outflows and inflows of resources	(1,219,152)
Changes in OPEB and related deferred outflows and inflows of resources	39,606
Amortization of issuance premium	<u>345,537</u>
	<u>321,878</u>

Change in Net Position of Governmental Activities	<u><u>\$ 3,417,838</u></u>
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The notes to the financial statements are an integral part of this statement.

Irvington Union Free School District, New York

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 61,027,484	\$ 59,154,433	\$ 59,154,433	\$ -
Other tax items	-	1,873,051	1,887,608	14,557
Non-property taxes	820,000	820,000	986,588	166,588
Charges for services	439,354	439,354	539,146	99,792
Use of money and property	335,087	335,087	1,313,889	978,802
Sale of property and compensation for loss	-	-	34,132	34,132
State aid	4,993,473	4,993,473	5,279,325	285,852
Miscellaneous	437,102	437,102	414,877	(22,225)
Total Revenues	68,052,500	68,052,500	69,609,998	1,557,498
EXPENDITURES				
Current				
General support	8,718,124	10,056,346	9,128,193	928,153
Instruction	37,250,383	37,194,124	36,022,672	1,171,452
Pupil transportation	2,607,625	2,835,480	2,819,913	15,567
Employee benefits	16,094,333	15,935,772	15,394,032	541,740
Debt service				
Principal	2,650,000	2,650,000	2,650,000	-
Interest	1,453,764	1,453,784	1,453,784	-
Total Expenditures	68,774,229	70,125,506	67,468,594	2,656,912
Excess (Deficiency) of Revenues Over Expenditures	(721,729)	(2,073,006)	2,141,404	4,214,410
OTHER FINANCING USES				
Transfers out	(170,000)	(170,000)	(156,957)	13,043
Net Change in Fund Balances	(891,729)	(2,243,006)	1,984,447	4,227,453
FUND BALANCES				
Beginning of Year	891,729	2,243,006	11,751,368	9,508,362
End of Year	\$ -	\$ -	\$ 13,735,815	\$ 13,735,815

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

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Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

The School District participates in the Southern Westchester Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. BOCES' governing board is 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 is determined by resident public school enrollment as defined in Education Law. Copies of BOCES' financial statement can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

B. District-Wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

While separate district-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds 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 operating 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)

The School District also reports the following non-major governmental funds:

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 capital projects.

Special Aid Fund - The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal or State Funds or other local grants.

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under 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 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 GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The School District participates in the New York Liquid Assets Fund ("NYLAF"), a cooperative investment pool, established pursuant to Articles 3A and 5G of 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 PMA Asset Management, LLC as its registered investment advisor.

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 in the amount of \$17,323,772 is equal to the value of the pool shares.

Note 1 - Summary of Significant Accounting Policies (Continued)

Additional information concerning the NYLAF is presented in the annual report, which may be obtained from the Governing Board c/o PMA Financial Network, 300 Westage Business Center Drive, Fishkill, NY 12524.

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. NYLAF invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

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 has a formal investment policy; however, longer term investments could lead to 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, 2023.

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 because restrictions to allowable obligations are covered 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 September 1st and are levied and payable in September and January. The Town of Greenburgh, New York is responsible for the billing and collection of taxes. The Town guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2023, 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. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

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

<u>Class</u>	<u>Life in Years</u>
Land Improvements	20-30
Buildings and Improvements	7-50
Machinery and Equipment	5-20

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$36,393 for student meal monies received in advance in the School Lunch Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The School District reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3D.

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

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

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated 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 – An Amendment of GASB Statement No. 68"*.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Education is the highest level of decision making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 26, 2023.

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) Budget presentations are made to the Board during February through April and the Board of Education formally adopts the budget for voter approval in April via board resolution. At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget presentations, the voters may raise questions concerning the items contained in the budget. A formal budget hearing is held less than seven days and not more than fourteen days prior to the vote so voters are aware of what they are voting on.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for 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 since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, are governed by Board policy. 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

B. Limitation on Fund Balance

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

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

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

D. New Accounting Pronouncement

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements (SBITA's)*", established a single model for SBITA accounting based on the concept that SBITA's are a financing of a "right-to-use" underlying asset. This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. The requirements of GASB Statement No. 96 are effective for the School District's fiscal year ended June 30, 2023. The School District has completed its evaluation of the financial impact of GASB Statement No. 96 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of due from/to other funds at June 30, 2023 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 432,671	\$ -
Non-Major Governmental	56,466	489,137
	<u>\$ 489,137</u>	<u>\$ 489,137</u>

Irvington Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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:

Class	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets, not being depreciated:				
Land	\$ 793,200	\$ -	\$ -	\$ 793,200
Construction-in-Progress	5,804,444	10,002,706	-	15,807,150
Total Capital Assets, not being depreciated	<u>\$ 6,597,644</u>	<u>\$ 10,002,706</u>	<u>\$ -</u>	<u>\$ 16,600,350</u>
Capital Assets, being depreciated:				
Land Improvements	\$ 5,334,698	\$ -	\$ -	\$ 5,334,698
Buildings and Improvements	72,154,437	-	-	72,154,437
Machinery and Equipment	1,552,433	105,593	247,371	1,410,655
Total Capital Assets, being depreciated	<u>79,041,568</u>	<u>105,593</u>	<u>247,371</u>	<u>78,899,790</u>
Less Accumulated Depreciation for:				
Land Improvements	4,870,752	157,588	-	5,028,340
Buildings and Improvements	38,879,435	1,846,531	-	40,725,966
Machinery and Equipment	1,128,514	97,060	247,371	978,203
Total Accumulated Depreciation	<u>44,878,701</u>	<u>2,101,179</u>	<u>247,371</u>	<u>46,732,509</u>
Total Capital Assets, being depreciated, net	<u>\$ 34,162,867</u>	<u>\$ (1,995,586)</u>	<u>\$ -</u>	<u>\$ 32,167,281</u>
Capital Assets, net	<u>\$ 40,760,511</u>	<u>\$ 8,007,120</u>	<u>\$ -</u>	<u>\$ 48,767,631</u>

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

General Support	\$ 26,940
Instruction	2,072,519
Transportation	<u>1,720</u>
Total Depreciation Expense	<u>\$ 2,101,179</u>

Irvington Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

C. Accrued Liabilities

Accrued liabilities at June 30, 2023 were as follows:

	General Fund	Non-Major Governmental Funds	Total
Other	\$ -	\$ 2,162	\$ 2,162
Payroll and employee benefits	68,790	-	68,790
	<u>\$ 68,790</u>	<u>\$ 2,162</u>	<u>\$ 70,952</u>

D. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2023:

	Balance, July 1, 2022	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2023	Due Within One-Year
General Obligation Bonds Payable	\$ 37,080,000	\$ -	\$ 2,650,000	\$ 34,430,000	\$ 2,635,000
Plus					
Unamortized premium on bonds	1,818,103	-	345,537	1,472,566	-
	<u>38,898,103</u>	<u>-</u>	<u>2,995,537</u>	<u>35,902,566</u>	<u>2,635,000</u>
Other Non-current Liabilities					
Claims: tax certiorari and worker's compensation	6,451,846	-	997,244	5,454,602	550,000
Net Pension Liability - TRS	-	2,773,324	-	2,773,324	-
Net Pension Liability - ERS	-	3,380,317	-	3,380,317	-
Compensated Absences	604,355	183,240	60,000	727,595	73,000
Other Postemployment Benefit Liability	109,741,210	11,974,034	2,842,176	118,873,068	-
Total Other Non-Current Liabilities	<u>116,797,411</u>	<u>18,310,915</u>	<u>3,899,420</u>	<u>131,208,906</u>	<u>623,000</u>
Total Long-Term Liabilities	<u>\$ 155,695,514</u>	<u>\$ 18,310,915</u>	<u>\$ 6,894,957</u>	<u>\$ 167,111,472</u>	<u>\$ 3,258,000</u>

The liabilities for general obligation bonds payable, claims, net pension liability, compensated absences and other postemployment benefit liability are liquidated by the General Fund.

Irvington Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation Bonds payable at June 30, 2023 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2023
Refunding bonds	2015	\$ 24,590,000	April, 2032	2.75 - 5.00 %	\$ 15,195,000
Serial Bonds	2015	4,600,000	May, 2030	2.00 - 3.00	2,335,000
Serial Bonds	2008	1,700,000	October, 2023	5.00	160,000
Serial Bonds	2022	17,155,000	December, 2039	2.00 - 5.00	16,740,000
					<u>\$ 34,430,000</u>

Interest expenditures of \$1,453,784 were recorded in the fund financial statements in the General Fund. Interest expense of \$826,364 was recorded in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of June 30, 2023 including interest payments of \$6,634,892 are as follows:

Year Ending June 30,	General Obligation Bonds Payable	
	Principal	Interest
2024	\$ 2,635,000	\$ 1,076,181
2025	2,590,000	956,606
2026	2,700,000	850,956
2027	2,795,000	756,300
2028	2,890,000	657,662
2029-2033	12,865,000	1,767,737
2034-2038	5,570,000	521,500
2039-2040	2,385,000	47,950
	<u>\$ 34,430,000</u>	<u>\$ 6,634,892</u>

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

Legal Debt Margin

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

Note 3 - Detailed Notes on All Funds (Continued)

Claims Payable

The School District was self-insured for workers' compensation claims from July 1, 2013 until June 30, 2019, at which time the School District purchased conventional insurance. The district-wide financial statement reflects workers' compensation benefit liabilities, which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported ("IBNR's"). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience. Claims payable reflects a liability of \$1,006,573 for workers' compensation claims which were not due and payable at year end.

Claims payable reflects a liability of \$4,448,029 for expected tax certiorari refunds, which were not due and payable at year-end. These amounts have been recorded as an expense in the district-wide financial statements.

Compensated Absences

Under the terms of the existing collective bargaining agreements, the School District is required to compensate teachers and occupational therapists retiring from the School District for accumulated sick time at \$75 per day for unused leave. In addition, pursuant to existing collective bargaining agreements, the School District is required to compensate teaching assistants retiring from the School District for accumulated sick time at \$35 per day for unused leave. As per the terms of the Civil Service Employees Association, Inc., Local 1000 custodial agreement, employees will be compensated at a rate of 25% to 75% of daily wage per day, based on the number of vacation days accumulated for any accumulations up to 75 days. The value of the compensated absences has been reflected in the district-wide financial statements.

Pension Plans

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

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which

Note 3 - Detailed Notes on All Funds (Continued)

provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2023 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	13.1 %
	4 A15	13.1
	5 A15	11.2
	6 A15	8.3
TRS	1-6	10.29 %

At June 30, 2023, the School District reported the following for its proportionate share of the net pension liability for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Net pension liability	\$ 3,380,317	\$ 2,773,324
School Districts' proportion of the net pension liability	0.0157634 %	0.144527 %
Change in proportion since the prior measurement date	(0.0005566) %	(0.002119) %

Irvington Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

The net pension liability was measured as of March 31, 2023 for ERS and June 30, 2022 for TRS and the total pension liability used to calculate the net pension liability were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension liability 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, 2023, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$4,708,701 (\$1,255,089 for ERS and \$3,453,612 for TRS). Pension expenditures for \$729,855 for ERS and \$2,759,694 for TRS were recorded in the fund financial statements and were charged to the General fund.

At June 30, 2023, the School District reported its proportionate share of 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	\$ 360,030	\$ 94,932	\$ 2,906,093	\$ 55,573
Changes of assumptions	1,641,700	18,144	5,379,779	1,117,173
Net difference between projected and actual earnings on pension plan investments	-	19,859	3,583,398	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	259,998	47,724	157,434	98,487
School District contributions subsequent to the measurement date	258,037	-	2,753,395	-
	<u>\$ 2,519,765</u>	<u>\$ 180,659</u>	<u>\$ 14,780,099</u>	<u>\$ 1,271,233</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 3,266,123	\$ 150,505		
Changes of assumptions	7,021,479	1,135,317		
Net difference between projected and actual earnings on pension plan investments	3,583,398	19,859		
Changes in proportion and differences between School District contributions and proportionate share of contributions	417,432	146,211		
School District contributions subsequent to the measurement date	3,011,432	-		
	<u>\$ 17,299,864</u>	<u>\$ 1,451,892</u>		

\$258,037 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 decrease of the net pension liability in the plan's year ended March 31, 2024. The \$2,753,395

Irvington Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

reported as deferred outflows of resources related to TRS will be recognized as a decrease of the net pension liability in the plan's year ended June 30, 2023. 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:

<u>Year Ended</u>	<u>March 31,</u>	<u>June 30,</u>
	<u>ERS</u>	<u>TRS</u>
2023	\$ -	\$ 2,048,122
2024	514,719	1,090,631
2025	(117,505)	(424,506)
2026	740,863	7,069,321
2027	942,992	917,738
Thereafter	-	54,165
	<u>\$ 2,081,069</u>	<u>\$ 10,755,471</u>

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

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Investment rate of return	5.9% *	6.95% *
Salary scale	4.4%	1.95%-5.18%
Inflation rate	2.9%	2.4%
Cost of living adjustments	1.5%	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-2021. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

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

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

Note 3 - Detailed Notes on All Funds (Continued)

weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

Asset Type	ERS March 31, 2023		TRS June 30, 2022	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.30 %	33 %	6.5 %
International Equity	15	6.85	16	7.2
Private Equity	10	7.50	8	9.9
Real Estate	9	4.60	11	6.2
Domestic Fixed Income Securities	-	-	16	1.1
Global Bonds	-	-	2	0.6
High Yield Bonds	-	-	1	3.3
Global Equities	-	-	4	6.9
Private Debt	-	-	2	5.3
Real Estate Debt	-	-	6	2.4
Opportunistic/ARS Portfolio	3	5.38	-	-
Credit	4	5.43	-	-
Real Assets	3	5.84	-	-
Fixed Income	23	1.50	-	-
Cash	1	-	1	(0.3)
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.9% for ERS and 2.4% for TRS.

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available

Irvington Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for ERS and 5.95% for TRS) or 1 percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 8,168,777</u>	<u>\$ 3,380,317</u>	<u>\$ (620,998)</u>
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 25,571,348</u>	<u>\$ 2,773,324</u>	<u>\$ (16,399,664)</u>

The components of the collective net pension liability as of the March 31, 2023 ERS measurement date and the June 30, 2022 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 232,627,259,000	\$ 133,883,473,797
Fiduciary net position	<u>211,183,223,000</u>	<u>131,964,582,107</u>
Employers' net pension asset	<u>\$ 21,444,036,000</u>	<u>\$ 1,918,891,690</u>
Fiduciary net position as a percentage of total pension liability	<u>90.78%</u>	<u>98.57%</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, 2023 represent the projected employer contribution for the period April 1, 2023 through June 30, 2023 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, 2023 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, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Note 3 - Detailed Notes on All Funds (Continued)

Accrued retirement contributions as of June 30, 2023 were \$258,037 to ERS and \$3,178,215 to TRS (including employee contribution of \$424,820).

Voluntary Defined Contribution Plan

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

Other Postemployment Benefit Liability ("OPEB")

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

At July 1, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	259
Active employees	<u>292</u>
	<u>551</u>

The School District's total OPEB liability of \$118,873,068 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021.

The total OPEB liability in the July 1, 2021 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	2.4%, average, including inflation
Discount rate	3.65%
Healthcare cost trend rates	6.8% for pre-65, 6.4% for post-65 and 5.10% for Medicare Part B in 2024, decreasing to an ultimate trend rate of 3.8% in 2073.
Retirees' share of benefit-related costs	0% - 23%, depending on employee class and date of retirement.

The discount rate was based on Bond Buyer General Obligation 20-Bond Municipal Index as of June 30, 2023.

Irvington Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Mortality rates were based on the sex-distinct and job category specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for teaching and non-teaching position. Both were generationally projected using the MP-2021 Ultimate Scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity.

The School District's change in the total OPEB liability for the year ended June 30, 2023 is as follows:

Total OPEB Liability - Beginning of Year	\$ 109,741,210
Service cost	4,275,075
Interest	3,986,307
Changes in assumptions or other inputs	3,712,652
Benefit payments	<u>(2,842,176)</u>
Total OPEB Liability - End of Year	<u>\$ 118,873,068</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 (2.65%) or 1 percentage point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	<u>\$ 139,945,871</u>	<u>\$ 118,873,068</u>	<u>\$ 102,016,338</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 (5.8% decreasing to 2.8%) or 1 percentage point higher (7.8% decreasing to 4.8%) than the current healthcare cost trend rates:

	1% Decrease (5.8% decreasing to 2.8%)	Healthcare Cost Trend Rates (6.8% decreasing to 3.8%)	1% Increase (7.8% decreasing to 4.8%)
Total OPEB Liability	<u>\$ 98,134,392</u>	<u>\$ 118,873,068</u>	<u>\$ 145,881,482</u>

For the year ended June 30, 2023 the School District recognized OPEB expense of \$2,802,570 in the district-wide financial statements. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Irvington Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 6,036,216	\$ 22,682,902
Differences between expected and actual experience	-	9,635,237
	<u>\$ 6,036,216</u>	<u>\$ 32,318,139</u>

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

Year Ended June 30,	
2024	\$ (5,458,812)
2025	(5,458,812)
2026	(4,712,192)
2027	(4,009,858)
2028	(4,554,145)
Thereafter	<u>(2,088,104)</u>
	<u>\$ (26,281,923)</u>

E. Revenues and Expenditures**Interfund Transfers**

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

	Transfers In		
	Capital Projects Fund	Special Aid Fund	
Transfers Out			Total
General Fund	<u>\$ 100,000</u>	<u>\$ 56,957</u>	<u>\$ 156,957</u>

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

Note 3 - Detailed Notes on All Funds (Continued)

F. Net Position

The components of net position are detailed below:

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

Restricted for Future Capital Projects - the component of net position that has been established pursuant to Section 6c of the General Municipal Law of the State of New York to set aside funds to be used for future capital projects.

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

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

Restricted for Workers' Compensation Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-j of the General Municipal Law of the State of New York.

Restricted for Special Purpose - the component of net position that has been established to set aside funds to be used for extraclassroom activities and other purposes with constraints placed on their use by either external parties and/or statute.

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

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

Irvington Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

	2023			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable				
Inventories	\$ -	\$ -	\$ 12,408	\$ 12,408
Restricted				
Workers compensation	1,010,948			1,010,948
Tax certiorari	4,423,699	-	-	4,423,699
Employee benefit accrued liability	658,522	-	-	658,522
Retirement contributions	1,037,525	-	-	1,037,525
Future capital projects	2,421,184	-	-	2,421,184
Capital projects	-	885,696	-	885,696
Debt service	-	122,532	-	122,532
Special Purpose	-	-	315,832	315,832
Total Restricted	9,551,878	1,008,228	315,832	10,875,938
Assigned				
Purchases on order				
General government support	552,311	-	-	552,311
Instruction	285,963	-	-	285,963
	838,274	-	-	838,274
Subsequent year's expenditures				
General Fund	422,500	-	-	422,500
School Lunch Fund	-	-	510,442	510,442
	422,500	-	510,442	932,942
Total Assigned	1,260,774	-	510,442	1,771,216
Unassigned	2,923,163	-	-	2,923,163
Total Fund Balance	\$ 13,735,815	\$ 1,008,228	\$ 838,682	\$ 15,582,725

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 has been established pursuant to General Municipal Law 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.

Tax Certiorari has been established in accordance with New York State Education Law to provide funding for court ordered tax refunds which are currently in process.

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

Subsequent year's expenditures represent that at June 30, 2023, the Board has utilized the above amounts to be appropriated for the ensuing year's budget.

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The School District receives notices of claims for money damages arising from personal injury claims. The School District anticipates that insurance coverage will be sufficient to satisfy any resolution of the pending claims.

At June 30, 2023, the School District is involved in cases with the parents of students in which the parents are seeking tuition reimbursement for their unilateral placement of the student at the various schools. These cases are presently being defended. If the parents are successful, the School District could be obligated for the parents' attorney fees and tuition. No amounts have been accrued in these financial statements for this purpose as the ultimate outcome of these cases is presently undeterminable.

B. Contingencies

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

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

The School District 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 and automobile liability 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 \$25 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 101, "*Compensated Absences*", provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

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

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Irvington 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)

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service cost	\$ 4,275,075	\$ 6,041,944	\$ 6,108,299	\$ 5,437,468	\$ 5,850,337	\$ 5,679,939
Interest	3,986,307	3,164,764	3,068,590	4,453,956	3,951,187	3,741,988
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(12,744,752) (4)	-	(544,318)	-	(55,285)
Changes of assumptions or other inputs	3,712,652	(25,840,669)	1,277,855	4,271,918	(11,199,244)	-
Benefit payments	(2,842,176)	(2,695,604)	(2,747,272)	(2,636,103)	(2,646,549)	(2,482,130)
Net Change in Total OPEB Liability	9,131,858	(32,074,317)	7,707,472	10,982,921	(4,044,269)	6,884,512
Total OPEB Liability – Beginning of Year	109,741,210	141,815,527	134,108,055	123,125,134	127,169,403	120,284,891 (3)
Total OPEB Liability – End of Year	<u>\$ 118,873,068</u>	<u>\$ 109,741,210</u>	<u>\$ 141,815,527</u>	<u>\$ 134,108,055</u>	<u>\$ 123,125,134</u>	<u>\$ 127,169,403</u>
School District's covered-employee payroll	<u>\$ 28,123,017</u>	<u>\$ 28,123,017</u>	<u>\$ 28,176,405</u>	<u>\$ 28,176,405</u>	<u>\$ 29,373,625</u>	<u>\$ 29,373,625</u>
Discount Rate	<u>3.65%</u>	<u>3.54%</u>	<u>2.16%</u>	<u>2.21%</u>	<u>3.50%</u>	<u>3.00%</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>422.69%</u>	<u>390.22%</u>	<u>503.31%</u>	<u>475.96%</u>	<u>419.17%</u>	<u>432.94%</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 this Statement to pay related benefits.

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

(4) Result of demographic changes.

See independent auditors' report.

Irvington 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)

	2023 (3)	2022 (4)	2021 (3)	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.144527%</u>	<u>0.146646%</u>	<u>0.144908%</u>	<u>0.145480%</u>	<u>0.146342%</u>	<u>0.146114%</u>	<u>0.144890%</u>	<u>0.141509%</u>	<u>0.136039%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 2,773,324</u>	<u>\$ (25,412,264)</u>	<u>\$ 4,004,200</u>	<u>\$ (3,779,600)</u>	<u>\$ (2,646,300)</u>	<u>\$ (1,110,600)</u>	<u>\$ 1,551,800</u>	<u>\$ (14,698,300)</u>	<u>\$ (15,153,900)</u>
School District's covered payroll	<u>\$ 26,601,533</u>	<u>\$ 26,185,497</u>	<u>\$ 24,595,500</u>	<u>\$ 24,282,900</u>	<u>\$ 23,837,500</u>	<u>\$ 23,154,400</u>	<u>\$ 22,357,500</u>	<u>\$ 21,256,600</u>	<u>\$ 20,095,100</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>10.43%</u>	<u>(97.05)%</u>	<u>16.28%</u>	<u>(15.56)%</u>	<u>(11.10)%</u>	<u>(4.80)%</u>	<u>6.94%</u>	<u>(69.15)%</u>	<u>(75.41)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>98.57%</u>	<u>113.25%</u>	<u>97.80%</u>	<u>102.20%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>
Discount Rate	<u>6.95%</u>	<u>6.95%</u>	<u>7.10%</u>	<u>7.10%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>8.00%</u>

Schedule of Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 2,851,725</u>	<u>\$ 2,606,950</u>	<u>\$ 2,495,400</u>	<u>\$ 2,179,200</u>	<u>\$ 2,578,800</u>	<u>\$ 2,336,100</u>	<u>\$ 2,713,700</u>	<u>\$ 2,964,600</u>	<u>\$ 3,726,300</u>
Contributions in relation to the contractually required contribution	<u>(2,851,725)</u>	<u>(2,606,950)</u>	<u>(2,495,400)</u>	<u>(2,179,200)</u>	<u>(2,578,800)</u>	<u>(2,336,100)</u>	<u>(2,713,700)</u>	<u>(2,964,600)</u>	<u>(3,726,300)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 27,713,560</u>	<u>\$ 26,601,533</u>	<u>\$ 26,185,497</u>	<u>\$ 24,595,500</u>	<u>\$ 24,282,900</u>	<u>\$ 23,837,500</u>	<u>\$ 23,154,400</u>	<u>\$ 22,357,500</u>	<u>\$ 21,256,600</u>
Contributions as a percentage of covered payroll	<u>10.29%</u>	<u>9.80%</u>	<u>9.53%</u>	<u>8.86%</u>	<u>10.62%</u>	<u>9.80%</u>	<u>11.72%</u>	<u>13.26%</u>	<u>17.53%</u>

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

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

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

(4) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

Irvington 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 (Asset) (2)

	2023 (3)	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.0157634%</u>	<u>0.0163200%</u>	<u>0.0161940%</u>	<u>0.0166241%</u>	<u>0.0169818%</u>	<u>0.0180560%</u>	<u>0.017257%</u>	<u>0.017713%</u>	<u>0.017374%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 3,380,317</u>	<u>\$ (1,334,096)</u>	<u>\$ 16,100</u>	<u>\$ 4,402,000</u>	<u>\$ 1,203,200</u>	<u>\$ 582,700</u>	<u>\$ 1,621,500</u>	<u>\$ 2,843,000</u>	<u>\$ 586,900</u>
School District's covered payroll	<u>\$ 6,144,472</u>	<u>\$ 6,023,711</u>	<u>\$ 5,607,557</u>	<u>\$ 5,593,103</u>	<u>\$ 5,411,307</u>	<u>\$ 5,281,256</u>	<u>\$ 5,226,082</u>	<u>\$ 4,880,321</u>	<u>\$ 4,349,718</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>55.01%</u>	<u>(22.15)%</u>	<u>0.29%</u>	<u>78.70%</u>	<u>22.23%</u>	<u>11.03%</u>	<u>31.03%</u>	<u>58.25%</u>	<u>13.49%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.78%</u>	<u>103.65%</u>	<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.71%</u>	<u>90.68%</u>	<u>97.95%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.50%</u>

Schedule of Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 666,373	\$ 864,019	\$ 765,400	\$ 723,200	\$ 725,300	\$ 751,200	\$ 739,500	\$ 807,500	\$ 815,800
Contributions in relation to the contractually required contribution	<u>(666,373)</u>	<u>(864,019)</u>	<u>(765,400)</u>	<u>(723,200)</u>	<u>(725,300)</u>	<u>(751,200)</u>	<u>(739,500)</u>	<u>(807,500)</u>	<u>(815,800)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 6,550,356</u>	<u>\$ 5,977,173</u>	<u>\$ 5,793,440</u>	<u>\$ 5,555,482</u>	<u>\$ 5,470,641</u>	<u>\$ 5,275,357</u>	<u>\$ 5,200,113</u>	<u>\$ 4,904,442</u>	<u>\$ 4,745,689</u>
Contributions as a percentage of covered payroll	<u>10.17%</u>	<u>14.46%</u>	<u>13.21%</u>	<u>13.02%</u>	<u>13.26%</u>	<u>14.24%</u>	<u>14.22%</u>	<u>16.46%</u>	<u>17.19%</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 with the current fiscal year

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

(4) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

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Irvington Union Free School District, New York

General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 61,027,484	\$ 59,154,433	\$ 59,154,433	\$	\$ -
Other tax items	-	1,873,051	1,887,608		14,557
Non-property taxes	820,000	820,000	986,588		166,588
Charges for services	439,354	439,354	539,146		99,792
Use of money and property	335,087	335,087	1,313,889		978,802
Sale of property and compensation for loss	-	-	34,132		34,132
State aid	4,993,473	4,993,473	5,279,325		285,852
Miscellaneous	437,102	437,102	414,877		(22,225)
Total Revenues	68,052,500	68,052,500	69,609,998		1,557,498
EXPENDITURES					
Current					
General support					
Board of education	171,298	166,073	137,276	4,750	24,047
Central administration	387,045	394,494	391,805	-	2,689
Finance	755,418	764,619	730,148	15,000	19,471
Staff	646,051	614,671	442,109	-	172,562
Central services	6,085,808	6,145,821	5,471,241	532,561	142,019
Special items	672,504	1,970,668	1,955,614	-	15,054
Total General Support	8,718,124	10,056,346	9,128,193	552,311	375,842
Instruction					
Instruction, administration and improvement	2,154,380	2,099,131	1,987,916	-	111,215
Teaching - Regular school	19,169,581	18,963,936	18,739,172	51,554	173,210
Programs for students with disabilities	9,620,669	9,697,657	9,249,567	-	448,090
Occupational education	173,980	112,980	80,031	-	32,949
Instructional media	2,089,655	2,178,650	1,944,142	218,174	16,334
Pupil services	4,042,118	4,141,770	4,021,844	16,235	103,691
Total Instruction	37,250,383	37,194,124	36,022,672	285,963	885,489
Pupil transportation	2,607,625	2,835,480	2,819,913	-	15,567
Employee benefits	16,094,333	15,935,772	15,394,032	-	541,740
Debt service					
Principal	2,650,000	2,650,000	2,650,000	-	-
Interest	1,453,764	1,453,784	1,453,784	-	-
Total Expenditures	68,774,229	70,125,506	67,468,594	838,274	1,818,638
Excess (Deficiency) of Revenues Over Expenditures	(721,729)	(2,073,006)	2,141,404	(838,274)	3,376,136
OTHER FINANCING (USES)					
Transfers out	(170,000)	(170,000)	(156,957)	-	13,043
Net Change in Fund Balance	(891,729)	(2,243,006)	1,984,447	<u>\$ (838,274)</u>	<u>\$ 3,389,179</u>
FUND BALANCE					
Beginning of Year	891,729	2,243,006	11,751,368		
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,735,815</u>		

See independent auditors' report.

Irvington Union Free School District, New York

General Fund

Schedule of Revenues Compared to Budget

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	<u>\$ 61,027,484</u>	<u>\$ 59,154,433</u>	<u>\$ 59,154,433</u>	<u>\$ -</u>
OTHER TAX ITEMS				
Payment in lieu of taxes	-	-	14,557	14,557
School tax relief reimbursement	<u>-</u>	<u>1,873,051</u>	<u>1,873,051</u>	<u>-</u>
	<u>-</u>	<u>1,873,051</u>	<u>1,887,608</u>	<u>14,557</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	<u>820,000</u>	<u>820,000</u>	<u>986,588</u>	<u>166,588</u>
CHARGES FOR SERVICES				
Day school tuition	384,354	384,354	427,083	42,729
Other student fees and charges	1,000	1,000	385	(615)
Health services for other districts	54,000	54,000	60,512	6,512
Tuition	<u>-</u>	<u>-</u>	<u>51,166</u>	<u>51,166</u>
	<u>439,354</u>	<u>439,354</u>	<u>539,146</u>	<u>99,792</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	13,000	13,000	966,549	953,549
Rental on real property	<u>322,087</u>	<u>322,087</u>	<u>347,340</u>	<u>25,253</u>
	<u>335,087</u>	<u>335,087</u>	<u>1,313,889</u>	<u>978,802</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	<u>-</u>	<u>-</u>	<u>34,132</u>	<u>34,132</u>

STATE AID

Basic formula	4,311,725	4,311,725	3,830,448	(481,277)
BOCES aid	524,284	524,284	740,696	216,412
Textbook aid	157,464	157,464	108,462	(49,002)
Computer software aid	-	-	34,991	34,991
Library materials aid	-	-	11,156	11,156
Transportation for students with disabilities	-	-	553,572	553,572
	<u>4,993,473</u>	<u>4,993,473</u>	<u>5,279,325</u>	<u>285,852</u>

MISCELLANEOUS

Refund of prior year's expenditures	122,002	122,002	38,682	(83,320)
Refund of prior year's BOCES expenditures	70,000	70,000	106,468	36,468
Unclassified	245,100	245,100	269,727	24,627
	<u>437,102</u>	<u>437,102</u>	<u>414,877</u>	<u>(22,225)</u>

TOTAL REVENUES

<u>\$ 68,052,500</u>	<u>\$ 68,052,500</u>	<u>\$ 69,609,998</u>	<u>\$ 1,557,498</u>
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Irvington Union Free School District, New York

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 77,113	\$ 77,180	\$ 67,618	\$ 4,750	\$ 4,812
District clerk	65,235	62,585	54,591	-	7,994
District meeting	28,950	26,308	15,067	-	11,241
Total Board of Education	171,298	166,073	137,276	4,750	24,047
CENTRAL ADMINISTRATION					
Chief school administrator	387,045	394,494	391,805	-	2,689
FINANCE					
Business administration	545,393	572,594	541,084	15,000	16,510
Auditing	77,900	59,083	56,400	-	2,683
Treasurer	132,125	132,942	132,664	-	278
Total Finance	755,418	764,619	730,148	15,000	19,471
STAFF					
Legal	412,750	369,750	226,844	-	142,906
Personnel	145,901	140,901	116,114	-	24,787
Public information and services	87,400	104,020	99,151	-	4,869
Total Staff	646,051	614,671	442,109	-	172,562
CENTRAL SERVICES					
Operation and maintenance of plant	5,208,438	5,225,591	4,576,739	528,138	120,714
Printing and Mailing	45,860	38,860	30,784	-	8,076
Data Processing	831,510	881,370	863,718	4,423	13,229
Total Central Services	6,085,808	6,145,821	5,471,241	532,561	142,019

SPECIAL ITEMS

Unallocated insurance	230,000	232,794	232,794	-	-
Assessments on school property	60,000	47,703	32,649	-	15,054
Refunds of real property taxes	75,000	1,382,667	1,382,667	-	-
Administrative charges - BOCES	307,504	307,504	307,504	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Special Items	672,504	1,970,668	1,955,614	-	15,054
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Support	8,718,124	10,056,346	9,128,193	552,311	375,842
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	629,960	585,825	493,707	-	92,118
Supervision - Regular school	1,524,420	1,513,306	1,494,209	-	19,097
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Instruction, Administration and Improvement	2,154,380	2,099,131	1,987,916	-	111,215
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

TEACHING - REGULAR SCHOOL

19,169,581	18,963,936	18,739,172	51,554	173,210
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

PROGRAMS FOR STUDENTS WITH DISABILITIES

Programs for students with disabilities	9,620,669	9,697,657	9,249,567	-	448,090
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

OCCUPATIONAL EDUCATION

173,980	112,980	80,031	-	32,949
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

INSTRUCTIONAL MEDIA

School library and audiovisual	670,775	685,113	681,381	1,709	2,023
Computer assisted instruction	1,418,880	1,493,537	1,262,761	216,465	14,311
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Instructional Media	2,089,655	2,178,650	1,944,142	218,174	16,334
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

(Continued)

Irvington Union Free School District, New York

General Fund

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

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
PUPIL SERVICES					
Guidance - Regular school	\$ 1,048,469	\$ 1,102,406	\$ 1,078,064	\$ -	\$ 24,342
Health services - Regular school	561,139	612,581	593,553	-	19,028
Psychological services - Regular school	605,478	635,796	634,060	-	1,736
Social work services - Regular school	265,048	226,430	202,191	-	24,239
Pupil personnel services - Special schools	333,497	331,794	331,793	-	1
Co-curricular activities - Regular school	218,935	219,428	219,167	-	261
Interscholastic activities - Regular school	1,009,552	1,013,335	963,016	16,235	34,084
Total Pupil Services	4,042,118	4,141,770	4,021,844	16,235	103,691
Total Instruction	37,250,383	37,194,124	36,022,672	285,963	885,489
PUPIL TRANSPORTATION					
District transportation services	173,985	180,502	180,158	-	344
Contract transportation	2,433,640	2,654,978	2,639,755	-	15,223
Total Pupil Transportation	2,607,625	2,835,480	2,819,913	-	15,567
EMPLOYEE BENEFITS					
State retirement	829,510	749,888	729,855	-	20,033
Teachers' retirement	2,730,713	2,759,694	2,759,694	-	-
Social security	2,589,409	2,556,554	2,532,700	-	23,854
Workers' compensation benefits	458,000	458,000	400,397	-	57,603
Life insurance	46,200	46,200	30,279	-	15,921
Unemployment benefits	40,000	40,000	21,404	-	18,596
Disability insurance	58,000	58,000	54,232	-	3,768
Hospital, medical and dental insurance	8,838,101	8,728,926	8,363,342	-	365,584
Union welfare benefits	497,900	488,400	460,285	-	28,115
Incentive and sick time payout	-	43,610	38,074	-	5,536
Flex administrative fees	6,500	6,500	3,770	-	2,730
Total Employee Benefits	16,094,333	15,935,772	15,394,032	-	541,740

DEBT SERVICE

Principal

Serial bonds	<u>2,650,000</u>	<u>2,650,000</u>	<u>2,650,000</u>	<u>-</u>	<u>-</u>
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Interest

Serial bonds	1,453,764	1,453,784	1,453,784	-	-
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Bond anticipation notes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	<u>1,453,764</u>	<u>1,453,784</u>	<u>1,453,784</u>	<u>-</u>	<u>-</u>
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Total Debt Service	<u>4,103,764</u>	<u>4,103,784</u>	<u>4,103,784</u>	<u>-</u>	<u>-</u>
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TOTAL EXPENDITURES	<u>68,774,229</u>	<u>70,125,506</u>	<u>67,468,594</u>	<u>838,274</u>	<u>1,818,638</u>
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OTHER FINANCING USES

Transfers out

Special Aid Fund	70,000	70,000	56,957	-	13,043
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Capital Projects Fund	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
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TOTAL OTHER FINANCING USES	<u>170,000</u>	<u>170,000</u>	<u>156,957</u>	<u>-</u>	<u>13,043</u>
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TOTAL EXPENDITURES AND OTHER FINANCING USES	<u><u>\$ 68,944,229</u></u>	<u><u>\$ 70,295,506</u></u>	<u><u>\$ 67,625,551</u></u>	<u><u>\$ 838,274</u></u>	<u><u>\$ 1,831,681</u></u>
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See independent auditors' report.

Irvington Union Free School District, New York

Capital Projects Fund
Project-Length Schedule

Inception of Project Through June 30, 2023

PROJECT	Project Budget	Expenditures and Transfers To Date			Unexpended Balance	Methods of Financing				Fund Balance at June 30, 2023
		Prior Years	Current Year	Totals		Interfund Transfers	Proceeds of Obligations	Other	Total	
Other Capital Projects	\$ 114,712	\$ -	\$ -	\$ -	\$ 114,712	\$ -	\$ -	\$ 114,712	\$ 114,712	\$ 114,712
District-Wide Improvements	18,975,128	8,444,120	10,002,706	18,446,826	528,302	200,000	18,867,810	150,000	19,217,810	770,984
Totals	<u>\$ 19,089,840</u>	<u>\$ 8,444,120</u>	<u>\$ 10,002,706</u>	<u>\$ 18,446,826</u>	<u>\$ 643,014</u>	<u>\$ 200,000</u>	<u>\$ 18,867,810</u>	<u>\$ 264,712</u>	<u>\$ 19,332,522</u>	<u>\$ 885,696</u>

See independent auditors' report.

Irvington Union Free School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	School Lunch	Special Aid	Special Purpose	Total Non-Major Governmental Funds
ASSETS				
Cash and equivalents	\$ 581,378	\$ 2,654	\$ 325,243	\$ 909,275
Receivables				
Accounts	-	91,802	-	91,802
State and Federal aid	9,598	361,941	-	371,539
Due from other funds	-	56,466	-	56,466
	9,598	510,209	-	519,807
Inventories	12,408	-	-	12,408
Total Assets	<u>\$ 603,384</u>	<u>\$ 512,863</u>	<u>\$ 325,243</u>	<u>\$ 1,441,490</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 44,141	\$ 23,726	\$ 7,249	\$ 75,116
Accrued Liabilities	-	-	2,162	2,162
Unearned revenue	36,393	-	-	36,393
Due to other funds	-	489,137	-	489,137
Total Liabilities	<u>80,534</u>	<u>512,863</u>	<u>9,411</u>	<u>602,808</u>
Fund balances				
Nonspendable	12,408	-	-	12,408
Restricted	-	-	315,832	315,832
Assigned	510,442	-	-	510,442
Total Fund Balances	<u>522,850</u>	<u>-</u>	<u>315,832</u>	<u>838,682</u>
Total Liabilities and Fund Balances	<u>\$ 603,384</u>	<u>\$ 512,863</u>	<u>\$ 325,243</u>	<u>\$ 1,441,490</u>

See independent auditors' report.

Irvington Union Free School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2023

	School Lunch	Special Aid	Special Purpose	Total Non-Major Governmental Funds
REVENUES				
Use of money and property	\$ 3,516	\$ -	\$ 1,445	\$ 4,961
State aid	6,526	268,196	-	274,722
Federal aid	227,507	831,290	-	1,058,797
Food sales	591,672	-	-	591,672
Miscellaneous	9	129,274	382,344	511,627
Total Revenues	829,230	1,228,760	383,789	2,441,779
EXPENDITURES				
Current				
Instruction	-	1,202,982	-	1,202,982
Transportation	-	82,735	-	82,735
Cost of food sales	731,584	-	-	731,584
Other	-	-	396,048	396,048
Total Expenditures	731,584	1,285,717	396,048	2,413,349
Excess (Deficiency) of Revenues Over Expenditures	97,646	(56,957)	(12,259)	28,430
OTHER FINANCING SOURCES				
Transfers in	-	56,957	-	56,957
Net Change in Fund Balances	97,646	-	(12,259)	85,387
FUND BALANCES				
Beginning of Year	425,204	-	328,091	753,295
End of Year	\$ 522,850	\$ -	\$ 315,832	\$ 838,682

See independent auditors' report.

Irvington Union Free School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2023

Adopted Budget	\$ 68,475,000
Encumbrances	<u>469,229</u>
Original Budget	68,944,229
Budget Amendments	<u>1,351,277</u>
Final Budget	<u><u>\$ 70,295,506</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

2023-2024 Expenditure Budget	<u>\$ 73,079,120</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	\$ 1,260,774
Unassigned fund balance	<u>2,923,163</u>
Total Unrestricted Fund Balance	<u>4,183,937</u>
Less	
Appropriated for subsequent year's budget	422,500
Encumbrances	<u>838,274</u>
Total Adjustments	<u><u>1,260,774</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 2,923,163</u></u>
Actual Percentage	<u><u>4.00%</u></u>

See independent auditors' report.

Irvington Union Free School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2023

Capital Assets, net		\$ 48,767,631
Less		
Bonds Payable	\$ 34,430,000	
Unamortized Portion of Premium on Bonds	<u>1,472,566</u>	(35,902,566)
Plus		
Unexpended Bond Proceeds		<u>420,984</u>
Net Investment in Capital Assets		<u>\$ 13,286,049</u>

See independent auditors' report.



**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
Irvington 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 Irvington Union Free School District, New York ("School District") as of and for the year ended June 30, 2023, 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 26, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District'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 26, 2023



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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Irvington Union Free School District, New York's ("School District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. 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.

In our opinion, the School District complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 26, 2023

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Irvington Union Free School District, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Sub- Recipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Child Nutrition Cluster</i>				
School Breakfast Program	10.553	N/A	\$ -	\$ 11,379
National School Lunch Program - Commodities	10.555	N/A	-	27,470
National School Lunch Program - Cash	10.555	N/A	-	186,774
Subtotal Child Nutrition Cluster			-	225,623
State Pandemic EBT Administrative Costs Grants	10.649	N/A	-	1,884
Total U.S. Department of Agriculture			-	227,507
<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	84.027	032-23-1053	-	423,761
Special Education - Grants to States - ARP Supplemental 611	84.027X	5532-22-1053	-	81,779
Special Education - Preschool Grants	84.173	033-23-1053	-	9,178
Special Education - Preschool Grants - ARP Supplemental 619	84.173X	5533-22-1053	-	9,102
Subtotal Special Education Cluster			-	523,820
Title I Grants to Local Educational Agencies	84.010	021-23-3640	-	61,588
Supporting Effective Instruction State Grants	84.367	147-23-3640	-	28,251
Student Support and Academic Enrichment Program	84.424	204-23-3640	-	9,678
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5880-21-3640	-	207,953
Total U.S. Department of Education			-	831,290
Total Expenditures of Federal Awards			\$ -	\$ 1,058,797

N/A - Information not available

The accompanying notes are an integral part of this schedule.

Irvington Union Free School District, New York

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Irvington Union Free School District, New York ("School District") under programs of the federal government for the year ended June 30, 2023. 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. Pass-through entity identifying numbers are presented where available.

Note 3 - Indirect Cost Rate

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

Irvington Union Free School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

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:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

84.027

84.027X

84.173

84.173X

84.425U

Special Education Cluster (IDEA):

Special Education - Grants to States

Special Education - Grants to States - ARP Supplemental 611

Special Education - Preschool Grants

Special Education - Preschool Grants - ARP Supplemental 619

American Rescue Plan Elementary and Secondary/School

Emergency Relief (ARP ESSER) Fund

Dollar threshold used to distinguish
between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

____ Yes X No

Irvington Union Free School District, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended June 30, 2023

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Irvington Union Free School District, New York

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

None