

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

Financial Statements and
Supplementary Information

Year Ended June 30, 2015

Edgemont Union Free School District, New York

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Edgemont Union Free School District, New York ("School District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General and Special Aid funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

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Emphasis of Matter

We draw attention to Note 2,D and Note 3,E in the notes to financial statements which disclose the effects of the School District's adoption of the provisions of GASB Statement Nos. 68 "*Accounting and Financial Reporting for Pensions*" and 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date*". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2015 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
September 16, 2015

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Edgemont Union Free School District, New York ("School District") as of and for the year ended June 30, 2015, 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 16, 2015.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

We noted certain matters that we reported to the management of the School District in a separate letter.

Purpose of this Report

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

A handwritten signature in black ink that reads "O'Connor Davies, LLP". The signature is written in a cursive, flowing style.

O'Connor Davies, LLP

Harrison, New York

September 16, 2015

Edgemont Union Free School District, New York

Management's Discussion and Analysis (MD&A) June 30, 2015

Introduction

Our discussion and analysis of the financial performance of the Edgemont Union Free School District, New York ("School District") provides an overview of the School District's financial activities for the year ended June 30, 2015 (fy 2015). To enhance understanding of the School District's financial performance, it should be read in conjunction with the basic financial statements, which immediately follow this section.

The 2014-2015 financial statements reflect the School District's continued commitment to strong financial and operational management. The Board of Education and the administration believe that maintaining a fund balance at the statutory limit and funding reserves when possible contributes to this strong financial position.

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- New York State Law limits the amount of committed, assigned and unassigned fund balance, exclusive of encumbrances and amounts assigned for the subsequent year's budget, which can be retained by the General Fund to 4% of the ensuing year's budget. At the end of the current fiscal year, this amount for the General Fund was \$2,163,619 or 4%, an amount that is at the statutory limit.
- The School District appropriated \$1,000,000 of the unassigned fund balance of the General Fund as a surplus contribution to reduce property taxes in the 2015-2016 fiscal year. An additional \$400,000 of the unassigned fund balance of the General Fund was appropriated toward offsetting the mandated increases in contributions to the New York State Employees' Retirement System in 2015-2016. Lastly, the Board of Education approved a resolution that permitted the School District to place \$500,000 of its 2014-2015 budget surplus in its restricted fund balance for tax certiorari obligations for potential future challenges against property taxes levied for the 2014-2015 fiscal year.
- The total fund balance (nonspendable, restricted, assigned and unassigned) of the General Fund decreased by \$769,421 to \$9,778,515. The decrease is predominantly attributable to tighter budgeting as a result of the tax cap legislation.
- As of the end of fiscal year 2015, the School District's governmental fund financial statements report a combined ending fund balance of \$11,664,489 a decrease of \$787,107 from the prior year. Exclusive of funds restricted for capital projects, the combined ending fund balances are \$11,181,122.
- The fund balance in the Special Purpose Fund was \$246,360. This balance is the result of generous donations from the PTSA, the PTA, Edgemont Recreation, the Edgemont School Foundation and members of the Edgemont community.

- On the district-wide financial statements, the assets and deferred outflows of resources of the School District exceeded liabilities and deferred inflows of resources at the close of its most recent fiscal year by \$29,477,079. The School District's total net position increased by \$8,344,052 (inclusive of an adjustment to the opening net position of \$3,965,854) for the year ended June 30, 2015. The district-wide financial statements must report certain items in accordance with the pronouncements of the Governmental Accounting Standards Board ("GASB"). The GASB is charged with developing the accounting rules that apply to governments, including school districts and BOCES. One of the most significant of these standards requires the School District to recognize the financial impact associated with other postemployment benefit ("OPEB") obligations under the provisions of GASB Statement No. 45. These obligations include any benefits provided to retirees, other than a pension, including health insurance, life insurance, vision, dental, etc. GASB Statement No. 45 established standards for accrual based measurement and recognition of OPEB expenses over periods that approximate employees' years of active service, as well as the required note disclosures. For the year ending June 30, 2015, the School District's OPEB obligations of \$7,377,937 are reflected as a liability on the district-wide Statement of Net Position and impacts the total net position calculation. More detailed information about the School District's OPEB obligations reported in accordance with the provisions of GASB Statement No. 45 is presented in note 3, E in the notes to financial statements.
- Also noteworthy on the district-wide financial statements for the year ended June 30, 2015, is the implementation of the provisions of GASB Statement No. 68 for the first time. This pronouncement established new 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 the new standards, 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, 2015, the School District reported in its Statement of Net Position a liability of \$571,476 for its proportionate share of the ERS net pension liability, while also reporting a pension asset of \$16,334,540 for its proportionate share of the TRS net pension asset. 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 3, E in the notes to financial statements.
- During the current fiscal year, the School District did not issue any new bonded long-term bonded indebtedness for construction. However, the School District did issue \$4 million in short-term indebtedness to provide initial funding for the approved \$12.8 million District-wide improvement project. The School District also retired \$1.01 million in outstanding long-term bonded indebtedness.

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

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

Fund Financial Statements

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

- The School District adopts an annual budget for its General Fund, Special Aid Fund and Debt Service Fund. A budgetary comparison statement has been provided within the basic financial statements for the General Fund and the Special Aid Fund (major funds) to demonstrate compliance with the respective budgets.
- The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

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

Notes to 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.

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. For the Edgemont Union Free School District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$29,477,079 at the close of the 2015 fiscal year.

Net Position

	June 30,	
	2015	2014
Current Assets	\$ 36,934,093	\$ 16,834,776
Capital Assets, net	28,970,583	28,187,058
Total Assets	65,904,676	45,021,834
Deferred Outflows of Resources	4,644,628	331,516
Current Liabilities	9,054,558	4,513,047
Long-term Liabilities	20,790,354	19,707,276
Total Liabilities	29,844,912	24,220,323
Deferred Inflows of Resources	11,227,313	-
Net Position		
Net Investment in Capital Assets	16,428,306	15,045,172
Restricted		
Capital Projects	1,027,694	505,601
Tax Certiorari	4,310,403	4,786,626
Retirement Contributions	766,979	1,061,979
School Lunch	115,140	132,991
Special Purposes	246,360	225,503
Debt Service	1,041,107	1,039,565
Unrestricted	5,541,090	(1,664,410)
Total Net Position	\$ 29,477,079	\$ 21,133,027

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

Restricted net position of \$7,507,683 represents 25% of net position. The largest components of restricted net position are for tax certiorari obligations (\$4,310,403), debt service (\$1,041,107), and capital projects of (\$1,027,694). Unrestricted net position is \$5,541,090, an increase of \$7,205,500 from the prior year, primarily from the recording of the net pension asset of TRS.

Changes in Net Position

	June 30,	
	2015	2014
REVENUES		
Program Revenues		
Charges for Services	\$ 1,134,721	\$ 1,075,424
Operating Grants and Contributions	1,247,708	1,511,895
Capital Grants and Contributions	1,542	1,665
Total Program Revenues	2,383,971	2,588,984
General Revenues		
Real Property Taxes	43,325,447	42,054,528
Other Tax Items	3,365,029	3,531,068
Non-Property Taxes	387,923	386,228
Unrestricted Use of Money and Property	18,527	17,038
Sale of Property and Compensation for Loss	14,898	71,820
Unrestricted State Aid	3,188,861	3,022,321
Miscellaneous	573,595	269,010
Total General Revenues	50,874,280	49,352,013
Total Revenues	53,258,251	51,940,997
PROGRAM EXPENSES		
General Support	7,282,597	7,227,236
Instruction	39,615,346	42,573,132
Pupil Transportation	840,548	878,388
Cost of Food Sales	398,805	429,118
Other	435,549	585,263
Interest	307,208	344,151
Total Expenses	48,880,053	52,037,288
Change in Net Position	4,378,198	(96,291)
NET POSITION		
Beginning, as reported	21,133,027	21,229,318
Cumulative Effect of Change in Accounting Principle	3,965,854	-
Beginning, as restated	25,098,881	21,229,318
Ending	\$ 29,477,079	\$ 21,133,027

The changes are as follows:

Revenues:

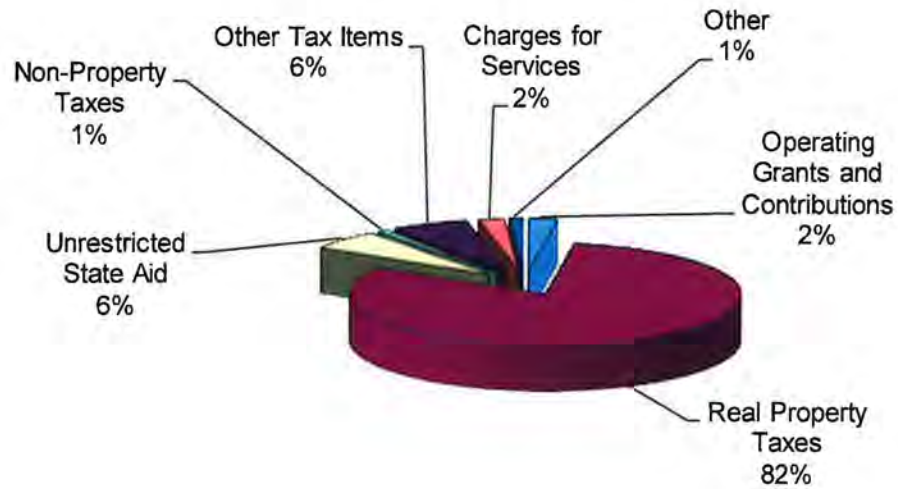
- Charges for Services increased by \$59,297. This was primarily the result of an increase in the number of out-of-district tuition students attending the School District.
- Operating Grants and Contributions decreased by \$264,187 predominantly due to a decrease of over \$175,000 in donations compared to the prior year and a decrease in federally funded grants.
- Revenue from real property taxes increased by \$1,270,919 as a result of a higher tax levy to support an increased budget.
- Other tax items decreased by \$166,039. This amount represents reimbursements received from the School Tax Relief Reimbursement Program ("STAR"). The STAR Program provides tax relief to homeowners through State reimbursement to the School District.
- Non-property taxes, representing sales tax distributions from the County to the School District, increased marginally by \$1,695 from the prior year.
- Unrestricted State Aid increased by \$166,540, predominantly due to an increase in Basic Formula Aid, Lottery Aid and BOCES Aid.
- Miscellaneous revenues were increased by \$304,585. This number more than doubled from the previous year. The increase was due to a \$300,000 gift from the Edgemont School Foundation.

Expenses:

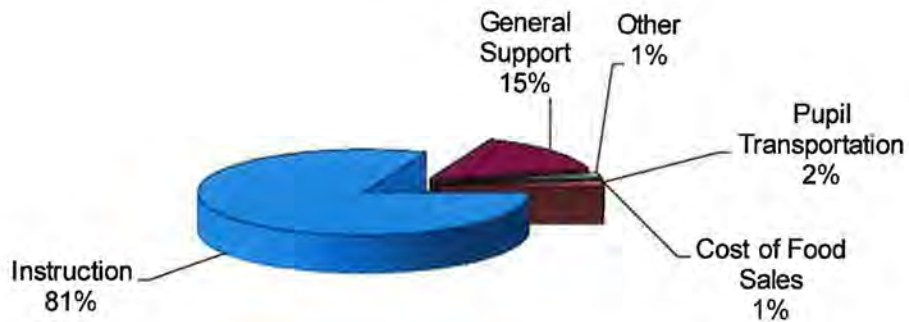
- Instructional program expenses decreased by \$2,957,786 from the prior year. While the cost of providing special education services increased by approximately \$460,000 from the prior year, the increase in the School District's proportionate share of the TRS pension asset (recorded for the first time this year in accordance with GASB 68) had the effect of lowering this expense category.
- Pupil transportation expenses decreased by \$37,840 because of fewer services needed to transport students with special needs.

As indicated on the following graphs, unrestricted state aid provided only 6% of total revenue in 2014-2015. Real property taxes are the School District's main source of revenue (82%). Instruction costs account for 81% of the School District's expenses.

Sources of Revenue for Fiscal Year 2015 Governmental Activities



Expenses for Fiscal Year 2015 Governmental Activities



Financial Analysis of the School District's Funds

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

Fund Balance Reporting

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

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

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

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

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

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

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

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

Governmental Funds

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

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$11,664,489 a decrease of \$787,107 from the prior year. Exclusive of the Capital Projects Fund, total fund balance aggregates \$11,181,122. Of this latter amount, \$537,696 is in non-spendable

form representing prepaid expenditures, while \$6,520,553 is restricted for various purposes (\$4,766,107 for tax certiorari obligations, \$766,979 for retirement system obligations, \$741,107 for debt service purposes and \$246,360 for special purposes). Another \$1,959,254 of the total fund balance is assigned to fund purchases on order (\$146,272), school lunch fund purposes (\$112,982), and (\$1,400,000) for the subsequent year's budget as property tax relief in the General Fund (comprised of \$1,000,000 from the General Fund unassigned balance and \$400,000 from the ERS (Employee Retirement System) restriction to partially offset the School District's retirement system contribution). Additionally, \$300,000 from the Debt Service Fund is being appropriated to offset a portion of the School District's debt service obligations in 2015-16. The remainder of the total fund balance of \$2,163,619 represents unassigned fund balance in the General Fund and is available for use at the School District's discretion.

The General Fund is the primary operating fund of the School District. Revenues were more than the amount contained in the final budget by \$377,712, primarily the result of an increase in out-of-district tuition students, an increase in sales tax revenue from Westchester County and State aid. Expenditures and other financing uses were \$1,711,068 less than the final budget. The savings occurred as a result of savings in general support functions and lower than anticipated salary and benefit expenditures.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was an increase of \$1,034,652. This difference represents amounts appropriated from the tax certiorari restriction in the amount of \$527,082 to fund settlements, \$147,570 for fees received to support summer camp programs and \$360,000 appropriated from the unassigned fund balance to fund a voter approved transfer to the Capital Projects Fund for fire alarm system upgrades.

Capital Assets

On June 30, 2015, the School District had \$28,970,583 net of accumulated depreciation invested in a broad range of capital assets, including land, construction-in-progress, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below.

Class	June 30,	
	2015	2014
Land	\$ 447,447	\$ 447,447
Construction-in-Progress	1,561,834	1,505,607
Buildings and Improvements	26,771,141	26,010,314
Machinery and Equipment	190,161	223,690
Total Capital Assets, net of accumulated depreciation	<u>\$ 28,970,583</u>	<u>\$ 28,187,058</u>

The change in capital assets during the current fiscal year is predominantly the result of renovations completed in 2014-2015 including the Jim San Marco Gymnasium and the new fire alarm system at Edgemont Jr./Sr. High School.

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

Long-Term Debt

On June 30, 2015, the School District had \$19,763,174 in general obligation and other long-term debt outstanding, as follows:

	2015	2014
Bonds Payable, net	\$ 9,375,728	\$ 10,532,335
Energy Performance Contract Payable	2,909,039	3,066,067
Claims Payable	455,704	-
Compensated Absences	100,470	118,751
Net Pension Liability	571,476	-
Other Post Employment Benefit Obligations	7,377,937	5,990,123
Total	<u>\$ 20,790,354</u>	<u>\$ 19,707,276</u>

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

Future Considerations

The Edgemont School District is committed to providing an excellent education in a fiscally responsible way by collaborating with the community. During the 2013-2014 school year, the community showed its overwhelming support for the School District's commitment and vision by supporting a \$12.8 million bond referendum for capital expenditures. This bond issue positions the School District to make infrastructure improvements at all three campuses and to support instructional programs while keeping the taxpayers' total costs essentially flat, at the same level they have been in recent years. During the 2014-2015 school year, the community again showed its overwhelming support for the strategic direction of the district by voting to exceed the tax cap with an 85% "yes" vote. Exceeding the tax cap will help us to manage the stability of the tax-rate increases over time. We endeavor to maintain an unassigned fund balance close to or at the statutory limit of 4% to address unanticipated needs or expenditures. We also maintain appropriate fund balance to support a tax certiorari restriction to plan for and to manage payment options for certiorari settlements and to fund an employee retirement restriction to offset the sharp increases in retirement system contributions.

The School District refinanced bonds, will implement a plan for affordable care insurance and has created an in-house special education program for non-verbal autistic students. It is better for the students to be in a high-quality program in their home district, and it is better for the district fiscally. This challenge of providing a fiscally responsible budget with costly unfunded state mandates will continue to require effective and efficient management of School District resources. As a follow up to an internal audit focused on the roles and responsibilities in the business office, the School District increased the role and the time of the District Treasurer/Business Administrator from .4 to .6 FTE. This additional time will help the business office to monitor the School District's fiscal health through analyses of monthly financial reports and the utilization of various audits in addition to thinking creatively about how to meet the needs of the students more effectively and efficiently.

In Edgemont, we know where we are going; and we have a long history of success on which to build our future. The strategic goals and subsequent action plans provide the roadmap and the directions to get there.

Strategic Goals

As above, the School District's overarching interest is to provide an excellent education in a fiscally responsible way. Within that paradigm, the School District has set three strategic goals.

The lens through which we view all work is to systemically provide a culture of learning that reflects each student's needs, interests, abilities and voice for the academic and social-emotional development of the whole child.

1. Provide infrastructure, equitable access, professional learning and technical support for the integration of technology to promote creativity, collaboration, communication and critical thinking.
2. Create authentic opportunities to foster students' understanding of their roles as local and global citizens.
3. Develop purposeful structures and allocate time to link collaborative professional development to student needs.

The School District has taken strategic steps to be proactive in maintaining and improving the infrastructure, facilities, curriculum and instruction using careful financial planning and an inclusive strategic planning process. The Edgemont Union Free School District is committed to educational excellence, collaboration and fiscal discipline.

Requests for Information

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

Edgemont Union Free School District
Attn: Susan F. Shirken
Assistant Superintendent
300 White Oak Lane
Scarsdale, New York 10583

Edgemont Union Free School District, New York

Statement of Net Position

June 30, 2015

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 18,716,672
Receivables	
Accounts	174,518
State and Federal aid	1,073,686
Due from other governments	96,981
Prepaid expenses	537,696
Net pension asset	16,334,540
Capital assets (net of accumulated depreciation)	
Not being depreciated	2,009,281
Being depreciated, net	26,961,302
Total Assets	65,904,676
DEFERRED OUTFLOWS OF RESOURCES	4,644,628
LIABILITIES	
Accounts payable	229,023
Accrued liabilities	347,267
Retainages payable	38,181
Bond anticipation note payable	4,000,000
Unearned revenues	31,080
Due to retirement systems	4,289,513
Accrued interest payable	119,494
Non-current liabilities	
Due within one year	1,327,555
Due in more than one year	19,462,799
Total Liabilities	29,844,912
DEFERRED INFLOWS OF RESOURCES	11,227,313
NET POSITION	
Net investment in capital assets	16,428,306
Restricted	
Capital projects	1,027,694
Tax certiorari	4,310,403
Retirement contributions	766,979
School lunch	115,140
Special purposes	246,360
Debt service	1,041,107
Unrestricted	5,541,090
Total Net Position	\$ 29,477,079

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

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Edgemont Union Free School District, New York

Statement of Activities

For the Year Ended June 30, 2015

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	\$ 7,282,597	\$ 32,435	\$ 6,563	\$ -	\$ (7,243,599)
Instruction	39,615,346	720,477	781,834	-	(38,113,035)
Pupil transportation	840,548	-	-	-	(840,548)
Cost of food sales	398,805	381,809	2,905	-	(14,091)
Other	435,549	-	456,406	-	20,857
Interest	307,208	-	-	1,542	(305,666)
Total Governmental Activities	48,880,053	1,134,721	1,247,708	1,542	(46,496,082)
General revenues					
Real property taxes					43,325,447
Other tax items					3,365,029
School tax relief reimbursement					
Non-property taxes					387,923
Non-property tax distribution from County					
Unrestricted use of money and property					18,527
Sale of property and compensation for loss					14,898
Unrestricted State aid					3,188,861
Miscellaneous					573,595
Total General Revenues					50,874,280
Change in Net Position					4,378,198
Net Position - Beginning, as reported					21,133,027
Cumulative Effect of Change in Accounting Principle					3,965,854
Net Position - Beginning, as restated					25,098,881
Net Position - Ending					\$ 29,477,079

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

Edgemont Union Free School District, New York

Balance Sheet
Governmental Funds
June 30, 2015

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 12,263,932	\$ 512,621	\$ 4,521,888
Receivables			
Accounts	174,518	-	-
State and Federal aid	589,005	484,681	-
Due from other governments	96,981	-	-
Due from other funds	980,788	-	-
Prepaid expenditures	535,538	-	-
Total Assets	<u>\$ 14,640,762</u>	<u>\$ 997,302</u>	<u>\$ 4,521,888</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 215,741	\$ -	\$ -
Accrued liabilities	333,780	13,487	-
Retainages payable	-	-	38,181
Due to other funds	-	975,948	340
Bond anticipation note payable	-	-	4,000,000
Unearned revenues	23,213	7,867	-
Due to retirement systems	4,289,513	-	-
Total Liabilities	<u>4,862,247</u>	<u>997,302</u>	<u>4,038,521</u>
Fund balances			
Nonspendable	535,538	-	-
Restricted	5,533,086	-	483,367
Assigned	1,546,272	-	-
Unassigned	2,163,619	-	-
Total Fund Balances	<u>9,778,515</u>	<u>-</u>	<u>483,367</u>
Total Liabilities and Fund Balances	<u>\$ 14,640,762</u>	<u>\$ 997,302</u>	<u>\$ 4,521,888</u>

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

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 1,418,231	\$ 18,716,672
-	174,518
-	1,073,686
-	96,981
-	980,788
2,158	537,696
<u>\$ 1,420,389</u>	<u>\$ 21,580,341</u>

\$ 13,282	\$ 229,023
-	347,267
-	38,181
4,500	980,788
-	4,000,000
-	31,080
-	4,289,513
<u>17,782</u>	<u>9,915,852</u>

2,158	537,696
987,467	7,003,920
412,982	1,959,254
-	2,163,619
<u>1,402,607</u>	<u>11,664,489</u>
<u>\$ 1,420,389</u>	<u>\$ 21,580,341</u>

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Edgemont Union Free School District, New York

Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position June 30, 2015

Fund Balances - Total Governmental Funds	\$ 11,664,489
Amounts reported for governmental activities in the statement of net position are different because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	28,970,583
Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension assets (liabilities) whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on refunding bonds	286,817
Deferred amounts on net pension assets (liabilities)	(6,869,502)
	(6,582,685)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Pension assets	16,334,540
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(119,494)
Bonds payable - Capital construction	(9,375,728)
Energy performance contract payable	(2,909,039)
Claims payable	(455,704)
Compensated absences	(100,470)
Net pension obligation	(571,476)
Other post employment benefit obligations payable	(7,377,937)
	(20,909,848)
Net Position of Governmental Activities	\$ 29,477,079

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

Edgemont Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 43,325,447	\$ -	\$ -
Other tax items	3,365,029	-	-
Non-property taxes	387,923	-	-
Charges for services	720,477	-	-
Use of money and property	57,525	-	-
Sale of property and compensation for loss	14,898	-	-
Interfund revenues	4,500	-	-
State aid	3,354,471	156,684	-
Federal aid	-	459,540	-
Food sales	-	-	-
Miscellaneous	573,595	-	-
Total Revenues	51,803,865	616,224	-
EXPENDITURES			
Current			
General support	5,748,264	-	-
Instruction	29,575,307	668,023	-
Pupil transportation	816,843	-	-
Employee benefits	13,254,956	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	-	1,561,834
Total Expenditures	49,395,370	668,023	1,561,834
Excess (Deficiency) of Revenues Over Expenditures	2,408,495	(51,799)	(1,561,834)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	51,799	1,539,600
Transfers out	(3,177,916)	-	-
Total Other Financing Sources (Uses)	(3,177,916)	51,799	1,539,600
Net Change in Fund Balances	(769,421)	-	(22,234)
FUND BALANCES			
Beginning of Year	10,547,936	-	505,601
End of Year	\$ 9,778,515	\$ -	\$ 483,367

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

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 43,325,447
-	3,365,029
-	387,923
-	720,477
2,753	60,278
-	14,898
-	4,500
-	3,511,155
2,674	462,214
381,809	381,809
455,426	1,029,021
<u>842,662</u>	<u>53,262,751</u>
-	5,748,264
-	30,243,330
-	816,843
-	13,254,956
402,565	402,565
435,549	435,549
1,167,028	1,167,028
419,489	419,489
-	1,561,834
<u>2,424,631</u>	<u>54,049,858</u>
<u>(1,581,969)</u>	<u>(787,107)</u>
1,586,517	3,177,916
-	(3,177,916)
<u>1,586,517</u>	<u>-</u>
4,548	(787,107)
<u>1,398,059</u>	<u>12,451,596</u>
<u>\$ 1,402,607</u>	<u>\$ 11,664,489</u>

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Edgemont Union Free School District, New York**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ended June 30, 2015**

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

Net Change in Fund Balances - Total Governmental Funds	\$ (787,107)
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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. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay expenditures	1,571,836
Depreciation expense	<u>(788,311)</u>
	<u>783,525</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 bonds	1,010,000
Principal paid on energy performance contract	157,028
Amortization of premium and loss on refunding bonds	<u>101,908</u>
	<u>1,268,936</u>

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

Claims payable	(455,704)
Compensated absences	18,281
Pension assets (obligations)	4,927,708
Other post employment benefit obligations	(1,387,814)
Accrued interest	<u>10,373</u>
	<u>3,112,844</u>

Change in Net Position of Governmental Activities	<u>\$ 4,378,198</u>
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The notes to financial statements are an integral part of this statement.

Edgemont Union Free School District, New York

Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General and Special Aid Funds
Year Ended June 30, 2015

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 43,325,447	\$ 43,325,447	\$ 43,325,447	\$ -
Other tax items	3,365,029	3,365,029	3,365,029	-
Non-property taxes	340,000	340,000	387,923	47,923
Charges for services	485,000	485,000	720,477	235,477
Use of money and property	58,500	58,500	57,525	(975)
Sale of property and compensation for loss	-	14,898	14,898	-
Interfund revenues	4,500	4,500	4,500	-
State aid	3,258,107	3,258,107	3,354,471	96,364
Federal aid	-	-	-	-
Miscellaneous	442,000	574,672	573,595	(1,077)
Total Revenues	51,278,583	51,426,153	51,803,865	377,712
EXPENDITURES				
Current				
General support	6,136,052	6,370,028	5,748,264	621,764
Instruction	30,159,203	30,289,480	29,575,307	714,173
Pupil transportation	859,482	834,483	816,843	17,640
Employee benefits	13,805,720	13,748,170	13,254,956	493,214
Total Expenditures	50,960,457	51,242,161	49,395,370	1,846,791
Excess (Deficiency) of Revenues Over Expenditures	318,126	183,992	2,408,495	2,224,503
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,435,517)	(3,188,465)	(3,177,916)	10,549
Total Other Financing Sources (Uses)	(2,435,517)	(3,188,465)	(3,177,916)	10,549
Net Change in Fund Balances	(2,117,391)	(3,004,473)	(769,421)	2,235,052
FUND BALANCES				
Beginning of Year	2,117,391	3,004,473	10,547,936	7,543,463
End of Year	\$ -	\$ -	\$ 9,778,515	\$ 9,778,515

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

Special Aid Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
173,484	156,685	156,684	(1)
519,484	543,229	459,540	(83,689)
-	-	-	-
692,968	699,914	616,224	(83,690)
-	-	-	-
727,968	761,694	668,023	93,671
-	-	-	-
-	-	-	-
727,968	761,694	668,023	93,671
(35,000)	(61,780)	(51,799)	9,981
35,000	61,780	51,799	(9,981)
-	-	-	-
35,000	61,780	51,799	(9,981)
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Edgemont Union Free School District, New York

Statement of Assets and Liabilities

Fiduciary Fund

June 30, 2015

	<u>Agency</u>
ASSETS	
Cash and equivalents	<u>\$ 91,889</u>
LIABILITIES	
Student activity funds	<u>\$ 91,889</u>

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

Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

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

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Fund Categories

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

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Special Revenue Funds:

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain claims, compensated absences, net pension liabilities and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Deposits and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

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. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions, and accordingly, the School District's policy provides for no credit risk on investments.

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

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

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 directs that deposits be disclosed as exposed to custodial risk if they are not covered by depository insurance and

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2015.

The School District was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

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

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

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2015, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consist of health insurance costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$23,213 for amounts received in advance in the General Fund and \$7,867 for Federal and State aid received in advance in the Special Aid Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The School District has reported deferred outflows of resources \$286,817 for a deferred loss on refunding bonds in the district-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The School District also reports deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the School District's pension plans in Note 3,D.

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

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Special Aid and School Lunch funds. Encumbrances outstanding at year-end are 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 16, 2015.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for General, Special Aid and Debt Service funds.
- g) Budgets for General, Special Aid and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the School Lunch or Special Purpose funds.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in General, Special Aid and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Limitation on Fund Balance

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

C. Property Tax Limitation

The School District is not limited to the amount of real property taxes that may be levied. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This law applies to all local governments, including school districts.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a school district in a particular year. The original legislation that established the Tax Levy Limitation law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of two percent or the annual increase in the consumer price index. Certain adjustments would be permitted as defined by Section 1220 of the Real Property Tax Law. A school district could exceed the tax levy limitation only if the budget is approved by at least 60% of the vote. There are certain exemptions to the tax levy limitation, such as expenditures made on account of certain tort settlements and certain increases in the actuarial contribution rates of the various public employee retirement systems.

D. Capital Projects Fund Project Deficits

The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2015

Note 2 - Stewardship, Compliance and Accountability (Continued)**E. Cumulative Effect of Change in Accounting Principle**

For the year ended June 30, 2015, the School District implemented 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". These statements seek to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expenses/expenditures. These statements also require the identification of the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. As a result of adopting these standards, the district-wide financial statements reflect a cumulative effect for the change in accounting principle of \$3,965,854.

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

The composition of interfund balances at June 30, 2015 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 980,788	\$ -
Special Aid	-	975,948
Capital Projects	-	340
Non-Major Governmental	-	4,500
	<u>\$ 980,788</u>	<u>\$ 980,788</u>

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

B. Capital Assets

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

<u>Class</u>	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Capital assets, not being depreciated:				
Land	\$ 447,447	\$ -	\$ -	\$ 447,447
Construction-in-progress	1,505,607	1,561,834	1,505,607	1,561,834
Total Capital Assets, not being depreciated	<u>\$ 1,953,054</u>	<u>\$ 1,561,834</u>	<u>\$ 1,505,607</u>	<u>\$ 2,009,281</u>
Capital assets, being depreciated:				
Buildings and Improvements	\$ 40,632,949	\$ 1,505,607	\$ -	\$ 42,138,556
Machinery and Equipment	782,725	10,002	5,500	787,227
Total Capital Assets, being depreciated	<u>41,415,674</u>	<u>1,515,609</u>	<u>5,500</u>	<u>42,925,783</u>

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 14,622,635	\$ 744,780	\$ -	\$ 15,367,415
Machinery and Equipment	559,035	43,531	5,500	597,066
Total Accumulated Depreciation	15,181,670	788,311	5,500	15,964,481
Total Capital Assets, being Depreciated, net	\$ 26,234,004	\$ 727,298	\$ -	\$ 26,961,302
Capital Assets, net	\$ 28,187,058	\$ 2,289,132	\$ 1,505,607	\$ 28,970,583

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

General Support	\$ 5,636
Instruction	777,697
Pupil Transportation	4,238
Cost of Sales	740
Total Depreciation Expense	\$ 788,311

C. Accrued Liabilities

Accrued liabilities at June 30, 2015 were as follows:

	Fund		
	General	Special Aid	Total
Payroll and Employee Benefits	\$ 333,780	\$ 13,487	\$ 347,267

D. Short-Term Capital Borrowings - Bond Anticipation Notes

The schedule below details the changes in short-term capital borrowings:

	Balance July 1, 2014	New Issues	Redemptions	Balance June 30, 2015
District-Wide Improvements	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2015:

	Balance, as Reported July 1, 2014	Cumulative Effect of Change in Accounting Principle	Balance, as Restated July 1, 2014	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2015	Due Within One-Year
Bonds Payable:							
Capital Construction	\$ 9,320,000	\$ -	\$ 9,320,000	\$ -	\$ 885,000	\$ 8,435,000	\$ 920,000
Judgments and Claims	125,000	-	125,000	-	125,000	-	-
	9,445,000	-	9,445,000	-	1,010,000	8,435,000	920,000
Plus - Unamortized Premium on Bonds	1,087,335	-	1,087,335	-	146,607	940,728	-
	10,532,335	-	10,532,335	-	1,156,607	9,375,728	920,000
Energy Performance Contract Payable	3,066,067	-	3,066,067	-	157,028	2,909,039	169,703
Other Non-current Liabilities:							
Claims Payable	-	-	-	455,704	-	455,704	227,852
Compensated Absences	118,751	-	118,751	-	18,281	100,470	10,000
Net Pension Liability	-	764,427	764,427	-	192,951	571,476	-
Other Post Employment Benefit Obligations	5,990,123	-	5,990,123	3,434,813	2,046,999	7,377,937	-
Total Other Non-current Liabilities	6,108,874	764,427	6,873,301	3,890,517	2,258,231	8,505,587	237,852
Total Long-Term Liabilities	\$ 19,707,276	\$ 764,427	\$ 20,471,703	\$ 3,890,517	\$ 3,571,866	\$ 20,790,354	\$ 1,327,555

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

Bonds Payable

Bonds payable at June 30, 2015 is comprised of the following individual issue -

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at June 30, 2015
Refunding Bonds	2012	\$ 9,400,000	August, 2022	3.0 - 4.00 %	\$ 8,435,000

Interest expenditures of \$334,425 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$222,144 was recorded in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)**Energy Performance Contract Payable**

The School District, in a prior fiscal year, entered into a \$3,408,453 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for remaining annual payments ranging from \$241,513 to \$326,395 payable in monthly installments, including interest at 2.84%, through March 2027. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. Interest expenditures/expenses of \$85,064 were recorded in the fund financial statements in the Debt Service Fund and in the district-wide financial statements. The balance due at June 30, 2015 was \$2,909,039.

Payments to Maturity

The annual requirements to amortize all outstanding bonded and energy performance contract debt as of June 30, 2015 including interest payments of \$1,941,626 are as follows:

Year Ending June 30,	Bonds		Energy Performance Contract		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 920,000	\$ 304,850	\$ 169,703	\$ 80,441	\$ 1,089,703	\$ 385,291
2017	955,000	276,725	182,986	75,450	1,137,986	352,175
2018	985,000	242,700	196,900	70,074	1,181,900	312,774
2019	1,030,000	202,400	211,479	64,294	1,241,479	266,694
2020	1,075,000	160,300	226,739	58,091	1,301,739	218,391
2021-2025	3,470,000	210,800	1,380,622	181,196	4,850,622	391,996
2026-2027	-	-	540,610	14,305	540,610	14,305
	<u>\$ 8,435,000</u>	<u>\$ 1,397,775</u>	<u>\$ 2,909,039</u>	<u>\$ 543,851</u>	<u>\$ 11,344,039</u>	<u>\$ 1,941,626</u>

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

Claims Payable

Claims payable represents a liability of \$455,704 for court ordered 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

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

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

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

The ERS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who 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. The employer contribution rates for the plan's year ending in 2015 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
1 75I	27.7 %
2 75I	25.4
3 A14	20.4
4 A15	20.4
5 A15	16.7
6 A15	11.0

At June 30, 2015, the School District reported a liability of \$571,476 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability 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. At June 30, 2015, the School District's proportion was .0169164%. For this first year of implementation, the ERS reported no change in the allocation percentage measured as of March 31, 2014.

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended June 30, 2015, the School District recognized pension expense in the district-wide financial statements of \$560,290. Pension expenditures of \$1,020,286 were recorded in the fund financial statements and were charged to the General Fund. At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,294	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	99,258	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	172,403	-
School District contributions subsequent to the measurement date	242,388	-
	<u>\$ 532,343</u>	<u>\$ -</u>

\$242,388 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

Year Ended March 31,	
2016	\$ 72,489
2017	72,489
2018	72,489
2019	72,488
Thereafter	-

The total pension liability for the March 31, 2015 measurement date was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liability to March 31, 2015. The total pension liability for the March 31, 2014 measurement date was determined by using an actuarial valuation as of April 1, 2014. Significant actuarial assumptions used in the April 1, 2014 valuation were as follows:

Actuarial cost method	Entry age normal
Inflation	2.7%
Salary scale	4.9%, indexed by service
Investment rate of return	7.5% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.4% annually

Note 3 - Detailed Notes on All Funds (Continued)

Annuitant mortality rates are based on the April 1, 2005 - March 31, 2010 ERS's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2010.

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 equities and fixed income 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 as of March 31, 2015 and 2014 are summarized below.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Asset	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	<u>100 %</u>	

The discount rate used to calculate the total pension liability was 7.5%. 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 ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
School District's proportionate share of the net pension liability (asset)	<u>\$ 3,809,136</u>	<u>\$ 571,476</u>	<u>\$ (2,161,911)</u>

The components of the collective net pension liability of ERS as of the March 31, 2015 measurement date were as follows:

Total pension liability	\$ 164,591,504,000
ERS fiduciary net position	<u>161,213,259,000</u>
Employers' net pension liability	<u>\$ 3,378,245,000</u>
ERS fiduciary net position as a percentage of total pension liability	97.9%

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, 2015 represent the projected employer contribution for the period of April 1, 2015 through June 30, 2015 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS as of June 30, 2015 were \$242,388.

Teachers' Retirement System

The School District 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.

The TRS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% depending on salary levels for their entire length of service. 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 rate for the plan's year ending in 2015 was 17.53%.

At June 30, 2015, the School District reported an asset of \$16,334,540 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The School District's proportion of the net pension asset was based on the School District's contributions to the pension plan relative to the contributions of all

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

participating members. At June 30, 2014, the School District's proportion was .146638%, which was an increase of .003058% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the School District recognized pension expense in the district-wide financial statements of (\$637,555). Pension expenditures of \$3,830,157 were recorded in the fund financial statements and were charged to the General Fund. At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 238,863
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	10,970,419
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	18,031
School District contributions subsequent to the measurement date	3,825,468	-
	<u>\$ 3,825,468</u>	<u>\$ 11,227,313</u>

\$3,825,468 reported as deferred outflows of resources related to TRS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to TRS will be recognized in pension expense as follows:

Year Ended June 30,	
2015	\$ (2,772,476)
2016	(2,772,476)
2017	(2,772,476)
2018	(2,772,476)
2019	(29,871)
Thereafter	(107,538)

The total pension liability for the June 30, 2014 measurement date was determined by using an actuarial valuation as of June 30, 2013, with update procedures used to roll forward the total pension liability to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by using an actuarial valuation as of June 30, 2012, with update procedures used to roll forward the total pension liability to June 30, 2013. These actuarial valuations used the following actuarial assumptions:

Note 3 - Detailed Notes on All Funds (Continued)

Inflation	3.0%															
Projected salary increases	Rates of increase differ based on age and gender. They have been calculated based upon recent TRS member experience.															
	<table><tr><td>Age</td><td>Female</td><td>Male</td></tr><tr><td>25</td><td>10.35 %</td><td>10.91 %</td></tr><tr><td>35</td><td>6.26</td><td>6.27</td></tr><tr><td>45</td><td>5.39</td><td>5.04</td></tr><tr><td>55</td><td>4.42</td><td>4.01</td></tr></table>	Age	Female	Male	25	10.35 %	10.91 %	35	6.26	6.27	45	5.39	5.04	55	4.42	4.01
Age	Female	Male														
25	10.35 %	10.91 %														
35	6.26	6.27														
45	5.39	5.04														
55	4.42	4.01														
Projected COLAs	1.625% compounded annually															
Investment rate of return	8.0% compounded annually, net of pension plan investment expense, including inflation															

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale AA.

The actuarial assumptions used in the June 30, 2013 and 2012 valuations were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

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 TRS's target asset allocation as of the valuation dates of June 30, 2013 and 2012 are summarized in the following table:

Note 3 - Detailed Notes on All Funds (Continued)

Asset Class:	Target Allocation		Long-Term Expected Real Rate of Return*	
	2013	2012	2013	2012
Equities:				
Domestic equities	37 %	37 %	7.3 %	7.0 %
International equities	18	18	8.5	9.1
Real estate	10	10	5.0	4.9
Alternative investments	7	7	11.0	10.2
Total Equities	72	72		
Fixed Income:				
Domestic fixed income securities	18	18	1.5	2.0
Global fixed income securities	2	2	1.4	1.7
Mortgages	8	8	3.4	4.0
Short-term	-	-	0.8	1.2
Total Fixed Income	28	28		
Total	100 %	100 %		

* Real rates of return are net of the long-term inflation assumption of 2.3% for 2013 and 2012.

The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension asset calculated using the discount rate of 8.0%, as well as what the School District's proportionate share of the net pension asset would be if it were calculated using a discount rate that is one percentage point lower (7.0%) or one percentage point higher (9.0%) than the current rate:

	1% Decrease (7.0%)	Current Assumption (8.0%)	1% Increase (9.0%)
School District's proportionate share of the net pension asset	\$ (352,359)	\$ (16,334,540)	\$ (29,953,579)

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension asset of TRS as of the June 30, 2014 measurement date were as follows:

Total pension liability	\$ 97,015,706,548
TRS fiduciary net position	<u>108,155,083,127</u>
Employers' net pension asset	<u>\$ 11,139,376,579</u>
TRS fiduciary net position as a percentage of total pension liability	111.48%

Employer and employee contributions for the year ended June 30, 2015 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, 2015 represent employee and employer contributions for the fiscal year ended June 30, 2015 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS. Accrued retirement contributions to TRS as of June 30, 2015 were \$4,047,125.

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing post employment health care benefits is shared between the School District and the retired employee. 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. The cost of retiree health care benefits is recognized as an expenditure in the fund financial statements as claims are paid.

The School District's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The School District is required to accrue on the district-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rates of increase in post-retirement benefits are as follows:

Year Ended June 30,	Medical	
	Pre-65	Post-65
2016	8.00 %	8.00 %
2017	7.50	7.50
2018	7.00	7.00
2019	6.50	6.50
2020	6.00	6.00
2021	5.50	5.50
2022+	5.00	5.00

The amortization basis is the level dollar method with a closed amortization approach with 23 years remaining in the amortization period. The actuarial assumptions included a 5.0% investment rate of return. The School District currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of June 30, 2015 was as follows:

Active Employees	237
Retired Employees	<u>170</u>
	<u>407</u>

Edgemont Union Free School District, New York**Notes to Financial Statements (Continued)**

June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of July 1, 2014	\$ 52,535,439
Assets at Market Value	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 52,535,439</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 27,920,688</u>
UAAL as a Percentage of Covered Payroll	<u>188.16%</u>
Annual Required Contribution	2,921,382
Interest on Net OPEB Obligation	299,506
Adjustment to Annual Required Contribution	<u>213,925</u>
Annual OPEB Cost	3,434,813
Contributions Made	<u>(2,046,999)</u>
Increase in Net OPEB Obligation	1,387,814
Net OPEB Obligation - Beginning of Year	<u>5,990,123</u>
Net OPEB Obligation - End of Year	<u>\$ 7,377,937</u>

The School District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and two preceding years is as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 3,434,813	59.60 %	\$ 7,377,937
2014	3,231,174	57.90	5,990,123
2013	3,097,517	58.24	4,629,677

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

F. Revenues and Expenditures**Interfund Transfers**

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

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In			Total
	Special Aid	Capital Projects	Non-Major Governmental	
General	\$ 51,799	\$ 1,539,600	\$ 1,586,517	\$ 3,177,916

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

G. Net Position

The components of net position are detailed below:

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

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

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

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

Restricted for School Lunch - the component of net position that reports the difference between assets and liabilities in the School Lunch Fund.

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

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

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

Edgemont Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2015				2014			
	General Fund	Capital Projects Fund	Non-Major Governmental	Total	General Fund	Capital Projects Fund	Non-Major Governmental	Total
Nonspendable -								
Prepaid expenditures	\$ 535,538	\$ -	\$ 2,158	\$ 537,696	\$ 502,200	\$ -	\$ 2,181	\$ 504,381
Restricted:								
Tax certiorari	4,766,107	-	-	4,766,107	4,786,626	-	-	4,786,626
Retirement contributions	766,979	-	-	766,979	1,061,979	-	-	1,061,979
Debt service	-	-	741,107	741,107	-	-	1,039,565	1,039,565
Capital projects	-	483,367	-	483,367	-	505,601	-	505,601
Special purposes	-	-	246,360	246,360	-	-	225,503	225,503
Total Restricted	5,533,086	483,367	987,467	7,003,920	5,848,605	505,601	1,265,068	7,619,274
Assigned:								
Purchases on order:								
General government support	129,535	-	-	129,535	228,560	-	-	228,560
Instruction	16,737	-	-	16,737	18,312	-	-	18,312
	146,272	-	-	146,272	246,872	-	-	246,872
Subsequent year's expenditures from:								
General Fund	1,400,000	-	-	1,400,000	1,870,519	-	-	1,870,519
Debt Service Fund	-	-	300,000	300,000	-	-	-	-
School Lunch Fund	-	-	112,982	112,982	-	-	130,810	130,810
Total Assigned	1,546,272	-	412,982	1,959,254	2,117,391	-	130,810	2,248,201
Unassigned	2,163,619	-	-	2,163,619	2,079,740	-	-	2,079,740
Total Fund Balances	\$ 9,778,515	\$ 483,367	\$ 1,402,607	\$ 11,664,489	\$ 10,547,936	\$ 505,601	\$ 1,398,059	\$ 12,451,596

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

Subsequent year's expenditures represent that at June 30, 2015, the Board of Education has assigned the above amounts to be appropriated for the ensuing year's budget.

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

B. Contingencies

The School District participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. 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.

C. Risk Management

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The School District and neighboring school districts in Southern Westchester County participate in the State-Wide Schools Cooperative Health Plan. This Plan operates under an agreement, as amended, dated December 12, 1985. The purposes of the Plan are to effect cost savings in members' expenses for health coverage; to provide for centralized administration, funding and disbursements for health coverage; and to provide for such risk management services as may be appropriate to reduce future expense and liability for health coverage. The governance of the Plan shall be in all respects in the hands of the Board of Trustees. The Board of Trustees shall consist of seven trustees elected by the general membership of the Plan. No action may be taken by the Board of Trustees except by a vote of a majority of the total number of trustees. Billings to participants are based upon coverage provided to each participants' employees. The School District has transferred all related risk to the Plan. Payments made during 2014-15 to the health plan by the School District aggregated \$5,659,449.

Edgemont Union Free School District, New York

Required Supplementary Information - Schedule of Funding Progress

Other Post Employment Benefits

Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
July 1, 2014	\$ -	\$ 52,535,439	\$ 52,535,439	- %	\$ 27,920,688	188.16 %
July 1, 2013	-	50,585,548	50,585,548	-	24,994,495	202.39
July 1, 2012 (1)	-	48,623,839	48,623,839	-	23,593,484	206.09

- (1) The actuarial valuation of the plan as of July 1, 2012 incorporated a change in the discount rate assumption from the prior valuations from 6% to 5%. The impact of this change increased the unfunded actuarial accrued liability by approximately \$7 million compared to the prior valuation.

Edgemont Union Free School District, New York**Required Supplementary Information - Schedule of the
School District's Proportionate Share of the Net Pension Liability
New York State Teachers' Retirement System
Last Ten Fiscal Years (1)**

	<u>2015</u>
School District's proportion of the net pension liability (asset)	<u>0.146638%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (16,334,540)</u>
School District's covered-employee payroll	<u>\$ 21,849,154</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>(74.76)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>111.48%</u>

Note - The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

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

Edgemont Union Free School District, New York**Required Supplementary Information - Schedule of Contributions
New York State Teachers' Retirement System
Last Ten Fiscal Years (1)**

	<u>2015</u>
Contractually required contribution	\$ 3,825,468
Contributions in relation to the contractually required contribution	<u>(3,825,468)</u>
Contribution deficiency (excess)	<u>\$ -</u>
School District's covered-employee payroll	<u>\$ 21,849,154</u>
Contributions as a percentage of covered-employee payroll	<u>17.51%</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*.

Edgemont Union Free School District, New York**Required Supplementary Information - Schedule of the
School District's Proportionate Share of the Net Pension Liability
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)**

	<u>2015</u>
School District's proportion of the net pension liability (asset)	<u>0.0169164%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 571,476</u>
School District's covered-employee payroll	<u>\$ 5,778,836</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>9.89%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.90%</u>

Note - The amounts presented for each fiscal year were determined as of
the March 31 measurement date within the current fiscal year.

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

Edgemont Union Free School District, New York

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

	<u>2015</u>
Contractually required contribution	\$ 1,043,197
Contributions in relation to the contractually required contribution	<u>(1,043,197)</u>
Contribution deficiency (excess)	<u>\$ -</u>
School District's covered-employee payroll	<u>\$ 5,778,836</u>
Contributions as a percentage of covered-employee payroll	<u>18.05%</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*.

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Edgemont Union Free School District, New York

General Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 12,263,932</u>	<u>\$ 12,215,640</u>
Receivables		
Accounts	174,518	95,278
State and Federal aid	589,005	563,149
Due from other governments	96,981	96,557
Due from other funds	<u>980,788</u>	<u>1,399,665</u>
	<u>1,841,292</u>	<u>2,154,649</u>
Prepaid expenditures	<u>535,538</u>	<u>502,200</u>
Total Assets	<u><u>\$ 14,640,762</u></u>	<u><u>\$ 14,872,489</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 215,741	\$ 54,674
Accrued liabilities	333,780	237,269
Due to other governments	-	10,405
Unearned revenues	23,213	1,788
Due to retirement systems	<u>4,289,513</u>	<u>4,020,417</u>
Total Liabilities	<u>4,862,247</u>	<u>4,324,553</u>
Fund balance		
Nonspendable	535,538	502,200
Restricted	5,533,086	5,848,605
Assigned	1,546,272	2,117,391
Unassigned	<u>2,163,619</u>	<u>2,079,740</u>
Total Fund Balance	<u>9,778,515</u>	<u>10,547,936</u>
Total Liabilities and Fund Balance	<u><u>\$ 14,640,762</u></u>	<u><u>\$ 14,872,489</u></u>

Edgemont Union Free School District, New York
General Fund
**Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,**

	2015				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Encumbr- ances	
REVENUES					
Real property taxes	\$ 43,325,447	\$ 43,325,447	\$ 43,325,447	\$	\$ -
Other tax items	3,365,029	3,365,029	3,365,029		-
Non-property taxes	340,000	340,000	387,923		47,923
Charges for services	485,000	485,000	720,477		235,477
Use of money and property	58,500	58,500	57,525		(975)
Sale of property and compensation for loss	-	14,898	14,898		-
Interfund revenues	4,500	4,500	4,500		-
State aid	3,258,107	3,258,107	3,354,471		96,364
Miscellaneous	442,000	574,672	573,595		(1,077)
Total Revenues	51,278,583	51,426,153	51,803,865		377,712
EXPENDITURES					
Current					
General support					
Board of education	39,555	41,032	32,263	210	8,559
Central administration	375,791	375,212	354,708	-	20,504
Finance	820,643	838,332	801,712	16,327	20,293
Staff	268,900	269,500	225,562	-	43,938
Central services	3,914,303	3,602,010	3,420,998	112,998	68,014
Special items	716,860	1,243,942	913,021	-	330,921
Total General Support	6,136,052	6,370,028	5,748,264	129,535	492,229
Instruction					
Instruction, administration and improvement	1,650,183	1,727,552	1,688,802	-	38,750
Teaching - Regular school	17,586,613	17,464,418	17,086,239	12,827	365,352
Programs for children with handicapping conditions	6,256,059	6,375,033	6,265,719	1,089	108,225
Instructional media	1,614,924	1,621,784	1,570,388	2,821	48,575
Pupil services	3,051,424	3,100,693	2,964,159	-	136,534
Total Instruction	30,159,203	30,289,480	29,575,307	16,737	697,436
Pupil transportation	859,482	834,483	816,843	-	17,640
Employee benefits	13,805,720	13,748,170	13,254,956	-	493,214
Total Expenditures	50,960,457	51,242,161	49,395,370	146,272	1,700,519
Excess (Deficiency) of Revenues Over Expenditures	318,126	183,992	2,408,495	(146,272)	2,078,231
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(2,435,517)	(3,188,465)	(3,177,916)	-	10,549
Total Other Financing Uses	(2,435,517)	(3,188,465)	(3,177,916)	-	10,549
Net Change in Fund Balance	(2,117,391)	(3,004,473)	(769,421)	\$ (146,272)	\$ 2,088,780
FUND BALANCE					
Beginning of Year	2,117,391	3,004,473	10,547,936		
End of Year	\$ -	\$ -	\$ 9,778,515		

2014				
Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
\$ 42,054,528	\$ 42,054,528	\$ 42,054,528	\$	\$ -
3,531,068	3,531,068	3,531,068		-
340,000	340,000	386,228		46,228
435,000	435,000	619,367		184,367
59,000	59,000	66,296		7,296
-	71,820	71,820		-
4,500	4,500	4,500		-
3,031,177	3,031,177	3,187,192		156,015
132,500	239,253	269,010		29,757
<u>49,587,773</u>	<u>49,766,346</u>	<u>50,190,009</u>		<u>423,663</u>
49,228	49,470	34,426	30	15,014
427,764	402,469	354,393	468	47,608
801,236	833,751	770,079	19,000	44,672
279,941	280,516	193,209	-	87,307
4,154,251	4,226,472	3,746,661	209,062	270,749
700,411	932,244	617,064	-	315,180
<u>6,412,831</u>	<u>6,724,922</u>	<u>5,715,832</u>	<u>228,560</u>	<u>780,530</u>
1,599,781	1,646,863	1,607,448	500	38,915
17,478,339	17,319,785	16,896,179	10,105	413,501
5,832,515	5,877,312	5,804,651	-	72,661
1,625,608	1,625,418	1,564,742	5,337	55,339
2,877,012	3,016,468	2,912,510	2,370	101,588
<u>29,413,255</u>	<u>29,485,846</u>	<u>28,785,530</u>	<u>18,312</u>	<u>682,004</u>
755,428	911,380	897,252	-	14,128
13,039,421	12,893,194	12,420,903	-	472,291
<u>49,620,935</u>	<u>50,015,342</u>	<u>47,819,517</u>	<u>246,872</u>	<u>1,948,953</u>
<u>(33,162)</u>	<u>(248,996)</u>	<u>2,370,492</u>	<u>(246,872)</u>	<u>2,372,616</u>
320,478	320,478	320,478	-	-
(2,549,970)	(2,565,970)	(2,563,151)	-	2,819
<u>(2,229,492)</u>	<u>(2,245,492)</u>	<u>(2,242,673)</u>	<u>-</u>	<u>2,819</u>
(2,262,654)	(2,494,488)	127,819	\$ (246,872)	\$ 2,375,435
<u>2,262,654</u>	<u>2,494,488</u>	<u>10,420,117</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,547,936</u>		

Edgemont Union Free School District, New York

General Fund

Schedule of Revenues Compared to Budget

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	<u>\$ 43,325,447</u>	<u>\$ 43,325,447</u>	<u>\$ 43,325,447</u>	<u>\$ -</u>
OTHER TAX ITEMS				
School tax relief reimbursement	<u>3,365,029</u>	<u>3,365,029</u>	<u>3,365,029</u>	<u>-</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	<u>340,000</u>	<u>340,000</u>	<u>387,923</u>	<u>47,923</u>
CHARGES FOR SERVICES				
Day school tuition from individuals	<u>400,000</u>	<u>400,000</u>	<u>522,868</u>	<u>122,868</u>
Other services for other districts and other governments	<u>85,000</u>	<u>85,000</u>	<u>197,609</u>	<u>112,609</u>
	<u>485,000</u>	<u>485,000</u>	<u>720,477</u>	<u>235,477</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	<u>20,000</u>	<u>20,000</u>	<u>25,090</u>	<u>5,090</u>
Rental of real property - Individuals	<u>38,500</u>	<u>38,500</u>	<u>32,435</u>	<u>(6,065)</u>
	<u>58,500</u>	<u>58,500</u>	<u>57,525</u>	<u>(975)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	<u>-</u>	<u>14,898</u>	<u>14,898</u>	<u>-</u>
INTERFUND REVENUES	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>	<u>-</u>
STATE AID				
Basic formula	<u>2,007,177</u>	<u>2,007,177</u>	<u>1,988,074</u>	<u>(19,103)</u>
Lottery aid	<u>618,379</u>	<u>618,379</u>	<u>726,740</u>	<u>108,361</u>
BOCES	<u>466,573</u>	<u>466,573</u>	<u>474,047</u>	<u>7,474</u>
Textbooks	<u>112,423</u>	<u>112,423</u>	<u>112,423</u>	<u>-</u>
Computer software	<u>41,624</u>	<u>41,624</u>	<u>41,256</u>	<u>(368)</u>
Library	<u>11,931</u>	<u>11,931</u>	<u>11,931</u>	<u>-</u>
	<u>3,258,107</u>	<u>3,258,107</u>	<u>3,354,471</u>	<u>96,364</u>

MISCELLANEOUS

Refund for BOCES aided services
Refund of prior year's expenditures
Gifts and donations
Other

25,000	25,000	34,502	9,502
37,000	37,000	42,345	5,345
305,000	378,045	406,245	28,200
<u>75,000</u>	<u>134,627</u>	<u>90,503</u>	<u>(44,124)</u>
<u>442,000</u>	<u>574,672</u>	<u>573,595</u>	<u>(1,077)</u>
<u>\$ 51,278,583</u>	<u>\$ 51,426,153</u>	<u>\$ 51,803,865</u>	<u>\$ 377,712</u>

TOTAL REVENUES

Edgemont Union Free School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 28,225	\$ 29,702	\$ 28,750	\$ -	\$ 952
District meeting	11,330	11,330	3,513	210	7,607
Total Board of Education	39,555	41,032	32,263	210	8,559
CENTRAL ADMINISTRATION					
Chief school administrator	375,791	375,212	354,708	-	20,504
FINANCE					
Business administration	714,143	745,932	735,785	2,127	8,020
Auditing	85,500	85,500	59,200	14,200	12,100
Treasurer	21,000	6,900	6,727	-	173
Total Finance	820,643	838,332	801,712	16,327	20,293
STAFF					
Legal	220,200	220,200	194,583	-	25,617
Personnel	-	600	575	-	25
Public information and services	48,700	48,700	30,404	-	18,296
Total Staff	268,900	269,500	225,562	-	43,938
CENTRAL SERVICES					
Operation and maintenance of plant	3,894,063	3,581,770	3,403,914	112,998	64,858
Central printing and mailing	20,240	20,240	17,084	-	3,156
Total Central Services	3,914,303	3,602,010	3,420,998	112,998	68,014

SPECIAL ITEMS

Unallocated insurance	155,000	155,000	140,437	-	14,563
Assessments on school property	61,000	61,000	48,243	-	12,757
Refunds of real property taxes	300,000	827,082	527,082	-	300,000
Administrative charge - BOCES	200,860	200,860	197,259	-	3,601
	<u>716,860</u>	<u>1,243,942</u>	<u>913,021</u>	<u>-</u>	<u>330,921</u>
Total Special Items					
Total General Support	<u>6,136,052</u>	<u>6,370,028</u>	<u>5,748,264</u>	<u>129,535</u>	<u>492,229</u>

INSTRUCTION**INSTRUCTION, ADMINISTRATION
AND IMPROVEMENT**

Curriculum development and supervision	242,345	243,728	237,771	-	5,957
Supervision - Regular school	1,379,838	1,455,824	1,423,031	-	32,793
In-service training and instruction	28,000	28,000	28,000	-	-
	<u>1,650,183</u>	<u>1,727,552</u>	<u>1,688,802</u>	<u>-</u>	<u>38,750</u>
Total Instruction, Administration and Improvement					

TEACHING - REGULAR SCHOOL

	<u>17,586,613</u>	<u>17,464,418</u>	<u>17,086,239</u>	<u>12,827</u>	<u>365,352</u>
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**PROGRAMS FOR CHILDREN WITH
HANDICAPPING CONDITIONS**

Programs for students with disabilities	<u>6,256,059</u>	<u>6,375,033</u>	<u>6,265,719</u>	<u>1,089</u>	<u>108,225</u>
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INSTRUCTIONAL MEDIA

School library and audiovisual	803,165	803,078	774,118	2,821	26,139
Computer assisted instruction	<u>811,759</u>	<u>818,706</u>	<u>796,270</u>	<u>-</u>	<u>22,436</u>
Total Instructional Media	<u>1,614,924</u>	<u>1,621,784</u>	<u>1,570,388</u>	<u>2,821</u>	<u>48,575</u>

(Continued)

Edgemont Union Free School District, New York

General Fund

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

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
INSTRUCTION (Continued)					
PUPIL SERVICES					
Attendance - Regular school	\$ 56,802	\$ 57,036	\$ 57,036	\$ -	\$ -
Guidance - Regular school	760,710	760,709	706,948	-	53,761
Health services - Regular school	380,127	383,427	365,807	-	17,620
Psychological services - Regular school	730,967	730,974	707,571	-	23,403
Co-curricular activities - Regular school	358,306	397,366	383,743	-	13,623
Interscholastic athletics - Regular school	764,512	771,181	743,054	-	28,127
Total Pupil Services	3,051,424	3,100,693	2,964,159	-	136,534
Total Instruction	30,159,203	30,289,480	29,575,307	16,737	697,436
PUPIL TRANSPORTATION					
District transportation services	56,417	56,418	50,795	-	5,623
Contract transportation	596,304	773,804	766,048	-	7,756
Transportation from BOCES	206,761	4,261	-	-	4,261
Total Pupil Transportation	859,482	834,483	816,843	-	17,640
EMPLOYEE BENEFITS					
State retirement	948,703	1,048,703	1,020,286	-	28,417
Teachers' retirement	4,066,819	3,966,819	3,830,157	-	136,662
Social security	2,117,519	2,069,333	1,984,366	-	84,967
Life insurance	8,104	8,999	8,444	-	555
Hospital, medical and dental insurance	5,631,927	5,574,627	5,422,153	-	152,474
Workers' compensation benefits	388,012	421,448	379,295	-	42,153
Unemployment benefits	60,000	60,000	23,013	-	36,987
Disability insurance	4,200	4,200	3,269	-	931
Union welfare benefits	580,436	594,041	583,973	-	10,068
Total Employee Benefits	13,805,720	13,748,170	13,254,956	-	493,214
TOTAL EXPENDITURES	50,960,457	51,242,161	49,395,370	146,272	1,700,519

OTHER FINANCING USES

Transfers out

Special Aid Fund	35,000	61,780	51,799	-	9,981
Capital Projects Fund	814,000	1,540,168	1,539,600	-	568
Debt Service Fund	1,586,517	1,586,517	1,586,517	-	-

TOTAL OTHER FINANCING USES

2,435,517	3,188,465	3,177,916	-	10,549
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**TOTAL EXPENDITURES AND
OTHER FINANCING USES**

<u>\$ 53,395,974</u>	<u>\$ 54,430,626</u>	<u>\$ 52,573,286</u>	<u>\$ 146,272</u>	<u>\$ 1,711,068</u>
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Edgemont Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 512,621	\$ 835,321
State and Federal aid receivable	<u>484,681</u>	<u>592,327</u>
Total Assets	<u>\$ 997,302</u>	<u>\$ 1,427,648</u>
LIABILITIES		
Accounts payable	\$ -	\$ 834
Accrued liabilities	13,487	24,586
Due to other funds	975,948	1,394,643
Unearned revenues	<u>7,867</u>	<u>7,585</u>
Total Liabilities	<u>\$ 997,302</u>	<u>\$ 1,427,648</u>

Edgemont Union Free School District, New York**Special Aid Fund****Comparative Schedule of Revenues, Expenditures and****Changes in Fund Balance - Budget and Actual****Years Ended June 30,**

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 173,484	\$ 156,685	\$ 156,684	\$ (1)
Federal aid	519,484	543,229	459,540	(83,689)
Total Revenues	692,968	699,914	616,224	(83,690)
EXPENDITURES				
Current				
Instruction	727,968	761,694	668,023	93,671
Deficiency of Revenues Over Expenditures	(35,000)	(61,780)	(51,799)	9,981
OTHER FINANCING SOURCES				
Transfers in	35,000	61,780	51,799	(9,981)
Net Change in Fund Balance	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 158,864	\$ 145,683	\$ 145,683	\$ -
604,052	617,286	559,794	(57,492)
762,916	762,969	705,477	(57,492)
797,916	813,969	753,658	60,311
(35,000)	(51,000)	(48,181)	2,819
35,000	51,000	48,181	(2,819)
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Edgemont Union Free School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 4,521,888</u>	<u>\$ 506,123</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Retainages payable	\$ 38,181	\$ -
Due to other funds	340	522
Bond anticipation note payable	<u>4,000,000</u>	<u>-</u>
Total Liabilities	4,038,521	522
Fund balance		
Restricted	<u>483,367</u>	<u>505,601</u>
Total Liabilities and Fund Balance	<u>\$ 4,521,888</u>	<u>\$ 506,123</u>

Edgemont Union Free School District, New York

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

	<u>2015</u>	<u>2014</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Capital outlay	<u>1,561,834</u>	<u>921,412</u>
Deficiency of Revenues over Expenditures	(1,561,834)	(921,412)
OTHER FINANCING SOURCES		
Transfers in	<u>1,539,600</u>	<u>800,000</u>
Net Change in Fund Balance	(22,234)	(121,412)
FUND BALANCE		
Beginning of Year	<u>505,601</u>	<u>627,013</u>
End of Year	<u>\$ 483,367</u>	<u>\$ 505,601</u>

Edgemont Union Free School District, New York

Capital Projects Fund

Project Length Schedule

Inception of Project Through June 30, 2015

Project	Authorization	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
High School Fire Alarm	\$ 725,600	\$ -	\$ 324,072	\$ 324,072
San Marco Gym	814,000	-	693,435	693,435
District-Wide Improvements	12,800,000	-	544,327	544,327
Various District-Wide Improvements	505,601	-	-	-
	<u>\$ 14,845,201</u>	<u>\$ -</u>	<u>\$ 1,561,834</u>	<u>\$ 1,561,834</u>

Unexpended Balance	Method of Financing	Fund Balance (Deficit) at June 30, 2015	Bond Anticipation Note Outstanding at June 30, 2015
	Transfers In		
\$ 401,528	\$ 725,600	\$ 401,528	\$ -
120,565	814,000	120,565	-
12,255,673	-	(544,327)	4,000,000
505,601	505,601	505,601	-
<u>\$ 13,283,367</u>	<u>\$ 2,045,201</u>	<u>\$ 483,367</u>	<u>\$ 4,000,000</u>

Edgemont Union Free School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015
(With Comparative Totals for 2014)

	School Lunch	Special Purpose	Debt Service
ASSETS			
Cash and equivalents	\$ 130,668	\$ 246,456	\$ 1,041,107
State and Federal aid receivable	-	-	-
Prepaid expenditures	2,158	-	-
Total Assets	<u>\$ 132,826</u>	<u>\$ 246,456</u>	<u>\$ 1,041,107</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 13,186	\$ 96	\$ -
Due to other funds	4,500	-	-
Total Liabilities	<u>17,686</u>	<u>96</u>	<u>-</u>
Fund balances			
Nonspendable	2,158	-	-
Restricted	-	246,360	741,107
Assigned	112,982	-	300,000
Total Fund Balances	<u>115,140</u>	<u>246,360</u>	<u>1,041,107</u>
Total Liabilities and Fund Balances	<u>\$ 132,826</u>	<u>\$ 246,456</u>	<u>\$ 1,041,107</u>

Total Non-Major Governmental Funds	
2015	2014
\$ 1,418,231	\$ 1,425,759
-	241
2,158	2,181
<u>\$ 1,420,389</u>	<u>\$ 1,428,181</u>

\$ 13,282	\$ 25,622
4,500	4,500
<u>17,782</u>	<u>30,122</u>

2,158	2,181
987,467	1,265,068
412,982	130,810
<u>1,402,607</u>	<u>1,398,059</u>
<u>\$ 1,420,389</u>	<u>\$ 1,428,181</u>

Edgemont Union Free School District, New York

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Non-Major Governmental Funds
 Year Ended June 30, 2015
 (With Comparative Totals for 2014)

	School Lunch	Special Purpose	Debt Service
REVENUES			
Use of money and property	\$ 231	\$ 980	\$ 1,542
Federal aid	2,674	-	-
Food sales	381,809	-	-
Miscellaneous	-	455,426	-
Total Revenues	384,714	456,406	1,542
EXPENDITURES			
Current			
Cost of food sales	402,565	-	-
Other	-	435,549	-
Debt service			
Principal	-	-	1,167,028
Interest	-	-	419,489
Total Expenditures	402,565	435,549	1,586,517
Excess (Deficiency) of Revenues Over Expenditures	(17,851)	20,857	(1,584,975)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	1,586,517
Transfers out	-	-	-
Total Other Financing Sources	-	-	1,586,517
Net Change in Fund Balances	(17,851)	20,857	1,542
FUND BALANCES			
Beginning of Year	132,991	225,503	1,039,565
End of Year	\$ 115,140	\$ 246,360	\$ 1,041,107

Total Non-Major
Governmental Funds

2015	2014
\$ 2,753	\$ 2,391
2,674	4,606
381,809	413,628
455,426	629,386
<hr/>	<hr/>
842,662	1,050,011
<hr/>	<hr/>
402,565	432,878
435,549	585,263
1,167,028	1,254,943
419,489	460,026
<hr/>	<hr/>
2,424,631	2,733,110
<hr/>	<hr/>
(1,581,969)	(1,683,099)
<hr/>	<hr/>
1,586,517	1,714,970
-	(320,478)
<hr/>	<hr/>
1,586,517	1,394,492
<hr/>	<hr/>
4,548	(288,607)
<hr/>	<hr/>
1,398,059	1,686,666
<hr/>	<hr/>
\$ 1,402,607	\$ 1,398,059
<hr/>	<hr/>

Edgemont Union Free School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 130,668	\$ 160,252
State and Federal aid receivable	-	241
Prepaid expenditures	<u>2,158</u>	<u>2,181</u>
Total Assets	<u>\$ 132,826</u>	<u>\$ 162,674</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 13,186	\$ 25,183
Due to other funds	<u>4,500</u>	<u>4,500</u>
Total Liabilities	<u>17,686</u>	<u>29,683</u>
Fund balance		
Nonspendable	2,158	2,181
Assigned	<u>112,982</u>	<u>130,810</u>
Total Fund Balance	<u>115,140</u>	<u>132,991</u>
Total Liabilities and Fund Balance	<u>\$ 132,826</u>	<u>\$ 162,674</u>

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

	<u>2015</u>	<u>2014</u>
REVENUES		
Use of money and property	\$ 231	\$ 370
Federal aid	2,674	4,606
Food sales	<u>381,809</u>	<u>413,628</u>
Total Revenues	384,714	418,604
EXPENDITURES		
Current		
Cost of food sales	<u>402,565</u>	<u>432,878</u>
Deficiency of Revenues Over Expenditures	(17,851)	(14,274)
FUND BALANCE		
Beginning of Year	<u>132,991</u>	<u>147,265</u>
End of Year	<u>\$ 115,140</u>	<u>\$ 132,991</u>

Edgemont Union Free School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 246,456</u>	<u>\$ 225,942</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 96	\$ 439
Fund balance		
Restricted	<u>246,360</u>	<u>225,503</u>
Total Liabilities and Fund Balance	<u>\$ 246,456</u>	<u>\$ 225,942</u>

Edgemont Union Free School District, New York

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

	<u>2015</u>	<u>2014</u>
REVENUES		
Use of money and property	\$ 980	\$ 356
Miscellaneous	<u>455,426</u>	<u>629,386</u>
Total Revenues	456,406	629,742
EXPENDITURES		
Current		
Other	<u>435,549</u>	<u>585,263</u>
Excess of Revenues Over Expenditures	20,857	44,479
FUND BALANCE		
Beginning of Year	<u>225,503</u>	<u>181,024</u>
End of Year	<u>\$ 246,360</u>	<u>\$ 225,503</u>

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Edgemont Union Free School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 1,041,107</u>	<u>\$ 1,039,565</u>
FUND BALANCE		
Restricted	\$ 741,107	\$ 1,039,565
Assigned	<u>300,000</u>	<u>-</u>
Total Fund Balance	<u>\$ 1,041,107</u>	<u>\$ 1,039,565</u>

Edgemont Union Free School District, New York

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

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 1,542	\$ 1,542
EXPENDITURES				
Debt service				
Principal				
Serial bonds	1,010,000	1,010,000	1,010,000	-
Energy performance contract	157,028	157,028	157,028	-
	1,167,028	1,167,028	1,167,028	-
Interest				
Serial bonds	334,425	334,425	334,425	-
Energy performance contract	85,064	85,064	85,064	-
	419,489	419,489	419,489	-
Total Expenditures	1,586,517	1,586,517	1,586,517	-
Deficiency of Revenues Over Expenditures	(1,586,517)	(1,586,517)	(1,584,975)	1,542
OTHER FINANCING SOURCES (USES)				
Transfers in	1,586,517	1,586,517	1,586,517	-
Transfers out	-	-	-	-
Total Other Financing Sources	1,586,517	1,586,517	1,586,517	-
Net Change in Fund Balance	-	-	1,542	1,542
FUND BALANCE				
Beginning of Year	-	-	1,039,565	1,039,565
End of Year	\$ -	\$ -	\$ 1,041,107	\$ 1,041,107

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 1,665	\$ 1,665
1,110,000	1,110,000	1,110,000	-
144,944	144,944	144,943	1
1,254,944	1,254,944	1,254,943	1
370,690	370,690	370,690	-
89,336	89,336	89,336	-
460,026	460,026	460,026	-
1,714,970	1,714,970	1,714,969	1
(1,714,970)	(1,714,970)	(1,713,304)	1,666
1,714,970	1,714,970	1,714,970	-
(320,478)	(320,478)	(320,478)	-
1,394,492	1,394,492	1,394,492	-
(320,478)	(320,478)	(318,812)	1,666
320,478	320,478	1,358,377	1,037,899
\$ -	\$ -	\$ 1,039,565	\$ 1,039,565

Edgemont Union Free School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2015

Adopted Budget	\$ 53,149,102
Encumbrances	<u>246,872</u>
Original Budget	53,395,974
Additions - Budget revisions	<u>1,034,652</u>
Final Budget	<u><u>\$ 54,430,626</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

2015-16 Expenditure Budget	\$ <u>54,104,349</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	1,546,272
Unassigned fund balance	<u>2,163,619</u>
Total Unrestricted Fund Balance	<u>3,709,891</u>
Less	
Appropriated for subsequent year's budget	1,400,000
Encumbrances	<u>146,272</u>
Total Adjustments	<u>1,546,272</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 2,163,619</u></u>
Actual Percentage	<u><u>4.00 %</u></u>

Edgemont Union Free School District, New YorkSchedule of Net Investment in Capital Assets
Year Ended June 30, 2015

Capital Assets, net		\$ 28,970,583
Plus		
Unamortized portion of loss on refunding bonds	286,817	
Unexpended debt proceeds	<u>3,455,673</u>	3,742,490
Less		
Bonds payable - Capital construction	(8,435,000)	
Energy performance contract payable	(2,909,039)	
Bond anticipation note payable	(4,000,000)	
Unamortized portion of issuance premium on refunding bonds	<u>(940,728)</u>	<u>(16,284,767)</u>
Net Investment in Capital Assets		<u>\$ 16,428,306</u>