

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

EAST RAMAPO CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

I. INDEPENDENT AUDITOR’S REPORT, MANAGEMENT’S DISCUSSION AND ANALYSIS AND BASIC FINANCIAL STATEMENTS

	Independent Auditor’s Report	
<u>Exhibit</u> <u>Number</u>		<u>Page(s)</u>
1	Management’s Discussion and Analysis (Required Supplementary Information) (MD&A)	3 – 15
2	Statement of Net Position	16
3	Statement of Activities	17
4	Balance Sheet – Governmental Funds	18
5	Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	19
6	Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
7	Reconciliation of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	21
8	Statement of Fiduciary Net Position – Fiduciary Fund	22
9	Statement of Changes in Fiduciary Net Position – Fiduciary Fund	23
10	Notes to Financial Statements	24 – 58

II. REQUIRED SUPPLEMENTARY INFORMATION

SS1	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	59 – 60
SS2	Schedule of Changes in the District’s Total Other Post-Employment Benefits Liability and Related Ratios	61
SS3	Schedule of District’s Proportionate Share of the Net Pension Asset/(Liability)	62
SS4	Schedule of District’s Contributions	63

III. OTHER SUPPLEMENTARY INFORMATION

SS5	Schedule of Change from Adopted Budget to Final Budget – General Fund and Section 1318 of Real Property Tax Law Limit Calculation	64
SS6	Schedule of Project Expenditures - Capital Projects Fund	65 – 66
SS7	Net Investment in Capital Assets	67

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



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Accountants & Consultants for Over 75 years

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
East Ramapo Central School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the East Ramapo Central School District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund of the District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in District's total other post-employment benefits liability, schedule of District's proportionate share of the net pension asset/(liability), and the schedule of District's contributions on pages 3 through 15 and 59 through 63, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because

the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



R.S. Abrams & Co., LLP
Islandia, New York
November 15, 2022

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

The following is a discussion and analysis of the East Ramapo Central School District’s (the “District”) financial performance for the fiscal year ended June 30, 2022. This section is a summary of the District’s financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District’s financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

- The District ended the June 30, 2022 fiscal year with an unassigned fund balance of \$4,426,173 in the general fund, which represents 1.73% of the 2022-2023 contingency budget (4.00% being the maximum allowable under New York State Real Property Tax Law 1318).
- The District’s expenses for the year, as reflected in the District-Wide Financial Statements, totaled \$310,396,030. Of this amount, \$1,564,028 was offset by program charges for services, \$113,410,777 by operating grants and contributions, and \$1,361,005 by capital grants and contributions. General revenues of \$248,891,579 amounted to 68.15% of total revenues.
- On August 31, 2021, the District issued a revenue anticipation note (RAN) for \$15,000,000, maturing on May 5, 2022 for interim financing of the general fund operations. The RAN has a stated interest rate of 1.00% resulting in interest expense of \$101,667. It also includes a total premium of \$5,000, which results in a net interest cost of \$96,667.
- On June 7, 2022, the District issued a revenue anticipation note (RAN) for \$32,000,000, maturing on May 31, 2023 for interim financing of the general fund operations. The RAN has a stated interest rate of 3.00% resulting in interest expense of \$917,333. It also includes a total premium of \$270,400, which results in a net interest cost of \$646,933.
- The District was awarded \$1,000,000 in legislative grants to support instructional programs.
- In July 2021, the District was awarded Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA) funding of \$66,722,803 through the Elementary and Secondary School Emergency Relief Program (ESSER)). The District was also awarded American Rescue Plan (ARP) funding of \$150,158,322. These funds are to be used for eligible expenditures, which support the District’s ability to continue to provide educational services. These funds will be recognized in the special aid fund as they are expended.
- The general fund contingency budget for the 2022-23 school year is \$256,421,500. This is a decrease of \$16,028,133 or 5.88% from the previous year’s budget, and includes a 0% tax levy increase from that of the prior year.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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

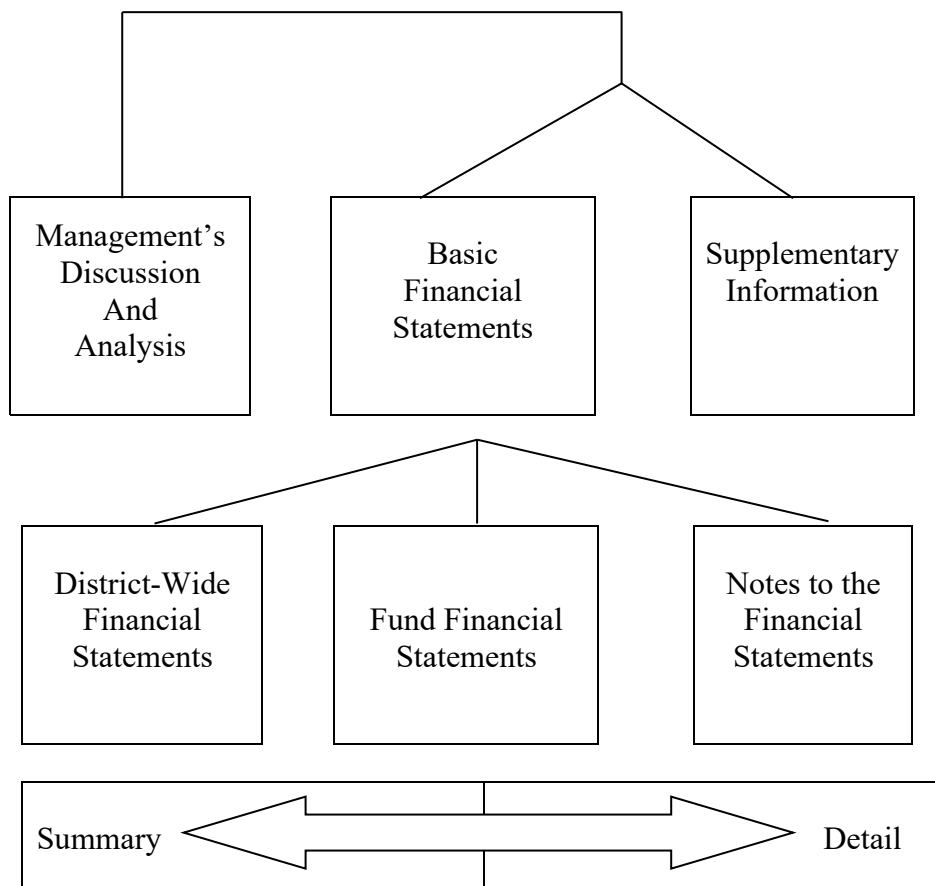
**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Financial Statements.
 - The *Governmental Fund Statements* tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.
 - *Fiduciary Fund Financial Statements* provide information about the financial relationships in which the District acts solely as a trustee or custodian for the benefit of others, including the employees of the District.

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

Organization of the District’s Annual Financial Report



**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

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

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

	District-Wide Financial Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others, such as property taxes collected on behalf of another local government
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset/deferred outflow of resources and liability/deferred inflow of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Current assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any), both short-term and long-term ; these funds do not currently contain capital assets, although they can
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

A) District-Wide Financial Statements:

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

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

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

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

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

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

B) Fund Financial Statements:

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

The District has two kinds of funds:

- *Governmental funds:* Most of the basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide Financial Statements, additional information in a separate reconciliation schedule explains the relationship (or differences) between them. In summary, the Governmental Fund Financial Statements focus primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Included are the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund, debt service fund, and capital projects fund. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.
- *Fiduciary fund:* The District is the trustee or *fiduciary* for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-Wide Financial Statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position. This fund reports real property taxes collected on behalf of other governments and disbursed to those governments.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position:

The District's net position increased by \$54,831,359 for fiscal year ended June 30, 2022 as detailed in the table that follows.

Condensed Statement of Net Position

	2022	2021	Change	Total Percentage Change
Current assets	\$ 86,656,061	\$ 65,962,524	\$ 20,693,537	31.37%
Capital assets	78,555,107	73,439,269	5,115,838	6.97%
Net pension asset -proportionate share	108,392,591	-	108,392,591	N/A
Total Assets	273,603,759	139,401,793	134,201,966	96.27%
Deferred outflows of resources	78,879,826	82,416,526	(3,536,700)	(4.29%)
Total assets and deferred outflows of resources	352,483,585	221,818,319	130,665,266	58.91%
Current liabilities	69,713,559	76,248,601	(6,535,042)	(8.57%)
Long-term liabilities	440,242,755	500,993,749	(60,750,994)	(12.13%)
Total Liabilities	509,956,314	577,242,350	(67,286,036)	(11.66%)
Deferred inflows of resources	185,887,567	42,767,624	143,119,943	334.65%
Total liabilities and deferred inflows of resources	695,843,881	620,009,974	75,833,907	12.23%
Net Position				
Net investment in capital assets	31,705,832	23,668,116	8,037,716	33.96%
Restricted	1,125,047	1,178,640	(53,593)	(4.55%)
Unrestricted (deficit)	(376,191,175)	(423,038,411)	46,847,236	11.07%
Total Net Position (Deficit)	\$ (343,360,296)	\$ (398,191,655)	\$ 54,831,359	13.77%

Current assets increased by \$20,693,537 from 2021 to 2022. This change is primarily related to an increase in state and federal aid receivable partially offset by a decrease in cash. Capital assets (net of depreciation) increased by \$5,115,838 due to current year additions and capital outlay exceeding depreciation expense. The District reported a net pension asset - proportionate share - employees' retirement system and a net pension asset – proportionate share for the teachers' retirement system of \$108,392,591, as a result of the actuarial valuations provided by the State.

The change in deferred outflows of resources represents amortization of the pension related items and the change in the District's contributions subsequent to the measurement date, as discussed in Note 12, as well as amortization on the deferred outflows related to the other post-employment benefits obligation as discussed in Note 15.

Current liabilities decreased by \$6,535,042 primarily due to decreases in accounts payable, accrued liabilities, and notes payable for short-term borrowings. Long-term liabilities decreased by \$60,750,994 which was primarily due to decreases in bonds payable, net pension liabilities, and total other post-employment benefit obligation. The changes in deferred inflows represent

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

amortization of pension related items as discussed in Note 12 and deferred inflows related to other post-employment benefits as discussed in Note 15.

The net investment in capital assets relates to the investment in capital assets at cost such as land, construction in progress, buildings and improvements, and furniture and equipment, net of depreciation and related debt. This number increased from the prior year by \$8,037,716.

The restricted net position at June 30, 2022, relates to the District's insurance reserve and restricted amounts for debt service, and scholarships and donations. Restricted net position decreased by \$53,593.

The unrestricted net deficit at June 30, 2022 of \$376,191,175 relates to the balance of the District's net position. The unrestricted net deficit decreased by \$46,847,236.

B) Changes in Net Position:

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the years ended June 30, 2022 and 2021 are as follows:

Change in Net Position from Operating Results

	2022	2021	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	\$ 1,564,028	\$ 1,692,184	\$ (128,156)	(7.57%)
Operating grants and contributions	113,410,777	56,323,720	57,087,057	101.36%
Capital grants and contributions	1,361,005	1,871,941	(510,936)	(27.29%)
General Revenues				
Real property taxes and other tax items	154,380,188	154,494,614	(114,426)	(0.07%)
Use of money and property	124,244	275,478	(151,234)	(54.90%)
Sale of property and compensation for loss	212,373	196,781	15,592	7.92%
State sources	91,621,353	52,805,103	38,816,250	73.51%
Other	2,553,421	3,029,556	(476,135)	(15.72%)
Total Revenues	<u>365,227,389</u>	<u>270,689,377</u>	<u>94,538,012</u>	<u>34.92%</u>
Expenses				
General support	18,275,942	32,080,309	(13,804,367)	(43.03%)
Instruction	235,129,241	241,549,255	(6,420,014)	(2.66%)
Pupil transportation	46,214,722	41,877,610	4,337,112	10.36%
Community service	108,507	214,294	(105,787)	(49.37%)
Debt service - interest	2,789,030	2,534,549	254,481	10.04%
Food service program	7,878,588	8,274,444	(395,856)	(4.78%)
Total Expenses	<u>310,396,030</u>	<u>326,530,461</u>	<u>(16,134,431)</u>	<u>(4.94%)</u>
Total Change in Net Position	<u>\$ 54,831,359</u>	<u>\$ (55,841,084)</u>	<u>\$ 110,672,443</u>	<u>198.19%</u>

The District's fiscal year 2022 revenues totaled \$365,227,389. Real property taxes and other tax items and state sources accounted for most of the District's revenue by contributing 42.27% and 25.09%, respectively of total revenue. The remainder came from fees charged for services, operating and capital grants and contributions, use of money and property, sale of property and

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

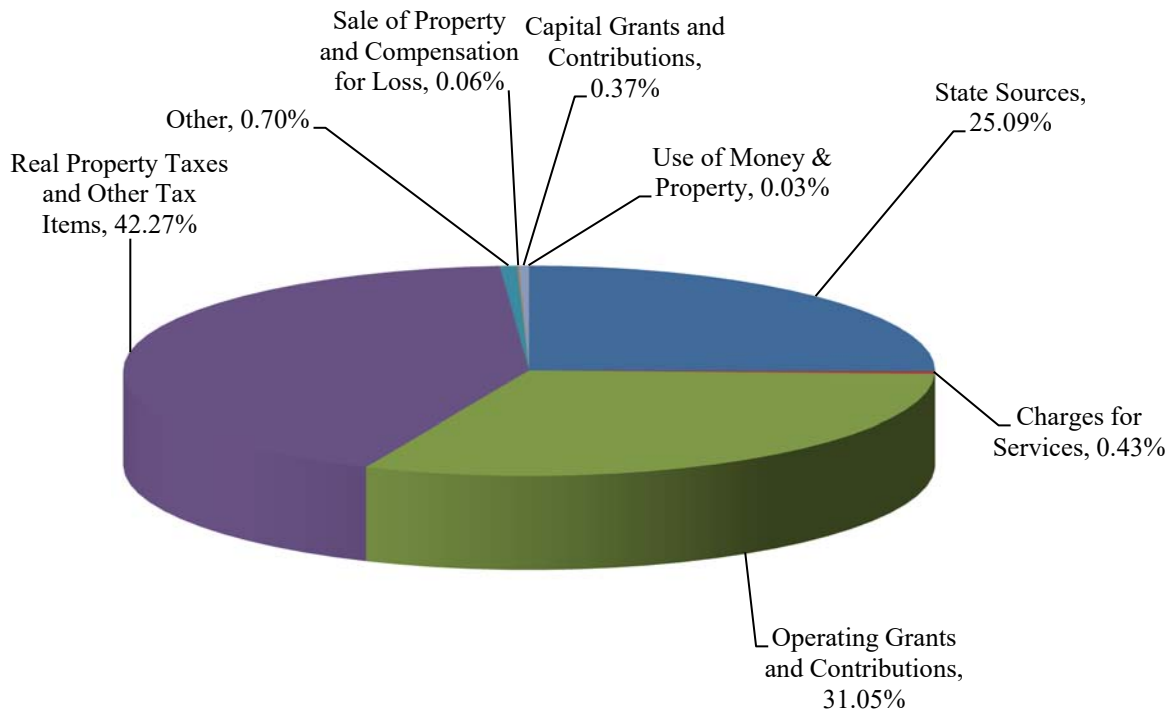
Exhibit 1

compensation for loss, and other miscellaneous sources. Total revenues increased by \$94,538,012 from the prior year. This was primarily attributable to increases in state sources and operating grants and contributions, partially offset by decreases in charges for services, capital grants and contributions, and other miscellaneous revenues.

The cost of all programs and services totaled \$310,396,030 for the fiscal year ended June 30, 2022. These expenses are predominantly related to instruction, which account for 75.75% of District expenses. The District's general support activities accounted for 5.89% of total costs. Total expenses decreased by \$16,134,431 or 4.94%. This was primarily attributable to the change in pension and OPEB related actuarially calculated information which is allocated to the functions based on salary expenses.

The users of the District's programs financed \$1,564,028 of the cost. The federal and state governments subsidized certain programs with operating grants and contributions of \$113,410,777 and capital grants and contributions of \$1,361,005. Most of the District's net costs of \$194,060,220 were financed by District taxpayers, and state sources.

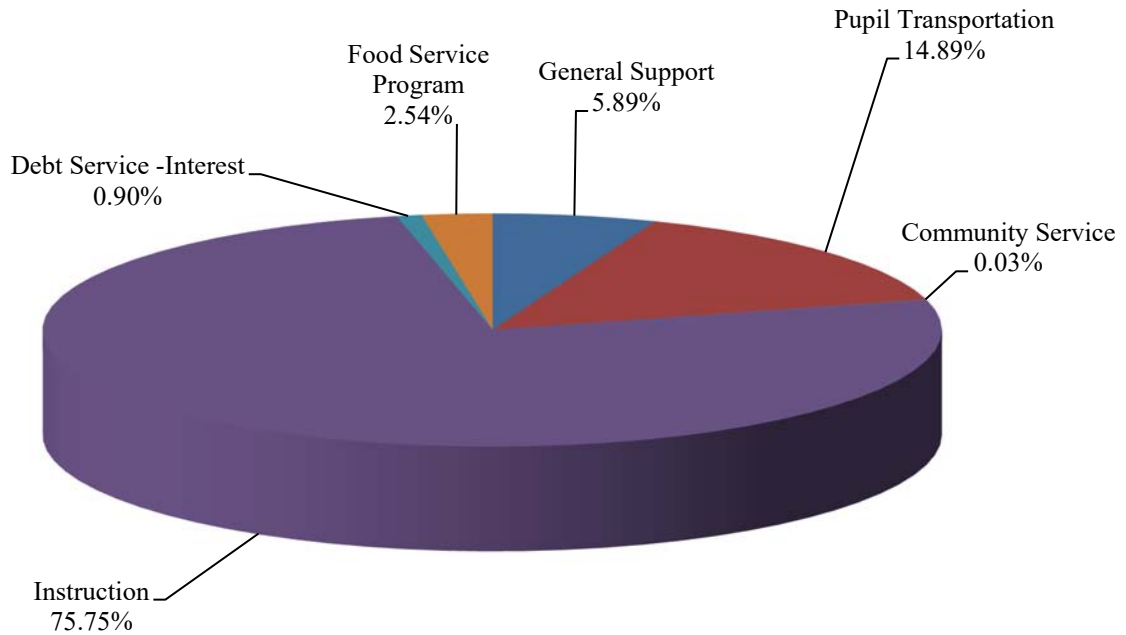
Revenues for Fiscal Year 2022



**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

Expenditures for Fiscal Year 2022



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As of June 30, 2022, the District's combined governmental funds reported a total fund balance of \$13,027,222, which is an increase of \$25,909,138 from the prior year.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

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

	2022	2021	Increase/ (Decrease)	Total Percentage Change
General Fund				
Nonspendable for advances	\$ 95,782	\$ 95,782	\$ -	0.00%
Restricted for insurance	103,471	103,294	177	0.17%
Assigned - general support	-	38,949	(38,949)	(100.00%)
Assigned - instruction	-	118,730	(118,730)	(100.00%)
Assigned - pupil transportation	-	26,723	(26,723)	(100.00%)
Unassigned fund balance (deficit)	4,426,173	(22,352,946)	26,779,119	(119.80%)
Total Fund Balance - General Fund	<u>\$ 4,625,426</u>	<u>\$ (21,969,468)</u>	<u>\$ 26,594,894</u>	121.05%
School Lunch Fund				
Nonspendable for inventory	\$ 90,517	\$ 59,727	\$ 30,790	51.55%
Assigned - unappropriated/unassigned	960,334	(102,603)	1,062,937	(1035.97%)
Total Fund Balance (Deficit) - School Lunch Fund	<u>\$ 1,050,851</u>	<u>\$ (42,876)</u>	<u>\$ 1,093,727</u>	2550.91%
Miscellaneous Special Revenue Fund				
Restricted for scholarships and donations	\$ 247,755	\$ 248,769	\$ (1,014)	(0.41%)
Assigned - unappropriated fund balance	216,506	197,517	18,989	9.61%
Total Fund Balance - Miscellaneous Special Revenue Fund	<u>\$ 464,261</u>	<u>\$ 446,286</u>	<u>\$ 17,975</u>	4.03%
Debt Service Fund				
Restricted	<u>\$ 773,821</u>	<u>\$ 826,577</u>	<u>\$ (52,756)</u>	(6.38%)
Capital Projects Fund				
Restricted - unspent debt proceeds	\$ 5,314,144	\$ 5,345,582	\$ (31,438)	(0.59%)
Assigned - unappropriated	798,719	2,511,983	(1,713,264)	(68.20%)
Total Fund Balance - Capital Projects Fund	<u>\$ 6,112,863</u>	<u>\$ 7,857,565</u>	<u>\$ (1,744,702)</u>	(22.20%)
Total Fund Balance (Deficit) - All Funds	<u>\$ 13,027,222</u>	<u>\$ (12,881,916)</u>	<u>\$ 25,909,138</u>	201.13%

A) General Fund

Fund balance in the general fund increased by \$26,594,894 as a result of revenues and other financing sources of \$260,115,641 exceeding expenditures and other financing uses of \$233,520,747.

B) School Lunch Fund

Fund balance in the school lunch fund increased by \$1,093,727. This is attributable to greater state and federal reimbursements exceeding the cost of distributing free meals to all students of the District.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

C) Miscellaneous Special Revenue Fund

Fund balance in the miscellaneous special revenue fund increased by \$17,975. This increase is due to an increase in the balance for extraclassroom activities, partially offset by an excess of scholarships awarded over scholarship donations received.

D) Debt Service Fund

Fund balance in the debt service fund decreased by \$52,756, which was the result of transfers out to the general fund of \$53,218 to offset interest payments made in the current year. The debt service fund also received interest earnings of \$462.

E) Capital Projects Fund

Fund balance in the capital projects fund decreased by \$1,744,702. This decrease was due to an excess of expenditures over revenues and other financing sources. The capital projects fund current year capital outlay was \$9,090,865, which was partially offset by transfers from the general fund of \$826,524 for emergency appropriations, and \$6,019,639 from the special aid fund for federal sources from ARP grants, and \$500,000 from state sources.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2021-2022 Budget:

The District’s general fund adopted budget for the fiscal year ended June 30, 2022 was \$272,449,633. This amount was increased by encumbrances carried forward from the prior year in the amount of \$184,402 and budget revisions of \$16,855, bringing the final budget to \$272,650,890. The majority of the funding was real property taxes and other tax items budget of \$154,740,227.

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

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

Opening, unassigned (deficit) fund balance	\$ (22,352,946)
Revenues and other financing sources under budget	(12,350,847)
Expenditures, other financing uses, and encumbrances under budget	39,130,143
Interest allocated to reserves	(177)
Closing, unassigned fund balance	<u>\$ 4,426,173</u>

The opening deficit in unassigned fund balance of \$22,352,946 is the June 30, 2021 deficit in unassigned fund balance.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

The revenues and other financing sources under budget of \$12,350,847 were primarily for Federal sources – CARES Act in the amount of \$11,965,972. Refer to Supplemental Schedule #1 for more details.

The expenditures, other financing uses, and encumbrances under budget of \$39,130,143 were primarily for overbudgeted principal payments for short term borrowings, general support, employee benefits, and transportation partially offset by overspending instruction expenditures. Refer to Supplemental Schedule #1 for more details.

Interest of \$177 was allocated to the insurance reserve.

The District closed the 2021-2022 fiscal year with an unassigned fund balance of \$4,426,173. NYS Real Property Tax Law §1318 restricts this number to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The District's unassigned fund balance is under the legal limit. See Supplemental Schedule #5 for more details.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A) Capital Assets:

The District paid for equipment, and various building additions and renovations during the fiscal year 2022. A summary of the District's capital assets net of depreciation are as follows:

Capital Assets (Net of Depreciation)

Category	2022	2021	Net Increase/ (Decrease)	Percentage Change
Land	\$ 7,764,601	\$ 7,764,601	\$ -	0.00%
Construction in Progress	20,266,552	11,706,045	8,560,507	73.13%
Buildings & Improvements	127,630,909	127,619,910	10,999	0.01%
Machinery & Equipment	8,880,260	7,626,036	1,254,224	16.45%
Subtotal	164,542,322	154,716,592	9,825,730	6.35%
Less: Accumulated Depreciation	85,987,215	81,277,323	4,709,892	5.79%
Total Capital Assets, Net	<u>\$ 78,555,107</u>	<u>\$ 73,439,269</u>	<u>\$ 5,115,838</u>	6.97%

The District's capital outlay for the year was \$9,090,865 from the capital projects fund and capital asset additions of \$734,865 in the general fund. The District recorded depreciation expense of \$4,709,892. See Note 8 to the financial statements for detail.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

B) Long-Term Debt:

At June 30, 2022, the District had total bonds payable (inclusive of unamortized premium) of \$52,163,419 which represents a decrease of \$2,953,316 from the prior year. The decrease is due to the principal payments made during the current fiscal year and amortization of the premium. More detailed information about the District's long-term debt is presented in Note 11 to the Financial Statements. A summary of outstanding debt at June 30, 2022 and 2021 is as follows:

	2022	2021	Increase (Decrease)
Bonds payable (inclusive of unamortized premium)	\$ 52,163,419	\$ 55,116,735	\$ (2,953,316)

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

- A) The general fund contingency budget for the 2022-23 school year is \$256,421,500. This is a decrease of \$16,028,133 or 5.88% from the previous year's budget, and includes a 0% tax levy increase from that of the prior year.
- B) On August 9, 2022 the District issued a tax anticipation note (TAN) in the amount of \$12,700,000, which included a premium on issuance of \$93,980 and carries an interest rate of 3.50%.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

East Ramapo Central School District
Dr. Clarence G. Ellis
Superintendent of Schools
105 S. Madison Avenue
Spring Valley, NY 10977
(845)-577-6000

Exhibit 2

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022**

ASSETS
Current assets
Cash

Unrestricted	\$ 20,311,033
Restricted	6,439,191

Receivables

Accounts receivable, net of allowance	112,188
State and federal aid	57,413,643
Due from other governments, net of allowance	1,973,093
Taxes receivable	316,396

Inventories	90,517
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Capital assets

Not being depreciated	28,031,153
Being depreciated, net of accumulated depreciation	50,523,954

Net pension asset - proportionate share -employees' retirement system	3,509,483
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Net pension asset - proportionate share -teachers' retirement system	104,883,108
--	-------------

TOTAL ASSETS	<u>273,603,759</u>
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DEFERRED OUTFLOWS OF RESOURCES

Pensions	68,024,041
----------	------------

Other post-employment benefits obligation	10,855,785
---	------------

TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>78,879,826</u>
---	--------------------------

LIABILITIES
Payables

Accounts payable	16,155,914
Accrued liabilities	3,507,354
Accrued interest payable	486,305
Due to fiduciary funds	39,499
Due to teachers' retirement system	11,497,950
Due to employees' retirement system	925,410
Due to other governments	4,176,314

Notes payable

Revenue anticipation note	32,000,000
---------------------------	------------

Unearned credits

Collections in advance	924,813
------------------------	---------

Long-term liabilities

Due and payable within one year	
Bonds payable (inclusive of unamortized premium)	3,048,316
Judgements, claims and settlements payable	21,209
ERS stabilization program liability	283,250
Due and payable after one year	
Bonds payable (inclusive of unamortized premium)	49,115,103
Judgements, claims and settlements payable	21,209
ERS stabilization program liability	1,270,081
Compensated absences payable	598,646
Total other post-employment benefits obligation	385,884,941

TOTAL LIABILITIES	<u>509,956,314</u>
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DEFERRED INFLOWS OF RESOURCES

Pensions	130,784,311
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Other post-employment benefits obligation	55,103,256
---	------------

TOTAL DEFERRED INFLOWS OF RESOURCES	<u>185,887,567</u>
--	---------------------------

NET POSITION

Net investment in capital assets	<u>31,705,832</u>
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Restricted

Insurance	103,471
Debt service	773,821
Scholarships and donations	247,755
	<u>1,125,047</u>

Unrestricted (deficit)	<u>(376,191,175)</u>
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TOTAL NET POSITION (DEFICIT)	<u>\$ (343,360,296)</u>
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**EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS / PROGRAMS	Expenses				
General support	\$ (18,275,942)	\$ -	\$ -	\$ -	\$ (18,275,942)
Instruction	(235,129,241)	1,564,028	104,529,778	1,361,005	(127,674,430)
Pupil transportation	(46,214,722)				(46,214,722)
Community service	(108,507)				(108,507)
Debt service-interest	(2,789,030)				(2,789,030)
Food service program	(7,878,588)		8,880,999		1,002,411
TOTAL FUNCTIONS AND PROGRAMS	\$ (310,396,030)	\$ 1,564,028	\$ 113,410,777	\$ 1,361,005	(194,060,220)
GENERAL REVENUES					
Real property taxes					145,762,671
Other tax items - including STAR reimbursement					8,617,517
Use of money and property					124,244
Sale of property and compensation for loss					212,373
Miscellaneous					1,121,091
State sources					91,621,353
Medicaid reimbursement					1,432,330
TOTAL GENERAL REVENUES					248,891,579
CHANGE IN NET POSITION					54,831,359
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR					(398,191,655)
TOTAL NET POSITION (DEFICIT) - END OF YEAR					\$ (343,360,296)

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Special Aid	School Lunch	Miscellaneous Special Revenue Fund	Debt Service	Capital Projects	Total Governmental Funds
ASSETS							
Cash and cash equivalents							
Unrestricted	\$ 19,909,569	\$ 171,791	\$ 13,167	\$ 216,506	\$ -	\$ -	\$ 20,311,033
Restricted	5,758,116			247,755	225,320	208,000	6,439,191
Receivables							
Accounts receivable, net	112,188						112,188
State and federal aid	7,371,230	45,399,068	2,208,659			2,434,686	57,413,643
Due from other governments, net	1,973,093						1,973,093
Taxes receivable	316,396						316,396
Advances to other funds	95,782						95,782
Due from other funds	41,543,245				548,501	7,916,462	50,008,208
Inventories			90,517				90,517
TOTAL ASSETS	\$ 77,079,619	\$ 45,570,859	\$ 2,312,343	\$ 464,261	\$ 773,821	\$ 10,559,148	\$ 136,760,051
LIABILITIES							
Payables							
Accounts payable	\$ 10,815,376	\$ 2,929,584	\$ 495,137	\$ -	\$ -	\$ 1,915,817	\$ 16,155,914
Accrued liabilities	2,884,492	613,758	9,104				3,507,354
Due to other governments	4,176,213		101				4,176,314
Advances from other funds						95,782	95,782
Due to other funds	7,537,319	41,977,169	533,219				50,047,707
Due to teachers' retirement system	11,497,950						11,497,950
Due to employees' retirement system	925,410						925,410
Note payable							
Revenue anticipation note	32,000,000						32,000,000
Unearned credits							
Collections in advance	650,534	50,348	223,931				924,813
TOTAL LIABILITIES	70,487,294	45,570,859	1,261,492	-	-	2,011,599	119,331,244
DEFERRED INFLOWS OF RESOURCES							
New York State aid						2,434,686	2,434,686
Non-resident tuition billing	1,696,499						1,696,499
Premium on obligations	270,400						270,400
	<u>1,966,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,434,686</u>	<u>4,401,585</u>
FUND BALANCES							
Nonspendable							
Inventory			90,517				90,517
Advances to other funds	95,782						95,782
Restricted							
Insurance	103,471						103,471
Debt service					773,821		773,821
Unspent bond proceeds						5,314,144	5,314,144
Scholarships and donations				247,755			247,755
Assigned							
Unappropriated fund balance			960,334	216,506		798,719	1,975,559
Unassigned fund balance (deficit)	4,426,173						4,426,173
TOTAL FUND BALANCES	4,625,426	-	1,050,851	464,261	773,821	6,112,863	13,027,222
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
	<u>\$ 77,079,619</u>	<u>\$ 45,570,859</u>	<u>\$ 2,312,343</u>	<u>\$ 464,261</u>	<u>\$ 773,821</u>	<u>\$ 10,559,148</u>	<u>\$ 136,760,051</u>

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Governmental Fund Balances \$ 13,027,222

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

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

Original cost of capital assets	\$ 164,542,322	
Accumulated depreciation	<u>(85,987,215)</u>	78,555,107

Certain disbursements previously expended in the governmental funds and invested with the pension system are treated as long term assets and increase net position. The teachers' retirement system and employees' retirement system net pension asset-proportionate share amounted to:

108,392,591

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

Deferred outflows related to pensions	\$ 68,024,041	
Deferred outflows related to total OPEB liability	<u>10,855,785</u>	78,879,826

Deferred inflows of resources- The Statement of Net Position recognizes revenues and expenditures under the full accrual method. Governmental funds recognize revenues and expenditures under the modified accrual method. These amounts will be amortized in future years.

Deferred inflows related to pensions	\$ (130,784,311)	
Deferred inflows related to total OPEB liability	<u>(55,103,256)</u>	(185,887,567)

Deferred inflows - The Statement of Net Position recognizes revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual method.

4,401,585

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

(486,305)

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

Bonds payable (inclusive of unamortized premium)	\$ (52,163,419)	
Judgements, claims and settlements payable	(42,418)	
ERS stabilization program liability	(1,553,331)	
Compensated absences payable	(598,646)	
Total other post-employment benefits obligation payable	<u>(385,884,941)</u>	(440,242,755)

Total Net Position (Deficit)		<u>\$ (343,360,296)</u>
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EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	Special Aid	School Lunch	Miscellaneous Special Revenue Fund	Debt Service	Capital Projects	Total Governmental Funds
REVENUES							
Real property taxes	\$ 145,762,671	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,762,671
Other tax items - including STAR reimbursement	8,617,517						8,617,517
Charges for services	894,944			254,034			1,148,978
Use of money and property	123,368		23	391	462		124,244
Sale of property and compensation for loss	212,373						212,373
Miscellaneous	831,757	3,467	10,467	1,995			847,686
State sources	91,621,353	8,855,008	178,651			500,000	101,155,012
Federal sources	11,717,067	85,388,038	8,332,549				105,437,654
Surplus food			369,799				369,799
TOTAL REVENUES	259,781,050	94,246,513	8,891,489	256,420	462	500,000	363,675,934
EXPENDITURES							
General support	17,571,846						17,571,846
Instruction	118,806,650	88,919,832		238,445			207,964,927
Pupil transportation	46,094,625						46,094,625
Community service	87,911						87,911
Employee benefits	43,648,528						43,648,528
Debt service - principal	2,840,000						2,840,000
Debt service - interest	2,951,705						2,951,705
Cost of sales			7,797,762				7,797,762
Capital outlay						9,090,865	9,090,865
TOTAL EXPENDITURES	232,001,265	88,919,832	7,797,762	238,445	-	9,090,865	338,048,169
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	27,779,785	5,326,681	1,093,727	17,975	462	(8,590,865)	25,627,765
OTHER FINANCING SOURCES (USES)							
Operating transfers in	53,218	692,958				6,846,163	7,592,339
Operating transfers (out)	(1,519,482)	(6,019,639)			(53,218)		(7,592,339)
Premium on obligations	281,373						281,373
TOTAL OTHER FINANCING SOURCES AND (USES)	(1,184,891)	(5,326,681)	-	-	(53,218)	6,846,163	281,373
NET CHANGE IN FUND BALANCES	26,594,894	-	1,093,727	17,975	(52,756)	(1,744,702)	25,909,138
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	(21,969,468)	-	(42,876)	446,286	826,577	7,857,565	(12,881,916)
FUND BALANCES - END OF YEAR	\$ 4,625,426	\$ -	\$ 1,050,851	\$ 464,261	\$ 773,821	\$ 6,112,863	\$ 13,027,222

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances \$ 25,909,138

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

Long-Term Revenue and Expense Differences:

In the Statement of Activities, certain operating expenses are measured by the amounts earned or incurred the year. In the governmental funds, expenditures for these items are measured by the amount of financial used.

Decrease in judgements, claims and settlements payable	\$ 221,209	
Decrease in ERS stabilization program liability	273,737	
Increase in compensated absences payable	(63,092)	431,854

Changes in the proportionate share of net pension asset/liability, and total other post-employment benefits obligation and related deferred inflows and outflows reported in the Statement of Activities do not provide for require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Employees' retirement system	\$ 2,153,213	
Teachers' retirement system	16,812,723	
Other post-employment benefits obligation	135,836	19,101,772

Deferred inflows - The Statement of Net Position recognized revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual method. The difference in revenues recognized under the full accrual method for the fiscal year ended June 30, 2022 is 1,270,082

Capital Related Differences:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. for governmental activities, those costs are capitalized and shown in the Statement of Net Position and over their useful lives as annual depreciation expense in the Statement of Activities.

Capital outlays	\$ 9,825,730	
Depreciation expense	(4,709,892)	5,115,838

Long-Term Debt Transaction Differences:

Repayment of bond principal is an expenditure in the governmental funds, but it reduced long-term liabilities the Statement of Net Position and does not affect the Statement of Activities. 2,840,000

Interest on short and long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus the use of current financial resources. In the Statement of Activities, interest expense is recognized as it accrues. Accrued interest from June 30, 2021 to June 30, 2022 changed by 49,359

Governmental funds report the effect of premiums, discounts and similar items when long-term debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amount of amortization on the bond premium is: 113,316

Change in Net Position \$ 54,831,359

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
JUNE 30, 2022**

	<u>Custodial Fund</u>
ASSETS	
Due from governmental funds	\$ 39,499
TOTAL ASSETS	<u><u>\$ 39,499</u></u>
LIABILITIES	
Due to other governments	\$ 39,499
TOTAL LIABILITIES	<u>39,499</u>
NET POSITION	
Restricted	-
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 39,499</u></u>

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for Public Library	\$ 8,120,859
TOTAL ADDITIONS	<u>8,120,859</u>
DEDUCTIONS	
Real property taxes disbursed to Public Library	8,120,859
TOTAL DEDUCTIONS	<u>8,120,859</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

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

A) Reporting entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of nine (9) members. The Board of Education serves as the legislative body and has the authority to make decisions, power to appoint management, and primary accountability for all fiscal matters. In addition, the Board is responsible for, and controls all activities related to public school education within the District. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer.

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

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

B) Joint venture:

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

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

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

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

C) Basis of presentation:

District-wide financial statements:

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

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

Fund financial statements:

The Fund Financial Statements provide information about the District's funds, including the fiduciary fund. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

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

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

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

Debt service fund: This 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.

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

The District reports the following fiduciary fund:

Fiduciary Fund: This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or custodian for resources that belong to others. These activities are not included in the District-Wide Financial Statements because their resources do not belong to the District and are not available to be used. The District's fiduciary fund includes the custodial fund, where assets and liabilities are held by the District as a custodian. This fund reports real property taxes collected on behalf of other governments and disbursed to those governments, and utilizes the economic resources measurement focus and the accrual basis of accounting.

D) Measurement focus and basis of accounting:

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

The Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

funds to be available if the revenues are collected within six months after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

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

E) Real property taxes:

Calendar

Real property taxes are levied annually by the Board become a lien on July 1st. The District's tax levy is collected by the Towns of Ramapo, Clarkstown, and Haverstraw, and are remitted to the District September 1st through October 31st, after which collection responsibility is transferred to the County as discussed below.

Enforcement

Uncollected real property taxes are subsequently enforced by the County. The County pays an amount representing uncollected real property taxes to the District no later than the following April 1st.

F) Restricted resources:

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

G) Interfund transactions:

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

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

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

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

H) Advances to/from other funds:

Advances to/from other funds represent loans to other funds which are not expected to be repaid within the next fiscal year. These advances are offset by recording non-spendable fund balance in the fund financial statements which indicates that the funds are not available financial resources to appropriate. Eliminations have been made for all advances between the governmental funds.

I) Estimates:

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

J) Cash and cash equivalents:

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

K) Receivables:

Receivables other than those due from other governments, and accounts receivable in the general fund are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible amounts has been provided since it is believed that such allowance would not be material. The due from other governments and accounts receivable in the general fund are shown net of an allowance for uncollectible amounts, which was determined based on the District's historical knowledge and experience.

L) Inventories:

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

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

M) Capital assets:

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

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$5,000	Straight line	20-50 years
Machinery and equipment	\$5,000	Straight line	5-20 years

N) Collections in advance:

Collections in advance arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded. Collections in advance as of June 30, 2022 consisted of unearned grant monies in the general fund and in the special aid fund, and prepaid balances for meals and grant advances in the school lunch fund.

O) Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. These amounts are related to pensions and other post-employment benefits liability reported in the District-Wide Statement of Net Position, which are detailed further in Notes 12 and 15.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

in this category. These amounts are related to pensions and other post-employment benefits liability reported in the District-Wide Statement of Net Position, and are detailed further in Notes 12 and 15.

In addition to liabilities, the Governmental Funds Balance Sheet will sometimes report deferred inflows of resources when potential revenues do not meet the availability criterion for recognition in the current period. These amounts are recorded as deferred inflows of resources. In subsequent periods, when the availability criterion is met, deferred inflows of resources are classified as revenues. The District has three items that qualify for reporting in this category. These amounts are related to New York State grants awarded but not yet received, tuition billings for services provided in past years, and premiums on obligations. The District-Wide Financial Statements, however, report these deferred inflows of resources as revenues in accordance with the accrual basis of accounting and economic resources measurement focus.

P) Vested employee benefits:

Compensated absences:

Compensated absences consist of unpaid accumulated annual vacation time.

Vacation and sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated vacation leave.

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

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

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

Q) Other benefits:

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

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

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

R) Short-term debt:

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

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue dated. Refer to Note 10 for more information on short-term debt.

S) Accrued liabilities and long-term obligations:

Payables, accrued liabilities and long-term obligations are reported in the District-Wide Financial Statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Judgments, claims and settlements, compensated absences, net pension liabilities, other post-employment benefit obligations, and other long term liabilities that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds, energy performance contract debt, and other long-term obligations that will be paid from governmental funds are recognized as a liability in the Fund Financial Statements when due.

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

T) Equity classifications:

i) District-Wide Financial Statements:

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

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

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

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

ii) Fund Financial Statements:

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

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes advances to the capital projects fund of \$95,782 in the general fund, and inventory recorded in the school lunch fund of \$90,517.

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

The District has established the following as restricted:

Insurance Reserve

Insurance reserve (GML§6-n), must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve, however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the general fund.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

Debt Service

The unexpended balances of proceeds of borrowings for capital projects, interest and earning from investing proceeds of borrowings, and borrowing premiums can be recorded as amounts restricted for debt service. These restricted funds are accounted for in the debt service fund.

Unspent bond proceeds

Unspent long-term bond proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects fund.

Restricted for Scholarships and Donations

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

- 1) **Committed fund balance** – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (i.e. Board). The District has no committed fund balances as of June 30, 2022.
- 2) **Assigned fund balance** – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District management through Board policies. This classification also includes the remaining positive fund balance for all governmental funds except for the general fund.
- 3) **Unassigned fund balance** – Includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in assigned fund balance are also excluded from the 4% limitation.

Unassigned fund balance includes \$4,426,173 in the general fund which is within the legal limit.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

U) Future accounting pronouncements:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, defines a subscription-based technology arrangement as a contract that conveys control of the right to use a vendor's software, alone or in combination with tangible capital assets requiring governments to recognize a right-to-use subscription asset and a corresponding subscription liability. The requirements of this Statement are effective for periods beginning after June 15, 2022.

This is the statement that the District feels may have an impact on these financial statements and is not an all-inclusive list of GASB statements issued. The District will evaluate the impact this pronouncement may have on its financial statements and will implement as applicable and when material.

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

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

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

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

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

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

i) Long-term revenue and expense differences:

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

ii) Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii) Long-term debt transaction differences:

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

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

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

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

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

B) Encumbrances:

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as amounts assigned in the fund balance

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Company (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

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

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

Restricted Cash and Cash Equivalents:

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and cash equivalents at June 30, 2022 included \$6,439,191 within the governmental funds for general reserve purposes, scholarships and donations, debt service, and capital projects.

Investments:

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

Investment pool:

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. At June 30, 2022, the District held \$309,644 in the governmental funds, in investments consisting of various investments in securities issued by the United States and its agencies.

Fund	Bank Balance	Carrying Amount
General fund	\$ 64,423	\$ 64,423
Special aid fund	151	151
School lunch fund	494	494
Miscellaneous special revenue fund	243,787	243,787
Debt service fund	784	784
Capital projects fund	5	5
Total - governmental funds	<u>\$ 309,644</u>	<u>\$ 309,644</u>

Total investments of the cooperative at June 30, 2022, are \$3,380,014,605 which consisted of \$1,151,932,927 in repurchase agreements and \$2,228,081,678 in U.S. Treasury Securities at various interest rates with various due dates. Total collateralized bank deposits of the cooperative at June 30, 2022 are \$843,464,076.

The above chart amounts represent the cost of the investment pool shares, and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. NYCLASS is rated AAAM by S&P Global ratings. Additional information concerning the cooperative is presented in the annual report of the New York Cooperative Liquid Assets Securities System (NYCLASS), which may be obtained from their website, www.newyorkclass.org, or by contacting their registered investment advisor, Public Trust Advisors, LLC at 717 17th Street, Suite 1850, Denver CO, 80202.

NOTE 5 – PARTICIPATION IN BOCES:

During the fiscal year, the District was billed \$19,785,809 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$3,445,634. Financial statements for the Rockland BOCES are available from the BOCES administrative office located at 65 Parrott Road, West Nyack, New York 10994.

NOTE 6 – DUE FROM OTHER GOVERNMENTS:

Due from other governments in the general fund at June 30, 2022 consisted of the following:

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

General Fund

Health and welfare billings	\$ 1,291,270
Non-resident and special education tuition billing	751,398
BOCES	<u>17,613</u>
Gross Due from other governments	2,060,281
Allowance for uncollectible accounts	<u>(87,188)</u>
Total Due from other governments, net	<u><u>\$ 1,973,093</u></u>

District management has deemed the net receivables to be fully collectible, however \$1,696,499 of the due from other governments is also recorded as a deferred inflows of resources for unavailable revenue. See Note 1 for more information.

NOTE 7 – STATE AND FEDERAL AID RECEIVABLES:

State and federal aid receivables at June 30, 2022 consisted of the following:

General Fund

Excess cost aid	\$ 1,458,862
General aid	2,855,677
BOCES aid	1,677,026
NYS Supplemental aid	1,000,000
Medicaid	313,015
CARES act	<u>66,650</u>
Total - General Fund	<u><u>7,371,230</u></u>

Special Aid Fund

State grants	4,539,009
Federal grants	<u>40,860,059</u>
Total - Special Aid Fund	<u><u>45,399,068</u></u>

School Lunch Fund

Federal reimbursement	2,166,754
State reimbursement	<u>41,905</u>
Total - School Lunch Fund	<u><u>2,208,659</u></u>

Capital Projects Fund

State grants	140,855
Smart Schools Bond Act	<u>2,293,831</u>
Total - Capital Projects Fund	<u><u>2,434,686</u></u>

Total - State and federal aid receivables	<u><u>\$ 57,413,643</u></u>
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District management has deemed these amounts to be fully collectible, however the amounts reported in the capital projects fund is also recorded as a deferred inflows of resources for unavailable revenue. See Note 1 for more information.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

NOTE 8 - CAPITAL ASSETS:

Capital asset balances and activity for the fiscal year ended June 30, 2022 were as follows:

	Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 7,764,601	\$ -	\$ -	\$ 7,764,601
Construction in progress	11,706,045	9,090,865	(530,358)	20,266,552
Total capital assets not being depreciated	19,470,646	9,090,865	(530,358)	28,031,153
Capital assets being depreciated:				
Buildings and improvements	127,619,910		10,999	127,630,909
Machinery and equipment	7,626,036	734,865	519,359	8,880,260
Total capital assets being depreciated	135,245,946	734,865	530,358	136,511,169
Less accumulated depreciation:				
Building and improvements	76,897,995	4,163,881		81,061,876
Machinery and equipment	4,379,328	546,011		4,925,339
Total accumulated depreciation	81,277,323	4,709,892	-	85,987,215
Total capital assets being depreciated, net	53,968,623	(3,975,027)	530,358	50,523,954
Total capital assets, net	\$ 73,439,269	\$ 5,115,838	\$ -	\$ 78,555,107

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 4,497,207
General support	110,629
Food service program	80,826
Transportation	21,230
Total	\$ 4,709,892

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 41,543,245	\$ 7,537,319	\$ 53,218	\$ 1,519,482
Special aid fund		41,977,169	692,958	6,019,639
School lunch fund		533,219		
Debt service fund	548,501			53,218
Capital projects fund	7,916,462		6,846,163	
Total government activities	50,008,208	50,047,707	7,592,339	7,592,339
Fiduciary fund	39,499			
Totals	\$ 50,047,707	\$ 50,047,707	\$ 7,592,339	\$ 7,592,339

	Advances To	Advances From
General fund	\$ 95,782	\$ -
Capital projects fund	-	95,782
Totals	\$ 95,782	\$ 95,782

The District transferred from the general fund to the special aid fund to fund the District's share of summer program for students with disabilities and the State supported Section 4201 schools. The District transferred from the debt service fund to the general fund as per the budget, to partially offset long-term debt interest expense. The general fund also transferred funds to the capital projects fund for emergency repairs. The transfer out of the special aid fund to the capital projects fund represents grant money received from the ARP Act that was used to reimburse the capital fund for pandemic related capital expenditures.

The advances from the general fund to the capital projects fund represent the amount of the deficit in various district improvements in the capital projects fund, currently a deficit of \$95,782, which is not expected to be repaid in the next fiscal year.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

NOTE 10 – SHORT-TERM LIABILITIES:

Transactions in short-term debt for the fiscal year are summarized below:

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
Revenue Anticipation Note	5/31/2023	3.00%	\$ -	\$ 32,000,000	\$ -	\$ 32,000,000
Revenue Anticipation Note	5/5/2022	1.00%		15,000,000	15,000,000	-
Revenue Anticipation Note	5/5/2022	1.25%	15,000,000		15,000,000	-
Budget Note	5/5/2022	1.25%	8,800,000		8,800,000	-
Deficiency Note	5/5/2022	1.25%	12,280,000		12,280,000	-
Total			<u>\$ 36,080,000</u>	<u>\$ 47,000,000</u>	<u>\$ 51,080,000</u>	<u>\$ 32,000,000</u>

On May 5, 2021, the District issued a revenue anticipation note (RAN) for \$15,000,000, maturing on May 5, 2022 for interim financing of the general fund operations. The RAN has a stated interest rate of 1.25% resulting in interest expense of \$187,500. It also includes a total premium of \$114,900, which results in a net interest cost of \$72,600.

On May 5, 2021, the District issued a deficiency note for \$12,280,000, maturing on May 5, 2022 for interim financing of the general fund operations. The note has a stated interest rate of 1.25% resulting in interest expense of \$153,500. It also includes a total premium of \$94,065, which results in a net interest cost of \$59,435.

On May 5, 2021, the District issued a budget note for \$8,800,000, maturing on May 5, 2022 for interim financing of the general fund operations. The note has a stated interest rate of 1.25% resulting in interest expense of \$110,000. It also includes a total premium of \$67,408, which results in a net interest cost of \$42,592.

On August 31, 2021, the District issued a revenue anticipation note (RAN) for \$15,000,000, maturing on May 5, 2022 for interim financing of the general fund operations. The RAN has a stated interest rate of 1.00% resulting in interest expense of \$101,667. It also includes a total premium of \$5,000, which results in a net interest cost of \$96,667.

On June 7, 2022, the District issued a revenue anticipation note (RAN) for \$32,000,000, maturing on May 31, 2023 for interim financing of the general fund operations. The RAN has a stated interest rate of 3.00% resulting in interest expense of \$917,333. It also includes a total premium of \$270,400, which results in a net interest cost of \$646,933.

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

	<u>Total</u>
Interest paid	\$ 552,667
Less interest accrued in the prior year	(75,166)
Plus interest accrued in the current year	39,884
Total interest expense on short-term debt	<u>\$ 517,385</u>

NOTE 11 – LONG-TERM LIABILITIES:

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Bonds payable					
Construction bonds	\$ 53,705,000	\$	\$ (2,840,000)	\$ 50,865,000	\$ 2,935,000
Plus					
Unamortized premium on bond	1,411,735		(113,316)	1,298,419	113,316
Total bonds payable inclusive of premium	55,116,735	-	(2,953,316)	52,163,419	3,048,316
Other liabilities					
Judgements, claims and settlements payable	263,627		(221,209)	42,418	21,209
ERS stabilization program liability	1,827,068		(273,737)	1,553,331	283,250
Compensated absences payable	535,554	64,194	(1,102)	598,646	-
Total other post-employment benefits liability	426,593,435	26,841,582	(67,550,076)	385,884,941	-
Net pension liability - proportionate share					
Employees' retirement system	45,799		(45,799)	-	-
Teachers' retirement system	16,611,531		(16,611,531)	-	-
Total long-term liabilities	<u>\$ 500,993,749</u>	<u>\$ 26,905,776</u>	<u>\$ (87,656,770)</u>	<u>\$ 440,242,755</u>	<u>\$ 3,352,775</u>

The general fund has typically been used to liquidate long-term liabilities such as bonds payable, judgements, claims and settlements payable, ERS stabilization program liability, compensated absences payable, other post-employment benefits liability and net pension liabilities.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

A) Bonds Payable:

Bonds payable is comprised of the following:

Description	Issue Date	Original Issue Amount	Final Maturity	Interest Rates	Outstanding at June 30, 2022
Various Capital Improvements	2012	\$7,180,000	June 2025	2.75-3%	\$ 1,125,000
Various Capital Improvements	2019	\$22,650,000	December 2033	2.50-5%	19,385,000
Various Capital Improvements	2020	\$32,281,850	March 2047	5.00%	30,355,000
					<u>\$ 50,865,000</u>

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	\$ 2,935,000	\$ 2,269,238	\$ 5,204,238
2024	2,630,000	2,134,962	4,764,962
2025	2,485,000	2,008,237	4,493,237
2026	2,475,000	1,884,113	4,359,113
2027	2,560,000	1,758,612	4,318,612
2028-2032	14,035,000	7,066,319	21,101,319
2033-2037	9,785,000	4,511,050	14,296,050
2038-2042	6,595,000	2,844,250	9,439,250
2042-2047	7,365,000	1,121,500	8,486,500
	<u>\$ 50,865,000</u>	<u>\$ 25,598,281</u>	<u>\$ 76,463,281</u>

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

Unamortized Premiums on Bonds

The District received premiums on bond issuances. These premiums are being amortized over the life of the bond. Amortization is included as a component of interest expense on the District-Wide Financial Statement.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

B) Long-Term Interest:

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

	<u>Total</u>
Interest paid	\$ 2,399,038
Less interest accrued in the prior year	(460,498)
Less amortization of bond premium	(113,316)
Plus interest accrued in the current year	446,421
Total interest expense on long-term debt	<u>\$ 2,271,645</u>

C) Premium on Bonds:

The District received \$1,661,975 of bond premium from the issuance of the April 17, 2019 bonds. The premium will be amortized as a reduction of bond interest expense over the life of the bonds in the District-Wide financial statements as follows:

<u>Year ending June 30,</u>	<u>Amortization of Premium</u>
2023	\$ 113,316
2024	113,316
2025	113,316
2026	113,316
2027	113,316
2028-2032	566,580
2033-2036	165,259
	<u>\$ 1,298,419</u>

NOTE 12 – PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS) (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany NY 12211-2395 or by referring to the TRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

ii) Employees' Retirement System

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

B) Funding Policies:

The Systems are noncontributory, except as follows:

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

2. New York State Employees' Retirement System

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

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31st. The District's contribution rate for ERS' fiscal year ended March 31, 2022, by tier, of covered payroll was as follows:

Tier 1	25.2%
Tier 2	23.1%
Tier 3	18.3%
Tier 4	18.3%
Tier 5	15.3%
Tier 6	10.7%

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2022 was 9.80% of covered payroll.

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

	NYSERS	NYSTRS
2022	\$ 3,237,779	\$ 10,209,479
2021	\$ 2,993,678	\$ 9,764,610
2020	\$ 2,913,508	\$ 9,028,783

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

At June 30, 2022, the District reported the following asset/(liability) for its proportionate share of the net pension liability for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation, with update procedures used to roll forward the total pension asset/(liability). The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
Net pension asset/(liability)	\$ 3,509,483	\$ 104,883,108
District's portion of the Plan's total net pension liability	0.0429316%	0.605245%
Change in proportion since the prior measurement date	-0.0030629%	0.004090%

For the fiscal year ended June 30, 2022, the District recognized pension expense of \$729,825 for ERS, and pension credit of \$6,572,351 for TRS. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 265,778	\$ 14,457,024	\$ 344,729	\$ 544,913
Net difference between projected and actual earnings on pension plan investments			11,492,087	109,771,024
Changes of assumptions	5,856,934	34,498,247	98,829	6,109,132
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,528,346	282,823	479,060	1,944,537
District's contributions subsequent to the measurement date	925,410	10,209,479		
	<u>\$ 8,576,468</u>	<u>\$ 59,447,573</u>	<u>\$ 12,414,705</u>	<u>\$ 118,369,606</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

	ERS	TRS
Fiscal Year ended:		
2022		\$ (14,098,578)
2023	\$ (468,392)	(16,359,154)
2024	(988,296)	(20,394,121)
2025	(2,781,332)	(26,561,892)
2026	(525,627)	4,819,361
Thereafter	-	3,462,872
	\$ (4,763,647)	\$ (69,131,512)

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Interest rate	5.90%	6.95%
Salary scale	4.40%	5.18% - 1.95%
Cost of living adjustments	1.4% annually	1.3%, annually
Decrement tables	April 1, 2015 - March 31, 2020	July 1, 2015 - June 30, 2020
	System's Experience	System's Experience
Inflation rate	2.70%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020, applied on a generational basis. Active member mortality rates are based on plan member experience.

For ERS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

For TRS, the long-term rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selections of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real

EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit 10

rates of return (expected returns, net of investment expense and inflation) for each major asset class, as well as historical investment data and plan performance.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the measurement date are summarized below:

<u>Measurement Date</u>	ERS		TRS	
	March 31, 2022		June 30, 2021	
		Long-Term		Long-Term
<u>Asset type</u>	Target Allocation	Expected Real Rate of Return	Target Allocation	Expected Real Rate of Return
Domestic equity	32%	3.30%	33.0%	6.80%
International equity	15%	5.85%	16.0%	7.60%
Global equity			4.0%	7.10%
Private equity	10%	6.50%	8.0%	10.00%
Real estate	9%	5.00%	11.0%	6.50%
Opportunistic/Absolute return strategy	3%	4.10%		
Opportunistic portfolio	4%	3.78%		
Real assets	3%	5.58%		
Fixed income	23%	0.00%		
Cash and cash equivalents	1%	-1.00%	1.0%	-0.20%
Domestic fixed income securities			16.0%	1.30%
Global bonds			2.0%	0.80%
High-yield bonds			1.0%	3.80%
Private debt			1.0%	5.90%
Real estate debt			7.0%	3.30%
	<u>100.0%</u>		<u>100.0%</u>	

The expected real rate of return is net of long-term inflation assumptions of 2.50% for ERS, and 2.40% for TRS.

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

Sensitivity of the Proportionate Share of the Net Pension Asset/(Liability) to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.90% for ERS and 5.95% for TRS) or 1-percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
ERS			
District's proportionate share of the net pension asset/(liability)	\$ (9,033,371)	\$ 3,509,483	\$ 14,000,975
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
District's proportionate share of the net pension asset/(liability)	\$ 11,005,953	\$ 104,883,108	\$ 183,780,045

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	ERS	TRS
Measurement date	March 31, 2022	June 30, 2021
Employers' total pension liability	\$ (223,874,888)	\$ (130,819,415)
Plan Net Position	232,049,473	148,148,457
Employers' net pension asset/(liability)	\$ 8,174,585	\$ 17,329,042

Ratio of plan net position to the		
Employers' total pension asset/liability	103.65%	113.25%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$925,410.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October, and November through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to \$11,497,950.

NOTE 13 – OTHER PENSION OBLIGATIONS – ERS STABILIZATION PROGRAM:

Legislation enacted as part of the 2013-14 New York State adopted budget as Chapter 57 of the Laws of 2013 established an alternative to the original Contribution Stabilization Program enacted in 2010. This Alternate Contribution Stabilization Program ("ACSP") authorized local governments and school districts, at their option, to defer payment on a portion of their annual ERS contribution beginning in the 2013-14 fiscal year. The maximum amortization amount in each year going forward under this alternate plan will be determined by the difference between each employer's normal effective contribution rate as compared to the System's ACSP graded rate. The graded rate will always move from the previous graded rate towards the new actuarial rate by no more than .5% per year. Any amounts amortized under this program are to be paid in equal annual installments over a twelve-year period, although amounts may be prepaid at any time. The interest rate on an amount amortized in a given year will be the interest rate for that year and will be fixed for the duration of that payment period. The interest rate will be comparable to a twelve-year US Treasury bond plus 1%. If the System's average actuarial rates are lower than the employer's graded rate, the employer would still be required to pay the graded rate. Any additional contributions made as a result will first be used to pay off existing amortizations with any excess being deposited into a reserve account to be used to offset future increases in contribution rates. The District elected to amortize the maximum allowable ERS contributions for the years noted in the table below. The following table summarizes transactions during the year related to amounts amortized under this program and included as a long-term liability in the District-Wide Statement of Net Position, as ERS stabilization program liability:

Fiscal Year	Original Amount Amortized	Beginning of Year Balance	Current Year Additions / (Payments)	End of Year Balance	Principal Due Within One Year
2014	\$ 1,193,538	\$ 562,085	\$ (104,275)	\$ 457,810	\$ 108,196
2015	759,759	418,946	(63,960)	354,986	66,199
2016	956,005	603,102	(77,853)	525,249	80,470
2017	346,546	242,935	(27,649)	215,286	28,385
	<u>\$ 3,255,848</u>	<u>\$ 1,827,068</u>	<u>\$ (273,737)</u>	<u>\$ 1,553,331</u>	<u>\$ 283,250</u>

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

NOTE 14 – OTHER RETIREMENT PLANS:

A) Tax Sheltered Annuities:

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the year ended June 30, 2022, totaled \$16,000 and \$4,383,078 respectively.

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):

A) General Information about the OPEB Plan:

Plan Description

The District's OPEB Plan (the "OPEB Plan"), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through the New York State Health Insurance Program (NYSHIP), and are administered by Empire BlueCross BlueShield, United Healthcare, GHI/Value Options, and Caremark. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The OPEB Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute 50% for individual or family coverage, 74% of individual, and 59% of family coverage for other bargaining units, and 0% of the premiums for surviving spouses. The District recognizes the cost of the OPEB Plan annually as expenditures in the fund financial statements as payments are accrued. For measurement period ending June 30, 2022, the District contributed an estimated \$14,779,560 to the Plan, including \$14,779,560 for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund the OPEB Plan by any other means than the "pay as you go" method.

Employees Covered by Benefit Terms

At July 1, 2021, the date of the last full valuation, the following employees were covered by the benefit terms:

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

Inactive employees, spouses or beneficiaries currently receiving benefit payments	1,745
Active employees	1,270
Total	<u>3,015</u>

B) Total OPEB Liability:

The District's total OPEB liability of \$385,884,941 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

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

Inflation	2.60%
Salary increases	2.60%, including inflation
Discount rate	3.54%
Healthcare cost trend rates	5.1% decreasing to 4.1% over 54 years
Retirees' share of benefit-related costs	15.00% of projected health insurance premiums for retirees and family, 100% for surviving spouse

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

Mortality rates were based on the PubT-2010 Headcount-Weighted Mortality Table for Teaching Positions and PubG-2010 Headcount-Weighted Mortality for Non-Teaching positions, both generationally projected using the MP-2021 Ultimate Scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity.

The actuarial assumptions used in the June 30, 2022 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable. The Plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

C) Changes in the Total OPEB Liability:

Balance at June 30, 2021	<u>\$ 426,593,435</u>
Changes for the fiscal year:	
Service cost	17,409,877
Interest	9,431,705
Changes of benefit terms	-
Differences between expected and actual experience	(20,094,604)
Changes in assumptions or other inputs	(32,675,912)
Benefit payments	<u>(14,779,560)</u>
Net changes	<u>(40,708,494)</u>
Balance at June 30, 2022	<u>\$ 385,884,941</u>

There were no significant plan changes since the last valuation.

Changes in assumptions or other inputs include a change in the discount rate from 2.16% at June 30, 2021 to 3.54% at June 30, 2022.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	<u>\$ 446,142,539</u>	<u>\$ 385,884,941</u>	<u>\$ 337,058,470</u>

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.1%) or 1-percentage-point higher (6.1%) than the current healthcare cost trend rates:

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

	1% Decrease (4.1% decreasing to 3.1%)	Healthcare Cost Trend Rates (5.1% decreasing to 4.1%)	1% Increase (6.1% decreasing to 5.1%)
Total OPEB liability	<u>\$ 337,856,714</u>	<u>\$ 385,884,941</u>	<u>\$ 447,528,475</u>

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$14,643,724. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,516	\$ 21,153,468
Changes of assumptions or other inputs	10,849,269	33,949,788
	<u>\$ 10,855,785</u>	<u>\$ 55,103,256</u>

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

Fiscal Year ended June 30:	
2022	\$ (12,197,858)
2023	(7,720,121)
2024	(6,920,249)
2025	(8,614,157)
2026	(8,795,086)
	<u>\$ (44,247,471)</u>

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

NOTE 16 – JUDGEMENTS, CLAIMS AND SETTLEMENTS PAYABLE:

Judgements, claims and settlements payable of \$42,418 is recorded on the District Wide Statement of Net Position, as a long-term liability. This includes \$42,418 for court ordered tax certiorari refunds which are payable, at \$21,209 a year, for the next two years.

NOTE 17 – RISK MANAGEMENT:

A) General:

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

B) Pool, Risk Sharing:

The District participates in a risk-sharing pool, the Rockland County Schools Cooperative Workers' Compensation Self- Insurance Plan, to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims.

The District pays an annual premium to the pool for its workers' compensation claims coverage. The Plan has obtained an excess compensation insurance policy to buffer the effect that a single large claim may have on the Plan. Although excess compensation insurance permits recovery of a portion of such losses from the insurance carrier, it does not discharge the Plan's responsibility for payment of the claim.

The Plan established a liability for both reported and unreported insured events, which includes estimates of both future payments or losses and related claim adjustment expenses. However, because actual claim costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The Plan's total liability for unbilled and opened claims at June 30, 2022, is \$16,940,056. Of this total undiscounted liability, \$4,007,034 is associated with the District. During the year ended June 30, 2022, the District's contribution to the Plan was \$1,028,808.

The Plan has issued financial statements for the year ended June 30, 2022. Copies of these statements can be obtained from the District's administrative office. For its health insurance coverage, the District is a participant in the New York State Employees Health Insurance Plan, a public entity risk pool operated for New York State, local government and school district

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

employers and employees. The Plan is considered a self-sustaining risk pool and the District has essentially transferred all risk to the pool.

NOTE 18 - TAX ABATEMENTS:

The Towns of Ramapo and Clarkstown, under the authority of Section 577 of the Private Housing Finance Law, entered into property tax abatement programs with various housing development fund companies for the purpose of economic development, and general prosperity and economic welfare of the Towns. The District's property tax revenue was reduced by \$1,761,275 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling \$255,061 for these program during the fiscal year.

NOTE 19 – COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

All encumbrances are classified as assigned or restricted fund balance. At June 30, 2022, the District encumbered the following amounts:

Capital projects fund	
Capital projects	<u>\$ 2,281,185</u>

B) Grants:

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

C) Litigation:

The District is involved in various litigation proceedings resulting from the conduct of its affairs. Management cannot estimate monetary amounts associated with the resolution of these cases, nor the likelihood of an unfavorable outcome.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

NOTE 20 – SUBSEQUENT EVENTS:

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

A) Tax Anticipation Note:

On August 9, 2022, the District issued a tax anticipation note (TAN) in the amount of \$12,700,000, which included a premium on issuance of \$93,980 and carries an interest rate of 3.50%.

SUPPLEMENTARY INFORMATION

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	\$ 145,522,656	\$ 145,522,656	\$ 145,762,671	\$ 240,015
Other real property tax items	9,217,571	9,217,571	8,617,517	(600,054)
Charges for services	2,075,000	2,075,000	894,944	(1,180,056)
Use of money & property	228,000	228,000	123,368	(104,632)
Sale of property and compensation for loss	150,000	150,000	212,373	62,373
Miscellaneous	2,165,000	2,181,855	831,757	(1,350,098)
State Sources				
Basic formula	64,074,030	64,074,030	64,047,231	(26,799)
Excess cost aid	8,497,877	8,497,877	9,482,978	985,101
Tuition aid for students with disabilities	1,920,000	1,920,000	1,242,023	(677,977)
Lottery aid	9,660,101	9,660,101	9,341,524	(318,577)
BOCES aid	3,215,651	3,215,651	3,445,634	229,983
Textbook aid	250,000	250,000	1,896,522	1,646,522
Computer software/hardware aid	150,000	150,000	285,243	135,243
Library A/V loan program aid	100,000	100,000	110,489	10,489
Other state aid	1,920,000	1,920,000	1,769,709	(150,291)
Federal Sources				
CARES Act	22,250,529	22,250,529	10,284,737	(11,965,792)
Medicaid reimbursement	1,000,000	1,000,000	1,432,330	432,330
TOTAL REVENUES	272,396,415	272,413,270	259,781,050	(12,632,220)
Other Financing Sources				
Premium on obligations	-	-	281,373	281,373
Transfers from other funds	53,218	53,218	53,218	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	272,449,633	272,466,488	\$ 260,115,641	\$ (12,350,847)
Appropriated Reserves	184,402	184,402		
TOTAL REVENUES, OTHER FINANCING SOURCES, AND APPROPRIATED FUND BALANCE & RESERVES	\$ 272,634,035	\$ 272,650,890		

Note to Required Supplementary Information

Budget Basis of Accounting

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

EAST RAMAPO CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General Support					
Board of education	\$ 325,529	\$ 342,786	\$ 325,997		\$ 16,789
Central administration	472,680	477,030	478,628		(1,598)
Finance	1,190,811	1,561,020	998,204		562,816
Staff	8,507,652	3,335,046	2,234,804		1,100,242
Central services	11,445,950	14,185,284	10,260,096		3,925,188
Special items	3,225,653	4,034,303	3,274,117		760,186
Total general support	25,168,275	23,935,469	17,571,846		6,363,623
Instruction					
Instruction, admin. & improvement	6,928,817	7,363,219	5,986,987		1,376,232
Teaching - regular school	42,865,487	41,167,374	59,676,457		(18,509,083)
Programs for children with handicap conditions	41,321,391	38,866,391	34,329,597		4,536,794
Occupational education	770,232	1,250,232	1,248,896		1,336
Teaching - special schools	5,904,223	5,904,223	3,766,286		2,137,937
Instructional media	3,743,183	5,228,198	4,031,764		1,196,434
Pupil services	15,307,493	13,180,069	9,766,663		3,413,406
Total instruction	116,840,826	112,959,706	118,806,650		(5,846,944)
Pupil transportation	47,724,892	52,105,947	46,094,625		6,011,322
Community services	120,729	120,729	87,911		32,818
Employee benefits	55,366,187	55,366,187	43,648,528		11,717,659
Debt service - principal	23,927,242	23,194,536	2,840,000		20,354,536
Debt service - interest	2,790,107	3,522,813	2,951,705		571,108
Total debt service	26,717,349	26,717,349	5,791,705		20,925,644
TOTAL EXPENDITURES	271,938,258	271,205,387	232,001,265	-	39,204,122
Other Financing Uses					
Transfers to other funds	695,777	1,445,503	1,519,482	-	(73,979)
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 272,634,035	\$ 272,650,890	233,520,747	\$ -	\$ 39,130,143
Net change in fund balance			26,594,894		
Fund balance (deficit) - beginning of year			(21,969,468)		
Fund balance - end of year			\$ 4,625,426		

Note to Required Supplementary Information

Budget Basis of Accounting

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 17,409,877	\$ 17,996,653	\$ 14,410,134	\$ 14,324,306	\$ 13,907,093
Interest	9,431,705	9,309,827	13,798,640	12,308,197	11,919,040
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(20,094,604)	-	(9,130,787)	-	28,241
Changes of assumptions or other inputs	(32,675,912)	3,196,404	18,350,899	(29,119,405)	-
Benefit payments	<u>(14,779,560)</u>	<u>(14,265,855)</u>	<u>(13,700,566)</u>	<u>(13,567,606)</u>	<u>(13,035,691)</u>
Net change in total OPEB liability	(40,708,494)	16,237,029	23,728,320	(16,054,508)	12,818,683
Total OPEB liability - beginning	<u>426,593,435</u>	<u>410,356,406</u>	<u>386,628,086</u>	<u>402,682,594</u>	<u>389,863,911</u>
Total OPEB liability - ending	<u><u>385,884,941</u></u>	<u><u>426,593,435</u></u>	<u><u>\$ 410,356,406</u></u>	<u><u>\$ 386,628,086</u></u>	<u><u>\$ 402,682,594</u></u>
Covered-employee payroll	\$ 110,549,306	\$ 108,770,475	\$ 108,770,475	\$ 105,464,656	\$ 105,464,656
Total OPEB liability as a percentage of covered-employee payroll	349.06%	392.20%	377.27%	366.59%	381.82%

Notes to Schedule:*Trust Assets*

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

Changes of Assumptions

Changes of assumptions or other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.00%

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

NYSERS Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.0429316%	0.0459945%	0.0475756%	0.0519537%	0.0547149%	0.0531582%	0.0552423%	0.0535383%
District's proportionate share of the net pension asset/(liability)	\$ 3,509,483	\$ (45,799)	\$ (12,598,287)	\$ (3,681,077)	\$ (1,765,893)	\$ (4,994,861)	\$ (8,866,541)	\$ (1,808,655)
District's covered payroll	\$ 16,739,526	\$ 17,205,638	\$ 18,297,219	\$ 18,252,563	\$ 18,675,026	\$ 18,293,000	\$ 17,602,487	\$ 17,353,491
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	20.97%	0.27%	68.85%	20.17%	9.46%	27.30%	50.37%	10.42%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

NYSTRS Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/(liability)	0.605245%	0.601155%	0.584294%	0.590130%	0.569642%	0.566106%	0.550038%	0.523982%
District's proportionate share of the net pension asset/(liability)	\$ 104,883,108	\$ (16,611,531)	\$ 15,179,990	\$ 10,671,117	\$ 4,329,842	\$ (6,063,235)	\$ 57,131,374	\$ 58,368,315
District's covered payroll	\$ 103,679,985	\$ 102,060,005	\$ 97,537,128	\$ 96,125,649	\$ 90,340,434	\$ 87,639,522	\$ 83,140,205	\$ 77,824,582
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	101.16%	16.28%	15.56%	11.10%	4.79%	6.92%	68.72%	75.00%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED JUNE 30,**

NYSERS Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,237,779	\$ 2,993,678	\$ 2,913,508	\$ 3,037,223	\$ 3,148,266	\$ 2,529,370	\$ 2,374,739	\$ 2,140,192
Contributions in relation to the contractually required contribution	<u>3,237,779</u>	<u>2,993,678</u>	<u>2,913,508</u>	<u>3,037,223</u>	<u>3,148,266</u>	<u>2,529,370</u>	<u>2,374,739</u>	<u>2,140,192</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 16,683,193	\$ 17,458,414	\$ 17,938,331	\$ 18,126,104	\$ 18,782,372	\$ 17,755,446	\$ 18,049,532	\$ 17,578,101
Contributions as a percentage of covered payroll	19.41%	17.15%	16.24%	16.76%	16.76%	14.25%	13.16%	12.18%

NYSTRS Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 10,209,479	\$ 9,764,610	\$ 9,028,783	\$ 10,358,443	\$ 9,420,314	\$ 10,587,899	\$ 11,621,001	\$ 14,574,478
Contributions in relation to the contractually required contribution	<u>\$ 10,209,479</u>	<u>\$ 9,764,610</u>	<u>9,028,783</u>	<u>10,358,443</u>	<u>9,420,314</u>	<u>10,587,899</u>	<u>11,621,001</u>	<u>14,574,478</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 105,529,188	\$ 103,679,985	\$ 102,060,005	\$ 97,537,128	\$ 96,125,649	\$ 90,340,434	\$ 87,639,522	\$ 83,140,205
Contributions as a percentage of covered payroll	9.67%	9.42%	8.85%	10.62%	9.80%	11.72%	13.26%	17.53%

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET - GENERAL FUND
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget			\$ 272,449,633
Add: Prior year's encumbrances			<u>184,402</u>
Original Budget			272,634,035
Budget revisions:			
Donations	\$	4,000	
Community fund		7,408	
Community foundation		<u>5,447</u>	<u>16,855</u>
Final Budget			<u><u>\$ 272,650,890</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-23 contingency expenditure budget			<u><u>\$ 256,421,500</u></u>
Maximum allowed (4% of 2022-2023 budget)			<u><u>\$ 10,256,860</u></u>
General fund fund balance subject to Section 1318 of Real Property Tax Law			
Assigned fund balance	\$	-	
Unassigned fund balance		<u>4,426,173</u>	
Total unrestricted fund balance			4,426,173
Less:			
Encumbrances included in assigned fund balance		<u>-</u>	
Total adjustments			<u>-</u>
General fund fund balance subject to Section 1318 of Real Property Tax Law			<u><u>\$ 4,426,173</u></u>
Actual percentage			1.73%

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Project Title	Project #	Project Budget	Expenditures			Unexpended Balance	Proceeds of Obligations	Federal Sources	Methods of Financing			Total	Fund Balance June 30, 2022
			Prior Years	Current Year	Total				State Sources	Local Sources			
Various District Improvements	Multiple	\$ 14,347,900	\$ 14,346,556	\$ -	\$ 14,346,556	\$ 1,344	\$ 7,180,000	\$ -	\$ 5,823,419	\$ 1,253,104		\$ 14,256,523	\$ (90,033)
Kakiat Elementary School Steps, Curbs and Sidewalk Repairs	1318	128,000	125,440	-	125,440	2,560	-	-	-	128,000		128,000	2,560
Ramapo HS Roof Project	2219	1,138,566	1,133,416	-	1,133,416	5,150	-	-	1,000,000	130,000		1,130,000	(3,416)
Spring Valley HS Plumbing Upgrades	0319	28,495	28,495	-	28,495	-	-	-	-	-		-	(28,495) **
Spring Valley HS Asbestos Abatement	0325	4,192,208	-	3,942,538	3,942,538	249,670	-	3,942,538	-	-		3,942,538	-
CRMS Windows	3418	3,333	2,333	-	2,333	1,000	-	-	2,333	-		2,333	-
CRMS Pipe Break	3419	89,544	84,315	-	84,315	5,229	-	-	-	89,544		89,544	5,229
CRMS Corridor/Ceiling (SAM)	3420	3,354	3,354	-	3,354	-	-	-	-	-		-	(3,354) **
CRMS Asbestos Abatement	3424	2,010,755	20,878	2,074,929	2,095,807	(85,052)	-	-	-	2,195,145		2,195,145	99,338
Eldorado Masonry (SAM)	3715	102,414	94,154	208	94,362	8,052	-	-	71,819	-		71,819	(22,543) **
Fleetwood Courtyard/Playground (SAM)	1416	104,478	101,181	256	101,437	3,041	-	-	73,882	-		73,882	(27,555) **
Fleetwood Asbestos Abatement	1417	80,651	80,651	-	80,651	-	-	-	-	80,651		80,651	-
Margetts Windows/Doors/Playground (SAM)	2012	91,263	73,201	-	73,201	18,062	-	-	71,818	-		71,818	(1,383) **
Elmwood Doors/Playground (SAM)	3014	100,866	97,569	256	97,825	3,041	-	-	70,270	-		70,270	(27,555) **
Elmwood Emergency Entrance	9004	535,334	-	11,397	11,397	523,937	-	-	-	535,334		535,334	523,937
Lime Kiln Emergency Electric Project	2718	106,800	-	123,895	123,895	(17,095)	-	-	-	106,800		106,800	(17,095)
ARPA Phase I	2017	1,336,674	-	2,077,101	2,077,101	(740,427)	-	2,077,101	-	-		2,077,101	-
SVHS Auditorium Upgrade (SAM)	3019	4,695	4,644	-	4,644	51	-	-	4,644	-		4,644	-
SVHS Heating/Ventilation (SAM)	319A	132,343	128,748	280	129,028	3,315	-	-	99,058	-		99,058	(29,970) **
SSBA - School Connectivity	7902	1,949,672	1,949,672	330,647	2,280,319	(330,647)	-	-	544,564	-		544,564	(1,735,755) **
SSBA - Nonpublic Loan	7903	700,000	-	529,358	529,358	170,642	-	-	-	-		-	(529,358)
SSBA Class Tech	79B2	459,000	441,390	-	441,390	17,610	-	-	412,672	-		412,672	(28,718) **
Subtotal Other Projects		27,646,345	18,715,997	9,090,865	27,806,862	(160,517)	7,180,000	6,019,639	8,174,479	4,518,578		25,892,696	(1,914,166)
2016 Bond Projects													
Spring Valley HS Roof and Field Bond	0321	8,695,065	6,433,360	-	6,433,360	2,261,705	7,049,570	-	383,091	1,262,404		8,695,065	2,261,705
Spring Valley HS Windows	0322	1,537,464	1,355,418	-	1,355,418	182,046	1,537,464	-	-	-		1,537,464	182,046
Spring Valley HS Paving Bond	0324	222,567	220,055	-	220,055	2,512	222,567	-	-	-		222,567	2,512
Admin Building Bdrm Upgrade	0512	774	774	-	774	-	774	-	-	-		774	-
Admin Roof Bond	0513	197,519	191,876	-	191,876	5,643	178,546	-	-	18,973		197,519	5,643
Admin Boiler and Flooring Bond	0514	2,349,654	2,060,792	-	2,060,792	288,862	2,349,654	-	-	-		2,349,654	288,862
Hempstead Boilers	0616	1,010,678	854,514	-	854,514	156,164	1,010,678	-	-	-		1,010,678	156,164
Hempstead Roof	0617	881,804	837,262	-	837,262	44,542	881,804	-	-	-		881,804	44,542
Hempstead Paving Bond	0618	207,927	205,135	-	205,135	2,792	207,927	-	-	-		207,927	2,792
PMS Roof Bond	0819	2,611,114	2,556,027	-	2,556,027	55,087	2,349,403	-	-	261,711		2,611,114	55,087
PMS Boiler Bond	0820	996,406	958,257	-	958,257	38,149	996,406	-	-	-		996,406	38,149
PMS Paving Bond	0821	161,319	158,435	-	158,435	2,884	161,319	-	-	-		161,319	2,884
Kakiat Window Replacement	1320	75,000	53,497	-	53,497	21,503	75,000	-	-	-		75,000	21,503
Kakiat Air Handling	1321	902,406	851,857	-	851,857	50,549	902,406	-	-	-		902,406	50,549
Kakiat 1st Floor Renovation	1322	497,693	474,899	-	474,899	22,794	59,181	-	-	438,512		497,693	22,794
Kakiat Roof/Boilder/Fan/Win	1323	6,834,586	6,178,057	-	6,178,057	656,529	6,834,586	-	-	-		6,834,586	656,529
Kakiat Interior Reno	1324	2,085,740	2,072,025	-	2,072,025	13,715	2,085,740	-	-	-		2,085,740	13,715
Fleetwood Roof Bond	1419	357,385	355,855	-	355,855	1,530	323,501	-	-	33,884		357,385	1,530
Fleetwood Window Replacement	1420	9,375	7,072	-	7,072	2,303	9,375	-	-	-		9,375	2,303

EAST RAMAPO CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Project Title	Project #	Project Budget	Expenditures			Unexpended Balance	Proceeds of Obligations	Methods of Financing				Fund Balance June 30, 2022
			Prior Years	Current Year	Total			Federal Sources	State Sources	Local Sources	Total	
Fleetwood Boilers	1421	1,378,629	1,154,380	-	1,154,380	224,249	1,378,629	-	-	-	1,378,629	224,249
Fleetwood Windows Bond	1422	1,296,624	1,249,267	-	1,249,267	47,357	1,296,624	-	-	-	1,296,624	47,357
Summit Park Roof	1516	1,484,066	1,478,535	-	1,478,535	5,531	1,414,762	-	69,304	-	1,484,066	5,531
Summit Park Window Bond	1517	1,428,933	1,087,362	-	1,087,362	341,571	1,428,933	-	-	-	1,428,933	341,571
Summit Park Boiler Bond	1518	1,017,090	982,378	-	982,378	34,712	1,017,090	-	-	-	1,017,090	34,712
Summit Park Paving Bond	1519	90,007	87,403	-	87,403	2,604	90,007	-	-	-	90,007	2,604
Grandview Boilers	1614	671,058	569,265	-	569,265	101,793	671,058	-	-	-	671,058	101,793
Grandview Roof	1615	812,013	762,314	-	762,314	49,699	812,013	-	-	-	812,013	49,699
Margetts Roof	2013	846,660	792,603	-	792,603	54,057	846,660	-	-	-	846,660	54,057
RHS Field & Boiler	2220	8,550,213	6,170,550	-	6,170,550	2,379,663	7,633,948	-	-	916,265	8,550,213	2,379,663
RHS Windows Bond	2221	187,500	131,250	-	131,250	56,250	187,500	-	-	-	187,500	56,250
RHS Paving Bond	2222	284,527	273,553	-	273,553	10,974	284,527	-	-	-	284,527	10,974
Lime Kiln Air Handling	2715	22,710	22,710	-	22,710	-	22,710	-	-	-	22,710	-
Lime Kiln Roof	2716	828,397	794,639	-	794,639	33,758	828,397	-	-	-	828,397	33,758
Lime Kiln Paving Bond	2717	129,627	126,975	-	126,975	2,652	129,627	-	-	-	129,627	2,652
Elmwood Boiler Replacement	3015	781,628	778,445	-	778,445	3,183	708,746	-	-	72,882	781,628	3,183
Elmwood Roof Bond	3016	585,313	555,765	-	555,765	29,548	585,313	-	-	-	585,313	29,548
CRMS Roof, Boiler, AHU, Fan	3421	6,788,102	6,752,307	-	6,752,307	35,795	6,788,102	-	-	-	6,788,102	35,795
CRMS Interior Renovations	3422	1,148,103	844,093	-	844,093	304,010	957,103	-	150,000	41,000	1,148,103	304,010
CRMS Paving Bond	3423	126,327	123,681	-	123,681	2,646	126,327	-	-	-	126,327	2,646
Eldorado Window Replacement	3716	295,259	281,464	-	281,464	13,795	295,259	-	-	-	295,259	13,795
Eldorado Roof Windows	3717	565,960	536,221	-	536,221	29,739	565,960	-	-	-	565,960	29,739
Eldorado Paving Bond	3718	168,307	165,563	-	165,563	2,744	168,307	-	-	-	168,307	2,744
SVHS Press Box	5601/56A1	144,469	128,112	-	128,112	16,357	29,893	-	114,576	-	144,469	16,357
RHS Press Box	5701/57A1	140,086	129,714	-	129,714	10,372	140,086	-	-	-	140,086	10,372
SVHS Concession Stands	5801	412,590	387,472	-	387,472	25,118	412,590	-	-	-	412,590	25,118
RHS Concession Stands	5901	358,609	332,607	-	332,607	26,002	358,609	-	-	-	358,609	26,002
Unallocated 2016 bond costs		-	124,126	-	124,126	(124,126)	497,667	-	-	-	497,667	373,541
Subtotal 2016 Bond Projects		60,177,283	52,647,921	-	52,647,921	7,529,362	56,912,348	-	716,971	3,045,631	60,674,950	8,027,029
Total		\$ 87,823,628	\$ 71,363,918	\$ 9,090,865	\$ 80,454,783	\$ 7,368,845	\$ 64,092,348	\$ 6,019,639	\$ 8,891,450	\$ 7,564,209	\$ 86,567,646	\$ 6,112,863

*Deficit fund balance will be eliminated once funding from New York State is received.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2022**

Capital assets, net		\$ 78,555,107
Deduct:		
Short-term portion of construction bonds payable (inclusive of unamortized premium)	\$ (3,048,316)	
Long-term portion of construction bonds payable (inclusive of unamortized premium)	(49,115,103)	
Less: unspent bond proceeds	<u>5,314,144</u>	<u>(46,849,275)</u>
Net investment in capital assets		<u><u>\$ 31,705,832</u></u>



R.S. ABRAMS & CO., LLP

Accountants & Consultants for Over 75 years

Robert S. Abrams (1926–2014)

Marianne E. Van Duyne, CPA

Alexandria M. Battaglia, CPA

Brendan Nelson, CPA

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

To the Board of Education
East Ramapo Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of the East Ramapo Central School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 15, 2022.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or 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, and therefore material weaknesses or significant deficiencies may exist that have not been identified. However, we did identify certain deficiencies in internal control, described in the accompanying schedule of findings as item 2022-001 and 2021-002, that we consider to be material weaknesses.

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Report on Compliance and Other Matters

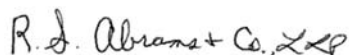
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards, and which is described in the accompanying schedule of findings as item 2022-001.

District' Response to Finding

The District's response to the finding identified in our audit is described in their corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response

Purpose of This Report

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



R.S. Abrams & Co., LLP
Islandia, New York
November 15, 2022

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENT FINDING #2022-001

BUDGETING– MATERIAL WEAKNESS

<u>Criteria:</u>	To verify that the District properly established and enforced controls to establish and monitor the annual voter approved operating budget.
<u>Condition:</u>	During our audit, we noted that the District did not have adequate controls or procedures in place to establish and monitor the annual voter approved operating budget.
<u>Cause:</u>	The District did not have sufficient controls and procedures surrounding their budget development and budget monitoring processes, and the 2021-22 budget did not reflect accurate or realistic estimates for revenues and appropriations.
<u>Effect:</u>	This resulted in the District overestimating budgeted revenues by \$12,350,847, and underspending their total appropriations budget by \$39,130,143. In addition, budgeted line items for central administration, teaching – regular school, and other financing uses were overspent, in the amount of \$18,584,660.
<u>Recommendation:</u>	We recommend the District establish and enforce controls to establish and monitor the voter approved annual operating budget more closely throughout the year and ensure the District is complying with all State Education rules and regulations. In addition, we recommend the District review their budgeting procedures to ensure that the revenue and expenditure budgets are an accurate and realistic reflection of the District's needs and resources to fund the educational programs.
<u>Response:</u>	The District response is included in their corrective action plan.

FINANCIAL STATEMENT FINDING #2021-002 (REPEAT FINDING)

ACCOUNTS PAYABLE– MATERIAL WEAKNESS

<u>Criteria:</u>	Internal control over financial reporting should be in place to ensure financial information is fairly presented in accordance with accounting principles generally accepted in the United States.
<u>Condition:</u>	During our audit, we noted the District did not correctly record or classify transactions for accounts payable at fiscal year-end.
<u>Cause:</u>	The District did not have adequate procedures in place to evaluate the proper period for the recording of accounts payable.
<u>Effect:</u>	The District potentially could materially misstate accounts payable within the financial statements. Material adjusting journal entries were required to correct the account balances and accurately reflect year-end balances.
<u>Recommendation:</u>	We recommend the District improve upon their procedures to evaluate the proper period and classification of accounts payable at year-end to ensure these year-end balances are complete, accurate, and properly recorded.
<u>Response:</u>	The District response is included in their corrective action plan.