BYRAM HILLS CENTRAL SCHOOL DISTRICT
ARMONK, NEW YORK
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2019

BYRAM HILLS CENTRAL SCHOOL DISTRICT
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NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Byram Hills Central School District
Armonk, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and fiduciary funds of the Byram Hills Central School District (the "District"), as of and for the year ended June 30, 2019, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and fiduciary funds of the Byram Hills Central School District, as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, on pages 3-13, and 48-53, 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.

Other 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Other supplementary information required by the New York State Education Department is indicated as such in the table of contents.

The other supplementary information required by the New York State Education Department is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary 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 October 15, 2019, 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 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 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.

Melville, New York
October 15, 2019

Nawrocki Smith LLP

BYRAM HILLS CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The following is a discussion and analysis of the Byram Hills Central School District's (the "District") financial performance for the fiscal year ended June 30, 2019. 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-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- On the District-wide financial statement, the liabilities of the District exceeded assets by $52,161,338. A detailed explanation of this total Net Position and its change from the previous year is presented in the "Financial Analysis of the District As a Whole" section (see pages 5-9).

- The District's governmental activities' expenses, on the full accrual basis of accounting, for the year, totaled $97,632,257. Of this amount, $2,911,300 was offset by program charges for services and operating grants. General revenues of $90,894,878 amount to 96.9% of total revenues.

- The General Fund's total fund balance, as reflected in the fund financial statements, was $29,284,680, which is an increase of $527,494 (see pages 16 and 18). New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the subsequent year's budget. At the end of the 2018/2019 fiscal year, the unassigned fund balance of the General Fund was $3,770,714 (3.99% of the 2019/2020 budget) and this amount was within the statutory limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

- The remaining financial statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide financial statements.

    - The *governmental funds financial statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.

    - The *Fiduciary fund financial statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The 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.

Table A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the financial statements.

Table A-1: Major Features of the District-Wide and Fund Financial Statements

	District-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Fund
Scope	Entire District (except fiduciary fund)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activity monies
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance	• Statement of Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due 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; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

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 District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources - is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial status is improving or deteriorating, respectively.

- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are shown as *governmental activities.* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.

- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has two kinds of funds:

- Governmental funds: Most of the District's 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 funds financial statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide financial statements, reconciliations of the District-wide and governmental funds financial statements are provided which explain the relationship (or differences) between them.

- Fiduciary fund: The District is the trustee or fiduciary, for assets that belong to others, such as the scholarship funds and student activities funds. 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.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net position decreased by 7.9% from the year before to $(52,161,338), as detailed in Tables A-2 and A-3.

The restricted net position of $22,137,113 represents assets that are restricted by external sources, imposed by laws through constitutional provisions or enabling legislation.

As of June 30, 2019, the District has an unrestricted net deficit position of ($124,785,284). This deficit is driven by the District's required recognition of the total other postemployment benefit ("OPEB") liability of $141,304,918 as required by GASB Statement No. 75.

Table A-2: Condensed Statement of Net Position - Governmental Activities

	6/30/19	6/30/18	$ Change	% Change
Current and other assets	$ 41,819,959	$ 39,107,401	$ 2,712,558	6.9
Capital assets, net	70,681,218	71,683,493	(1,002,275)	(1.4)
Total assets	$ 112,501,177	$ 110,790,894	$ 1,710,283	1.5
Deferred outflows of resources	$ 28,965,869	$ 28,485,409	$ 480,460	1.7
Current liabilities	$ 11,870,056	$ 11,490,177	$ 379,879	3.3
Long-term liabilities	160,966,150	167,851,801	(6,885,651)	(4.1)
Total liabilities	$ 172,836,206	$ 179,341,978	$ (6,505,772)	(3.6)
Deferred inflows of resources	$ 20,792,178	$ 8,269,584	$ 12,522,594	151.4
Net position:				
Net investment in capital assets	$ 50,486,833	$ 46,225,548	$ 4,261,285	9.2
Restricted	22,137,113	23,236,447	(1,099,334)	(4.7)
Unrestricted (deficit)	(124,785,284)	(117,797,254)	(6,988,030)	(5.9)
Total net position	$ (52,161,338)	$ (48,335,259)	$ (3,826,079)	(7.9)

As of June 30, 2019, the District had positive working capital of $4,064,081 as compared to $2,621,097 as of June 30, 2018. The increase is primarily due to an increase in the amount of cash and cash equivalents.

The District's deferred outflows of resources increased $480,460 due to an increase in the proportionate share of OPEB related items as a result of changes in actuarial assumptions.

Long-term liabilities decreased $6,885,651 primarily due to bond principal payments.

Changes in Net Position

The District's revenues on the full accrual basis of accounting increased $2,100,939 or 2.3% to $93,806,178 (See Table A-3). Property, other tax items and non-property tax items and State sources accounted for most of the District's revenue by contributing 91 cents and 5 cents, respectively, of every dollar raised (See Table A-4). The remainder came from fees charges for services, operating grants and other miscellaneous sources.

- Real property taxes increased $2,860,413, or 3.8%, as a result of the budgeted increase in the tax levy in fiscal 2019.

The District's expenses on the full accrual basis of accounting increased $2,124,287, or 2.2% (See Table A-3). These expenses (84 percent) are predominantly related to general instruction and transporting students (See Table A-6). The District's administrative and business activities accounted for 14 percent of total costs.

- Expenses related to instruction increased $778,516, mainly due to a budgeted increase in spending for planned repairs and maintenance items, general contractual increases in personnel costs, as well as current year depreciation charges exceeding capital outlay.

Table A-3: Changes in Net Position from Operating Results - Governmental Activities Only

	6/30/19	6/30/18	$ Change	% Change
Revenues				
Program revenues:				
Charges for services	$ 1,960,808	$ 2,004,396	$ (43,588)	(2.2)
Operating grants	950,492	908,863	41,629	4.6
Capital grants	-	333,000	(333,000)	(100.0)
General revenues:				
Real property taxes	78,752,318	75,891,905	2,860,413	3.8
Other tax items	5,561,016	6,901,907	(1,340,891)	(19.4)
Non-property tax items	665,643	649,603	16,040	2.5
State sources	4,688,585	4,534,786	153,799	3.4
Use of money and property	270,915	155,489	115,426	74.2
Sale of property and compensation for loss	410,639	60,132	350,507	582.9
Miscellaneous	545,762	265,158	280,604	105.8
Total revenues	93,806,178	91,705,239	2,100,939	2.3
Expenses				
General support	13,647,368	12,353,226	1,294,142	10.5
Instruction	76,036,858	75,258,342	778,516	1.0
Pupil transportation	6,089,735	5,757,193	332,542	5.8
Debt service - interest	691,385	949,134	(257,749)	(27.2)
School lunch program	1,166,911	1,190,075	(23,164)	(1.9)
Total expenses	97,632,257	95,507,970	2,124,287	2.2
Decrease in net position	(3,826,079)	(3,802,731)	(23,348)	(0.6)
Net position (deficit), beginning of year	(48,335,259)	(44,532,528)	(3,802,731)	(8.5)
Net position (deficit), end of year	$ (52,161,338)	$ (48,335,259)	$ (3,826,079)	(7.9)

Table A-4: Revenues for Fiscal Year 2019

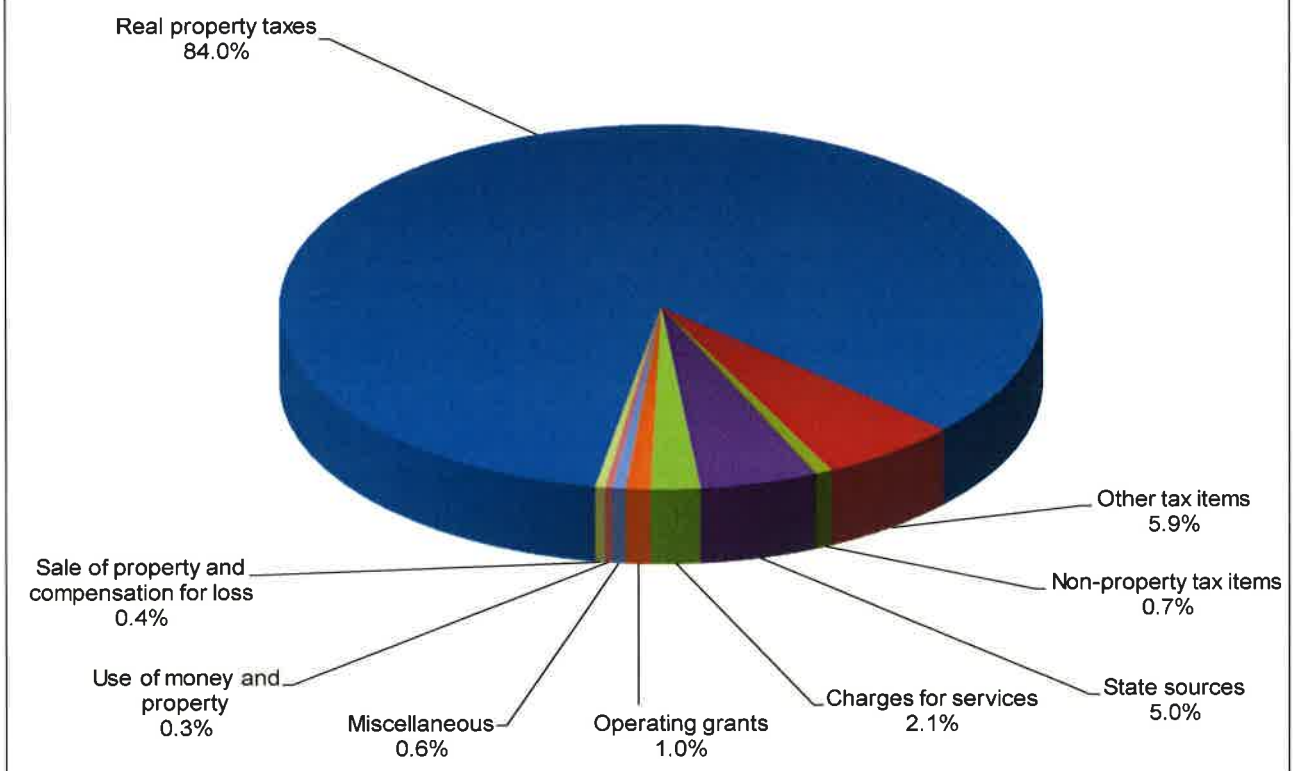


Table A-5: Revenues for Fiscal Year 2018

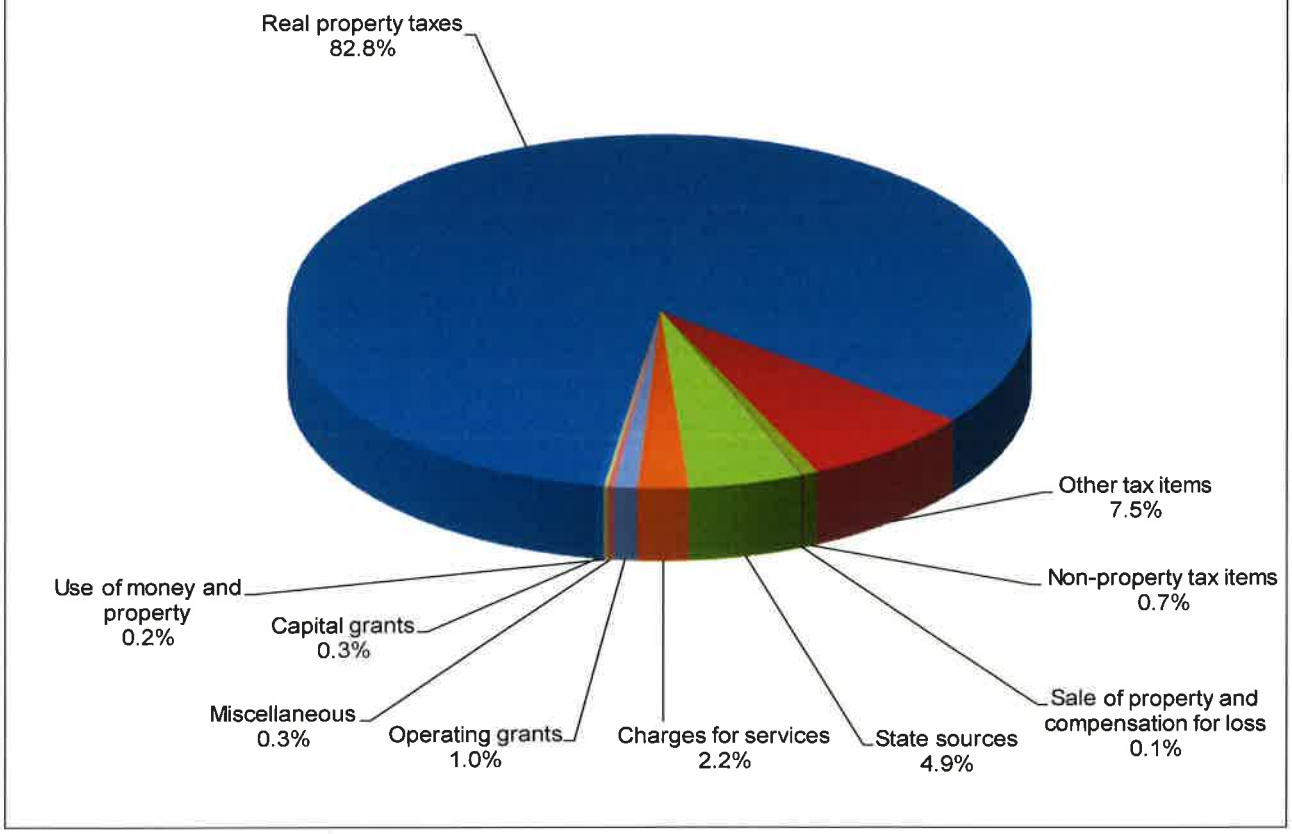


Table A-6: Expenses for Fiscal Year 2019

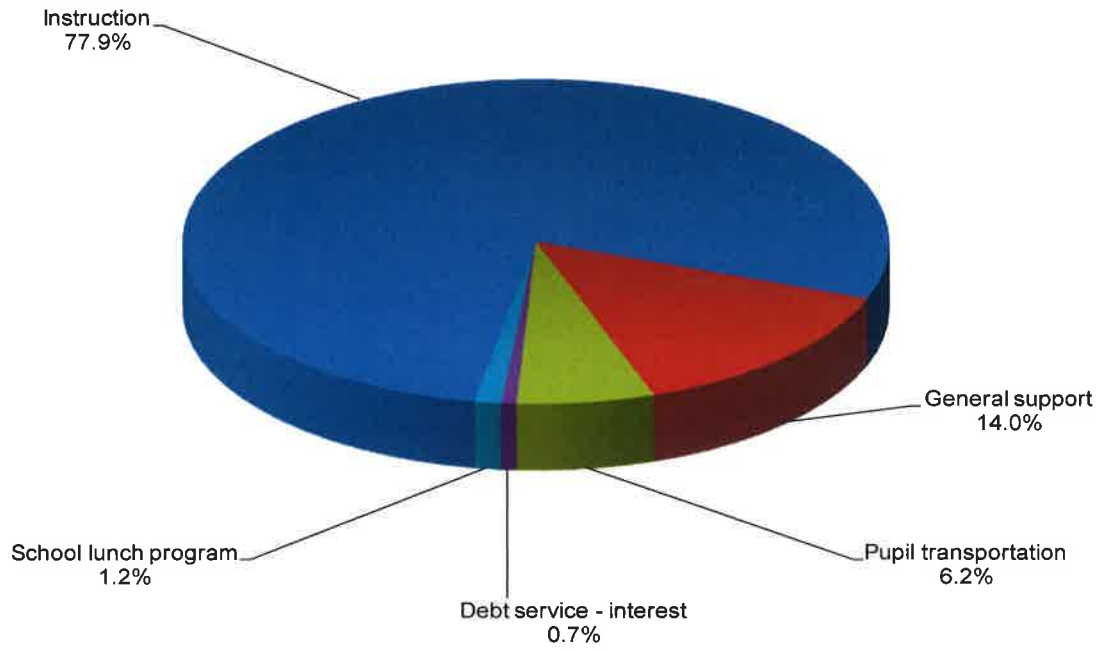
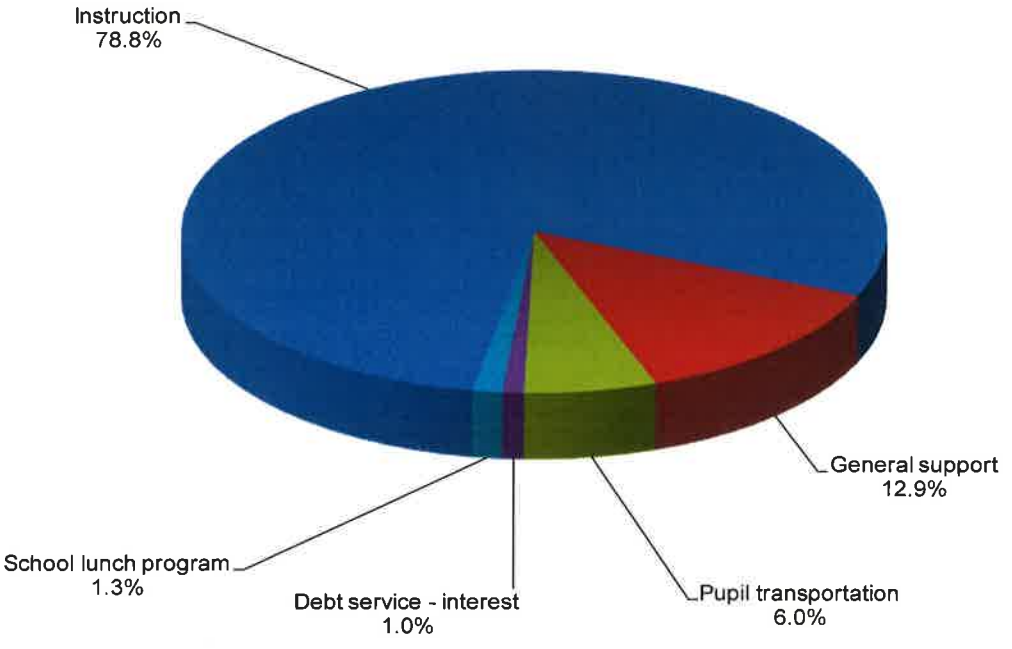


Table A-7: Expenses for Fiscal Year 2018



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Variances between years for the governmental 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 debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

At June 30, 2019, the District's governmental funds reported a combined fund balance of $31,596,479 which is a decrease of $180,176 from June 30, 2018. Fund balances for the District's governmental funds for the past two years were distributed as follows:

Table A-8: Fund Balances - Governmental Funds

	6/30/19	6/30/18	$ Change	% Change
General Fund				
Nonspendable:				
Prepaid expenses	$ 10,668	$ 10,638	$ 30	0.3
Restricted:				
Tax Certiorari	3,589,110	2,281,262	1,307,848	57.3
Property Loss	600,000	-	600,000	100.0
Insurance	3,957,709	6,590,778	(2,633,069)	(40.0)
Retirement Contributions	5,470,821	4,730,362	740,459	15.7
Unemployment Benefits	261,762	258,670	3,092	1.2
Employee Benefit Accrued Liability	632,539	881,673	(249,134)	(28.3)
Capital Repairs	6,821,680	6,741,101	80,579	1.2
Assigned:				
Designated for subsequent year's expenditures	3,009,353	3,009,353	-	-
Encumbrances	1,160,324	570,080	590,244	103.5
Unassigned	3,770,714	3,683,269	87,445	2.4
Total General Fund	29,284,680	28,757,186	527,494	1.8
School Lunch Fund				
Nonspendable:				
Inventory	509	1,064	(555)	(52.2)
Assigned:				
School Lunch Fund	1,507,798	1,265,804	241,994	19.1
Total School Lunch Fund	1,508,307	1,266,868	241,439	19.1
Special Purpose Fund				
Restricted:				
Special Purpose Fund	529,012	747,156	(218,144)	(29.2)
Total Special Purpose Fund	529,012	747,156	(218,144)	(29.2)
Debt Service Fund				
Restricted:				
Debt Service Fund	88	88	-	-
Total Debt Service Fund	88	88	-	-
Capital Projects Fund				
Restricted:				
Capital Projects Fund	274,392	1,005,357	(730,965)	(72.7)
Total Capital Projects Fund	274,392	1,005,357	(730,965)	(72.7)
Total fund balance	$ 31,596,479	$ 31,776,655	$ (180,176)	(0.6)

General Fund

The General Fund reported an increase in fund balance of $527,494 for fiscal 2019, as compared to an increase in fund balance of $1,394,012 for fiscal 2018. Revenues increased $1,341,649 mainly as a result of an increase in the budgeted property tax levy, and an increase in the amount of State formula aid from the New York State Department of Education. Expenditures increased $3,914,580 due to increases in all categories. Other financing uses decreased $476,374, due to a decrease in budgeted transfers. As a result of the revenues being greater than the expenditures, the District reported an increase in the change in fund balance.

Special Aid Fund

Revenues in the Special Aid Fund increased $37,731 and expenditures increased $23,760 from the prior year. The District's federal funding increased from $535,871 to $640,708. Federal sources are received through the New York State Department of Education and are based on approved budgets each year.

School Lunch Fund

The School Lunch Fund reported an increase in fund balance of $241,439 for fiscal 2019, as compared to an increase of $196,483 for fiscal 2018. Sales increased slightly to $1,342,682. Expenses related to school lunch operations decreased $23,164 mainly due to a decrease in equipment purchased for the fiscal year.

Capital Projects Fund

During 2019, the District expended $1,756,197 for capital projects. Those projects include significant improvements and upgrades to District buildings. Improvements are being funded by the General Fund. The Capital Projects Fund reported a fund balance of $274,392 for fiscal 2019.

General Fund Budgeted Highlights

Reference is made to the schedule on page 49 which presents original and revised budget amounts, as well as actual results for the District's General Fund.

- Actual revenues were greater than the final budgeted revenues by $1,938,213. Sale of property and compensation for loss and miscellaneous sources were greater than budgeted by $726,401. State sources were greater than budgeted by $546,585. Other tax items are made up of payments in lieu of taxes collected and school tax relief reimbursements and can vary from year to year. Miscellaneous items are generally due to refunds of prior years' expenditures and are difficult to budget.

- Actual expenditures were $83,690,760 and encumbrances were $1,160,324 resulting in a $1,475,919 overall favorable budget variance.

- The overall increase was $527,494, which is $3,428,103 better than the District budgeted. The District originally anticipated $3,009,353 for use of fund balance and reserves.

At June 30, 2019, the District's unassigned fund balance was $3,770,714 which was within the allowable 4% of the subsequent year's budget as promulgated by New York State (see page 55). The following is a reconciliation of the General Fund's unassigned fund balance for the year ended June 30, 2019.

Unassigned fund balance, beginning of year	$	3,683,269
Add:		
Prior-year appropriated fund balance		3,009,353
Prior-year encumbrances		570,080
Prior-year nonspendable		10,638
Board approved transfer from Insurance Recoveries Reserve		2,711,851
Board approved transfer from Employee Benefit Accrual Reserve		259,673
Board approved transfer from Tax Certiorari Reserve		113,951
Net change in fund balance		527,494
Less:		
Current-year appropriated fund balance		(3,009,353)
Current-year encumbrances		(1,160,324)
Current-year nonspendable		(10,668)
Board approved transfer to Property Loss Reserve		(600,000)
Board approved transfer to Tax Certiorari Reserve		(1,394,530)
Board approved transfer to Retirement Contribution Reserve		(683,915)
Interest allocated to Capital Repairs Reserve		(80,579)
Interest allocated to Tax Certiorari Reserve		(27,269)
Interest allocated to Employee Benefit Accrual Reserve		(10,539)
Interest allocated to Retirement Contributions Reserve		(56,544)
Interest allocated to Unemployement Insurance Reserve		(3,092)
Interest allocated to Insurance Recoveries Reserve		(78,782)
Unassigned fund balance, end of year	$	3,770,714

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

By the end of fiscal 2019, the District had invested $70,681,218 net of depreciation, in a broad range of capital assets, including school buildings, maintenance facilities, athletic facilities, computer and audio-visual equipment, and administrative offices. See Note 6 in the accompanying notes to financial statements for more information on capital assets.

Table A-9: Capital Assets (net of depreciation)

	6/30/19	6/30/18	$ Change	% Change
Land	$ 562,525	$ 562,525	$ -	-
Construction-in-progress	877,450	877,450	-	-
Buildings and building improvements	63,974,278	65,564,312	(1,590,034)	(2.4)
Furniture and equipment	5,266,965	4,679,206	587,759	12.6
Totals	$ 70,681,218	$ 71,683,493	$ (1,002,275)	(1.4)

Long-Term Liabilities

At year-end, the District had $22,476,214 in general obligation bonds and other long-term liabilities. The District did not enter into any new debt agreements during the year ended June 30, 2019.

Table A-10: Outstanding Long-Term Debt

	6/30/19	6/30/18	$ Change	% Change
Bonds payable	$ 19,900,000	$ 25,090,000	$ (5,190,000)	(20.7)
Unamortized bond premiums	1,954,225	2,347,344	(393,119)	(16.7)
Compensated absences	621,989	589,097	32,892	5.6
Totals	$ 22,476,214	$ 28,026,441	$ (5,550,227)	(19.8)

FACTORS BEARING ON THE FUTURE OF DISTRICT

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that may affect its financial health in the future:

- The "Tax Levy Limitation Law" which was enacted on June 24, 2011 restricts the amount of property taxes that may be levied by or on behalf of a school district in a particular year. Although there are exceptions, exemptions and overrides to the limitation, the new Law is expected to make budgetary decisions more difficult.

- The General Fund Budget for the 2019-2020 school year is impacted by certain trends affecting school districts. These include potential increase in health insurance costs, workers' compensation judgments, and potential unemployment insurance claims, which are beyond the District's control.

- The possibility of New York State allowing for the establishment of other post-employment benefit reserve funds is being discussed in the legislature. This would allow for the District to set aside monies to meet other post-employment retirement benefits such as health insurance. The establishment of that reserve would increase the District's ability to plan for the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Byram Hills Central School District
Attn: Kelly Seibert
Assistant Superintendent for Business and Management Services
10 Tripp Lane
Armonk, NY 10504

BYRAM HILLS CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS		
Unrestricted cash	$	13,535,465
Receivables:		
State and federal aid		1,917,643
Property taxes		3,780
Due from other governments		167,465
Due from fiduciary funds		2,323
Other		296,284
Prepaid expenses		10,668
Inventories		509
Restricted cash		22,089,674
Proportionate share of net pension asset		3,796,148
Capital assets:		
Non-depreciable		1,439,975
Depreciable, net		69,241,243
Total assets		112,501,177
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge from refunding bonds		1,659,840
Deferred outflows from pensions		22,299,854
Deferred outflows from OPEB		5,006,175
Total deferred outflows of resources		28,965,869
LIABILITIES		
Accounts payable		1,715,818
Accrued interest payable		94,605
Accrued liabilities		182,380
Due to fiduciary funds		1,506
Due to other governments		39,246
Due to teachers' retirement system		3,815,238
Due to employees' retirement system		439,955
Unearned revenue		233,189
Long-term liabilities, due within one year:		
Bonds payable, net		5,268,119
Compensated absences		80,000
Long-term liabilities, due after one year:		
Bonds payable, net		16,586,106
Compensated absences		541,989
Other post-employment benefits obligation		141,304,918
Proportionate share of net pension liability		2,533,137
Total liabilities		172,836,206
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from OPEB		15,070,785
Deferred inflows from pensions		5,721,393
Total deferred inflows of resources		20,792,178
NET POSITION		
Net investment in capital assets		50,486,833
Restricted:		
Tax Certiorari		3,589,110
Property Loss		600,000
Insurance		3,957,709
Retirement Contributions		5,470,821
Unemployment Benefits		261,762
Employee Benefit Accrued Liability		632,539
Capital Repairs		6,821,680
Special Purpose Fund		529,012
Debt Service Fund		88
Capital Projects Fund		274,392
Unrestricted		(124,785,284)
Total net position	$	(52,161,338)

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

BYRAM HILLS CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Functions and programs:				
General support	$ 13,647,368	$ -	$ -	$ (13,647,368)
Instruction	76,036,858	572,292	819,214	(74,645,352)
Pupil transportation	6,089,735	45,834	65,610	(5,978,291)
Debt service - interest	691,385	-	-	(691,385)
School lunch program	1,166,911	1,342,682	65,668	241,439
Total functions and programs	$ 97,632,257	$ 1,960,808	$ 950,492	(94,720,957)
General revenues:				
Real property taxes				78,752,318
Other tax items				5,561,016
Non-property tax items				665,643
Use of money and property				270,915
Sale of property and compensation for loss				410,639
State sources				4,688,585
Miscellaneous				545,762
Total general revenues				90,894,878
Change in net position				(3,826,079)
Total net position, beginning of year				(48,335,259)
Total net position, end of year				$ (52,161,338)

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

BYRAM HILLS CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	Major Funds						
		Special Revenue					
	General	Special Aid	School Lunch	Special Purpose	Debt Service	Capital Projects	Total Governmental Funds
ASSETS							
Cash:							
Unrestricted	$ 11,788,302	$ -	$ 1,747,163	$ -	$ -	$ -	$ 13,535,465
Restricted	21,333,621	-	-	481,589	-	274,464	22,089,674
Receivables:							
State and federal aid	1,100,795	808,571	8,277	-	-	-	1,917,643
Taxes	3,780	-	-	-	-	-	3,780
Due from other governments	167,465	-	-	-	-	-	167,465
Due from other funds	740,262	-	40	64,806	88	-	805,196
Due from fiduciary funds	2,323	-	-	-	-	-	2,323
Other	296,284	-	-	-	-	-	296,284
Prepaid	10,668	-	-	-	-	-	10,668
Inventories	-	-	509	-	-	-	509
Total assets	$ 35,443,500	$ 808,571	$ 1,755,989	$ 546,395	$ 88	$ 274,464	$ 38,829,007
LIABILITIES							
Payables:							
Accounts payable	$ 1,519,652	$ 30,875	$ 165,291	$ -	$ -	$ -	$ 1,715,818
Accrued liabilities	182,380	-	-	-	-	-	182,380
Due to other funds	-	777,696	10,045	17,383	-	72	805,196
Due to fiduciary funds	-	-	1,506	-	-	-	1,506
Due to other governments	39,246	-	-	-	-	-	39,246
Due to teachers' retirement system	3,815,238	-	-	-	-	-	3,815,238
Due to employees' retirement system	439,955	-	-	-	-	-	439,955
Unearned revenue	162,349	-	70,840	-	-	-	233,189
Total liabilities	6,158,820	808,571	247,682	17,383	-	72	7,232,528
FUND BALANCE							
Fund balance:							
Nonspendable	10,668	-	509	-	-	-	11,177
Restricted	21,333,621	-	-	529,012	88	274,392	22,137,113
Assigned	4,169,677	-	1,507,798	-	-	-	5,677,475
Unassigned	3,770,714	-	-	-	-	-	3,770,714
Total fund balance	29,284,680	-	1,508,307	529,012	88	274,392	31,596,479
Total liabilities and fund balance	$ 35,443,500	$ 808,571	$ 1,755,989	$ 546,395	$ 88	$ 274,464	$ 38,829,007

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

BYRAM HILLS CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total Fund Balance - Governmental Funds		$ 31,596,479
Amounts reported for governmental activities in the Statement of Net Position are different due to the following:		
Capital assets less accumulated depreciation are included in the Statement of Net Position:		
Capital assets:		
Non-depreciable	$ 1,439,975	
Depreciable	142,366,992	
Accumulated depreciation	(73,125,749)	70,681,218
Proportionate share of long-term asset and liability, and deferred outlows and inflows of resources associated with participation in the State retirement systems are not current financial resources or obligations and are not reported in the fund financial statements:		
Proportionate share of net pension asset	3,796,148	
Deferred outflows of resources - pension related	22,299,854	
Proportionate share of net pension liability	(2,533,137)	
Deferred inflows of resources - pension related	(5,721,393)	17,841,472
Amounts reported as deferred inflows and outflows of resources associated with the total OPEB liability are not current financial resources or obligations and are not reported in the fund financial statements.		(10,064,610)
Deferred charge from refunding bonds.		1,659,840
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported in the fund financial statements. However, these liabilities are included in the Statement of Net Position:		
Bonds payable, net	(21,854,225)	
Other post-employment benefits	(141,304,918)	
Compensated absences	(621,989)	(163,781,132)
Interest payable applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported in the fund financial statements. However, these liabilities are included in the Statement of Net Position.		(94,605)
Net Position - Governmental Activities		$ (52,161,338)

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

BYRAM HILLS CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Major Funds						
		Special Revenue					
	General	Special Aid	School Lunch	Special Purpose	Debt Service	Capital Projects	Total Governmental Funds
REVENUES							
Real property taxes	$ 78,752,318	$ -	$ -	$ -	$ -	$ -	$ 78,752,318
Other tax items	5,561,016	-	-	-	-	-	5,561,016
Non-property tax items	665,643	-	-	-	-	-	665,643
Charges for services	381,662	-	-	-	-	-	381,662
Use of money and property	270,915	-	-	-	-	-	270,915
Sale of property and compensation for loss	410,639	-	-	-	-	-	410,639
State sources	4,688,585	244,116	3,875	-	-	-	4,936,576
Federal sources	-	640,708	61,793	-	-	-	702,501
Sales	-	-	1,342,682	-	-	-	1,342,682
Miscellaneous	545,762	-	-	211,232	-	25,232	782,226
Total revenues	91,276,540	884,824	1,408,350	211,232	-	25,232	93,806,178
EXPENDITURES							
Current -							
General support	10,488,266	-	-	-	-	-	10,488,266
Instruction	48,053,907	945,853	-	429,376	-	-	49,429,136
Pupil transportation	5,033,851	-	-	-	-	-	5,033,851
Employee benefits	20,114,736	-	-	-	-	-	20,114,736
Debt service -							
Principal	-	-	-	-	5,190,000	-	5,190,000
Interest	-	-	-	-	807,257	-	807,257
Cost of sales	-	-	1,166,911	-	-	-	1,166,911
Capital outlay	-	-	-	-	-	1,756,197	1,756,197
Total expenditures	83,690,760	945,853	1,166,911	429,376	5,997,257	1,756,197	93,986,354
Excess (deficiency) of revenues over (under) expenditures	7,585,780	(61,029)	241,439	(218,144)	(5,997,257)	(1,730,965)	(180,176)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	61,029	-	-	5,997,257	1,000,000	7,058,286
Operating transfers out	(7,058,286)	-	-	-	-	-	(7,058,286)
Total other financing sources (uses)	(7,058,286)	61,029	-	-	5,997,257	1,000,000	-
Change in fund balance	527,494	-	241,439	(218,144)	-	(730,965)	(180,176)
Fund balance, beginning of year	28,757,186	-	1,266,868	747,156	88	1,005,357	31,776,655
Fund balance, end of year	$ 29,284,680	$ -	$ 1,508,307	$ 529,012	$ 88	$ 274,392	$ 31,596,479

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

BYRAM HILLS CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net Change in Fund Balance - Governmental Activities			$ (180,176)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeds capital outlay in the current period is:			
Capital outlay	$ 3,626,662		
Loss on disposal of assets	(25,800)		
Depreciation expense	(4,603,137)		(1,002,275)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.			
Repayment of bond principal			5,190,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:			
Amortization of refunding bond premiums	393,119		
Amortization of deferred charge on refunding bond	(319,559)		
Other post-employment benefits	3,058,893		
Compensated absences	(32,892)		
Accrued interest costs	42,312		3,141,873
Changes in the amount of total OPEB liability deferred inflows and outflows of resources reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenue in the governmental funds.			(10,355,347)
Changes in the proportionate share of the collective pension expense of the State retirement plans reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.			
Proportionate share of net pension asset	2,155,543		
Deferred outflows of resources from pensions	(3,915,419)		
Proportionate share of net pension liability	(1,408,469)		
Deferred inflows of resources from pensions	2,548,191		(620,154)
Net Change in Net Position - Governmental Activities			$ (3,826,079)

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

BYRAM HILLS CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2019

	Agency Funds
ASSETS	
Cash:	
Restricted	$ 233,371
Receivables	2,954
Due from governmental funds	1,506
Total assets	$ 237,831
LIABILITIES	
Due to governmental funds	$ 2,323
Extraclassroom activity balances	214,227
Other liabilities	21,281
Total liabilities	$ 237,831

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

1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The Byram Hills Central School District (the "District"), at Armonk, New York, as presently constituted, was established in 1964 and operates in accordance with the provisions of the Education Law of the State of New York. The financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board ("GASB"), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies used by the District are described below:

A. Reporting entity

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

The reporting entity of the District is based upon criteria set forth by GASB. 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 such criteria, the District's Extraclassroom Activity Funds have been included in the accompanying financial statements. See correspondence note below.

B. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found elsewhere in this report. The District accounts for assets held as an agent for various student organizations in an agency fund.

C. Joint venture

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

BOCES are 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 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 and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed $3,734,261 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $1,195,212.

Financial statements for the BOCES are available from the BOCES administrative office.

D. Basis of presentation

1. District-wide financial statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These financial 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 nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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.

2. Fund financial statements

The fund financial statements provide information about the District's funds, including fiduciary funds. Separate financial 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 is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds include the following:

Special Aid Fund: Used to account for proceeds from State and federal grants that are restricted for specific educational programs.

School Lunch Fund: Used to account for child nutrition or other activities whose funds are restricted as to use.

Special Purpose Fund: Used to account for assets held by the District in accordance with the terms of a trust agreement, where the District has the ability to select who will receive payments.

Debt Service Fund: 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: These funds are 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

Fiduciary activities are those in which the District acts as trustee or agent 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. There is one class of fiduciary funds:

Agency fund: This fund is strictly custodial in nature and does not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or Extraclassroom Activity Funds and for payroll or employee withholding.

E. Measurement focus and basis of accounting

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

The District-wide 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. Nonexchange 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 funds to be available if the revenues are collected within 90 days 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, claims and judgments, and compensated absences 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.

F. Property taxes

Real property taxes attach as an enforceable lien on real property as of July 1st and are payable in two installments in September and January for the Town of North Castle, the Town of Bedford, the Town of Mount Pleasant, and the Town of New Castle ("Towns"). The Towns are responsible for the billing and collection of the taxes. The Towns guarantee the full payment of the District warrant and assume responsibility for uncollected taxes.

G. 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.

H. 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 flow. 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 the funds, with the exception of those due from or to the fiduciary funds.

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.

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 liabilities and disclosure of contingent assets and liabilities 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 encumbrances, compensated absences, potential contingent liabilities, useful lives of long-lived assets and proportionate share of net pension assets and liabilities.

J. Cash and investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation ("FDIC") insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of 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 school districts.

K. Accounts receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

L. Inventories and prepaid items

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, at stated value which approximates market. Purchases of other inventory items, such as supplies, in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures (nonspendable).

M. Other assets/restricted assets

Certain proceeds from serial bonds, as well as resources set aside for their repayment are classified as restricted assets in the District-wide financial statements as their use is limited by applicable bond covenants.

In the District-wide financial statements, bond discounts, premiums and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

N. Capital assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 1975. For assets acquired prior to July 1, 1975, estimated historical costs, based on independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the 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 financial statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and improvements	$ 5,000	Straight line	20-50 years
Furniture and equipment	$ 5,000	Straight line	8-20 years

O. Unearned revenue

The District reports unearned revenue on its Statement of Net Position and its Balance Sheet. Unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. Another example is the prepayment for student food sale vouchers not yet redeemed in the School Lunch Fund. In subsequent periods, when the District has legal claim to resources, or the food sale vouchers are used, the liability for unearned revenue is removed and revenue is recognized.

P. Deferred outflows of resources

In addition to assets, the Statement of Net Position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in

pension expense. The third item is the District contributions to the pension systems (NYSTRS and NYSERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

Q. Deferred inflows of resources

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District could have four items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue - property taxes. The second item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability (NYSTRS and NYSERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

R. Vested employee benefits - compensated absences

Compensated absences consist of unpaid accumulated annual sick leave.

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

Consistent with GASB Pronouncements, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end

S. Other benefits

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions 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 cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

T. 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 a liability

of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

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

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

As of June 30, 2019, the District does not have any outstanding RAN's, TAN's, BAN's or deficiency notes.

U. 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. Other post-employment benefits that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

V. Equity classifications

District-wide financial statements

In the District-wide financial statements there are three classes of net position:

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

2. Restricted net position: Reports net position when constraints placed on the assets or deferred outflows of resources 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.

3. Unrestricted net position: Reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

Fund financial statements

In the fund financial statements there are five classifications of fund balance:

1. Nonspendable - 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 prepaid expenses in the General Fund of $10,668 and inventory in the School Lunch Fund of $509.

2. Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has established the following restricted fund balances within the General Fund:

   Tax Certiorari

   According to General Municipal Law §3651.1-a, must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.

   Property loss

   According to Education Law §1709(8) (c)), must be used to pay for property loss incurred. Separate funds for property loss are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts with a population under 125,000. This reserve is accounted for in the General Fund.

   Insurance

   According to General Municipal Law §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.

   Retirement Contributions

   According to General Municipal Law §6-r, must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other

funds and a detailed report of the operation and condition of the fund must be provided to the Board.

Unemployment Benefits

According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the school district elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

Capital Repairs

According to General Municipal Law §6-d, must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.

3. Committed - Includes amounts that are subject to a purpose constraint imposed by a formal action of the District's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Board of Education is the decision-making authority that can, by Board resolution, commit fund balance. The District has no committed fund balances as of June 30, 2019.

4. Assigned - Includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed, except for tax stabilization. The intent can be expressed by the Board or through the Board delegating this responsibility to the District administration through the budgetary process. The classification also includes the remaining positive fund balances for all governmental funds except for the General Fund.

5. Unassigned - Includes all other General Fund fund balance that does not meet the definition of the above four classifications and is deemed to be available for general use by the District. The unassigned classification also includes negative residual balances of any other governmental fund that cannot be eliminated by offsetting assigned fund balances.

Fund balances for all governmental funds as of June 30, 2019 were distributed as follows:

	General	School Lunch	Special Purpose	Debt Service	Capital Projects	Total Governmental Funds
Nonspendable:						
Prepaid expenses	$ 10,668	$ -	$ -	$ -	$ -	$ 10,668
Inventories	-	509	-	-	-	509
Total nonspendable	10,668	509	-	-	-	11,177
Restricted:						
Capital Projects	-	-	-	-	274,392	274,392
Tax Certiorari	3,589,110	-	-	-	-	3,589,110
Property Loss	600,000	-	-	-	-	600,000
Insurance	3,957,709	-	-	-	-	3,957,709
Retirement Contributions	5,470,821	-	-	-	-	5,470,821
Unemployment Benefits	261,762	-	-	-	-	261,762
Employee Benefit Accrued Liability	632,539	-	-	-	-	632,539
Capital Repairs	6,821,680	-	-	-	-	6,821,680
Scholarships	-	-	529,012	-	-	529,012
Debt Service	-	-	-	88	-	88
Total restricted	21,333,621	-	529,012	88	274,392	22,137,113
Assigned:						
Designated for subsequent year's expenditures	3,009,353	-	-	-	-	3,009,353
Encumbrances	1,160,324	-	-	-	-	1,160,324
School Lunch Fund	-	1,507,798	-	-	-	1,507,798
Total assigned	4,169,677	1,507,798	-	-	-	5,677,475
Unassigned	3,770,714	-	-	-	-	3,770,714
Total	$ 29,284,680	$ 1,508,307	$ 529,012	$ 88	$ 274,392	$ 31,596,479

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the school district's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of use of fund balance

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as either restricted or assigned fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND FINANCIAL STATEMENTS AND DISTRICT-WIDE FINANCIAL 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 District-wide financial statements, 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. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental funds Balance Sheet.

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. The categories are shown below:

1. Long-term revenue/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 accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital related differences

Capital related differences include the difference between proceeds from the sale of capital assets reported on fund financial statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund financial statements and depreciation expense on those items as recorded in the Statement of Activities.

3. Long-term debt transaction differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund financial 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.

4. Pension differences

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/(liability) and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

5. OPEB differences

OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that 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 of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

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

The following supplemental appropriations occurred during the year:

Equipment purchases	$ 481,500

Budgets are established and used for individual capital project fund 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.

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. Generally, all unencumbered appropriations lapse at year-end, except those for capital project funds. Open encumbrances at fiscal year-end are included in restricted or assigned fund balance, as appropriate. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

4. CASH AND CASH EQUIVALENTS - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT AND INTEREST RATE RISK

The District's aggregate bank balances, including balances not covered by depository insurance at year-end, are collateralized as follows:

Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$ 39,266,589

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 as of year-end includes $22,089,674 within the governmental funds and $233,371 in the fiduciary funds.

Investment and deposit policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, State and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Official of the District.

Interest rate risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts
- Certificates of deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of New York State and its localities

Custodial credit risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies
- Obligations issued or fully insured or guaranteed by New York State and its localities
- Obligations issued by other than New York State in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

5. RECEIVABLES

Receivables at June 30, 2019, consisted of the following:

A. State and federal aid

State and federal aid receivables at June 30, 2019, consisted of the following:

General Fund:	
BOCES aid	$ 919,317
New York State Aid - excess cost aid	181,478
Special Aid Fund:	
State and federal grants	808,571
School Lunch Fund:	
School breakfast and lunch reimbursement	8,277
	$ 1,917,643

B. Due from other governments

Due from other governments at June 30, 2019, consisted of the following:

General Fund:	
Westchester County	$ 167,465

C. Taxes receivable

Taxes receivable at June 30, 2019, consisted of the following:

General Fund:	
Town of North Castle	$ 3,780

D. Other receivables

Other receivables at June 30, 2019, consisted of the following:

General Fund:	
Various receivables	$ 296,284

The District has deemed the amounts to be fully collectible.

6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

	Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets not depreciated:				
Land	$ 562,525	$ -	$ -	$ 562,525
Construction-in-progress	877,450	-	-	877,450
Total nondepreciable assets	1,439,975	-	-	1,439,975
Capital assets that are depreciated:				
Buildings and building improvements	127,581,374	2,151,791	(290,675)	129,442,490
Furniture and equipment	12,465,897	1,474,871	(1,016,266)	12,924,502
Total depreciable assets	140,047,271	3,626,662	(1,306,941)	142,366,992
Less accumulated depreciation:				
Buildings and building improvements	62,017,062	3,799,723	(348,573)	65,468,212
Furniture and equipment	7,786,691	803,414	(932,568)	7,657,537
Total accumulated depreciation	69,803,753	4,603,137	(1,281,141)	73,125,749
Total capital assets, net	$ 71,683,493	$ (976,475)	$ (25,800)	$ 70,681,218

Depreciation expense was charged to governmental functions as follows:

General support	$ 460,474
Instruction	3,833,825
Pupil transportation	308,838
	$ 4,603,137

7. LONG-TERM DEBT LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds payable	$ 25,090,000	$ -	$ 5,190,000	$ 19,900,000	$ 4,875,000
Unamortized bond premiums	2,347,344	-	393,119	1,954,225	393,119
Total bonds payable, net	27,437,344	-	5,583,119	21,854,225	5,268,119
Compensated absences	589,097	32,892	-	621,989	80,000
Total long-term liabilities	$ 28,026,441	$ 32,892	$ 5,583,119	$ 22,476,214	$ 5,348,119

Bonds payable - the District borrows money in order to acquire land or equipment or to construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government.

Other long-term debt - in addition to the above long-term debt, the District had the following non-current liabilities:

Compensated absences - represents the value of earned and unused portion of the liability for compensated absences.

The following is a summary of the maturity of long-term indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at 6/30/2019
Serial Bonds	04/15/05	10/15/19	5.00%	$ 2,380,000
Refunding Bonds	05/15/13	11/15/25	2.00-5.00%	17,520,000
				$ 19,900,000

The following is a summary of maturing debt service requirements for the District's serial bonds:

Year Ended June 30,	Principal	Interest	Totals
2020	$ 4,875,000	$ 568,107	$ 5,443,107
2021	2,520,000	408,306	2,928,306
2022	2,545,000	307,007	2,852,007
2023	2,540,000	205,307	2,745,307
2024	2,535,000	129,157	2,664,157
2025-2026	4,885,000	103,117	4,988,117
	$ 19,900,000	$ 1,721,001	$ 21,621,001

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

Interest paid	$ 807,257
Amortization of deferred charges on refunding	319,559
Amortization of premium on bonds	(393,119)
Less interest accrued in the prior year	(136,917)
Plus interest accrued in the current year	94,605
Interest expense	$ 691,385

8. PENSION PLANS

General information

The District participates in the New York State Teachers' Retirement System ("NYSTRS") and the New York State and Local Employees' Retirement System ("NYSERS"). These are cost-sharing, multiple employer public employee retirement systems. The Systems offer a wide range of plans

and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability

Provisions and administration

A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law ("NYSRSSL"). 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 NYSTRS. 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. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

NYSERS 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 net 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. NYSRSSL governs obligations of employers and employees to contribute, and benefits to employees. 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 ("GLIP"), 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. NYSERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

Funding policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under NYSERS tier VI vary based on a sliding salary scale. For NYSTRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For NYSERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the NYSERS' fiscal year ended March 31.

The District share of the required contributions, based on covered payroll for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

Year	NYSERS	NYSTRS
2019	$ 1,508,145	$ 3,646,972
2018	1,559,422	3,345,100
2017	1,580,656	4,012,211

Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2019, the District reported the following liability for its proportionate share of the net pension asset /(liability) for each of the Systems. The net pension asset/(liability) was measured as of June 30, 2018 for NYSTRS and March 31, 2019 for NYSERS. The total pension asset/(liability) used to calculate the net pension liability was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the NYSTRS and NYSERS Systems in reports provided to the District:

	NYSERS	NYSTRS
Actuarial Valuation Date	March 31, 2019	June 30, 2018
Net pension asset/(liability)	$ (2,533,137)	$ 3,796,148
District's portion of the Plan's total net pension liability	0.0357520%	0.209933%

For the year ended June 30, 2019, the District recognized pension expense of $1,883,841 for NYSERS and $2,980,299 for NYSTRS. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources - NYSERS	Deferred Outflows of Resources - NYSTRS	Deferred Inflows of Resources - NYSERS	Deferred Inflows of Resources - NYSTRS
Differences between expected experience and actual experience	$ 498,828	$ 2,836,831	$ 170,045	$ 513,861
Changes of assumptions	636,727	13,270,027	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	650,143	4,214,013
Changes in proportion and differences between the District's contributions and proportionate share of contributions	398,314	403,934	11,373	161,958
Employer contributions subsequent to the measurement date	439,955	3,815,238	-	-
Total	$ 1,973,824	$ 20,326,030	$ 831,561	$ 4,889,832

District contributions subsequent to the measurement date will be recognized as an addition/reduction of the net pension asset/liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended June 30,:	NYSERS	NYSTRS
2020	$ 696,381	$ 3,839,129
2021	(392,834)	2,617,501
2022	22,658	306,567
2023	376,103	2,608,557
2024	-	1,777,720
Thereafter	-	471,486

Actuarial assumptions

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

	NYSERS	NYSTRS
Measurement date	March 31, 2019	June 30, 2018
Actuarial valuation date	April 1, 2018	June 30, 2017
Interest rate	7.00%	7.25%
Salary scale	4.20%	*Rates of increase differ based on service
Decrement tables	April 1, 2010 to March 31, 2015 System's Experience	July 1, 2009 to June 30, 2014 System's Experience
Inflation rate	2.50%	2.25%

*The salary scale used for NYSTRS changes based upon levels of service as defined below:

Service	Rate
5	4.72%
15	3.46%
25	2.37%
35	1.90%

For NYSERS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014. For NYSTRS, annuitant mortality rates are based on July 1, 2009 - June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale AA.

For NYSERS, the actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. For NYSTRS, the actuarial assumptions used in the June 30, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	NYSERS		NYSTRS	
	Target Allocation	Long-term Rate	Target Allocation	Long-term Rate
Measurement date	March 31, 2019	March 31, 2019	June 30, 2018	June 30, 2018
Asset type -				
Absolute Return Strategies	2.00%	3.75%	-	-
Bonds and Mortgages	17.00%	1.31%	-	-
Cash	1.00%	(0.25%)	-	-
Domestic Equity	36.00%	4.55%	33.00%	5.80%
Domestic Fixed Income	-	-	16.00%	1.30%
Global Equity	-	-	4.00%	6.70%
Global Fixed Income	-	-	2.00%	0.90%
High-yield fixed income	-	-	1.00%	3.50%
Inflation-Indexed Bonds	4.00%	1.25%	-	-
International Equity	14.00%	6.35%	16.00%	7.30%
Opportunistic Portfolio	3.00%	5.68%	-	-
Private Equity	10.00%	7.50%	8.00%	8.90%
Private Debt	-	-	1.00%	6.80%
Real Assets	3.00%	5.29%	-	-
Real Estate Debt	-	-	7.00%	2.80%
Real Estate Equities	10.00%	5.55%	11.00%	4.90%
Short-term	-	-	1.00%	0.30%
	100.00%		100.00%	

Discount rate

The discount rate used to calculate the total pension liability was 7.0% for NYSERS and 7.25% for NYSTRS. 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.

Sensitivity of the proportionate share of the net pension liability to the discount rate assumption

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0% for NYSERS and 7.25% for NYSTRS, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0% for NYSERS and 6.25% for NYSTRS) or 1% point higher (8.0% for NYSERS and 8.25% for NYSTRS) than the current rate:

NYSERS	1% Decrease (6.00%)	Current assumption (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension asset/(liability)	$ (11,075,278)	$ (2,533,137)	$ 4,642,868

NYSTRS	1% Decrease (6.25%)	Current assumption (7.25%)	1% Increase (8.25%)
Employer's proportionate share of the net pension asset/(liability)	$ (26,080,154)	$ 3,796,148	$ 28,824,186

Pension plan fiduciary net position

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

	(Dollars in Thousands) NYSERS	NYSTRS	Total
Measurement date	March 31, 2019	June 30, 2018	
Employers' total pension liability	$ 189,803,429	$ 118,107,254	$ 307,910,683
Plan net position	182,718,124	119,915,518	302,633,642
Employers' net pension liability	$ (7,085,305)	$ 1,808,264	$ (5,277,041)
Ratio of plan net position to the employers' total pension liability	96.27%	101.53%	98.29%

Payables to the pension plan

For NYSERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2019 represent the projected employer contribution for the period of April 1, 2019 through June 30, 2019 based on paid NYSERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2019 amounted to $439,955.

For NYSTRS, employer and employee contributions for the fiscal year ended June 30, 2019 are paid to the system in September, October and November 2019 through a State aid intercept. Accrued retirement contributions as of June 30, 2019 represent employee and employer contributions for the fiscal year ended June 30, 2019 based on paid NYSTRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the NYSTRS System. Accrued retirement contributions including employee contributions, as of June 30, 2019 amounted to $3,815,238.

9. INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

	Interfund		Interfund	
	Receivable	Payable	Transfers in	Transfers out
General Fund	$ 742,585	$ -	$ -	$ 7,058,286
Special Aid Fund	-	777,696	61,029	-
School Lunch Fund	40	11,551	-	-
Special Purpose Fund	64,806	17,383	-	-
Debt Service Fund	88	-	5,997,257	-
Capital Projects Fund	-	72	1,000,000	-
Fiduciary Funds	1,506	2,323	-	-
Totals	$ 809,025	$ 809,025	$ 7,058,286	$ 7,058,286

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB")

A. General information about the OPEB plan

Plan description

The District's defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the District. The plan is a single employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board of Education. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits provided

The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent of which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees covered by benefit terms

As of July 1, 2018, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	346
Active plan members	457
Total plan members	803

B. Total OPEB liability

The District's total OPEB liability of $141,304,918 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018.

Actuarial assumptions and other inputs

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, with update procedures used to roll forward the total OPEB liability to the measurement date, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary increases	2.60% average, including inflation
Discount rate	3.50%
Healthcare cost trend rates	6.10% for 2019, decreasing 0.035% per year to an ultimate rate of 4.10% in 2075
Retirees share of benefit related costs	0% to 8% of projected health insurance premiums for retirees

The discount rate was based on the July 1, 2018 S&P Municipal Bond 20 Year High Grade Rate Index.

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

C. Changes in the total OPEB liability

Balance as of June 30, 2018	$ 144,363,811
Changes for the year -	
Service cost	7,336,528
Interest	4,504,798
Differences between expected and actual experience	5,427,264
Change in assumptions or other inputs	(17,223,754)
Benefit payments	(3,103,729)
Net changes	(3,058,893)
Balance as of June 30, 2019	$ 141,304,918

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 one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current discount rate:

	1% Decrease (2.50%)	Current assumption (3.50%)	1% Increase (4.50%)
Total OPEB liability as of June 30, 2019	$ 169,291,852	$ 141,304,918	$ 119,326,090

Sensitivity of the total OPEB liability to changes in 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

one percentage point lower (5.10%) or one percentage point higher (7.10%) than the current discount rate:

	1% Decrease (5.10% decreasing to 3.10%)	Current assumption (6.10% decreasing to 4.10%)	1% Increase (7.10% decreasing to 5.10%)
Total OPEB liability as of June 30, 2019	$ 114,992,801	$ 141,304,918	$ 179,484,100

D. OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2019, the District recognized OPEB expense of $7,336,528. At June 30, 2019, the District reported deferred outflows of resources related to OPEB from differences between expected and actual experience of $5,006,175 and deferred inflows of resources related to OPEB from changes in assumption of ($15,070,785).

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

	Deferred Outflows of Resources - OPEB	Deferred Inflows of Resources - OPEB
Difference between expected experience and actual experience	$ 5,006,175	$ -
Changes of assumptions	-	(15,070,785)
Total	$ 5,006,175	$ (15,070,785)

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

For the year ended June 30,:	
2019	$ (1,441,143)
2020	(1,441,143)
2021	(1,441,143)
2022	(1,441,143)
2023	(1,441,143)
Thereafter	(2,858,895)

11. RISK MANAGEMENT

The District and other school districts have formed a reciprocal insurance company ("Company") to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company, which is responsible for the overall supervision and management of the Company. The Company is managed by the Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts.

The subscribers have elected those who sit on the board and each subscriber has a single vote. The Company is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

The District purchases various insurance coverages from the Company to reduce its exposure to loss. The District maintains a general liability insurance policy with coverage up to $1 million for each occurrence. The District maintains a liability policy for school board members with coverage up to $1 million and $2 million in the aggregate. The District also maintains an umbrella policy with coverage up to $20 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

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

12. CONTINGENCIES AND COMMITMENTS

Encumbrances

All encumbrances are classified as either restricted or assigned fund balance. During the fiscal year ended June 30, 2019, the District encumbered the following amounts:

Assigned: Unappropriated Fund Balance	
General Fund	
General support	$ 876,205
Instruction	112,034
Pupil transportation	172,085
	$ 1,160,324

Government 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 years' experience, the District's administration believes disallowances, if any, would be immaterial.

Property tax cap

In June 2011, the New York State Legislature enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions. For fiscal years through at least June 15, 2020, growth in the property tax levy (the total amount to be raised through property taxes charged on a municipality's taxable assessed value of property) will be capped at 2 percent or the rate of inflation (but not less than 0 percent), whichever is less, with some exceptions. The New York State Comptroller set the allowable levy growth factor for school districts for fiscal years beginning July 1, 2018 at 1.02 percent (before exemptions). School districts can exceed the tax levy limit by a 60 percent vote of the governing body, or by local law.

Service concession arrangements

In accordance with GASB Pronouncements, the District is required to recognize a liability for certain obligations to sacrifice financial resources (i.e. capital improvements) under the terms of a service concession arrangement or, a deferred inflow for up-front or installment payments received from the operator in advance of the revenue being earned. The District did not have any service concession arrangements for the fiscal year ended June 30, 2019, and accordingly, no liability or deferred inflow of resources was reflected on the District's financial statements.

Litigation

The District is involved in lawsuits arising from the normal conduct of business. Some of these lawsuits seek damages which may be in excess of the District's insurance coverage. However, it is not possible to determine the District's potential exposure, if any, at this time.

13. LEASE OBLIGATIONS (OPERATING LEASES)

The District leases copiers under the terms of various non-cancelable leases. Rental expense for the year was $124,712.

Minimum annual rentals for each of the remaining years of the lease are:

For the year ended June 30		
2020	$	91,874
2021		91,874
2022		91,874
2023		91,874
2024		91,874

14. FUTURE ACCOUNTING STANDARDS

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
Statement No. 84	Fiduciary Activities	June 30, 2020
Statement No. 87	Leases	June 30, 2021

15. SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the Statement of Net Position through the date of October 15, 2019, which is the date the financial statements were available to be issued, noting no matters requiring further financial statement disclosures.

BYRAM HILLS CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Adopted Budget	Final Budget	Actual	Year-end Encumbrances	Variance
REVENUES					
Local sources:					
Real property taxes	$ 78,653,401	$ 78,653,401	$ 78,752,318		$ 98,917
Other tax items	5,534,926	5,534,926	5,561,016		26,090
Non-property tax items	575,000	575,000	665,643		90,643
Charges for services	135,000	135,000	381,662		246,662
Use of money and property	68,000	68,000	270,915		202,915
Sale of property and compensation for loss	-	-	410,639		410,639
Miscellaneous	230,000	230,000	545,762		315,762
Total local sources	85,196,327	85,196,327	86,587,955		1,391,628
State sources	4,142,000	4,142,000	4,688,585		546,585
Total revenues	89,338,327	89,338,327	91,276,540		1,938,213
OTHER FINANCING SOURCES					
Appropriated reserves	3,579,433	4,060,933	-		N/A
Total revenues and other financing sources	92,917,760	93,399,260	91,276,540		1,938,213
EXPENDITURES					
General support:					
Board of Education	80,885	81,635	69,638	$ -	11,997
Central administration	390,200	400,600	384,345	-	16,255
Finance	1,158,882	1,087,623	1,083,698	-	3,925
Staff	387,400	393,251	363,313	-	29,938
Central services	8,161,108	8,844,512	7,925,919	876,205	42,388
Special items	936,987	685,771	661,353	-	24,418
Total general support	11,115,462	11,493,392	10,488,266	876,205	128,921
Instruction:					
Instruction, administration and improvement	3,768,301	3,722,723	3,528,070	18,170	176,483
Teaching - regular school	26,010,916	25,878,258	25,171,165	57,140	649,953
Programs for children with handicapping conditions	10,188,538	10,378,733	10,301,615	24,196	52,922
Teaching - special school	85,000	85,000	70,033	-	14,967
Instructional media	4,778,668	4,816,878	4,748,409	1,990	66,479
Pupil services	4,490,267	4,466,247	4,234,615	10,538	221,094
Total instruction	49,321,690	49,347,839	48,053,907	112,034	1,181,898
Pupil transportation	4,278,706	5,334,314	5,033,851	172,085	128,378
Employee benefits	21,129,645	20,151,458	20,114,736	-	36,722
Total expenditures	85,845,503	86,327,003	83,690,760	1,160,324	1,475,919
OTHER FINANCING USES					
Operating transfers out	7,072,257	7,072,257	7,058,286	-	13,971
Total expenditures and other financing uses	92,917,760	93,399,260	90,749,046	$ 1,160,324	1,489,890
Net change in fund balance	$ -	$ -	527,494		$ 3,428,103
Fund balance, beginning of year			28,757,186		
Fund balance, end of year			$ 29,284,680		

Note to Required Supplementary Information

Budget Basis of Accounting

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

BYRAM HILLS CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TWO FISCAL YEARS

	June 30, 2019	June 30, 2018
Measurement date		
Total OPEB Liability:		
Service cost	$ 7,336,528	$ 7,050,062
Interest	4,504,798	4,236,526
Differences between expected and actual experience in the measurement of the total OPEB liability	5,427,264	324,155
Changes of assumptions or other inputs	(17,223,754)	-
Benefit payments	(3,103,729)	(2,808,036)
Net change in total OPEB liability	(3,058,893)	8,802,707
Total OPEB liability - beginning of year	144,363,811	135,561,104
Total OPEB liability - end of year	$ 141,304,918	$ 144,363,811
Covered payroll	$ 41,367,084	$ 51,033,732
Total OPEB liability as a percentage of covered payroll	341.59%	282.88%

Note to Required Supplementary Information

Ten years of historical information was not available upon implementation of GASB Statement No. 75. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.

The District has no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB benefits, as New York State currently does not allow school districts to establish this type of trust. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

BYRAM HILLS CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - NYSERS
LAST TEN FISCAL YEARS*
(Dollar amounts in thousands)

	2019	2018	2017	(A) 2016	2015	**2014	**2013	**2012	**2011	**2010
District's proportionate share of the net pension liability	0.03575%	0.03485%	0.02430%	0.03538%	0.03459%	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability	$ (2,533)	$ (1,125)	$ (3,289)	$ (5,679)	$ (1,169)	N/A	N/A	N/A	N/A	N/A
District's covered payroll	$ 11,348	$ 10,990	$ 10,504	$ 10,558	$ 10,328	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability as a percentage of covered payroll	22.32%	10.24%	31.31%	53.79%	11.32%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.68%	97.90%	N/A	N/A	N/A	N/A	N/A

* The amounts presented for each fiscal year were determined (bi-annually) as of March 31.

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

N/A = Not available

****Note to Required Supplementary Information**

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

BYRAM HILLS CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET(LIABILITY) - NYSTRS
LAST TEN FISCAL YEARS*
(Dollar amounts in thousands)

	2019	(A) 2018	(B) 2017	2016	2015	**2014	**2013	**2012	**2011	**2010
District's proportionate share of the net pension asset (liability)	0.209933%	0.215841%	0.213164%	0.214345%	0.213651%	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension asset (liability)	$ 3,796	$ 1,641	$ (2,283)	$ 22,264	$ 23,799	N/A	N/A	N/A	N/A	N/A
District's covered payroll	$ 34,196	$ 34,204	$ 34,204	$ 32,010	$ 31,542	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension asset (liability) as a percentage of covered payroll	11.10%	4.80%	6.67%	69.55%	75.45%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension asset (liability)	101.53%	100.66%	99.01%	110.46%	111.48%	N/A	N/A	N/A	N/A	N/A

* The amounts presented for each fiscal year were determined (bi-annually) as of June 30.

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

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

N/A = Not available

****Note to Required Supplementary Information**

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

BYRAM HILLS CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - NYSERS
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)

	2019	2018	2017	2016	2015	*2014	*2013	*2012	*2011	*2010
Contractually required contribution	$ 1,508	$ 1,559	$ 1,581	$ 1,777	$ 1,957	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	1,508	1,559	1,581	1,777	1,957	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 11,484	$ 11,133	$ 10,504	$ 10,558	$ 10,328	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	13.13%	14.00%	15.05%	16.83%	18.95%	N/A	N/A	N/A	N/A	N/A

N/A = Not available

***Note to Required Supplementary Information**

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

BYRAM HILLS CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - NYSTRS
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)

	2018	2018	2017	2016	2015	*2014	*2013	*2012	*2011	*2010
Contractually required contribution	$ 3,647	$ 3,345	$ 4,012	$ 4,383	$ 5,611	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	3,647	3,345	4,012	4,383	5,611	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 34,320	$ 34,196	$ 34,204	$ 32,010	$ 31,542	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	10.63%	9.78%	11.73%	13.69%	17.79%	N/A	N/A	N/A	N/A	N/A

N/A = Not available

***Note to Required Supplementary Information**

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

BYRAM HILLS CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

Change from adopted budget to final budget:

Adopted budget		$ 92,347,680
Add:		
Prior year's encumbrances		570,080
Original budget		92,917,760
Budget revisions:		
Equipment purchases		481,500
Final budget		$ 93,399,260

Section 1318 of Real Property Tax Law Limit calculation:

2019-2020 voter-approved expenditure budget		$ 94,534,535
Maximum allowed (4% of 2019-2020 budget)		$ 3,781,381
General Fund fund balance subject to §1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	$ 4,169,677	
Unassigned fund balance	3,770,714	$ 7,940,391
Less:		
Appropriated fund balance	3,009,353	
Encumbrances	1,160,324	4,169,677
General Fund fund balance subject to §1318 of Real Property Tax Law		$ 3,770,714
Actual percentage		3.99%

BYRAM HILLS CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES AND FINANCING SOURCES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2019

Project Title	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2019
			Prior Years	Current Year	Total		Interfund Transfers	State Aid	Local Sources	Total	
Excel Projects	$ 2,031,269	$ 2,031,269	$ 2,031,269	$ -	$ 2,031,269	$ -	$ 1,168,000	$ 863,269	$ -	$ 2,031,269	$ -
High School Roof	200,000	200,000	200,000	-	200,000	-	200,000	-	-	200,000	-
Wampus Partial Roof Replacement and District-Wide Energy Projects - 2011/2012	556,000	556,000	556,000	-	556,000	-	556,000	-	-	556,000	-
Wampus Boilers	361,698	361,698	358,585	-	358,585	3,113	358,585	-	-	358,585	-
Bus Garage Reconstruction	3,358,633	3,358,633	1,572,808	19,005	1,591,813	1,766,820	1,261,500	-	1,330,635	2,592,135	1,000,322
Fuel Tank Replacement	250,000	295,000	274,776	-	274,776	20,224	295,000	-	4,061	299,061	24,285
HCC Repave Circle	55,000	75,000	69,688	-	69,688	5,312	75,000	-	-	75,000	5,312
Wampus HVAC Work	272,640	297,640	235,530	-	235,530	62,110	297,640	-	-	297,640	62,110
Corman Hill Various Projects	233,872	293,872	264,258	-	264,258	29,614	293,872	-	-	293,872	29,614
BHHS Various Projects	398,360	628,360	535,993	1,737,192	2,273,185	(1,644,825)	623,360	-	550,000	1,173,360	(1,099,825)
O and M Construction	60,000	60,000	43,500	-	43,500	16,500	60,000	-	-	60,000	16,500
Admin. Building Construction	85,000	85,000	84,283	-	84,283	717	85,000	-	-	85,000	717
District-Wide Various Projects	77,128	97,128	311,771	-	311,771	(214,643)	97,128	-	450,000	547,128	235,357
Smart Schools Bond	333,000	333,000	333,000	-	333,000	-	-	333,000	-	333,000	-
Totals	$ 8,272,600	$ 8,672,600	$ 6,871,461	$ 1,756,197	$ 8,627,658	$ 44,942	$ 5,371,085	$ 1,196,269	$ 2,334,696	$ 8,902,050	$ 274,392

BYRAM HILLS CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2019

Capital assets, net		$ 70,681,218
Add:		
Deferred inflow from issuance of bonds, net of amortization	$ 1,659,840	
Deduct:		
Short-term portion of bonds payable, net	(5,268,119)	
Long-term portion of bonds payable, net	(16,586,106)	(20,194,385)
Net investment in capital assets		$ 50,486,833

BYRAM HILLS CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
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NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON EXTRACLASSROOM ACTIVITY FUNDS FINANCIAL STATEMENTS

To the Board of Education of the
Byram Hills Central School District
Armonk, New York:

We have audited the accompanying statements of cash receipts and disbursements of the various Extraclassroom Activity Funds of the Byram Hills Central School District (the "District") for the year ended June 30, 2019, and the related note to financial statements, which collectively comprise the financial statements of the District's Extraclassroom Activity Funds.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements are free of material misstatement.

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

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

Opinion

In our opinion, the statement of cash receipts and disbursements referred to above present fairly, in all material respects, the cash receipts and disbursements of the Extraclassroom Activity Funds of the Byram Hills Central School District for the year ended June 30, 2019 in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of these financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Melville, New York
October 15, 2019

NawrockiSmith LLP

BYRAM HILLS CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	Cash Balances July 1, 2018	Receipts	Disbursements	Cash Balances June 30, 2019
High School:				
Class of 17	$ 1,927.51	$ -	$ 1,249.00	$ 678.51
Class of 19	4,865.39	49,778.00	47,355.37	7,288.02
Class of 20	3,928.05	4,250.00	2,738.81	5,439.24
Class of 21	2,017.49	1,664.00	405.02	3,276.47
Class of 22	-	4,863.00	2,999.51	1,863.49
Arch Yearbook	23,651.81	6,980.00	5,894.51	24,737.30
Art Team	376.05	370.00	412.41	333.64
Band	394.25	364.00	364.00	394.25
Choir	4,257.74	9,407.00	10,098.60	3,566.14
Debate Team	2,870.48	28,181.17	30,553.12	498.53
Grade Activities Board	6,081.71	3,105.00	3,340.14	5,846.57
Harvard Model Congress	800.55	8,340.00	9,015.13	125.42
Homecoming	1,185.67	-	38.66	1,147.01
Interact Club	1,053.65	2,020.00	1,650.63	1,423.02
One World	205.66	732.00	-	937.66
Orchestra	27.49	174.00	190.00	11.49
Outdoor Club	690.39	960.00	920.00	730.39
Red Ribbon	100.00	193.00	193.00	100.00
Sales tax	-	780.88	780.88	-
Science Research	1,309.17	525.00	774.30	1,059.87
Stage	10,463.36	67,047.44	46,650.76	30,860.04
Stage II	9,826.42	6,560.00	3,681.65	12,704.77
Student General Fund	3,340.36	18,878.50	18,963.86	3,255.00
Students Serving Soldiers	2,891.60	1,504.00	1,147.81	3,247.79
Y.A.C.	2,322.45	1,643.00	3,461.75	503.70
Youth to Youth	1,489.83	470.56	1,470.56	489.83
	$ 86,077.08	$ 218,790.55	$ 194,349.48	$ 110,518.15

The accompanying note is an integral part of this financial statement.

BYRAM HILLS CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
(continued)
FOR THE YEAR ENDED JUNE 30, 2019

	Cash Balances July 1, 2018	Receipts	Disbursements	Cash Balances June 30, 2019
Middle School:				
Boston Trip	$ 69,265.67	$ 82,112.00	$ 84,091.56	$ 67,286.11
Drama Club	5,624.28	5,548.00	6,519.19	4,653.09
Power of One Club	-	2,543.00	2,543.00	-
Student Council	8,553.92	4,606.58	6,373.99	6,786.51
Variety Show	4,356.78	1,030.00	1,030.00	4,356.78
Washington	14,363.48	154,074.00	153,747.41	14,690.07
Yearbook	7,278.41	1,231.00	2,573.37	5,936.04
	$ 109,442.54	$ 251,144.58	$ 256,878.52	$ 103,708.60

The accompanying note is an integral part of this financial statement.

BYRAM HILLS CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
NOTE TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Byram Hills Central School District.

The accounts of the Extraclassroom Activity Funds of the District are maintained on a cash basis, and the statement of cash receipts and disbursements reflect only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States of America, and which may be material in amount, are not recognized in the accompanying financial statements.

NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

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 of the
Byram Hills Central School District
Armonk, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and fiduciary funds of the Byram Hills Central School District (the "District") as of and for the year ended June 30, 2019, and the related notes to financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 15, 2019.

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") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

This 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.

Melville, New York
October 15, 2019

Nawrocki Smith LLP

BYRAM HILLS CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2019

CURRENT YEAR FINDINGS AND RECOMMENDATIONS:

None reported

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS:

1. Recommendation - It was recommended that the District perform a reconciliation of the general ledger payroll accounts to the federal quarterly tax filings (i.e. Form 941's)

   Status - We noted that this recommendation was implemented.

2. Recommendation - It was recommended that the District prepare detailed listings for accounts payable and reconcile to the general ledger at year end.

   Status - We noted that this recommendation was implemented.

3. Recommendation - It was recommended that the District perform a detailed review of all fund balance reserve accounts and develop policies and procedures to comply with all New York State requirements with respect to balances maintained.

   Status - We noted that this recommendation was in the process of being implemented.

4. Recommendation - It was recommended that the District document the date of their approval on the journal entry request form to ensure that journal entries are approved on a timely basis.

   Status - We noted that this recommendation was implemented.

5. Recommendation - It was recommended that the District conduct an annual review of the entire vendor database to determine if duplicate vendors or vendors who have not been paid within the last two or more years should be inactivated.

   Status - We noted that this recommendation was implemented.