

BYRAM HILLS CENTRAL SCHOOL DISTRICT
ARMONK, NEW YORK

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION IN CONNECTION WITH THE UNIFORM GUIDANCE

AS OF AND FOR THE YEAR ENDED
JUNE 30, 2022

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 Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Change in Accounting Principle

As described in Note 3 to the financial statements, in fiscal 2022 the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The effect of GASB Statement No. 87 did not require a restatement to the financial statements. Our opinion is not modified with respect to this matter.

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 4-14 and 51-54, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Hauppauge, New York
October 11, 2022

Nawrocki Smith LLP

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, 2022. This section is a summary of the District's financial activities based on currently known facts, decisions or conditions. It is also based on both the District-wide and fund-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 $73,593,672. 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 6-10).

- The District's governmental activities' expenses, on the full accrual basis of accounting, for the year, totaled $92,395,568. General revenues of $93,815,022 amount to 97% of total revenues.

- The General Fund's total fund balance, as reflected in the fund financial statements, was $29,016,846, which is a decrease of $10,786 (see pages 17 and 19). 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 2021/2022 fiscal year, the unassigned fund balance of the General Fund was $3,877,572 (4% of the 2022/2023 budget) and this amount was within the statutory limit.

- During the fiscal year, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, which provides clearer guidance on identifying lease activities for accounting and reporting purposes.

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 *governmental 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 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
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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
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

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 maintains the following 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.

  The District maintains six individual governmental funds; General Fund, Capital Projects Fund, Special Aid Fund, School Lunch Fund, Debt Service Fund and Other Miscellaneous Special Revenue Fund. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for all funds. A detailed description of each fund can be found on page 21.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net position (deficit) increased by 5.7% from the year before to $(73,593,672), as detailed in Tables A-2 and A-3.

The restricted net position of $21,473,306 represents assets that are restricted by external sources, imposed by laws through constitutional provisions or enabling legislation.

As of June 30, 2022, the District has an unrestricted net deficit position of ($152,705,664). This deficit is driven by the District's required recognition of the total other postemployment benefit ("OPEB") liability of $146,984,421 as required by GASB Statement No. 75.

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

	6/30/22	6/30/21	$ Change	% Change
Current assets	$ 17,093,987	$ 15,428,950	$ 1,665,037	10.8
Non-current assets	62,024,100	21,739,487	40,284,613	185.3
Capital assets, net	68,018,263	68,480,850	(462,587)	(0.7)
Total assets	$ 147,136,350	$ 105,649,287	$ 41,487,063	39.3
Deferred outflows of resources	$ 53,124,334	$ 59,025,013	$ (5,900,679)	(10.0)
Current liabilities	$ 10,569,267	$ 9,211,578	$ 1,357,689	14.7
Long-term liabilities	156,077,794	196,204,951	(40,127,157)	(20.5)
Total liabilities	$ 166,647,061	$ 205,416,529	$ (38,769,468)	(18.9)
Deferred inflows of resources	$ 107,207,295	$ 37,287,379	$ 69,919,916	187.5
Net position:				
Net investment in capital assets	$ 57,638,686	$ 55,552,858	$ 2,085,828	3.8
Restricted	21,473,306	21,738,018	(264,712)	(1.2)
Unrestricted (deficit)	(152,705,664)	(155,320,484)	2,614,820	1.7
Total net position	$ (73,593,672)	$ (78,029,608)	$ 4,435,936	5.7

As of June 30, 2022, the District had positive working capital of $6,524,720 as compared to $6,217,372 as of June 30, 2021. The increase is primarily due to a decrease in the accounts payable.

The District's deferred outflows of resources decreased $5,900,679 due to a decrease in the pension related items as a result of changes in actuarial assumptions.

Long-term liabilities decreased $40,127,157 primarily due to the net change in the total OPEB liability as well as charges in bonds payable and the proportionate share of net pension related items.

Changes in Net Position

The District's revenues on the full accrual basis of accounting increased $2,919,570 or 3.1% to $96,831,504 (See Table A-3). Property, other real property tax items and State sources accounted for 94.6% of total revenues (See Table A-4). The remainder came from fees charges for services, operating grants, non-property tax items, use of money and property, sale of property and compensation for loss and other miscellaneous sources.

- Real property taxes increased $986,054, or 1.2%, as a result of the budgeted increase in the tax levy in fiscal 2022.

The District's expenses on the full accrual basis of accounting decreased $15,274,559, or 14.2% (See Table A-3). These expenses (81.8%) are predominantly related to instruction and transporting students (See Table A-6). The District's administrative and business activities accounted for 16.8% of total costs.

- Expenses related to instruction decreased $16,350,445, primarily due to decreases in total retirement benefits.

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

	6/30/22	6/30/21	$ Change	% Change
Revenues				
Program revenues:				
Charges for services	$ 1,771,839	$ 740,624	$ 1,031,215	139.2
Operating grants	1,119,643	961,978	157,665	16.4
Capital grants	125,000	-	125,000	100.0
General revenues:				
Real property taxes	82,567,249	81,581,195	986,054	1.2
Other real property tax items	4,592,076	4,840,959	(248,883)	(5.1)
Non-property tax items	1,129,991	1,072,080	57,911	5.4
State sources	4,482,754	4,321,014	161,740	3.7
Federal sources	499,113	-	499,113	100.0
Use of money and property	84,473	77,516	6,957	9.0
Sale of property and compensation for loss	125,806	88,142	37,664	42.7
Miscellaneous	333,560	228,426	105,134	46.0
Total revenues	96,831,504	93,911,934	2,919,570	3.1
Expenses				
General support	15,522,394	14,587,015	935,379	6.4
Instruction	69,445,630	85,796,075	(16,350,445)	(19.1)
Pupil transportation	6,142,147	6,400,443	(258,296)	(4.0)
Debt service - interest	248,251	332,372	(84,121)	(25.3)
School lunch program	1,037,146	554,222	482,924	87.1
Total expenses	92,395,568	107,670,127	(15,274,559)	(14.2)
Change in net position	4,435,936	(13,758,193)	18,194,129	132.2
Net position (deficit), beginning of year	(78,029,608)	(64,271,415)	(13,758,193)	(21.4)
Net position (deficit), end of year	$ (73,593,672)	$ (78,029,608)	$ 4,435,936	5.7

Table A-4: Revenues for Fiscal Year 2022

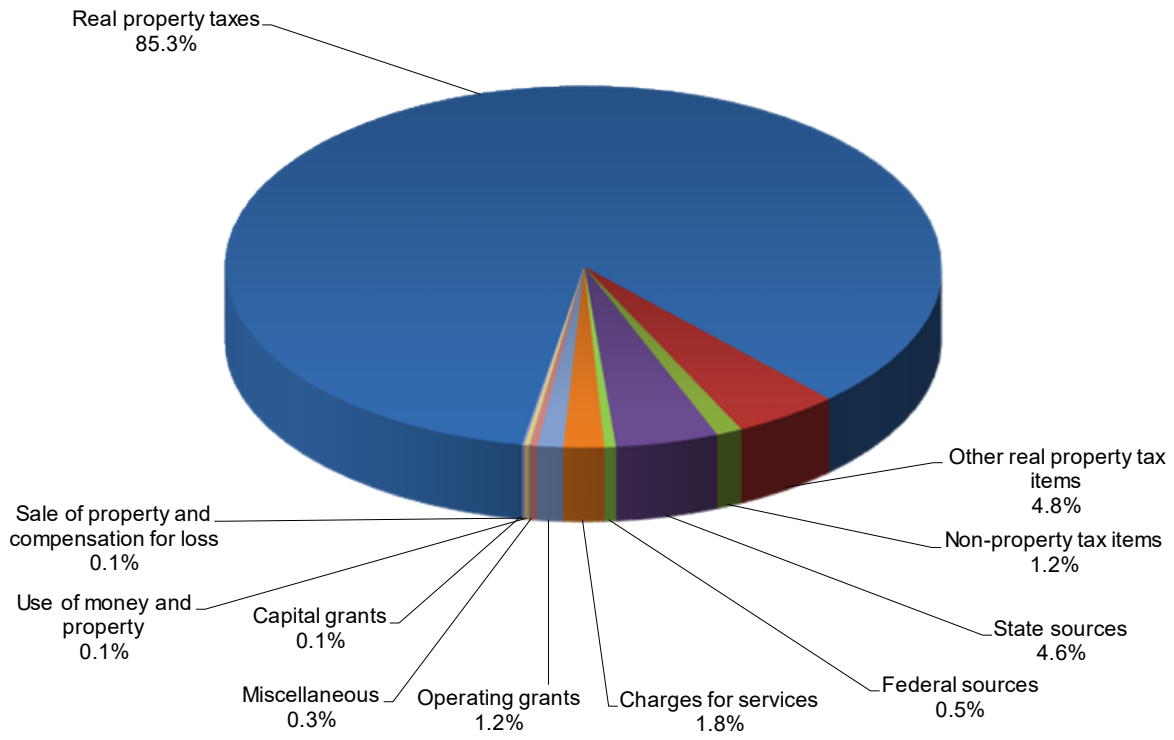


Table A-5: Revenues for Fiscal Year 2021

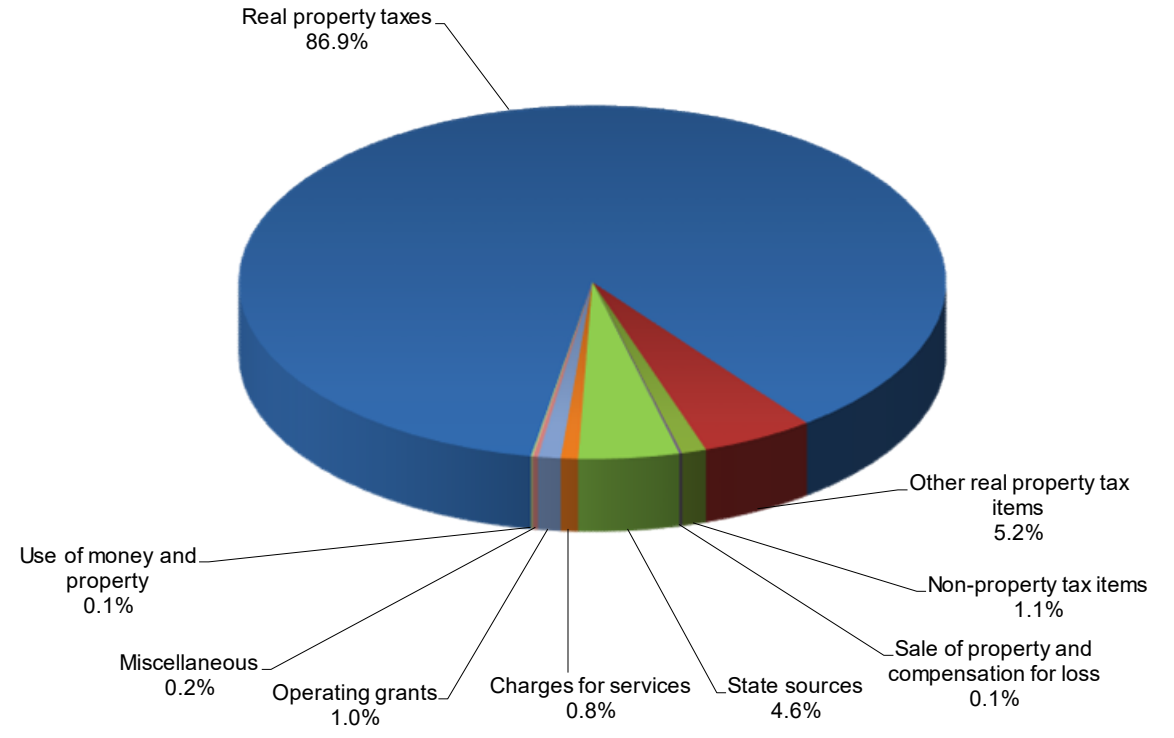


Table A-6: Expenses for Fiscal Year 2022

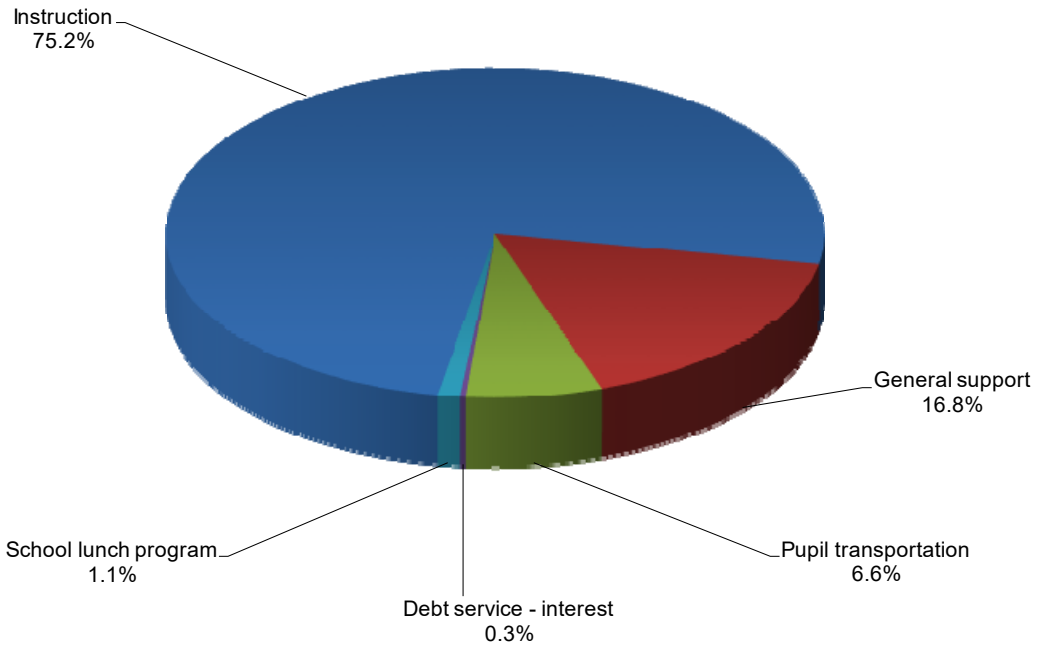
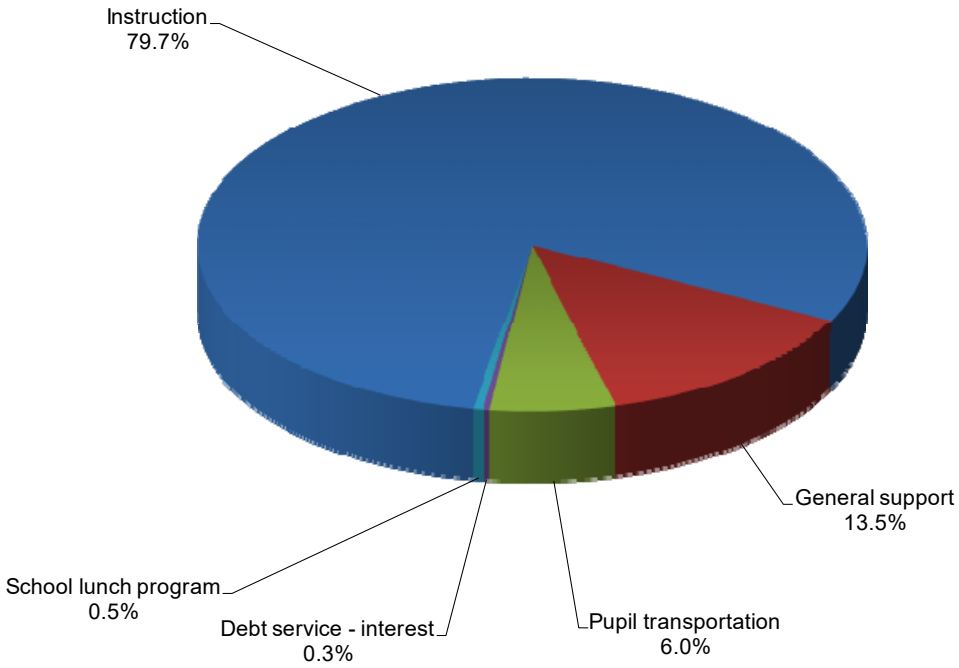


Table A-7: Expenses for Fiscal Year 2021



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, 2022, the District's governmental funds reported a combined fund balance of $31,038,399 which is an increase of $50,152 from June 30, 2021. Fund balances for the District's governmental funds for the past two years were distributed as follows:

Table A-8: Fund Balances - Governmental Funds

	6/30/22	6/30/21	$ Change	% Change
General Fund				
Nonspendable:				
Prepaid expenses	$ 3,138	$ 7,436	$ (4,298)	(57.8)
Restricted:				
Tax Certiorari	6,357,474	5,166,261	1,191,213	23.1
Property Loss	611,522	609,457	2,065	0.3
Insurance	720,459	2,832,271	(2,111,812)	(74.6)
Retirement Contributions	6,998,811	6,246,227	752,584	12.0
Unemployment Benefits	166,417	215,686	(49,269)	(22.8)
Employee Benefit Accrued Liability	653,289	615,707	37,582	6.1
Capital Repairs	5,241,450	5,223,749	17,701	0.3
Assigned:				
Designated for subsequent year's expenditures	3,009,353	3,009,353	-	-
Encumbrances	1,377,361	1,293,446	83,915	6.5
Unassigned	3,877,572	3,808,039	69,533	1.8
Total General Fund	29,016,846	29,027,632	(10,786)	(0.0)
School Lunch Fund				
Nonspendable:				
Inventories	14	1,603	(1,589)	(99.1)
Assigned:				
School Lunch	1,055,175	924,077	131,098	14.2
Total School Lunch Fund	1,055,189	925,680	129,509	14.0
Other Miscellaneous Special Revenue Fund				
Restricted:				
Scholarships and student activities	647,104	507,596	139,508	27.5
Committed:				
Extraclassroom activities	242,480	206,275	36,205	17.6
Total Other Miscellaneous Special Revenue Fund	889,584	713,871	175,713	24.6
Debt Service Fund				
Restricted:				
Debt Service	88	88	-	-
Total Debt Service Fund	88	88	-	-
Capital Projects Fund				
Restricted:				
Ongoing Capital Projects	76,692	320,976	(244,284)	(76.1)
Total Capital Projects Fund	76,692	320,976	(244,284)	(76.1)
Total fund balance	$ 31,038,399	$ 30,988,247	$ 50,152	0.2

General Fund

The General Fund reported a decrease in fund balance of $10,786 for fiscal 2022, as compared to an increase in fund balance of $336,726 for fiscal 2021. Revenues increased $1,495,525 mainly as a result of an increase in real property taxes, state sources, federal sources, other real property tax items and use of money and property. Expenditures increased $2,278,675 due to increases in general support, pupil transportation and employee benefits expenses. Other financing uses decreased $435,638, due to a decrease in budgeted transfers. As a result of the revenues being greater than the expenditures, the District reported a decrease in the change in fund balance.

Special Aid Fund

Revenues in the Special Aid Fund increased $198,144 and expenditures increased $31,492 from the prior year. The District's federal funding increased from $582,242 to $617,322. 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 $129,509 for fiscal 2022, as compared to a decrease of $835,773 for fiscal 2021. Revenues increased to $1,259,380. Expenses related to school lunch operations decreased $58,012 primarily due to less equipment purchases in current year compared to June 30, 2021.

Capital Projects Fund

During 2022, the District expended $1,583,536 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 $76,692 for fiscal 2022.

General Fund Budgeted Highlights

Reference is made to the schedule on page 51 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 $1,704,386. Non-property taxes and charges for services were greater than budgeted by $673,575. Federal sources more than budget by $511,712. Other real property 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 $90,479,677 and encumbrances were $1,377,361 resulting in a $588,600 overall favorable budget variance.

At June 30, 2022, the District's unassigned fund balance was $3,877,572 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, 2022:

Unassigned fund balance, beginning of year	$ 3,808,039
Add:	
Prior-year appropriated fund balance	3,009,353
Prior-year encumbrances	1,293,446
Prior-year nonspendable fund balance	7,436
Board approved transfer from Insurance Recoveries Reserve	1,301,087
Board approved transfer from Insurance Reserve	820,322
Board approved transfer from Unemployment Benefits Reserve	50,000
Net change in fund balance	(10,786)
Less:	
Current-year appropriated fund balance	(3,009,353)
Current-year encumbrances	(1,377,361)
Current-year nonspendable fund balance	(3,138)
Board approved transfer to Employee Benefit Accrual Reserve	(35,496)
Board approved transfer to Tax Certiorari Reserve	(1,173,707)
Board approved transfer to Retirement Contribution Reserve	(731,418)
Interest allocated to Capital Repairs Reserve	(17,701)
Interest allocated to Tax Certiorari Reserve	(17,506)
Interest allocated to Property Loss Reserve	(2,065)
Interest allocated to Insurance Recovery Reserve	(5,962)
Interest allocated to Employee Benefit Accrued Reserve	(2,086)
Interest allocated to Retirement Contributions Reserve	(21,166)
Interest allocated to Unemployement Benefits Reserve	(731)
Interest allocated to Insurance Reserve	(3,635)
Unassigned fund balance, end of year	$ 3,877,572

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

By the end of fiscal 2022, the District had invested $68,018,263 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 7 in the accompanying notes to financial statements for more information on capital assets.

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

	6/30/22	6/30/21	$ Change	% Change
Land	$ 562,525	$ 562,525	$ -	-
Construction-in-progress	265,298	468,952	(203,654)	(43.43)
Buildings and building improvements	60,751,231	61,319,477	(568,246)	(0.9)
Furniture and equipment	6,439,209	6,129,896	309,313	5.0
Totals	$ 68,018,263	$ 68,480,850	$ (462,587)	(0.7)

Long-Term Liabilities

At year-end, the District had $159,093,670 in general obligation bonds and other long-term liabilities. The District refunded serial bonds during the year ended June 30, 2021.

Table A-10: Outstanding Long-Term Liabilities

	6/30/22	6/30/21	$ Change	% Change
Bonds payable	$ 9,805,000	$ 12,360,000	$ (2,555,000)	(20.7)
Unamortized bond premiums	1,436,501	1,795,626	(359,125)	(20.0)
Leases payable	219,156	-	219,156	100.0
Compensated absences	648,592	613,097	35,495	5.8
Other post-employment benefits	146,984,421	178,647,243	(31,662,822)	(17.7)
Totals	$ 159,093,670	$ 193,415,966	$ (34,322,296)	(17.7)

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:

- In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic. The extent of the impact of COVID-19 on the District's operations and financial performance, and cash flow needs will depend on certain developments, including the duration and spread of the outbreak, impact on funding sources, employees and vendors, all of which are uncertain and cannot be predicted as of the date of these financial statements.

- New York State imposed a maximum tax levy increase of the lesser of 2% or the CPI for the fiscal year 2022-2023 budget, subject to certain exclusions. Based on the value of obligatory contractual increases and continued increases in the State's unfunded mandates, it is expected that reductions may be necessary. The District will continue to consolidate services to maintain its high standards. If the downward economic trend continues, and State mandates and legal requirements continue to escalate, there will be an inevitable negative impact on District programs.

- The General Fund Budget for the 2022-2023 school year is impacted by certain trends affecting school districts. These include potential increase in health insurance costs, retirement costs workers' compensation judgments, and potential unemployment insurance claims and COVID-19 related expenditures, 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, 2022

ASSETS		
Unrestricted cash	$	13,983,911
Receivables:		
State and federal aid		2,194,044
Property taxes		1,348
Due from other governments		301,481
Other		610,051
Prepaid expenses		3,138
Inventories		14
Restricted cash		21,473,290
Proportionate share of net pension asset		40,336,422
Right-to-use assets, net		214,388
Capital assets:		
Non-depreciable		827,823
Depreciable, net		67,190,440
Total assets		147,136,350
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows from charges from refunding bonds		866,692
Deferred outflows from pensions		27,922,761
Deferred outflows from OPEB		24,334,881
Total deferred outflows of resources		53,124,334
LIABILITIES		
Accounts payable		2,610,618
Accrued interest payable		24,513
Accrued liabilities		393,073
Due to other governments		70,825
Due to teachers' retirement system		3,894,055
Due to employees' retirement system		393,113
Unearned revenue		167,194
Long-term liabilities, due within one year:		
Bonds payable, net		2,884,125
Lease liabilities		94,674
Compensated absences		37,077
Long-term liabilities, due after one year:		
Bonds payable, net		8,357,376
Compensated absences		611,515
Other post-employment benefits		146,984,421
Lease liabilities		124,482
Total liabilities		166,647,061
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from OPEB		55,105,438
Deferred inflows from pensions		52,101,857
Total deferred inflows of resources		107,207,295
NET POSITION		
Net investment in capital assets		57,638,686
Restricted:		
Tax Certiorari		6,357,474
Property Loss		611,522
Insurance		720,459
Retirement Contributions		6,998,811
Unemployment Benefits		166,417
Employee Benefit Accrued Liability		653,289
Capital Repairs		5,241,450
Scholarships and Student Activities		647,104
Debt Service		88
Ongoing Capital Projects		76,692
Unrestricted		(152,705,664)
Total net position	$	(73,593,672)

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

BYRAM HILLS CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants	Net (Expense) Revenue and Change in Net Position
Functions and programs:					
General support	$ 15,522,394	$ -	$ -	$ -	$ (15,522,394)
Instruction	69,445,630	585,913	923,367	125,000	(67,811,350)
Pupil transportation	6,142,147	51,821	80,553	-	(6,009,773)
Debt service - interest	248,251	-	-	-	(248,251)
School lunch program	1,037,146	1,134,105	115,723	-	212,682
Total functions and programs	$ 92,395,568	$ 1,771,839	$ 1,119,643	$ 125,000	(89,379,086)
General revenues:					
Real property taxes					82,567,249
Other real property tax items					4,592,076
Non-property tax items					1,129,991
Use of money and property					84,473
Sale of property and compensation for loss					125,806
State sources					4,482,754
Federal sources					499,113
Miscellaneous					333,560
Total general revenues					93,815,022
Change in net position					4,435,936
Total net position, beginning of year					(78,029,608)
Total net position, end of year					$ (73,593,672)

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

BYRAM HILLS CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	Major Funds						
		Special Revenue					
	General	Special Aid	School Lunch	Other Miscellaneous Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS							
Cash:							
Unrestricted	$ 12,423,762	$ -	$ 1,317,469	$ 242,680	$ -	$ -	$ 13,983,911
Receivables:							
State and federal aid	907,274	1,276,743	10,027	-	-	-	2,194,044
Taxes	1,348	-	-	-	-	-	1,348
Due from other governments	301,481	-	-	-	-	-	301,481
Due from other funds	1,406,270	-	200	-	88	-	1,406,558
Other	610,051	-	-	-	-	-	610,051
Restricted cash	20,749,422	-	-	647,104	-	76,764	21,473,290
Prepaid expense	3,138	-	-	-	-	-	3,138
Inventories	-	-	14	-	-	-	14
Total assets	$ 36,402,746	$ 1,276,743	$ 1,327,710	$ 889,784	$ 88	$ 76,764	$ 39,973,835
LIABILITIES							
Payables:							
Accounts payable	$ 2,290,935	$ 137,731	$ 181,952	$ -	$ -	$ -	$ 2,610,618
Accrued liabilities	393,073	-	-	-	-	-	393,073
Due to other funds	283,443	1,106,666	16,177	200	-	72	1,406,558
Due to other governments	70,825	-	-	-	-	-	70,825
Due to teachers' retirement system	3,894,055	-	-	-	-	-	3,894,055
Due to employees' retirement system	393,113	-	-	-	-	-	393,113
Unearned revenue	60,456	32,346	74,392	-	-	-	167,194
Total liabilities	7,385,900	1,276,743	272,521	200	-	72	8,935,436
FUND BALANCE							
Fund balance:							
Nonspendable	3,138	-	14	-	-	-	3,152
Restricted	20,749,422	-	-	647,104	88	76,692	21,473,306
Committed	-	-	-	242,480	-	-	242,480
Assigned	4,386,714	-	1,055,175	-	-	-	5,441,889
Unassigned	3,877,572	-	-	-	-	-	3,877,572
Total fund balance	29,016,846	-	1,055,189	889,584	88	76,692	31,038,399
Total liabilities and fund balance	$ 36,402,746	$ 1,276,743	$ 1,327,710	$ 889,784	$ 88	$ 76,764	$ 39,973,835

The accompanying notes to the basic 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, 2022

Total Fund Balance - Governmental Funds		$ 31,038,399
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	$ 827,823	
Depreciable	152,443,867	
Accumulated depreciation	(85,253,427)	68,018,263
Right-to-use assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Right-to-use assets	309,672	
Accumulated amortization	(95,284)	214,388
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	(11,241,501)	
Lease liabilities, net	(219,156)	
Compensated absences	(648,592)	(12,109,249)
Proportionate share of long-term asset and liability, and deferred outflows of resources and deferred 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:		
Deferred outflows of resources - pension related	27,922,761	
Proportionate share of net pension asset - TRS	37,337,615	
Proportionate share of net pension asset - ERS	2,998,807	
Deferred inflows of resources - pension related	(52,101,857)	16,157,326
Total OPEB liability, deferred outflows of resources and deferred inflows of resources associated with the total OPEB liability are not current financial resources or obligations and are not reported in the fund financial statements.		
Deferred outflows of resources - OPEB related	24,334,881	
Total OPEB Liability	(146,984,421)	
Deferred inflows of resources - OPEB related	(55,105,438)	(177,754,978)
Deferred charge from refunding bonds.		866,692
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.		(24,513)
Net Position - Governmental Activities		$ (73,593,672)

The accompanying notes to the basic 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, 2022

	Major Funds						
		Special Revenue					
	General	Special Aid	School Lunch	Other Miscellaneous Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES							
Real property taxes	$ 82,567,249	$ -	$ -	$ -	$ -	$ -	$ 82,567,249
Other real property tax items	4,592,076	-	-	-	-	-	4,592,076
Non-property tax items	1,129,991	-	-	-	-	-	1,129,991
Charges for services	243,584	-	-	-	-	-	243,584
Use of money and property	84,473	-	-	-	-	-	84,473
Sale of property and compensation for loss	125,806	-	-	-	-	-	125,806
State sources	4,482,754	373,999	4,127	-	-	125,000	4,985,880
Federal sources	511,712	617,322	111,596	-	-	-	1,240,630
Sales	-	-	1,134,105	-	-	-	1,134,105
Miscellaneous	324,008	-	9,552	394,150	-	-	727,710
Total revenues	94,061,653	991,321	1,259,380	394,150	-	125,000	96,831,504
EXPENDITURES							
Current -							
General support	13,291,902	-	-	-	-	-	13,291,902
Instruction	50,421,525	877,403	-	218,437	-	-	51,517,365
Pupil transportation	4,644,492	-	-	-	-	-	4,644,492
Employee benefits	22,019,158	-	-	-	-	-	22,019,158
Debt service -							
Principal	90,516	-	-	-	2,555,000	-	2,645,516
Interest	12,084	-	-	-	247,100	-	259,184
Cost of sales	-	-	1,129,871	-	-	-	1,129,871
Capital outlay	-	-	-	-	-	1,583,536	1,583,536
Total expenditures	90,479,677	877,403	1,129,871	218,437	2,802,100	1,583,536	97,091,024
Excess (deficiency) of revenues over (under) expenditures	3,581,976	113,918	129,509	175,713	(2,802,100)	(1,458,536)	(259,520)
OTHER FINANCING SOURCES (USES)							
Issuance of leases	309,672	-	-	-	-	-	309,672
Transfers in	188,918	75,000	-	-	2,802,100	1,214,252	4,280,270
Transfers out	(4,091,352)	(188,918)	-	-	-	-	(4,280,270)
Total other financing sources (uses)	(3,592,762)	(113,918)	-	-	2,802,100	1,214,252	309,672
Change in fund balance	(10,786)	-	129,509	175,713	-	(244,284)	50,152
Fund balance, beginning of year	29,027,632	-	925,680	713,871	88	320,976	30,988,247
Fund balance, end of year	$ 29,016,846	$ -	$ 1,055,189	$ 889,584	$ 88	$ 76,692	$ 31,038,399

The accompanying notes to the basic 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, 2022

Net Change in Fund Balance - Governmental Activities		$ 50,152
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	$ 4,333,614	
Depreciation expense	(4,796,201)	(462,587)
Governmental funds report capital outlay right to use assets as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as amortization expense. The amount by which capital outlay exceeds amortization expense in the current period is:		
Right-to-use assets	309,672	
Amortization expense	(95,284)	214,388
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.		
Issuance of lease liabilities	(309,672)	
Repayment of bond principal	2,555,000	
Principal payments on lease liabilities	90,516	2,335,844
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	359,125	
Amortization of deferred charge on refunding bond	(360,942)	
Compensated absences	(35,495)	
Accrued interest costs	12,750	(24,562)
Changes in the amounts related to the OPEB liability 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.		
Deferred outflows of resources - OPEB related	(5,526,588)	
Total OPEB liability	31,662,822	
Deferred inflows of resources - OPEB related	(30,929,358)	(4,793,124)
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 - TRS	43,086,618	
Deferred outflows of resources from pensions	(13,149)	
Proportionate share of net pension asset - ERS	3,032,914	
Deferred inflows of resources from pensions	(38,990,558)	7,115,825
Net Change in Net Position - Governmental Activities		$ 4,435,936

The accompanying notes to the basic 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 has determined there are no component units to be included within their reporting entity.

B. 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 $3,875,032 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $1,502,295.

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

C. 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. 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, depreciation and amortization 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. 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.

Other Miscellaneous Special Revenue Fund: Used to account for assets held by the District in accordance with the terms of a trust agreement, activities of student groups, extra classroom activity funds and scholarships for students.

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.

D. 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 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 a reasonable period of time 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. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until available. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

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.

E. 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.

F. Restricted resources

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

G. Interfund transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash 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). Eliminations have been made for all interfund receivables and payables between the 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 10 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. 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, computation of the expected lease payments or receipts to present value, the proportionate share of net pension assets and liabilities, and the total OPEB liability.

I. 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 and obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations (if permitted by the District's policy).

J. 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.

K. 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).

L. 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.

M. Capital assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 1975. For assets acquired prior to June 30, 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

N. Right-to-use-assets

The District has recorded right-to-use assets as a result of implementing GASB Statement No. 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term and ancillary charges necessary to place the lease into service, less lease incentives. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

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. 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 District could have 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 five 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. The fifth item is related to leases which are recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable and are amortized on a straight-line basis over the term of the lease.

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 seven 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, 2022, 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 $3,138 and inventory in the School Lunch Fund of $14.

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 to the New York State and Local Employees' Retirement System. 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. The sub-fund for contributions to the New York State Teachers' Retirement System is included in this reserve, but is separately administered and complies with all existing provisions of General Municipal Law §6-r. This reserve is accounted for in the General Fund.

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. Committed fund balance includes extraclassroom activities in the Other Miscellaneous Special Revenue Fund of $242,480.

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, 2022 were distributed as follows:

	General	School Lunch	Other Miscellaneous Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Nonspendable:						
Prepaid expenses	$ 3,138	$ -	$ -	$ -	$ -	$ 3,138
Inventories	-	14	-	-	-	14
Total nonspendable	3,138	14	-	-	-	3,152
Restricted:						
Ongoing Capital Projects	-	-	-	-	76,692	76,692
Tax Certiorari	6,357,474	-	-	-	-	6,357,474
Property Loss	611,522	-	-	-	-	611,522
Insurance	720,459	-	-	-	-	720,459
Retirement Contributions:						
Employees' Retirement System	4,878,832	-	-	-	-	4,878,832
Teachers' Retirement System	2,119,979	-	-	-	-	2,119,979
Unemployment Benefits	166,417	-	-	-	-	166,417
Employee Benefit Accrued Liability	653,289	-	-	-	-	653,289
Capital Repairs	5,241,450	-	-	-	-	5,241,450
Scholarships and student activities	-	-	647,104	-	-	647,104
Debt Service	-	-	-	88	-	88
Total restricted	20,749,422	-	647,104	88	76,692	21,473,306
Committed:						
Extraclassroom activities	-	-	242,480	-	-	242,480
Total committed	-	-	242,480	-	-	242,480
Assigned:						
Designated for subsequent year's expenditures	3,009,353	-	-	-	-	3,009,353
Encumbrances	1,377,361	-	-	-	-	1,377,361
School Lunch Fund	-	1,055,175	-	-	-	1,055,175
Total assigned	4,386,714	1,055,175	-	-	-	5,441,889
Unassigned	3,877,572	-	-	-	-	3,877,572
Total	$ 29,016,846	$ 1,055,189	$ 889,584	$ 88	$ 76,692	$ 31,038,399

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.

Sometimes the District will fund outlays for a particular purpose from both restricted (i.e. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the District-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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 six 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. Right-to-use asset related differences

Right-to-use asset related differences include the difference between recording an expenditure for the purchase of right-to-use assets in the fund financial statements and amortization expense on those items as recorded in the Statement of Activities.

4. 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.

5. 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.

6. 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. CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2021, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the District's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

4. 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 General Fund is the only fund with a legally approved budget for the year ended June 30, 2022.

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.

The portion of the District's School Lunch Fund fund balance subject to federal regulations 7CFR Part 210.14(b) limit exceeded the amount allowable, which is three months average expenditure level. Actions the District plans to pursue to address this issue include purchasing several new pieces of kitchen equipment and making substantial improvements to the school kitchen serving lines in the upcoming year.

5. 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	$ 32,612,203

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 $21,473,290 within the governmental 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.

6. RECEIVABLES

Receivables at June 30, 2022, consisted of the following:

A. State and federal aid

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

General Fund:	
BOCES aid	$ 760,839
New York State Aid - excess cost aid	146,435
Special Aid Fund:	
State and federal grants	1,276,743
School Lunch Fund:	
School breakfast and lunch reimbursement	10,027
	$ 2,194,044

B. Due from other governments

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

General Fund:	
Westchester County	$ 301,481

C. Taxes receivable

Taxes receivable at June 30, 2022, consisted of the following:

General Fund:	
Town of North Castle	$ 1,348

D. Other receivables

Other receivables at June 30, 2022, consisted of the following:

General Fund:	
Various receivables	$ 610,051

The District has deemed the amounts to be fully collectible.

7. CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets not depreciated:				
Land	$ 562,525	$ -	$ -	$ 562,525
Construction-in-progress	468,952	265,298	(468,952)	265,298
Total nondepreciable assets	1,031,477	265,298	(468,952)	827,823
Capital assets that are depreciated:				
Buildings and building improvements	134,427,002	2,940,710	468,952	137,836,664
Furniture and equipment	13,956,848	1,127,606	(477,251)	14,607,203
Total depreciable assets	148,383,850	4,068,316	(8,299)	152,443,867
Less accumulated depreciation:				
Buildings and building improvements	73,107,525	3,977,908	-	77,085,433
Furniture and equipment	7,826,952	818,293	(477,251)	8,167,994
Total accumulated depreciation	80,934,477	4,796,201	(477,251)	85,253,427
Total capital assets, net	$ 68,480,850	$ (462,587)	$ -	$ 68,018,263

Depreciation expense was charged to governmental functions as follows:

General support	$ 489,140
Instruction	3,978,630
Pupil transportation	328,431
	$ 4,796,201

8. RIGHT-TO-USE ASSETS

The District has recorded right-to-use assets for leased equipment. The related leases are discussed in the Leases subsection of the Long-Term Debt Liabilities section in Note 9. The right-to-use assets are amortized on a straight-line basis over the terms of the related leases.

	Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Governmental activities				
Right-to-use assets				
Leased equipment	$ -	$ 309,672	$ -	$ 309,672
Less accumulated amortization:				
Leased equipment	-	95,284	-	95,284
Total right-to-use assets, net	$ -	$ 214,388	$ -	$ 214,388

9. LONG-TERM 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	$ 12,360,000	$ -	$ 2,555,000	$ 9,805,000	$ 2,525,000
Unamortized bond premiums	1,795,626	-	359,125	1,436,501	359,125
Total bonds payable, net	14,155,626	-	2,914,125	11,241,501	2,884,125
Lease liabilities	-	309,672	90,516	219,156	94,674
Compensated absences	613,097	35,495	-	648,592	37,077
Other post-employment benefits	178,647,243	12,343,541	44,006,363	146,984,421	-
Total long-term liabilities	$ 193,415,966	$ 12,688,708	$ 47,011,004	$ 159,093,670	$ 3,015,876

The following is a summary of long-term indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at 6/30/2022
Refunding Bonds	05/15/21	11/15/25	2.00%	$ 9,805,000

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

Year Ended June 30,	Principal	Interest	Totals
2023	2,525,000	170,850	2,695,850
2024	2,490,000	120,700	2,610,700
2025	2,430,000	71,500	2,501,500
2026	2,360,000	23,600	2,383,600
	$ 9,805,000	$ 386,650	$ 10,191,650

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

Interest paid	$ 259,184
Amortization of deferred charges on refunding	360,942
Amortization of premium on bonds	(359,125)
Less interest accrued in the prior year	(37,263)
Plus interest accrued in the current year	24,513
Interest expense	$ 248,251

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.

Lease liabilities - The District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of July 1, 2021.

The lease agreement was executed on October 1, 2019, to lease copier machines and requires 60 monthly payments of $8,550. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.75%, which was the District's borrowing rate at the inception of the lease agreement. As a result of the lease, the District has recorded a right-to-use asset with a net book value of $214,388 at June 30, 2022.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Year Ended June 30,	Principal	Interest	Totals
2023	$ 94,674	$ 7,925	102,599
2024	99,023	3,576	102,599
2025	25,459	191	25,650
	$ 219,156	$ 11,692	$ 230,848

Other long-term liabilities - The liabilities for compensated absences are liquidated through future budgetary appropriation in the funds that gave rise to the liability, with the majority being liquidated through the General Fund. Additions and deletions to compensated absences are shown net since it is impracticable to determine these amounts separately.

10. 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 Annual Comprehensive 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 Annual Comprehensive Financial 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
2022	$ 1,878,166	$ 3,485,209
2021	1,610,187	3,128,714
2020	1,551,738	3,644,823

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

At June 30, 2022, the District reported the following asset for its proportionate share of the net pension asset for each of the Systems. The net pension asset was measured as of June 30, 2021 for NYSTRS and March 31, 2022 for NYSERS. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation. The District's proportion of the net pension asset 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	April 1, 2021	June 30, 2020
Net pension asset	$ 2,998,807	$ 37,337,615
District's portion of the Plan's total net pension asset	0.036685%	0.215463%

For the year ended June 30, 2022, the District recognized pension expense of $352,931 for NYSERS and pension income of $2,116,477 for NYSTRS. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources - NYSERS	Deferred Outflows of Resources - NYSTRS	Deferred Inflows of Resources - NYSERS	Deferred Inflows of Resources - NYSTRS
Differences between expected experience and actual experience	$ 227,104	$ 5,146,594	$ 294,567	$ 193,985
Changes of assumptions	5,004,673	12,281,122	84,448	2,174,806
Net difference between projected and actual earnings on pension plan investments	-	-	9,819,837	39,077,678
Changes in proportion and differences between the District's contributions and proportionate share of contributions	600,987	375,113	63,049	393,487
Employer contributions subsequent to the measurement date	393,113	3,894,055	-	-
Total	$ 6,225,877	$ 21,696,884	$ 10,261,901	$ 41,839,956

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

Year ended June 30,:	NYSERS	NYSTRS
2023	$ (580,160)	$ (4,795,758)
2024	(965,119)	(5,648,270)
2025	(2,439,405)	(7,097,397)
2026	(444,453)	(9,422,117)
2027	-	1,715,765
Thereafter	-	1,210,650

Actuarial assumptions

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

	NYSERS	NYSTRS
Measurement date	March 31, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Interest rate	5.90%	6.95%
Salary scale	4.40%	*Rates of increase differ based on service
Decrement tables	April 1, 2015 to March 31, 2020 System's Experience	July 1, 2015 to June 30, 2020 System's Experience
Inflation rate	2.70%	2.40%

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

Service	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

For NYSTRS, annuitant mortality rates are based on July 1, 2015 - June 30, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. For NYSERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020.

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

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, 2022		June 30, 2021	
Asset type -				
Cash	1.00%	(1.00%)	1.00%	(0.20%)
Credit	4.00%	3.78%	-	-
Domestic Equity	32.00%	3.30%	33.00%	6.80%
Domestic Fixed Income	-	-	16.00%	1.30%
Fixed Income	23.00%	-	-	-
Global Equity	-	-	4.00%	7.10%
Global Fixed Income	-	-	2.00%	0.80%
High-yield Fixed Income	-	-	1.00%	3.80%
International Equity	15.00%	5.85%	16.00%	7.60%
Opportunistic Portfolio	3.00%	4.10%	-	-
Private Equity	10.00%	6.50%	8.00%	10.00%
Private Debt	-	-	1.00%	5.90%
Real Assets	3.00%	5.58%	-	-
Real Estate Debt	-	-	7.00%	3.30%
Real Estate Equities	9.00%	5.00%	11.00%	6.50%
	100.00%		100.00%	

Discount rate

The discount rate used to calculate the total pension asset was 5.90% for NYSERS and 6.95% 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 asset.

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

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

NYSERS	1% Decrease (4.90%)	Current assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset/(liability)	$ (7,718,897)	$ 2,998,807	$ 11,963,649

NYSTRS	1% Decrease (5.95%)	Current assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset/(liability)	$ 3,918,038	$ 37,337,615	$ 65,424,345

Pension plan fiduciary net position

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

	(Dollars in Thousands) NYSERS	NYSTRS	Total
Measurement date	April 1, 2021	June 30, 2020	
Employers' total pension asset	$ 223,874,888	$ 130,819,415	$ 354,694,303
Plan net position	232,049,473	148,148,457	380,197,930
Employers' net pension asset	$ 8,174,585	$ 17,329,042	$ 25,503,627
Ratio of plan net position to the employers' total pension asset	103.65%	113.25%	107.19%

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, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid NYSERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to $393,113.

For NYSTRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the system in September, October and November 2022 through a State aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 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, 2022 amounted to $3,894,055.

11. INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

Fund	Interfund			
	Receivable	Payable	Transfers in	Transfers out
General	$ 1,406,270	$ 283,443	$ 188,918	$ 4,091,352
Special Aid	-	1,106,666	75,000	188,918
School Lunch	200	16,177	-	-
Special Purpose Fund	-	200	-	-
Debt Service	88	-	2,802,100	-
Capital Projects	-	72	1,214,252	-
Totals	$ 1,406,558	$ 1,406,558	$ 4,280,270	$ 4,280,270

Interfund receivables and payables 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.

All interfund payables are expected to be repaid within one year.

12. 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, 2020, 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	348
Active plan members	463
Total plan members	811

B. Total OPEB liability

The District's total OPEB liability of $146,984,421 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020.

Actuarial assumptions and other inputs

The total OPEB liability in the July 1, 2020 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	3.54%
Healthcare cost trend rates	5.30% decreasing to an ultimate rate of 4.10% over 55 years
Retirees share of benefit related costs	0% to 8% of projected health insurance premiums for retirees

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2019.

C. Changes in the total OPEB liability

Balance as of June 30, 2021	$ 178,647,243
Changes for the year -	
Service cost	8,340,391
Interest	4,003,150
Change in assumptions or other inputs	(40,675,336)
Benefit payments	(3,331,027)
Net changes	(31,662,822)
Balance as of June 30, 2022	$ 146,984,421

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 (2.54%) or one percentage point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Current assumption (3.54%)	1% Increase (4.54%)
Total OPEB liability as of June 30, 2022	$ 175,058,771	$ 146,984,421	$ 124,816,908

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 (4.30%) or one percentage point higher (6.30%) than the current discount rate:

	1% Decrease (4.30% decreasing to 3.10%)	Current assumption (5.30% decreasing to 4.10%)	1% Increase (6.30% decreasing to 5.10%)
Total OPEB liability as of June 30, 2022	$ 122,972,242	$ 146,984,421	$ 178,830,649

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

For the year ended June 30, 2022, the District recognized OPEB expense of $8,124,151. At June 30, 2022, the District reported deferred outflows of resources related to OPEB from differences between expected and actual experience and changes of assumptions of $24,334,881 and deferred inflows of resources related to OPEB from changes in assumption of $55,105,438.

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

Year ended June 30,:	
2023	$ (4,219,390)
2024	(4,219,390)
2025	(4,219,390)
2026	(4,219,392)
2027	(5,792,377)
Thereafter	(8,100,618)

13. 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.

14. CONTINGENCIES AND COMMITMENTS

Encumbrances

All encumbrances are classified as assigned fund balance. During the fiscal year ended June 30, 2022, the District encumbered the following amounts:

Assigned: Unappropriated Fund Balance	
General Fund	
General support	$ 1,103,919
Instruction	273,442
	$ 1,377,361

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, 2022, 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, 2021 at 1.01 (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, 2022, 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.

COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic. The extent of the impact of COVID-19 on the District's operational and financial performance, and cash flow needs will depend on certain developments, including the duration and spread of the outbreak, impact on funding sources, employees and vendors, all of which are uncertain and cannot be predicted as of the date of these financial statements.

15. FUTURE ACCOUNTING STANDARDS

The District will evaluate the impact each of these upcoming pronouncements may have on its financial statements and will implement them as applicable and when material. The following is a list of GASB pronouncements issued but not yet effective:

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
Statement No. 91	Conduit Debt Obligations	June 30, 2023
Statement No. 94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements	June 30, 2023
Statement No. 96	Subscription-Based Information Technology Arrangements	June 30, 2023

16. SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the Statement of Net Position through the date of October 11, 2022, 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, 2022

	Original Budget	Final Budget	Actual	Year-end Encumbrances	Variance
REVENUES					
Local sources:					
Real property taxes	$ 82,441,236	$ 82,441,236	$ 82,567,249		$ 126,013
Other real property tax items	4,576,887	4,576,887	4,592,076		15,189
Non-property tax items	550,000	550,000	1,129,991		579,991
Charges for services	150,000	150,000	243,584		93,584
Use of money and property	35,000	35,000	84,473		49,473
Sale of property and compensation for loss	-	-	125,806		125,806
Miscellaneous	230,000	230,000	324,008		94,008
Total local sources	87,983,123	87,983,123	89,067,187		1,084,064
State sources	4,374,144	4,374,144	4,482,754		108,610
Federal sources	-	-	511,712		511,712
Total revenues	92,357,267	92,357,267	94,061,653		1,704,386
OTHER FINANCING SOURCES					
Issuance of leases	-	-	309,672		309,672
Transfers in	-	-	188,918		188,918
Appropriated reserves	4,179,723	4,179,723	-		-
Total revenues and other financing sources	96,536,990	96,536,990	94,560,243		2,202,976
EXPENDITURES					
General support:					
Board of Education	77,300	81,877	69,807	$ -	12,070
Central administration	420,105	427,715	414,817	244	12,654
Finance	1,224,668	1,212,686	1,502,959	7,645	(297,918)
Staff	485,233	483,810	479,251	-	4,559
Central services	9,845,639	11,408,420	10,074,527	1,096,030	237,863
Special items	984,201	750,541	750,541	-	-
Total general support	13,037,146	14,365,049	13,291,902	1,103,919	(30,772)
Instruction:					
Instruction, administration and improvement	3,902,860	3,868,207	3,702,681	18,216	147,310
Teaching - regular school	26,817,848	26,872,018	26,540,906	41,546	289,566
Programs for children with handicapping conditions	10,922,523	11,081,116	10,947,496	127,130	6,490
Teaching - special school	75,000	51,670	51,669	-	1
Instructional media	5,045,391	4,763,223	4,701,540	5,611	56,072
Pupil services	4,775,548	4,597,875	4,477,233	80,939	39,703
Total instruction	51,539,170	51,234,109	50,421,525	273,442	539,142
Pupil transportation	4,510,885	4,658,836	4,644,492	-	14,344
Employee benefits	23,472,689	22,187,644	22,019,158	-	168,486
Debt service:					
Principal	-	-	90,516	-	(90,516)
Interest	-	-	12,084	-	(12,084)
Total expenditures	92,559,890	92,445,638	90,479,677	1,377,361	588,600
OTHER FINANCING USES					
Transfers out	3,977,100	4,091,352	4,091,352	-	-
Total expenditures and other financing uses	96,536,990	96,536,990	94,571,029	$ 1,377,361	588,600
Net change in fund balance	$ -	$ -	(10,786)		$ 2,791,576
Fund balance, beginning of year			29,027,632		
Fund balance, end of year			$ 29,016,846		

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 FIVE FISCAL YEARS

Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability:					
Service cost	$ 8,340,391	$ 8,163,919	$ 6,234,067	$ 7,336,528	$ 7,050,062
Interest	4,003,150	4,147,506	5,107,252	4,504,798	4,236,526
Differences between expected and actual experience in the measurement of the total OPEB liability	-	(15,354,890)	-	5,427,264	324,155
Changes of assumptions or other inputs	(40,675,336)	3,755,998	31,677,029	(17,223,754)	-
Benefit payments	(3,331,027)	(3,125,520)	(3,263,036)	(3,103,729)	(2,808,036)
Net change in total OPEB liability	(31,662,822)	(2,412,987)	39,755,312	(3,058,893)	8,802,707
Total OPEB liability - beginning of year	178,647,243	181,060,230	141,304,918	144,363,811	135,561,104
Total OPEB liability - end of year	$ 146,984,421	$ 178,647,243	$ 181,060,230	$ 141,304,918	$ 144,363,811
Covered payroll	$ 43,783,637	$ 43,783,637	$ 41,367,084	$ 41,367,084	$ 51,033,732
Total OPEB liability as a percentage of covered payroll	335.71%	408.02%	437.69%	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 are 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 ASSET/(LIABILITY) - NYSERS & NYSTRS
LAST EIGHT FISCAL YEARS*
(Dollar amounts in thousands)

NYSERS

	2022	(A) 2021	(B) 2020	2019	2018	2017	(C) 2016	2015
District's proportionate share of the net pension liability	0.03668%	0.03425%	0.03486%	0.03575%	0.03485%	0.02430%	0.03538%	0.03459%
District's proportionate share of the net pension asset/(liability)	$ 2,999	$ (34)	$ (9,230)	$ (2,533)	$ (1,125)	$ (3,289)	$ (5,679)	$ (1,169)
District's covered payroll	$ 12,720	$ 12,014	$ 11,742	$ 11,348	$ 10,990	$ 10,504	$ 10,558	$ 10,328
District's proportionate share of the net pension liability as a percentage of covered payroll	23.58%	0.28%	78.61%	22.32%	10.24%	31.31%	53.79%	11.32%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%

* 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 6.8% to 5.9% effective with the March 31, 2021 measurement date.

(B) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.80% effective with the March 31, 2020 measurement date.

(C) 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.

NYSTRS

	(D) 2022	2021	(E) 2020	2019	(F) 2018	(G) 2017	2016	2015
District's proportionate share of the net pension asset/(liability)	0.215463%	0.208051%	0.205614%	0.209933%	0.215841%	0.213164%	0.214345%	0.213651%
District's proportionate share of the net pension asset/(liability)	$ 37,338	$ (5,749)	$ 5,342	$ 3,796	$ 1,641	$ (2,283)	$ 22,264	$ 23,799
District's covered payroll	$ 36,997	$ 35,313	$ 34,320	$ 34,196	$ 34,204	$ 34,204	$ 32,010	$ 31,542
District's proportionate share of the net pension asset/(liability) as a percentage of covered payroll	100.92%	16.28%	15.57%	11.10%	4.80%	6.67%	69.55%	75.45%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

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

(D) The discount rate used to calculate the total pension asset was decreased from 7.10% to 6.95% effective with the June 30, 2021 measurement date.

(E) The discount rate used to calculate the total pension asset was decreased from 7.25% to 7.10% effective with the June 30, 2019 measurement date.

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

(G) 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.

***Note to Required Supplementary Information**

Ten years of historical information was not available upon implememtation of GASB Statement No. 68. 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.

BYRAM HILLS CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - NYSERS & NYSTRS
LAST EIGHT FISCAL YEARS*
(Dollar amounts in thousands)

NYSERS

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,878	$ 1,610	$ 1,552	$ 1,524	$ 1,559	$ 1,581	$ 1,777	$ 1,957
Contributions in relation to the contractually required contribution	1,878	1,610	1,552	1,524	1,559	1,581	1,777	1,957
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 12,772	$ 12,894	$ 11,603	$ 11,484	$ 11,133	$ 10,504	$ 10,558	$ 10,328
Contributions as a percentage of covered-employee payroll	14.71%	12.49%	13.38%	13.27%	14.00%	15.05%	16.83%	18.95%

NYSTRS

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 3,485	$ 3,129	$ 3,645	$ 3,351	$ 3,345	$ 4,012	$ 4,383	$ 5,611
Contributions in relation to the contractually required contribution	3,485	3,129	3,645	3,351	3,345	4,012	4,383	5,611
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 36,856	$ 36,997	$ 35,313	$ 34,320	$ 34,196	$ 34,204	$ 32,010	$ 31,542
Contributions as a percentage of covered-employee payroll	9.46%	8.46%	10.32%	9.76%	9.78%	11.73%	13.69%	17.79%

***Note to Required Supplementary Information**

Ten years of historical information was not available upon implememtation of GASB Statement No. 68. 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.

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, 2022

Change from adopted budget to final budget:

Adopted budget		$ 95,243,544
Add:		
Prior year's encumbrances		1,293,446
Final budget		$ 96,536,990

Section 1318 of Real Property Tax Law Limit calculation:

2022-2023 voter-approved expenditure budget		$ 96,939,312
Maximum allowed (4% of 2022-2023 budget)		$ 3,877,572
General Fund fund balance subject to §1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	$ 4,386,714	
Unassigned fund balance	3,877,572	$ 8,264,286
Less:		
Appropriated fund balance	3,009,353	
Encumbrances	1,377,361	4,386,714
General Fund fund balance subject to §1318 of Real Property Tax Law		$ 3,877,572
Actual percentage		4.00%

BYRAM HILLS CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES AND FINANCING SOURCES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022

			Expenditures				Methods of Financing				
Project Title	Original Budget	Revised Budget	Prior Years	Current Year	Total	Unexpended Balance	Interfund Transfers	State Aid	Local Sources	Total	Fund Balance June 30, 2022
HCC HVAC Work	$ 342,000	$ 342,000	$ -	$ 265,298	$ 265,298	$ 76,702	$ 265,298	$ -	$ -	$ 265,298	$ -
Wampus Roof Replacement	375,000	375,000	-	375,000	375,000	-	375,000	-	-	375,000	-
Wampus HVAC Work	589,232	589,232	430,530	157,232	587,762	1,470	589,232	-	-	589,232	1,470
Coman Hill Window Replacement	400,000	318,000	317,350	-	317,350	650	318,000	-	-	318,000	650
Coman Hill Generator Installation	200,000	200,000	-	147,110	147,110	52,890	200,000	-	-	200,000	52,890
BHHS HVAC Work	183,000	183,000	-	182,709	182,709	291	183,000	-	-	183,000	291
BHHS Parking Lot	400,000	390,999	1,485	370,000	371,485	19,514	391,000	-	-	391,000	19,515
BHHS Scoreboard Purchase	-	125,000	36,937	86,187	123,124	1,876	-	-	125,000	125,000	1,876
Totals	$ 2,489,232	$ 2,523,231	$ 786,302	$ 1,583,536	$ 2,369,838	$ 153,393	$ 2,321,530	$ -	$ 125,000	$ 2,446,530	$ 76,692

BYRAM HILLS CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

Capital assets, net		$ 68,018,263
Add:		
Deferred outflow from refunding of bonds	$ 866,692	
Right-to-use assets, net	214,388	
Deduct:		
Short-term portion of lease liabilities	(94,674)	
Short-term portion of bonds payable, net	(2,884,125)	
Long-term portion of lease liabilities	(124,482)	
Long-term portion of bonds payable, net	(8,357,376)	(10,379,577)
Net investment in capital assets		$ 57,638,686

BYRAM HILLS CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/ Pass - Through Grantor/ Cluster Title/Program Title	Federal CFDA Number	Pass - Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education			
Passed - Through Programs From:			
New York State Department of Education			
ESEA, Title II, Part A, Improving Teacher Quality State Grants	84.367A	0147-22-3775	$ 25,875
ESEA, Title IV, Part A, Student Support and Academic Enrichment Grants	84.424A	0201-22-3775	10,000
			35,875
Special Education Cluster:			
IDEA, Part B, Section 611, Special Education Grants to States	84.027A	0032-22-1080	481,630
IDEA, Part B, Section 619, Special Education Preschool Grants	84.173A	0033-22-1080	8,901
			490,531
Title I, Part A Cluster:			
ESEA, Title I, Part A, Grants to Local Educational Agencies	84.010A	0021-22-3775	90,916
CARES Act, Education Stabilization Fund Cluster:			
CARES Act, ESF, Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-3790	43,096
CARES Act, EDF, Governor's Emergency Education Relief Fund	84.425C	5895-21-3790	7,304
			50,400
Total U.S. Department of Education			667,722
U.S. Department of Homeland Security			
Passed-Through Program From:			
New York State Division of Homeland Security and Emergency Services:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	119-1532-00	461,312
Total U.S. Department of Homeland Security			461,312
U.S. Department of Agriculture			
Direct Programs:			
Surplus Food	10.550	N/A	30,875
Passed - Through Programs From:			
New York State Office of General Services			
Child Nutrition Cluster:			
National School Lunch Program	10.555	N/A	80,721
Total U.S. Department of Agriculture			111,596
TOTAL FEDERAL EXPENDITURES			$ 1,240,630

The accompanying notes should be read
in conjunction with this schedule.

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Byram Hills Central School District, New York (the "District") under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or fund balance of the District.

2. BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

Non-monetary assistance is reported in the schedule at the fair market value of commodities received, which is provided by New York State.

3. INDIRECT COSTS

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

4. SUBRECIPIENTS

No amounts were provided to subrecipients.

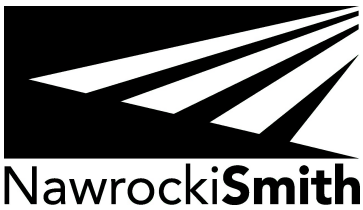
5. OTHER DISCLOSURES

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.

6. MAJOR PROGRAM DETERMINATION

The District was deemed to be a "high-risk auditee", therefore, major programs were determined based on 40% of total federal award expenditures.



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 the aggregate remaining fund information of the Byram Hills Central School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 11, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting ("internal control") 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.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Hauppauge, New York
October 11, 2022

Nawrocki Smith LLP

NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Byram Hills Central School District, New York (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Hauppauge, New York
October 11, 2022

Nawrocki Smith LLP

BYRAM HILLS CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

A. Summary Of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No deficiencies or material weaknesses were disclosed during the audit of the financial statements.
3. No instances of noncompliance were disclosed during the audit of the financial statements.
4. No deficiencies or material weaknesses were disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion.
6. No audit findings relative to the major federal award programs that are required to be reported in accordance with section 2 CFR 200.516 (a) of the Uniform Guidance, were disclosed during the audit.
7. The programs tested as a major program included:

CFDA Number	Name of Federal Program
	U.S. Department of Homeland Security -
97.036	Disaster Grants – Public Assistance
	U.S. Department of Education -
84.027A	IDEA, Part B, Section 611, Special Education Grants to States
84.173A	IDEA, Part B, Section 619, Special Education Preschool Grants

8. The threshold for distinguishing Type A and B programs was $750,000.
9. Auditee was determined to be a high-risk auditee.

B. Findings - Financial Statement Audit

None reported.

C. Findings And Questioned Costs - Major Federal Award Programs Audit

None reported.

BYRAM HILLS CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

Findings - Financial Statement Audit

None reported.

Findings And Questioned Costs - Major Federal Award Programs Audit

None reported.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS:

None reported.

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS:

None reported.