

**Briarcliff Manor Union Free
School District, New York**

Financial Statements and
Supplementary Information

Year Ended June 30, 2019

Briarcliff Manor Union Free School District, New York

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Briarcliff Manor Union Free School District, New York ("School District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit for the year ended June 30, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules for the year ended June 30, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2019.

We also previously audited, 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, the basic financial statements of the School District as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated September 18, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2018 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 relate directly to the underlying accounting and other records used to prepare the June 30, 2018

financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the June 30, 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2019 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 3, 2019

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Briarcliff Manor Union Free School District, New York ("School District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 3, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 3, 2019

Briarcliff Manor Union Free School District, New York

Management's Discussion and Analysis (MD&A) June 30, 2019

Introduction

This discussion and analysis of the Briarcliff Manor Union Free School District, Briarcliff Manor, New York's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2019. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2018-19 are as follows:

- According to NYS law, the amount of unassigned fund balance that can be retained by the General Fund is limited to no more than 4% of the ensuing year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,107,597, or 4.00% of the 2019-20 budget of \$52,690,000.
- As of the close of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$7,728,701, an increase of \$627,246 from the June 30, 2018 fund balance of \$7,101,455. There was a net increase in total restricted fund balance of \$432,204. Funds were added to the Employee Benefit Accrued Liability Reserve and Retirement Contributions Reserve based on specific requirements to finance future allowable expenses. There was an increase in total assigned fund balance of \$175,302. The General Fund's unassigned fund balance that is available for spending at the discretion of the School District was \$2,107,597, or approximately 28.08% of its total fund balance.
- The School District's appropriated surplus contribution to reduce the tax levy will increase from \$928,230 in 2018-19 to \$1,090,300 in 2019-20.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded assets and deferred outflows of resources by \$46,956,747. This is related to the continuing recognition of other post-employment benefit ("OPEB") obligations, other than pensions. The School District adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, which replaced GASB Statement No. 45. The key difference in the new standard is that the School District must now report the *total OPEB liability* related to its employees. The prior standard allowed for the amortization of prior service cost over a thirty-year period. The School District's July 1, 2017 net position was restated for the cumulative effect of adopting GASB Statement No. 75. The restatement resulted in a decrease to net position of \$54.9 million. Total assets and deferred outflows increased by \$881,347 for the year ended June 30, 2019, exclusive of the restatement impact.
- This is the fifth year of implementation of the provisions of GASB Statement No. 68. This pronouncement established new accounting and financial reporting requirements associated with the School District's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS"). Cost-sharing employers are required to

report in their district-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all the municipalities and school districts in the plan. At June 30, 2019, the School District reported in its Statement of Net Position a liability of \$799,935 for its proportionate share of the ERS net pension liability, while also reporting an asset of \$2,354,788 for its proportionate share of the TRS net pension asset. More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in note 3D in the notes to financial statements.

Overview of the Financial Statements

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

District-Wide Financial Statements

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

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

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

Fund Financial Statements

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of*

spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- The School District maintains six individual governmental funds; General Fund, Capital Projects Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund and Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Capital Projects Fund, which are considered to be major funds. Data for the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the respective budget.
- The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statement because the resources of these funds are not available to support the School District's programs.

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

Notes to Financial Statements

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

Other Information

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

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. This MD&A includes a summary of two district-wide statements that focus on operations of the School District as a whole. These statements measure inputs and outflows using an economic resources measurement focus, and use the accrual basis of accounting. Activities that are fiduciary in nature are not included in these statements.

In the case of the Briarcliff Manor Union Free School District, Briarcliff Manor, New York, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$46,956,747 at the year ending June 30, 2019, as reflected on the chart below.

Net Position

	June 30,	
	2019	2018
Current and Other Assets	\$ 13,736,739	\$ 11,521,978
Capital Assets, net	43,177,813	44,911,635
Total Assets	56,914,552	56,433,613
Deferred Outflows of Resources	21,102,373	23,468,067
Current and Other Liabilities	3,683,183	3,480,060
Long-Term Liabilities	100,383,217	103,280,470
Total Liabilities	104,066,400	106,760,530
Deferred Inflows of Resources	20,907,272	20,979,244
NET POSITION		
Net Investment in Capital Assets	30,040,285	28,281,885
Liability and Casualty Claims	220,418	220,109
Debt Service	6,254	5,798
Tax Certiorari	3,116,184	3,157,464
Retirement Contributions	272,545	62,785
Special Purposes	79,847	80,494
Unrestricted	(80,692,280)	(79,646,629)
Total Net Position	\$ (46,956,747)	\$ (47,838,094)

The largest positive component of the School District's net position is its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending.

Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Other assets subject to external

restrictions constitute 8% of net position. There is a negative \$80,692,280 of unrestricted net position, which is primarily a result of the recognition of OPEB and Net Pension liabilities.

Changes in Net Position

	June 30,	
	2019	2018
PROGRAM REVENUES		
Charges for Services	\$ 5,842,144	\$ 3,615,331
Operating Grants and Contributions	731,193	708,346
Capital Grants and Contributions	456	1,322
	<u>6,573,793</u>	<u>4,324,999</u>
Total Program Revenues		
 General Revenues		
Real Property Taxes	38,192,617	37,283,561
Other Tax Items	2,561,545	2,856,940
Non-Property Taxes	457,225	446,207
Unrestricted Use of Money and Property		
(Interest and Rental Revenues)	120,952	64,268
Sale of Property and Compensation for Loss	3,675	16,414
Unrestricted State Aid	5,227,042	5,452,619
Miscellaneous	222,473	257,378
	<u>46,785,529</u>	<u>46,377,387</u>
Total General Revenues		
 Total Revenues	<u>53,359,322</u>	<u>50,702,386</u>
 PROGRAM EXPENSES		
General Support	7,768,171	7,211,773
Instruction	41,371,657	41,846,503
Pupil Transportation	2,322,287	2,194,492
Interest	378,124	509,256
Cost of Food Sales	635,136	525,929
Other	2,600	1,800
	<u>52,477,975</u>	<u>52,289,753</u>
Total Expenses		
 Change in Net Position	<u>881,347</u>	<u>(1,587,367)</u>
 NET POSITION		
Beginning, as reported	(47,838,094)	8,701,317
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>(54,952,044)</u>
 Beginning, as restated	<u>(47,838,094)</u>	<u>(46,250,727)</u>
 Ending	<u>\$ (46,956,747)</u>	<u>\$ (47,838,094)</u>

Net position increased by \$881,347 year-to-year. Revenues increased by \$2,656,936 in 2018-19. The major changes are as follows:

Revenues

- Charges for Services increased by \$2,226,813. The main reasons for the increase are as follows:
 1. Enrollment of special education 9th – 12th graders from other districts increased by 11.737 FTE's. The NRT and consortium rates increased. The combined effect of increased enrollment and increased tuition rates resulted in \$966,884 more in special education tuition revenue.
 2. Enrollment of regular education 9th – 12th graders from Pocantico CSD increased by 5.345 FTE's. In addition, the NRT rate increased by \$686 per student. The combined effect of increased enrollment and an increased tuition rate resulted in \$186,700 more in regular education tuition revenue.
 3. Regular and special education prior year NRT rate adjustments due from other districts increased by \$813,965. These adjustments are added to current year revenue.
 4. Enrollment of regular education K-12th grade non-resident parentally-placed students increased by 4.371 FTE's. In addition, the NRT rates increased. The combined effect of increased enrollment and increased tuition rates resulted in \$108,281 more in regular education tuition revenue.
 5. Regular education prior year NRT rate adjustments due from non-resident parentally-placed students increased by \$17,497. These adjustments are added to current year revenue.
 6. The food service contract was re-bid for 2018-19, and the new service provider significantly increased sales over the prior year. Meal and a la carte prices were increased as well. The combined effect of increased sales and higher prices resulted in \$113,246 more in food sales revenue.
- Real property taxes increased by \$909,056. This revenue represents the adopted tax warrant less any STAR revenue received from NYS. These factors contributed to the increase of real property taxes:
 1. The amount of appropriated surplus funds that the School District used to reduce the 2018-19 tax levy was \$498,770 less than the amount set aside for tax reduction in 2017-18.
 2. The 2018-19 budget was \$730,262 more than the 2017-18 budget. This, together with a \$498,770 decrease of appropriated surplus, required an additional \$1,229,032 in revenues to finance operations. Budgeted revenue for items other than real property taxes and STAR revenue in 2018-19 was \$545,262 higher than in 2017-18, and the tax levy was increased by \$683,770 to make up the difference.
- Other Tax Items (STAR revenue) decreased by \$295,395. The total STAR reimbursement amount that the School District receives from NYS is calculated by both the Town of Mt. Pleasant and the Town of Ossining using a formula determined by NYS, and represents the sum of both towns' municipal-wide total amount of each individual school tax bill to be paid through the STAR program. Any decrease in STAR revenue increases real property taxes by the same amount.
- Unrestricted State Aid decreased by \$225,577. The largest fluctuation was in the category of BOCES aid.
 1. BOCES aid was \$196,946 lower because the School District had less BOCES aidable expenditures in 2017-18 (on which 2018-19 BOCES Aid was based) than in 2016-17 (on which 2017-18 BOCES Aid was based).

Expenses increased by \$188,222 in 2018-19. The major changes are as follows:

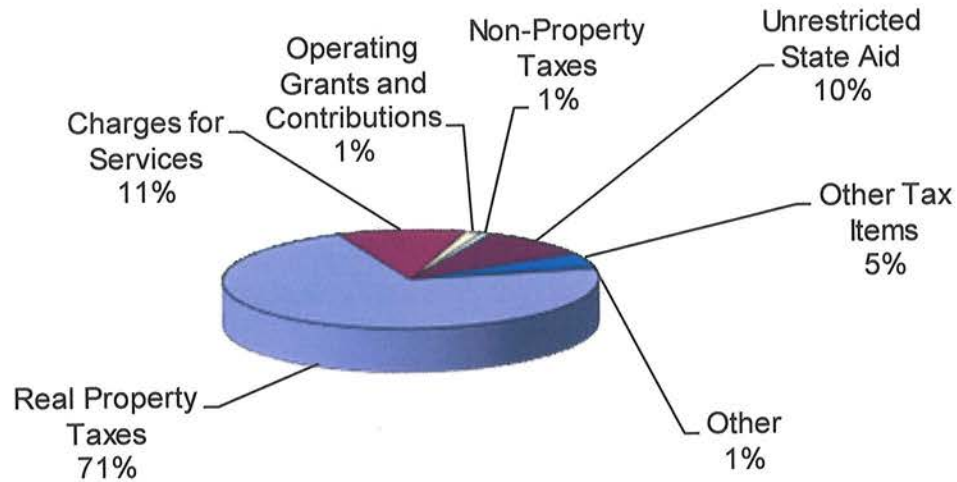
Expenses

- General Support expenses increased by \$556,398:
 1. General Support operational expenses increased by \$492,946. The largest change was in tax certiorari payments, which were \$171,491 higher than the prior year. Database processing expenses increased by \$95,816 and facilities expenses increased by \$117,135, mostly due to the hiring of additional support staff. The addition of a Human Resources position, extra costs associated with the bond referendum, and contractual salary increases accounted for most of the remaining rise in expenses.
 2. Various GASB Statement No. 34 District-wide accruals resulted in a \$63,452 increase to General Support expenses.
- Instruction expenses decreased by \$474,846:
 1. Instruction operational expenses increased by \$708,040.
 - Special education teaching expenses increased by \$352,757, mainly due to a 2.676 FTE increase in out-of-district placements and additional FAPE settlements.
 - Regular education teaching expenses rose by \$306,199. Contractual salaries grew by \$339,253 and expenses other than salaries fell by \$33,054.
 2. Various GASB Statement No. 34 District-wide accruals resulted in a \$1,182,886 decrease to Instruction expenses. These obligations do not require the use of current financial resources and are not reported as expenses in the governmental funds.
 - The decrease resulting from the OPEB (Other Post Employment Benefit Obligations) accrual allocated to Instruction was \$951,528. These expenses are based on an actuarial estimate of the cost to provide future medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents. Amounts are calculated using actuarial valuations and are based on the OPEB benefits and the pattern of cost sharing between the School District and plan members in effect at the time of each valuation. An interim valuation was performed for 2018-19. These amounts are subject to continual revision.
 - The decrease to expenses resulting from the TRS pension asset accrual was \$884,582.
 - Employee benefits allocated to Instruction increased by \$343,481.
 - Capital outlay expenditures allocated to Instruction increased by \$297,105.
- Cost of Food Sales expenses increased by \$109,207:
 1. The food service contract was re-bid for 2018-19, and the new service provider significantly increased sales/program participation over the prior year. Compensation consists of a per meal sold management fee and reimbursement of expenses up to the extent of program income. Increased management fees resulted from increased meals served/program participation.

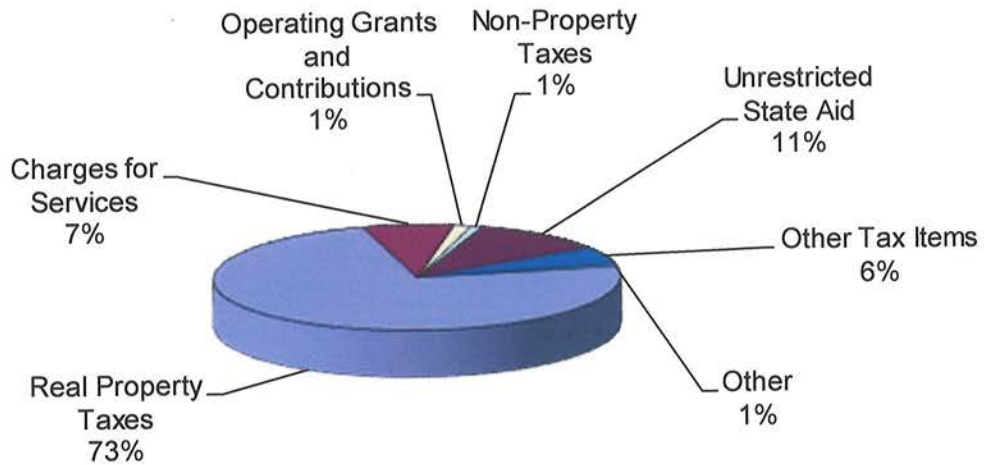
As indicated on the charts that follow, the School District relies upon real property taxes as its primary revenue source.

The School District's instruction costs account for 79% of its expenses.

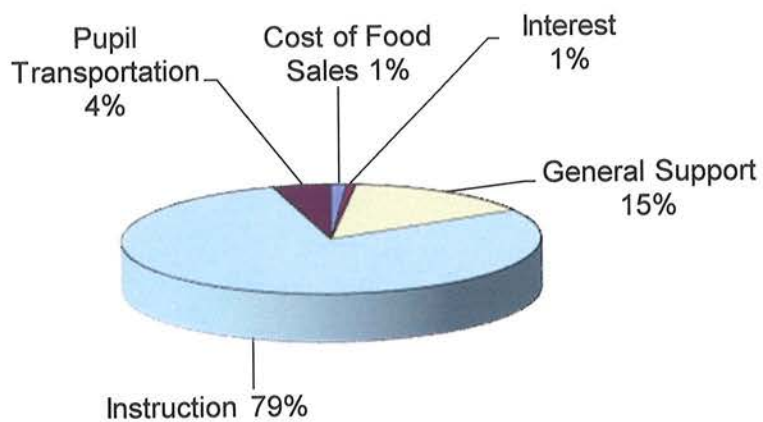
Sources of Revenue for Fiscal Year 2019 Governmental Activities



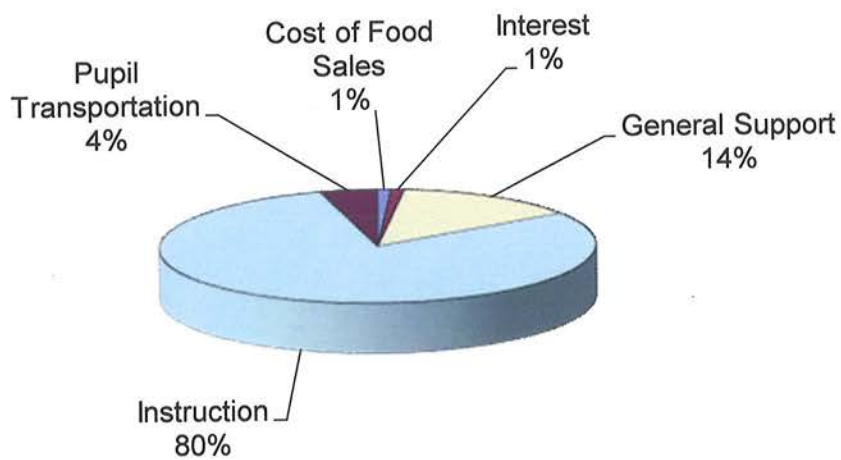
Sources of Revenue for Fiscal Year 2018 Governmental Activities



**Expenses for Fiscal Year 2019
Governmental Activities**



**Expenses for Fiscal Year 2018
Governmental Activities**



Financial Analysis of the School District's Funds

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

Fund Balance Reporting

GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements beginning with the period ending June 30, 2011.

In the fund financial statements, GASB Statement No. 54 distinguishes fund balance classifications based on the relative strength of the constraints that control the purposes for which specific amounts in those funds can be spent. Beginning with the most binding constraints, the fund balance classifications are as follows:

- Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.
- Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
- Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

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

- Assigned – consists of amounts that are constrained either by the Board of Education for amounts assigned for balancing the subsequent year's budget or the Assistant Superintendent for Finance & Operations for amounts assigned for encumbrances. Encumbrances outstanding at year end are reported as assigned balance since they do not constitute expenditures or liabilities. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.
- Unassigned – represents amounts not classified as nonspendable, restricted, committed or assigned, and could be a surplus or deficit. The General Fund is the only fund that could report a positive amount in unassigned fund balance. For governmental funds other than the General Fund, the unassigned fund balance should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned and unassigned.

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

Governmental Funds

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a School District's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the School District itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Board of Education.

As of the end of the current fiscal year, the School District's governmental funds reported a combined fund balance of \$7,728,701, an increase of \$627,246 over the combined fund balance of the prior year. Of this amount, \$4,349,960 is restricted for specific purposes, \$1,271,144 is assigned for intended use (this amount is inclusive of \$1,090,300 that will be used to offset the tax levy for the 2019-20 year and represents the amount estimated for use in the 2019-20 General Fund budget), and \$2,107,597 is unassigned and equal to 4.00% of the 2019-20 budget of \$52,690,000.

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$7,506,714. Of this total, \$4,156,517 is restricted for specific purposes and represents the School District's reserves. The funds include a reserve for tax certioraris of \$3,116,184, an employee benefit accrued liability reserve of \$547,370, a reserve for future retirement contributions of \$272,545, and a reserve for liability and casualty claims of \$220,418. In addition, \$1,242,600 is assigned for intended use and includes \$1,090,300 to be used for tax reduction in the 2019-20 school year. The balance of \$2,107,597 is unassigned.

Overall, the School District General Fund realized a net budgetary surplus of \$1,690,683, inclusive of encumbrances, at June 30, 2019. Revenues and other financing sources were \$850,885 higher than budgeted amounts. Savings of \$839,798 were derived on the expenditure side of the budget. The major variances are as follows:

Revenues

- Actual revenue for Charges for Services was \$406,994 more than budgeted. Overall enrollment of regular and special education 9th – 12th graders from other districts was 2.120 FTE's higher than projected, and more special education students than regular education students were enrolled than anticipated. Enrollment of parentally-placed regular education K-12th graders was 4.582 FTE's higher than projected. Additional amounts due from other districts and parents for prior year NRT tuition rate adjustments were less than planned because the rates used for the budget estimate were higher than the final rates calculated by NYS.
- Actual revenue for State Aid was \$259,510 higher than budgeted. The budget was developed using aid projections provided by the State in the spring of 2018. Actual revenue received varied from the initial projections provided by the State. The largest fluctuation was in this aid category:
 1. BOCES aid received was higher than projected, resulting in a \$235,538 budget surplus.

- Actual Miscellaneous revenue was \$106,973 higher than budgeted. The largest budget surpluses occurred in the following revenue line items:
 1. Revenue for Refund of Prior Years Expense – BOCES was \$62,215 higher than budgeted. BOCES projects annual service costs for the programs it provides and bills the School District accordingly. Refunds are issued by BOCES in the following year if actual costs are less than projected.
 2. Revenue for Refund of Prior Years Expense – Other was \$23,564 higher than budgeted. Approximately 50% of the surplus was the result of prior year tuition rate adjustment refunds for Briarcliff Manor Special Education students attending other public schools.
 3. Revenue for Refund of Prior Years Expense - Private School Tuition was \$19,428 higher than budgeted. The surplus was the result of prior year tuition rate adjustment refunds for Briarcliff Manor Special Education students attending other private schools, and the release of a backlogged NYS payment for a prior year Summer School expense.

Expenses

- Facilities costs were \$252,963 lower than budgeted. A relatively mild winter resulted in lower utility charges and savings related to snow removal; custodial substitutes performed extra cleaning work that was originally budgeted for contractors; hiring of custodial substitutes reduced overtime expenses; funds set aside for unexpected repairs were not needed and supply costs were lower than expected.
- Employee benefits costs were \$112,415 less than budgeted. This surplus resulted from lower than predicted costs, largely in the areas of social security, health insurance, and dental insurance.
- Pupil services expenses were \$88,932 lower than expected as Guidance, Health Services, Psychological Services, Social Work Services, and Co-Curricular Activities spending was lower than projected.
- Regular education expenses were \$81,841 lower than projected, mostly because of reduced spending on contractual, textbook, and supply expenses. In addition, not as many substitutes were required as expected.
- Special items were \$80,739 less than budgeted, predominately due to reclassifications of tax certiorari refunds affecting the current school year. These payments must be recorded as a reduction of current year property tax revenue.
- Instruction, Administration and Improvement expenses were \$47,256 less than anticipated due to lower than expected utilization of professional and curriculum development services, and reduced spending on contractual and supply items in the school building offices.
- Finance costs were \$34,586 lower than predicted, principally in the areas of financial advisory services, repairs/service contracts, and audit services.
- Special education expenses were \$34,467 less than estimated, mainly in consultation charges, contractual, textbook, and supply costs.
- Instructional media expenses were \$27,003 less than budgeted. Technology supply expenses and BOCES services were lower than estimated.
- The remaining expenditure savings occurred because of lower than anticipated administrative support costs, instructional costs, pupil transportation expenses, and savings realized by curtailing discretionary spending in all functional areas.

The School District's General Fund balance increased by \$503,710, the amount that revenues and other financing sources exceeded expenses and other financing uses.

General Fund Budgetary Highlights

The adopted budget of \$52,196,413 was increased by \$411,041 to arrive at the final budget of \$52,607,454 as follows:

Adopted budget	\$ 52,196,413
Prior year encumbrances	<u>155,453</u>
	<u>52,351,866</u>
Accrued employee benefits due upon termination of certain employees' service during the 2018-19 school year funded by the Employee Benefit Accrued Liability Reserve (EBALR)	13,680
Tax certiorari judgments funded by the Tax Certiorari Reserve	241,908
	<u>255,588</u>
Final Budget	<u><u>\$ 52,607,454</u></u>

Capital Assets

At June 30, 2019, the School District had capital assets of \$43,177,813, net of accumulated depreciation, invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment, vehicles and construction-in-progress. The change in capital assets, net of accumulated depreciation, is delineated below.

Class	June 30,	
	2019	2018
Land	\$ 318,215	\$ 318,215
Buildings and Improvements	41,471,855	43,292,781
Machinery and Equipment	1,316,436	1,120,837
Construction-in-Progress	<u>71,307</u>	<u>179,802</u>
Total Capital Assets, net of accumulated depreciation	<u><u>\$ 43,177,813</u></u>	<u><u>\$ 44,911,635</u></u>

The change in capital assets during the current fiscal year results primarily from the depreciation expense recorded in 2018-19. Depreciation expense exceeded the capital outlay for new capital assets by \$1,733,822.

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

Long-Term Debt

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

	June 30,	
	2019	2018
General Obligation Bonds Payable	\$ 13,283,287	\$ 16,879,049
Compensated Absences	551,413	523,130
Net Pension Liability	799,935	349,423
Installment Purchase Debt Payable	220,352	-
Other Post Employment Benefit Obligations (OPEB)	85,528,230	85,528,868
Total	<u>\$ 100,383,217</u>	<u>\$ 103,280,470</u>

OPEB represents an actuarial estimate of the cost to provide future medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents. The School District adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, which replaced GASB Statement No. 45. The key difference in the new standard is that the School District must now report the *total OPEB liability* related to its employees. The prior standard allowed for the amortization of prior service cost over a thirty-year period. The School District's total OPEB obligation decreased by \$638 in 2018-19.

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

Conclusion

Financial Discussion

Despite the uncertain economic times, additional State Education Department mandates, and ambitious educational goals, the School District is prepared to meet future challenges. Effective internal controls are in place in the Business Office, as is a prudent budget process, which yields a spending plan each year that is approved by the School Board and resident voters.

The School District's total fund balance within the General Fund was \$7,506,714 for the year ended June 30, 2019. The School District has an unassigned fund balance in the General Fund of \$2,107,597. It has an additional \$4,156,517 in restricted fund balance, and \$1,242,600 as assigned fund balance for use in the 2019-20 budget.

Budget

The School District depends heavily on its real property taxes, which represent approximately 73.3% of its General Fund revenue, exclusive of STAR funds. Mindful of this burden on its taxpayers, the School District adopted a proposed budget for the 2019-20 fiscal year with a projected tax levy increase of 2.69%, within the calculated tax levy increase limit of 2.70%.

The challenge of presenting a fiscally responsible budget while meeting the needs of students and governmental mandates will continue to require effective and efficient management of School District operations now and in future years.

Requests for Information

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

Briarcliff Manor Union Free School District
Attention: Anthony Cammarata
Asst. Superintendent for Finance & Operations
45 Ingham Road
Briarcliff Manor, New York 10510
Or visit our Website at www.briarcliffschools.org

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Briarcliff Manor Union Free School District, New YorkStatement of Net Position
June 30, 2019

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 9,468,290
Receivables	
Accounts	71,877
State and Federal aid	339,494
Due from other governments	1,502,290
Net pension asset	2,354,788
Capital assets	
Not being depreciated	389,522
Being depreciated, net	42,788,291
Total Assets	56,914,552
DEFERRED OUTFLOWS OF RESOURCES	21,102,373
LIABILITIES	
Accounts payable	1,007,972
Accrued liabilities	68,492
Bond interest and matured bonds payable	5,019
Due to retirement systems	2,540,518
Unearned revenues	31,249
Accrued interest payable	29,933
Non-current liabilities	
Due within one year	3,592,678
Due in more than one year	96,790,539
Total Liabilities	104,066,400
DEFERRED INFLOWS OF RESOURCES	20,907,272
NET POSITION	
Net investment in capital assets	30,040,285
Restricted	
Liability and casualty claims	220,418
Debt service	6,254
Tax certiorari	3,116,184
Retirement contributions	272,545
Special purposes	79,847
Capital projects	107,342
Unrestricted	(80,799,622)
Total Net Position	\$ (46,956,747)

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

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Briarcliff Manor Union Free School District, New York

Statement of Activities
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 7,768,171	\$ 94,918	\$ 5,671	\$ -	\$ (7,667,582)
Instruction	41,371,657	5,109,310	723,569	-	(35,538,778)
Pupil transportation	2,322,287	2,863	-	-	(2,319,424)
Cost of food sales	635,136	635,053	-	-	(83)
Other	2,600	-	1,953	-	(647)
Interest	378,124	-	-	456	(377,668)
Total Governmental Activities	<u>\$ 52,477,975</u>	<u>\$ 5,842,144</u>	<u>\$ 731,193</u>	<u>\$ 456</u>	<u>(45,904,182)</u>
General revenues					
Real property taxes					38,192,617
Other tax items					2,561,545
School tax relief reimbursement					
Non-property taxes					457,225
Non-property tax distribution from County					120,952
Unrestricted use of money and property					3,675
Sale of property and compensation for loss					5,227,042
Unrestricted State aid					222,473
Miscellaneous					
Total General Revenues					<u>46,785,529</u>
Change in Net Position					881,347
Net Position - Beginning					<u>(47,838,094)</u>
Net Position - Ending					<u>\$ (46,956,747)</u>

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

Briarcliff Manor Union Free School District, New York

Balance Sheet
Governmental Funds
June 30, 2019

	General	Capital Projects
ASSETS		
Cash and equivalents	\$ 9,089,035	\$ 188,256
Receivables		
Accounts	42,899	-
State and Federal aid	127,932	-
Due from other governments	1,502,290	-
Due from other funds	240,437	-
Total Assets	<u>\$ 11,002,593</u>	<u>\$ 188,256</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 886,869	\$ 73,057
Accrued liabilities	68,492	-
Bond interest and matured bonds payable	-	-
Due to other funds	-	7,857
Due to retirement systems	2,540,518	-
Unearned revenues	-	-
Total Liabilities	<u>3,495,879</u>	<u>80,914</u>
Fund balances		
Restricted	4,156,517	107,342
Assigned	1,242,600	-
Unassigned	2,107,597	-
Total Fund Balances	<u>7,506,714</u>	<u>107,342</u>
Total Liabilities and Fund Balances	<u>\$ 11,002,593</u>	<u>\$ 188,256</u>

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

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 190,999	\$ 9,468,290
28,978	71,877
211,562	339,494
-	1,502,290
7,857	248,294
<u>\$ 439,396</u>	<u>\$ 11,630,245</u>

\$ 48,046	\$ 1,007,972
-	68,492
5,019	5,019
240,437	248,294
-	2,540,518
31,249	31,249
<u>324,751</u>	<u>3,901,544</u>

86,101	4,349,960
28,544	1,271,144
-	2,107,597
<u>114,645</u>	<u>7,728,701</u>
<u>\$ 439,396</u>	<u>\$ 11,630,245</u>

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Briarcliff Manor Union Free School District, New York

Reconciliation of Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2019

Fund Balances - Total Governmental Funds	<u>\$ 7,728,701</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>43,177,813</u>
Governmental funds do not report the effect of losses on refunding bonds assets or liabilities related to net pension assets (liabilities) and other post employment benefit obligations whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on refunding bonds	145,759
Deferred amounts on net pension assets (liabilities)	9,900,241
Deferred amounts on other post employment benefits	<u>(9,850,899)</u>
	<u>195,101</u>
Other long-term assets that are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Net pension asset	<u>2,354,788</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(29,933)
Bonds payable	(13,283,287)
Installment purchase debt payable	(220,352)
Compensated absences	(551,413)
Net pension liability	(799,935)
Other post employment benefit obligations payable	<u>(85,528,230)</u>
	<u>(100,413,150)</u>
Net Position of Governmental Activities	<u>\$ (46,956,747)</u>

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

Briarcliff Manor Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2019

	General	Capital Projects
REVENUES		
Real property taxes	\$ 38,192,617	\$ -
Other tax items	2,561,545	-
Non-property taxes	457,225	-
Charges for services	5,112,173	-
Use of money and property	221,541	-
Sale of property and compensation for loss	3,675	-
State aid	5,347,819	-
Federal aid	-	-
Food sales	-	-
Miscellaneous	222,473	-
Total Revenues	52,119,068	-
EXPENDITURES		
Current		
General support	6,732,201	-
Instruction	28,592,002	-
Pupil transportation	2,308,591	-
Employee benefits	9,675,082	-
Cost of food sales	-	-
Other	-	-
Debt service		
Principal	3,389,266	-
Interest	551,888	-
Capital outlay	-	472,276
Total Expenditures	51,249,030	472,276
Excess (Deficiency) of Revenues Over Expenditures	870,038	(472,276)
OTHER FINANCING SOURCES (USES)		
Installment purchase debt	-	279,618
Transfers in	-	300,000
Transfers out	(366,328)	-
Total Other Financing Sources (Uses)	(366,328)	579,618
Net Change in Fund Balances	503,710	107,342
FUND BALANCES		
Beginning of Year	7,003,004	-
End of Year	\$ 7,506,714	\$ 107,342

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 38,192,617
-	2,561,545
-	457,225
-	5,112,173
2,009	223,550
-	3,675
174,933	5,522,752
356,154	356,154
635,053	635,053
72,105	294,578
<u>1,240,254</u>	<u>53,359,322</u>
-	6,732,201
646,525	29,238,527
-	2,308,591
-	9,675,082
641,263	641,263
2,600	2,600
-	3,389,266
-	551,888
-	472,276
<u>1,290,388</u>	<u>53,011,694</u>
<u>(50,134)</u>	<u>347,628</u>
-	279,618
66,328	366,328
-	(366,328)
<u>66,328</u>	<u>279,618</u>
16,194	627,246
<u>98,451</u>	<u>7,101,455</u>
<u>\$ 114,645</u>	<u>\$ 7,728,701</u>

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Briarcliff Manor Union Free School District, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2019

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

Net Change in Fund Balances - Total Governmental Funds	\$ 627,246
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount may be less than the total capital outlay since capital outlay includes amounts under the capitalization threshold.	
Capital outlay expenditures	298,150
Depreciation expense	(2,031,972)
	<u>(1,733,822)</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized on the statement of activities.	
Principal paid on serial bonds	3,330,000
Principal paid on installment purchase debt	59,266
Installment purchase debt	(279,618)
Amortization of loss on refunding bonds and issuance premium	162,222
	<u>3,271,870</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	11,542
Compensated absences	(28,283)
Pension liabilities	418,107
Other post employment benefit obligations	(1,685,313)
	<u>(1,283,947)</u>
Change in Net Position of Governmental Activities	<u>\$ 881,347</u>

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

Briarcliff Manor Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
General Fund
Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 40,821,770	\$ 38,262,124	\$ 38,192,617	\$ (69,507)
Other tax items	-	2,559,646	2,561,545	1,899
Non-property taxes	411,967	411,967	457,225	45,258
Charges for services	4,705,179	4,705,179	5,112,173	406,994
Use of money and property	125,458	125,458	221,541	96,083
Sale of property and compensation for loss	-	-	3,675	3,675
State aid	5,088,309	5,088,309	5,347,819	259,510
Miscellaneous	115,500	115,500	222,473	106,973
Total Revenues	51,268,183	51,268,183	52,119,068	850,885
EXPENDITURES				
Current				
General support	7,138,393	7,273,993	6,732,201	541,792
Instruction	28,396,749	28,893,226	28,592,002	301,224
Pupil transportation	2,350,729	2,334,959	2,308,591	26,368
Employee benefits	10,259,107	9,797,529	9,675,082	122,447
Debt service				
Principal	3,330,000	3,389,266	3,389,266	-
Interest	551,888	551,888	551,888	-
Total Expenditures	52,026,866	52,240,861	51,249,030	991,831
Excess (Deficiency) of Revenues Over Expenditures	(758,683)	(972,678)	870,038	1,842,716
OTHER FINANCING USES				
Transfers out	(325,000)	(366,595)	(366,328)	267
Net Change in Fund Balance	(1,083,683)	(1,339,273)	503,710	1,842,983
FUND BALANCE				
Beginning of Year	1,083,683	1,339,273	7,003,004	5,663,731
End of Year	\$ -	\$ -	\$ 7,506,714	\$ 7,506,714

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

Briarcliff Manor Union Free School District, New York

Statement of Assets and Liabilities

Fiduciary Fund

June 30, 2019

	Agency Fund
ASSETS	
Cash and equivalents	\$ 164,497
LIABILITIES	
Escrow deposits	\$ 70,348
Student activity funds	94,149
	<hr/>
Total Liabilities	\$ 164,497

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

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Note 1 - Summary of Significant Accounting Policies

The Briarcliff Manor Union Free School District, New York ("School District"), as presently constituted, was established in 1909 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

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

A. Financial Reporting Entity

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

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

The School District participates in the Putnam-Northern Westchester Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined by Education Law. Copies of BOCES' financial statements can be requested from Putnam-Northern Westchester BOCES, 200 BOCES Drive, Yorktown Heights, New York 10598.

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Fund Categories

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The non-major special revenue funds of the School District are as follows:

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

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year-end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, net pension liability and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from date of acquisition.

The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit of at least 102% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3

Note 1 - Summary of Significant Accounting Policies (Continued)

inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, *"Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3"*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2019.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy does not limit the amount on deposit at each of its banking institutions.

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

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

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2019, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	15-50
Machinery and Equipment	5-20

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$4,611 in the Special Aid Fund for State, Federal and local grants received in advance and \$26,638 for prepaid meal cards in the School Lunch Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

Briarcliff Manor Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred outflows and inflows of resources have been reported on the district-wide Statement of Net Position for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
New York State Teachers' Retirement System	\$ 12,588,574	\$ 3,067,551
New York State and Local Employees' Retirement System	722,873	343,655
Other Post Employment Benefits	7,645,167	17,496,066
Deferred Loss on Refunding Bonds	145,759	-
	<u>\$ 21,102,373</u>	<u>\$ 20,907,272</u>

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

The amounts reported as deferred outflows of resources and deferred inflows of resources in relation to the School District's pension and other postemployment benefit obligations detailed Note 3D.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 3, 2019.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for General and Special Aid funds.
- g) Budgets for General and Special Aid funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Debt Service, School Lunch or Special Purpose funds.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in General and Special Aid funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Limitation on Fund Balance

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

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to its enactment, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of 4% of the prior year's budget or 120% of the consumer price index ("CPI").

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

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

Note 3 - Detailed Notes on All Funds

A. Due From/To Other Funds

The balances reflected as due from/to other funds at June 30, 2019 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 240,437	\$ -
Capital Projects	-	7,857
Non-Major Governmental	7,857	240,437
	<u>\$ 248,294</u>	<u>\$ 248,294</u>

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

Briarcliff Manor Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)**B. Capital Assets**

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

Class	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital Assets, not being depreciated:				
Land	\$ 318,215	\$ -	\$ -	\$ 318,215
Construction-in-progress	179,802	71,307	179,802	71,307
Total Capital Assets, not being depreciated	<u>\$ 498,017</u>	<u>\$ 71,307</u>	<u>\$ 179,802</u>	<u>\$ 389,522</u>
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 70,803,205	\$ 107,088	\$ -	\$ 70,910,293
Machinery and Equipment	2,449,686	299,557	-	2,749,243
Total Capital Assets, being depreciated	<u>73,252,891</u>	<u>406,645</u>	<u>-</u>	<u>73,659,536</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	27,510,424	1,928,014	-	29,438,438
Machinery and Equipment	1,328,849	103,958	-	1,432,807
Total Accumulated Depreciation	<u>28,839,273</u>	<u>2,031,972</u>	<u>-</u>	<u>30,871,245</u>
Total Capital Assets, being depreciated, net	<u>\$ 44,413,618</u>	<u>\$ (1,625,327)</u>	<u>\$ -</u>	<u>\$ 42,788,291</u>
Capital Assets, net	<u>\$ 44,911,635</u>	<u>\$ (1,554,020)</u>	<u>\$ 179,802</u>	<u>\$ 43,177,813</u>

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

General Support	\$ 44,940
Instruction	1,981,925
Cost of Food Sales	<u>5,107</u>
Total Depreciation Expense	<u>\$ 2,031,972</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2019 were as follows:

	<u>General Fund</u>
Payroll and employee benefits	<u>\$ 68,492</u>

Briarcliff Manor Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

D. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2019:

	Balance July 1, 2018	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2019	Due Within One-Year
General Obligation Bonds Payable	\$ 16,255,000	\$ -	\$ 3,330,000	\$ 12,925,000	\$ 3,485,000
Plus -Unamortized premiums on bonds	624,049	-	265,762	358,287	-
	16,879,049	-	3,595,762	13,283,287	3,485,000
Other Non-current Liabilities					
Installment Purchase Debt Payable	-	279,618	59,266	220,352	52,678
Compensated Absences	523,130	80,283	52,000	551,413	55,000
Net Pension Liability	349,423	450,512	-	799,935	-
Other Post Employment Benefit Obligations	85,528,868	1,885,160	1,885,798	85,528,230	-
	86,401,421	2,695,573	1,997,064	87,099,930	107,678
	<u>\$ 103,280,470</u>	<u>\$ 2,695,573</u>	<u>\$ 5,592,826</u>	<u>\$ 100,383,217</u>	<u>\$ 3,592,678</u>

The liabilities for general obligation bonds payable, installment purchase debt, compensated absences, net pension liability and other post employment benefit obligations are liquidated by the General Fund.

General Obligation Bonds Payable

General Obligation Bonds payable at June 30, 2019 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2019
Refunding Bonds	2011	\$ 10,115,000	June, 2020	4.50 - 5.000 %	\$ 1,340,000
Refunding Bonds	2011	10,650,000	November, 2020	5.000	2,810,000
BOCES Project	2015	450,000	June, 2023	2.50 - 2.875	235,000
Serial Bonds	2016	10,375,000	June, 2030	2.50 - 3.000	8,120,000
Serial Bonds	2017	575,000	June, 2025	1.75 - 2.000	420,000
					<u>\$ 12,925,000</u>

Interest expenditures of \$551,888 were recorded in the fund financial statements in the General Fund. Interest expense of \$378,124 was recorded in the district-wide financial statements.

Briarcliff Manor Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)**Installment Purchase Debt Payable**

The School District has entered into various agreements to finance the costs of purchasing certain equipment. The terms of the agreements provide for repayment in annual installments, through 2023, including interest at a rate of 2.99%. No interest expenditures were recorded through June 30, 2019. The balance due at June 30, 2019 was \$220,352.

Payments to Maturity

The annual requirements to amortize all outstanding general obligation bonded debt and installment purchase debt as of June 30, 2019 including interest payments of \$1,696,876 are as follows:

Year Ending June 30,	General Obligation Bonds		Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 3,485,000	\$ 403,125	\$ 52,678	\$ 6,589	\$ 3,537,678	\$ 409,714
2021	2,240,000	253,688	54,253	5,013	2,294,253	258,701
2022	820,000	198,175	55,875	3,391	875,875	201,566
2023	840,000	178,051	57,546	1,721	897,546	179,772
2024	800,000	157,350	-	-	800,000	157,350
2025-2029	4,010,000	467,873	-	-	4,010,000	467,873
2030	730,000	21,900	-	-	730,000	21,900
	<u>\$ 12,925,000</u>	<u>\$ 1,680,162</u>	<u>\$ 220,352</u>	<u>\$ 16,714</u>	<u>\$ 13,145,352</u>	<u>\$ 1,696,876</u>

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

Compensated Absences

Pursuant to collective bargaining agreements, the School District is required to compensate retiring employees for accumulated sick leave. The School District's obligation for accumulated sick leave is dependent upon the terms of the respective bargaining agreement. Vacation time is generally taken in the year earned. The value of the compensated absences has been reflected in the district-wide financial statements.

Pension Plans*New York State and Local Retirement System and Teachers' Retirement System*

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New

Note 3 - Detailed Notes on All Funds (Continued)

York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2019 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I 41J	21.4 %
	3 A14 41J	15.9
	4 A15 41J	15.9
	6 A15 41J1	9.4
	6 A15 41J2	9.4
TRS	1-6	10.62 %

Briarcliff Manor Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2019, the School District reported the following for its proportionate share of the net pension liability (asset) for ERS and TRS:

	ERS	TRS
Measurement date	March 31, 2019	June 30, 2018
Net pension liability (asset)	\$ 799,935	\$ (2,354,788)
School Districts' proportion of the net pension liability (asset)	0.0112901 %	0.130224 %
Change in proportion since the prior measurement date	0.0004635 %	0.001039 %

The net pension liability (asset) was measured as of March 31, 2019 for ERS and June 30, 2018 for TRS and the total pension liability used to calculate the net pension liability (asset) were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension asset for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2019, the School District recognized pension expense in the district-wide financial statements of \$2,439,022 (\$576,822 for ERS and \$1,862,200 for TRS). Pension expenditures of \$551,244 for ERS and \$2,305,885 for TRS were recorded in the fund financial statements and were charged to the General Fund.

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 157,524	\$ 53,698	\$ 1,759,714	\$ 318,753
Changes of assumptions	201,071	-	8,231,530	-
Net difference between projected and actual earnings on pension plan investments	-	205,308	-	2,613,994
Changes in proportion and differences between School District contributions and proportionate share of contributions	211,140	84,649	293,792	134,804
School District contributions subsequent to the measurement date	153,138	-	2,303,538	-
	<u>\$ 722,873</u>	<u>\$ 343,655</u>	<u>\$ 12,588,574</u>	<u>\$ 3,067,551</u>

Briarcliff Manor Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,917,238	\$ 372,451
Changes of assumptions	8,432,601	-
Net difference between projected and actual earnings on pension plan investments	-	2,819,302
Changes in proportion and differences between School District contributions and proportionate share of contributions	504,932	219,453
School District contributions subsequent to the measurement date	2,456,676	-
	<u>\$ 13,311,447</u>	<u>\$ 3,411,206</u>

\$153,138 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2020. The \$2,303,538 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2019	\$ -	\$ 2,393,672
2020	213,530	1,635,884
2021	(119,861)	202,389
2022	1,150	1,630,336
2023	131,261	1,112,532
Thereafter	-	242,672

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

	ERS	TRS
Measurement Date	March 31, 2019	June 30, 2018
Actuarial valuation date	April 1, 2018	June 30, 2017
Investment rate of return	7.0% *	7.25% *
Salary scale	4.2%	1.90%-4.72%
Inflation rate	2.5%	2.25%
Cost of living adjustments	1.3%	1.5%

*Compounded annually, net of pension plan investment expenses, including inflation.

Note 3 - Detailed Notes on All Funds (Continued)

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

For ERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

Asset Type	ERS March 31, 2019		TRS June 30, 2018	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.55 %	33 %	5.8 %
International Equity	14	6.35	16	7.3
Private Equity	10	7.50	8	8.9
Real Estate	10	5.55	11	4.9
Domestic Fixed Income Securities	-	-	16	1.3
Global Fixed Income Securities	-	-	2	0.9
High Yield Fixed Income Securities	-	-	1	3.5
Short-Term	-	-	1	0.3
Global Equities	-	-	4	6.7
Private Debt	-	-	1	6.8
Real Estate Debt	-	-	7	2.8
Absolute Return Strategies	2	3.75	-	-
Opportunistic Portfolio	3	5.68	-	-
Real Assets	3	5.29	-	-
Bonds and Mortgages	17	1.31	-	-
Cash	1	(0.25)	-	-
Inflation Indexed Bonds	4	1.25	-	-
	<u>100 %</u>		<u>100 %</u>	

Note 3 - Detailed Notes on All Funds (Continued)

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.3% for TRS.

The discount rate used to calculate the total pension liability was 7.0% for ERS and 7.25% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
School District's proportionate share of the ERS net pension liability (asset)	\$ 3,497,444	\$ 799,935	\$ (1,466,164)
	1% Decrease (6.25%)	Current Assumption (7.25%)	1% Increase (8.25%)
School District's proportionate share of the TRS net pension liability (asset)	\$ 16,177,779	\$ (2,354,788)	\$ (17,879,930)

The components of the collective net pension liability as of the March 31, 2019 ERS measurement date and the June 30, 2018 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 189,803,429,000	\$ 118,107,253,288
Fiduciary net position	182,718,124,000	119,915,517,622
Employers' net pension liability (asset)	\$ 7,085,305,000	\$ (1,808,264,334)
Fiduciary net position as a percentage of total pension liability	96.27%	101.53%

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2019 represent the projected employer contribution for the period April 1, 2019 through June 30, 2019 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Note 3 - Detailed Notes on All Funds (Continued)

Employer and employee contributions for the year ended June 30, 2019 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2019 represent employee and employer contributions for the fiscal year ended June 30, 2019 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2019 were \$153,138 to ERS and \$2,387,380 to TRS inclusive of \$83,842 of employee contributions.

Other Post Employment Benefit Obligations ("OPEB")

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

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	145
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>247</u>
	<u>392</u>

The School District's total OPEB liability of \$85,528,230 was measured as of July 1, 2018 and was determined by an actuarial valuation as of July 1, 2017.

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.2%
Salary increases	2%, average, including inflation
Discount rate	3.87%
Healthcare cost trend rates	3.6% for 2018
Retirees' share of benefit-related costs	Depending on the date of hire, years of service and job classification employees 5% of the cost

The discount rate was calculated using a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Briarcliff Manor Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

Mortality rates were based on the RPH-2014 Mortality Table for employees and healthy annuitants, sex distinct, with generational mortality adjusted to 2006 using Scale MP-2014, and projected forward with Scale MP-2017.

The actuarial assumptions used in the July 1, 2017 valuation were based on entry age normal-level percent of pay.

The School District's change in the total OPEB liability for the year ended June 30, 2018 is as follows:

Total OPEB Liability - Beginning of Year	\$ 85,528,868
Service cost	2,884,260
Interest	3,148,928
Changes of benefit terms	(9,612)
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(4,138,416)
Benefit payments	<u>(1,885,798)</u>
Total OPEB Liability - End of Year	<u>\$ 85,528,230</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current discount rate:

	1% Decrease 2.87%	Current Assumption 3.87%	1% Increase 4.87%
Total OPEB Liability	<u>\$ 102,267,934</u>	<u>\$ 85,528,230</u>	<u>\$ 72,300,943</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (2.60%) or 1 percentage point higher (4.60%) than the current healthcare cost trend rates:

	1% Decrease 2.60%	Healthcare Cost Trend Rates 3.60%	1% Increase 4.60%
Total OPEB Liability	<u>\$ 70,194,397</u>	<u>\$ 85,528,230</u>	<u>\$ 105,718,305</u>

Briarcliff Manor Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended June 30, 2019, the School District recognized OPEB expense of \$1,685,313 in the district-wide financial statements. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ -	\$ 17,496,066
Differences between expected and actual experience	5,703,106	-
School district contributions subsequent to the measurement date	1,942,061	-
	<u>\$ 7,645,167</u>	<u>\$ 17,496,066</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources, except for contribution subject to the measurement date, related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2020	\$ (2,396,202)
2021	(2,396,202)
2022	(2,396,202)
2023	(2,396,202)
2024 and Thereafter	(2,208,152)

E. Revenues and Expenditures**Interfund Transfers**

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

Transfers Out	Capital Projects	Non-Major Governmental Funds	Total
General Fund	<u>\$ 300,000</u>	<u>\$ 66,328</u>	<u>\$ 366,328</u>

Transfers are used to move amounts earmarked in the General Fund to fulfill commitments for School Lunch, Special Aid and Capital Projects funds expenditures.

Note 3 - Detailed Notes on All Funds (Continued)

F. Net Position

The components of net position are detailed below:

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

Restricted for Liability and Casualty Claims - the component of net position that has been established to set aside funds to be used for the payment of future claims made upon the School District in accordance with Section 6-n of the General Municipal Law of the State of New York.

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

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

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

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

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

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Note 3 - Detailed Notes on All Funds (Continued)

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

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to Section 6r of the General Municipal Law of the State of New York to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

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

Subsequent year's expenditures represent that at June 30, 2018, the Board of Education has assigned the above amounts to be appropriated for the ensuing year's budget.

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

B. Contingencies

The School District participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the School District's compliance with applicable grant requirements may be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

The School District and other school districts have formed a reciprocal insurance company to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents, auto physical damage coverage, school board legal liability/employment practices liability and an excess catastrophe liability (umbrella) policy with coverage up to \$20,000,000. The Company retains a management company which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote. The Company is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed, although extremely remote, their proportionate share by the Department of Financial Services if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay annual premiums.

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million for each occurrence and auto liability policy with coverage up to \$1 million each occurrence and school board legal liability policy with coverage up to \$1 million per claim and \$3 million in the aggregate. The School District also maintains an excess liability policy/umbrella policy with coverage up to \$20 million. This excess limit sits atop all three previously mentioned liability limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District and neighboring school districts in Northern Westchester and Putnam Counties participate in the Westchester-Putnam Schools Cooperative Self-Insurance Plan for Workers' Compensation. This plan operates under an agreement, as amended, dated February 6, 1987. The purposes of the plan are to provide for the efficient and economical evaluation, processing, administration, defense and payment of claims against Plan members for workers' compensation payments. The Board of Trustees of the Plan consists of four Trustees selected by the Plan members. Each Trustee shall have one vote and no action may be taken except by a majority vote of the total membership of Trustees. Billings to each participant are based upon the costs incurred for workers' compensation. The School District has transferred all related risk to the Plan.

The School District and neighboring school districts in Northern Westchester and Putnam Counties participate in the Putnam Northern Westchester Health Benefits Consortium Health Plan. The Plan operates under a Municipal Cooperative Agreement dated March 1, 2017.

The purposes of the Plan are to provide for the efficient and economical evaluation, processing, administration and payment of claims against plan members for medical expenses through self-insurance and/or otherwise; to effect cost savings insofar as may be possible in Plan Members' expenses for such claims and service; to provide for centralized administration, funding and disbursements for such services.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The governance of the Plan rests with five (5) Trustees who are Chief School Administrators and School Business Officials and a Joint Governance Board of six (6) management employees and six (6) union representatives. The Trustees comprise 5 of the 6 management employees.

The Plan is community rated and each participating employer is billed according to coverages provided to its employees and retirees.

Participating employers share risk and retrospective payments are possible.

Note 3 - Detailed Notes on All Funds (Continued)

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

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to Section 6r of the General Municipal Law of the State of New York to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

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

Subsequent year's expenditures represent that at June 30, 2018, the Board of Education has assigned the above amounts to be appropriated for the ensuing year's budget.

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

B. Contingencies

The School District participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the School District's compliance with applicable grant requirements may be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

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

Briarcliff Manor Union Free School District, New York

Required Supplementary Information - Schedule of Changes in the
School District's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1) (2)

	2019	2018
Total OPEB Liability:		
Service cost	\$ 2,884,260	\$ 3,687,903
Interest	3,148,928	2,721,830
Changes of benefit terms	(9,612)	(3,933)
Differences between expected and actual experience	-	8,150,790
Changes of assumptions or other inputs	(4,138,416)	(19,977,286) (3)
Benefit payments	(1,885,798)	(1,730,629)
Net Change in Total OPEB Liability	(638)	(7,151,325)
Total OPEB Liability – Beginning of Year	85,528,868	92,680,193 (4)
Total OPEB Liability – End of Year	<u>\$ 85,528,230</u>	<u>\$ 85,528,868</u>
School District's covered-employee payroll	<u>\$ 23,969,449</u>	<u>\$ 23,969,449</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>357%</u>	<u>357%</u>

Notes to Schedule:

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) The discount rate used to calculate the total OPEB liability was increased from 3.6% to 3.87% effective with the July 1, 2018 measurement date.

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

Briarcliff Manor Union Free School District, New York

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

	2019	2018 (3)	2017 (2)	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.130224%</u>	<u>0.129185%</u>	<u>0.133678%</u>	<u>0.134090%</u>	<u>0.130501%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (2,354,788)</u>	<u>\$ (981,938)</u>	<u>\$ 1,431,746</u>	<u>\$ (13,927,712)</u>	<u>\$ (14,536,985)</u>
School District's covered payroll	<u>\$ 21,211,982</u>	<u>\$ 20,471,642</u>	<u>\$ 20,626,611</u>	<u>\$ 20,142,187</u>	<u>\$ 19,277,012</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>11.10%</u>	<u>4.80%</u>	<u>6.94%</u>	<u>69.15%</u>	<u>75.41%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>

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

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

(2) 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.

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

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

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,303,538	\$ 2,078,774	\$ 2,399,276	\$ 2,735,089	\$ 3,530,925
Contributions in relation to the contractually required contribution	(2,303,538)	(2,078,774)	(2,399,276)	(2,735,089)	(3,530,925)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 21,690,569	\$ 21,211,982	\$ 20,471,642	\$ 20,626,611	\$ 20,142,187
Contributions as a percentage of covered payroll	10.62%	9.80%	11.72%	13.26%	17.53%

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

Briarcliff Manor Union Free School District, New York

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

	2019	2018	2017	2016 (2)	2015
School District's proportion of the net pension liability	<u>0.0112901%</u>	<u>0.0108266%</u>	<u>0.0132591%</u>	<u>0.0126075%</u>	<u>0.0134211%</u>
School District's proportionate share of the net pension liability	<u>\$ 799,935</u>	<u>\$ 349,423</u>	<u>\$ 1,245,856</u>	<u>\$ 2,023,533</u>	<u>\$ 453,397</u>
School District's covered payroll	<u>\$ 4,000,400</u>	<u>\$ 3,531,776</u>	<u>\$ 3,428,278</u>	<u>\$ 3,915,563</u>	<u>\$ 3,504,627</u>
School District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>20.00%</u>	<u>9.89%</u>	<u>36.34%</u>	<u>51.68%</u>	<u>12.94%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

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

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

(2) 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.

Briarcliff Manor Union Free School District, New York**Required Supplementary Information - Schedule of Contributions
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 534,150	\$ 523,920	\$ 604,321	\$ 619,687	\$ 662,469
Contributions in relation to the contractually required contribution	<u>(534,150)</u>	<u>(523,920)</u>	<u>(604,321)</u>	<u>(619,687)</u>	<u>(662,469)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 4,153,454</u>	<u>\$ 3,561,334</u>	<u>\$ 3,396,256</u>	<u>\$ 3,896,508</u>	<u>\$ 3,507,633</u>
Contributions as a percentage of covered payroll	<u>12.86%</u>	<u>14.71%</u>	<u>17.79%</u>	<u>15.90%</u>	<u>18.89%</u>

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

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Briarcliff Manor Union Free School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2019	2018
ASSETS		
Cash and equivalents	\$ 9,089,035	\$ 6,120,540
Receivables		
Accounts	42,899	40,898
State and Federal aid	127,932	135,044
Due from other governments	1,502,290	3,598,354
Due from other funds	240,437	357,429
	1,913,558	4,131,725
Total Assets	\$ 11,002,593	\$ 10,252,265
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 886,869	\$ 705,085
Accrued liabilities	68,492	210,153
Due to other governments	-	21,979
Due to retirement systems	2,540,518	2,312,044
Total Liabilities	3,495,879	3,249,261
Fund balance		
Restricted	4,156,517	3,831,464
Assigned	1,242,600	1,083,683
Unassigned	2,107,597	2,087,857
Total Fund Balance	7,506,714	7,003,004
Total Liabilities and Fund Balance	\$ 11,002,593	\$ 10,252,265

Briarcliff Manor Union Free School District, New York

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

	2019				
	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
REVENUES					
Real property taxes	\$ 40,821,770	\$ 38,262,124	\$ 38,192,617	\$	\$ (69,507)
Other tax items	-	2,559,646	2,561,545		1,899
Non-property taxes	411,967	411,967	457,225		45,258
Charges for services	4,705,179	4,705,179	5,112,173		406,994
Use of money and property	125,458	125,458	221,541		96,083
Sale of property and compensation for loss	-	-	3,675		3,675
State aid	5,088,309	5,088,309	5,347,819		259,510
Miscellaneous	115,500	115,500	222,473		106,973
Total Revenues	51,268,183	51,268,183	52,119,068		850,885
EXPENDITURES					
Current					
General support					
Board of education	61,920	88,446	72,026	2,500	13,920
Central administration	378,472	398,158	384,033	-	14,125
Finance	811,847	831,148	790,521	6,041	34,586
Staff	409,047	371,050	347,654	-	23,396
Central services	4,916,877	4,817,218	4,450,733	113,522	252,963
Special items	560,230	767,973	687,234	-	80,739
Total General Support	7,138,393	7,273,993	6,732,201	122,063	419,729
Instruction					
Instruction, administration and improvement	2,298,157	2,396,382	2,348,731	395	47,256
Teaching - Regular school	15,692,411	15,847,399	15,762,508	3,050	81,841
Programs for students with disabilities	5,087,480	5,197,260	5,162,793	-	34,467
Occupational education	174,349	89,887	88,911	-	976
Teaching - Special schools	4,000	4,000	3,456	-	544
Instructional media	2,146,141	2,190,086	2,151,302	11,781	27,003
Pupil services	2,994,211	3,168,212	3,074,301	4,979	88,932
Total Instruction	28,396,749	28,893,226	28,592,002	20,205	281,019
Pupil transportation	2,350,729	2,334,959	2,308,591	-	26,368
Employee benefits	10,259,107	9,797,529	9,675,082	10,032	112,415
Debt service					
Principal	3,330,000	3,389,266	3,389,266	-	-
Interest	551,888	551,888	551,888	-	-
Total Expenditures	52,026,866	52,240,861	51,249,030	152,300	839,531
Excess (Deficiency) of Revenues Over Expenditures	(758,683)	(972,678)	870,038	(152,300)	1,690,416
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(325,000)	(366,595)	(366,328)	-	267
Total Other Financing Uses	(325,000)	(366,595)	(366,328)	-	267
Net Change in Fund Balance	(1,083,683)	(1,339,273)	503,710	\$ (152,300)	\$ 1,690,683
FUND BALANCE					
Beginning of Year	1,083,683	1,339,273	7,003,004		
End of Year	\$ -	\$ -	\$ 7,506,714		

See independent auditors' report.

2018

Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
\$ 40,138,000	\$ 37,285,080	\$ 37,283,561	\$	\$ (1,519)
-	2,852,920	2,856,940		4,020
411,967	411,967	446,207		34,240
3,547,065	3,547,065	3,014,089		(532,976)
162,046	162,046	148,521		(13,525)
-	-	16,414		16,414
5,472,438	5,492,438	5,578,341		85,903
152,500	152,500	257,378		104,878
49,884,016	49,904,016	49,601,451		(302,565)
61,119	62,277	38,331	2,499	21,447
378,392	312,447	299,255	-	13,192
764,940	791,684	759,323	7,903	24,458
355,703	403,208	372,969	-	30,239
4,724,785	4,786,188	4,251,957	108,311	425,920
549,190	545,698	517,420	-	28,278
6,834,129	6,901,502	6,239,255	118,713	543,534
2,151,605	2,324,924	2,267,244	500	57,180
15,575,999	15,559,464	15,456,309	3,619	99,536
4,732,387	5,017,560	4,810,036	-	207,524
170,930	170,930	152,414	-	18,516
4,000	4,000	2,605	-	1,395
2,615,562	2,342,550	2,284,220	18,943	39,387
2,988,372	3,031,623	2,956,859	5,254	69,510
28,238,855	28,451,051	27,929,687	28,316	493,048
2,239,366	2,240,196	2,179,350	-	60,846
10,294,297	10,144,252	9,265,205	8,424	870,623
3,195,000	3,195,000	3,195,000	-	-
681,976	681,976	681,976	-	-
51,483,623	51,613,977	49,490,473	155,453	1,968,051
(1,599,607)	(1,709,961)	110,978	(155,453)	1,665,486
155,135	155,135	155,135	-	-
(325,000)	(326,885)	(326,885)	-	-
(169,865)	(171,750)	(171,750)	-	-
(1,769,472)	(1,881,711)	(60,772)	\$ (155,453)	\$ 1,665,486
1,769,472	1,881,711	7,063,776		
\$ -	\$ -	\$ 7,003,004		

Briarcliff Manor Union Free School District, New York

General Fund

Schedule of Revenues Compared to Budget

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 40,821,770	\$ 38,262,124	\$ 38,192,617	\$ (69,507)
OTHER TAX ITEMS	-	2,559,646	2,561,545	1,899
NON-PROPERTY TAXES	411,967	411,967	457,225	45,258
Non-property tax distribution from County				
CHARGES FOR SERVICES	4,671,661	4,671,661	5,069,533	397,872
Day school tuition	33,518	33,518	39,777	6,259
Other student fees and charges	-	-	2,863	2,863
Transportation services for other districts				
USE OF MONEY AND PROPERTY	4,705,179	4,705,179	5,112,173	406,994
Earnings on investments	43,715	43,715	126,623	82,908
Rental of real property - Individuals	81,743	81,743	94,918	13,175
	125,458	125,458	221,541	96,083
SALE OF PROPERTY AND COMPENSATION FOR LOSS	-	-	3,675	3,675
Insurance recoveries				

STATE AID				
Basic formula	3,702,002	3,347,507	3,382,544	35,037
BOCES aid	1,264,819	1,264,819	1,500,357	235,538
Lottery aid	-	354,495	333,834	(20,661)
Textbook aid	84,113	84,113	83,531	(582)
Computer software/hardware aid	28,381	28,381	28,284	(97)
Library aid	8,994	8,994	8,962	(32)
Other	-	-	10,307	10,307
	<u>5,088,309</u>	<u>5,088,309</u>	<u>5,347,819</u>	<u>259,510</u>
MISCELLANEOUS				
Refund of prior year's expenditures	20,000	20,000	62,992	42,992
Refund of prior year's expenditures-BOCES	50,000	50,000	112,215	62,215
Other	45,500	45,500	47,266	1,766
	<u>115,500</u>	<u>115,500</u>	<u>222,473</u>	<u>106,973</u>
TOTAL REVENUES	<u>\$ 51,268,183</u>	<u>\$ 51,268,183</u>	<u>\$ 52,119,068</u>	<u>\$ 850,885</u>

Briarcliff Manor Union Free School District, New York

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 31,549	\$ 53,482	\$ 42,625	\$ 2,500	\$ 8,357
District clerk	23,341	23,034	21,339	-	1,695
District meeting	7,030	11,930	8,062	-	3,868
Total Board of Education	61,920	88,446	72,026	2,500	13,920
CENTRAL ADMINISTRATION					
Chief school administrator	378,472	398,158	384,033	-	14,125
FINANCE					
Business administration	587,362	606,089	573,143	4,541	28,405
Accounting and auditing	83,509	83,509	75,828	1,500	6,181
Treasurer	140,976	141,550	141,550	-	-
Total Finance	811,847	831,148	790,521	6,041	34,586
STAFF					
Legal	140,000	144,335	144,335	-	-
Personnel	115,887	110,767	104,866	-	5,901
Records management officer	60,310	18,048	15,373	-	2,675
Public information and services	92,850	97,900	83,080	-	14,820
Total Staff	409,047	371,050	347,654	-	23,396

CENTRAL SERVICES					
Operation and maintenance of plant					
Central printing and mailing				113,522	245,630
Central data processing				-	3,122
				-	4,211
	4,161,090	4,105,422	3,746,270		
	21,420	14,021	10,899		
	734,367	697,775	693,564		
Total Central Services	4,916,877	4,817,218	4,450,733	113,522	252,963
SPECIAL ITEMS					
Unallocated insurance	217,474	212,474	204,757	-	7,717
School association dues	25,000	7,700	7,011	-	689
Assessments on school property	40,000	40,000	36,238	-	3,762
Judgments and claims	25,000	244,781	176,211	-	68,570
Administrative charge - BOCES	252,756	263,018	263,017	-	1
Total Special Items	560,230	767,973	687,234	-	80,739
Total General Support	7,138,393	7,273,993	6,732,201	122,063	419,729
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	741,613	757,758	733,506	-	24,252
Supervision - Regular school	1,549,404	1,637,362	1,615,225	395	21,742
Research, planning and evaluation	7,140	1,262	-	-	1,262
Total Instruction, Administration and Improvement	2,298,157	2,396,382	2,348,731	395	47,256
TEACHING - REGULAR SCHOOL	15,692,411	15,847,399	15,762,508	3,050	81,841
PROGRAMS FOR STUDENTS WITH DISABILITIES					
	5,087,480	5,197,260	5,162,793	-	34,467
OCCUPATIONAL EDUCATION					
	174,349	89,887	88,911	-	976
TEACHING - SPECIAL SCHOOLS					
	4,000	4,000	3,456	-	544

(Continued)

Briarcliff Manor Union Free School District, New York

General Fund

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

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
INSTRUCTION (Continued)					
INSTRUCTIONAL MEDIA					
School library and audiovisual	\$ 322,610	\$ 329,910	\$ 327,064	\$ 398	\$ 2,448
Computer assisted instruction	1,823,531	1,860,176	1,824,238	11,383	24,555
Total Instructional Media	2,146,141	2,190,086	2,151,302	11,781	27,003
PUPIL SERVICES					
Guidance - Regular school	832,035	828,970	805,383	-	23,587
Health services - Regular school	439,224	451,137	432,296	-	18,841
Psychological services - Regular school	427,845	435,945	428,692	-	7,253
Social work services - Regular school	139,357	141,672	134,402	-	7,270
Pupil personnel services - Special schools	1,700	1,700	-	-	1,700
Co-curricular activities - Regular school	290,579	337,284	311,469	1,730	24,085
Interscholastic athletics - Regular school	863,471	971,504	962,059	3,249	6,196
Total Pupil Services	2,994,211	3,168,212	3,074,301	4,979	88,932
Total Instruction	28,396,749	28,893,226	28,592,002	20,205	281,019
PUPIL TRANSPORTATION					
District transportation services	48,030	48,030	43,080	-	4,950
Contract and public carrier transportation	2,302,699	2,286,929	2,265,511	-	21,418
Total Pupil Transportation	2,350,729	2,334,959	2,308,591	-	26,368

EMPLOYEE BENEFITS					
State retirement	747,025	552,977	551,244	-	1,733
Teachers' retirement	2,366,270	2,313,270	2,305,885	-	7,385
Social security	1,991,559	1,940,000	1,895,512	-	44,488
Hospital, medical and dental insurance	4,455,409	4,395,409	4,369,558	-	25,851
Unemployment benefits	70,000	8,559	1,731	-	6,828
Disability insurance	70,200	62,300	60,054	-	2,246
Life insurance	24,000	25,800	25,800	-	-
Workers' compensation benefits	141,750	122,750	117,555	-	5,195
Union welfare benefits	314,424	308,424	279,884	10,032	18,508
Other	78,470	68,040	67,859	-	181
Total Employee Benefits	10,259,107	9,797,529	9,675,082	10,032	112,415
DEBT SERVICE					
Serial Bonds					
Principal	3,330,000	3,330,000	3,330,000	-	-
Serial Bonds	-	59,266	59,266	-	-
Installment purchase debt					
Interest	3,330,000	3,389,266	3,389,266	-	-
Serial bonds	551,888	551,888	551,888	-	-
Total Debt Service	3,881,888	3,941,154	3,941,154	-	-
TOTAL EXPENDITURES	52,026,866	52,240,861	51,249,030	152,300	839,531
OTHER FINANCING USES					
Transfers out					
Special Aid Fund	25,000	44,000	43,733	-	267
School Lunch Fund	-	22,595	22,595	-	-
Capital Projects Fund	300,000	300,000	300,000	-	-
TOTAL OTHER FINANCING USES	325,000	366,595	366,328	-	267
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 52,351,866</u>	<u>\$ 52,607,456</u>	<u>\$ 51,615,358</u>	<u>\$ 152,300</u>	<u>\$ 839,798</u>

See independent auditors' report.

Briarcliff Manor Union Free School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 188,256</u>	<u>\$ 246,161</u>
LIABILITIES		
Accounts payable	\$ 73,057	\$ 79,793
Due to other funds	<u>7,857</u>	<u>166,368</u>
Total Liabilities	<u>80,914</u>	<u>246,161</u>
Fund balance		
Restricted	<u>107,342</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 188,256</u>	<u>\$ 246,161</u>

Briarcliff Manor Union Free School District, New York**Capital Projects Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years Ended June 30,**

	<u>2019</u>	<u>2018</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Capital outlay	<u>472,276</u>	<u>300,000</u>
Deficiency of Revenues Over Expenditures	<u>(472,276)</u>	<u>(300,000)</u>
OTHER FINANCING SOURCES (USES)		
Installment purchase debt issued	279,618	-
Transfers in	<u>300,000</u>	<u>300,000</u>
Total Other Financing Sources	<u>579,618</u>	<u>300,000</u>
Net Change in Fund Balance	107,342	-
FUND BALANCE		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u>\$ 107,342</u>	<u>\$ -</u>

Briarcliff Manor Union Free School District, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through June 30, 2019

PROJECT	Authorization	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
Facilities Improvements:				
MS/HS Stormwater Culvert/Door Replacement	\$ -	\$ -	\$ 121,351	\$ 121,351
Todd/MS/HS Backup Generators	-	-	71,307	71,307
	300,000		192,658	192,658
Apple Lease Purchase Agreement (100-10199498)	279,618	-	279,618	279,618
Totals	\$ 579,618	\$ -	\$ 472,276	\$ 472,276

Unexpended Balance	Methods of Financing			Fund Balance at June 30, 2019
	Proceeds of Obligations	Transfers	Totals	
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
107,342	-	300,000	300,000	107,342
-	279,618	-	279,618	-
\$ 107,342	\$ 279,618	\$ 300,000	\$ 579,618	\$ 107,342

Briarcliff Manor Union Free School District, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2019
 (With Comparative Totals for 2018)

	Special Aid	School Lunch	Special Purpose
ASSETS			
Cash and equivalents	\$ 5,261	\$ 102,403	\$ 79,847
Receivables			
Accounts	28,802	176	-
State and Federal aid	211,562	-	-
Due from other funds	-	-	-
	<u>240,364</u>	<u>176</u>	<u>-</u>
Total Assets	<u>\$ 245,625</u>	<u>\$ 102,579</u>	<u>\$ 79,847</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 649	\$ 47,397	\$ -
Accrued liabilities	-	-	-
Bond interest and matured bonds payable	-	-	-
Due to other funds	240,365	-	-
Unearned revenues	<u>4,611</u>	<u>26,638</u>	<u>-</u>
Total Liabilities	<u>245,625</u>	<u>74,035</u>	<u>-</u>
Fund balances			
Restricted	-	-	79,847
Assigned	<u>-</u>	<u>28,544</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>28,544</u>	<u>79,847</u>
Total Liabilities and Fund Balances	<u>\$ 245,625</u>	<u>\$ 102,579</u>	<u>\$ 79,847</u>

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds	
	2019	2018
<u>\$ 3,488</u>	<u>\$ 190,999</u>	<u>\$ 190,228</u>
-	28,978	10,359
-	211,562	198,456
<u>7,857</u>	<u>7,857</u>	<u>7,467</u>
<u>7,857</u>	<u>248,397</u>	<u>216,282</u>
<u>\$ 11,345</u>	<u>\$ 439,396</u>	<u>\$ 406,510</u>
\$ -	\$ 48,046	\$ 77,619
-	-	810
5,019	5,019	5,019
72	240,437	198,528
<u>-</u>	<u>31,249</u>	<u>26,083</u>
<u>5,091</u>	<u>324,751</u>	<u>308,059</u>
6,254	86,101	86,292
<u>-</u>	<u>28,544</u>	<u>12,159</u>
<u>6,254</u>	<u>114,645</u>	<u>98,451</u>
<u>\$ 11,345</u>	<u>\$ 439,396</u>	<u>\$ 406,510</u>

Briarcliff Manor Union Free School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2019
(With Comparative Totals for 2018)

	Special Aid	School Lunch	Special Purpose
REVENUES			
Use of money and property	\$ -	\$ -	\$ 1,553
Sale of property and compensation for loss	-	-	-
State aid	174,933	-	-
Federal aid	356,154	-	-
Food sales	-	635,053	-
Miscellaneous	71,705	-	400
Total Revenues	602,792	635,053	1,953
EXPENDITURES			
Current			
Instruction	646,525	-	-
Cost of food sales	-	641,263	-
Other	-	-	2,600
Total Expenditures	646,525	641,263	2,600
Excess (Deficiency) of Revenues Over Expenditures	(43,733)	(6,210)	(647)
OTHER FINANCING SOURCES (USES)			
Transfers in	43,733	22,595	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	43,733	22,595	-
Net Change in Fund Balances	-	16,385	(647)
FUND BALANCES			
Beginning of Year	-	12,159	80,494
End of Year	\$ -	\$ 28,544	\$ 79,847

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds	
	2019	2018
\$ 456	\$ 2,009	\$ 2,170
-	-	3,043
-	174,933	107,541
-	356,154	432,005
-	635,053	521,807
-	72,105	34,369
456	1,240,254	1,100,935
-	646,525	600,800
-	641,263	519,847
-	2,600	1,800
-	1,290,388	1,122,447
456	(50,134)	(21,512)
-	66,328	26,885
-	-	(155,135)
-	66,328	(128,250)
456	16,194	(149,762)
5,798	98,451	248,213
<u>\$ 6,254</u>	<u>\$ 114,645</u>	<u>\$ 98,451</u>

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Briarcliff Manor Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 5,261</u>	<u>\$ 42,056</u>
Receivables		
Accounts	28,802	10,359
State and Federal aid	<u>211,562</u>	<u>198,456</u>
	<u>240,364</u>	<u>208,815</u>
Total Assets	<u><u>\$ 245,625</u></u>	<u><u>\$ 250,871</u></u>
LIABILITIES		
Accounts payable	\$ 649	\$ 50,792
Accrued liabilities	-	810
Due to other funds	240,365	198,456
Unearned revenues	<u>4,611</u>	<u>813</u>
Total Liabilities	<u><u>\$ 245,625</u></u>	<u><u>\$ 250,871</u></u>

Briarcliff Manor Union Free School District, New York

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

	2019			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
State aid	\$ 193,666	\$ 174,666	\$ 174,933	\$ 267
Federal aid	382,326	388,583	356,154	(32,429)
Miscellaneous	83,650	83,650	71,705	(11,945)
Total Revenues	659,642	646,899	602,792	(44,107)
EXPENDITURES				
Current				
Instruction	684,642	690,899	646,525	44,374
Deficiency of Revenues Over Expenditures	(25,000)	(44,000)	(43,733)	267
OTHER FINANCING SOURCES				
Transfers in	25,000	44,000	43,733	(267)
Net Change in Fund Balance	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

See independent auditors' report.

2018

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 107,541	\$ 107,541	\$ 107,541	\$ -
368,969	445,706	432,005	(13,701)
82,098	82,098	34,369	(47,729)
558,608	635,345	573,915	(61,430)
583,608	662,230	600,800	61,430
(25,000)	(26,885)	(26,885)	-
25,000	26,885	26,885	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Briarcliff Manor Union Free School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 102,403	\$ 64,256
Accounts receivable	<u>176</u>	<u>-</u>
Total Assets	<u><u>\$ 102,579</u></u>	<u><u>\$ 64,256</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 47,397	\$ 26,827
Unearned revenues	<u>26,638</u>	<u>25,270</u>
Total Liabilities	74,035	52,097
Fund balance		
Assigned	<u>28,544</u>	<u>12,159</u>
Total Liabilities and Fund Balance	<u><u>\$ 102,579</u></u>	<u><u>\$ 64,256</u></u>

See independent auditors' report.

Briarcliff Manor Union Free School District, New York

School Lunch Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2019</u>	<u>2018</u>
REVENUES		
Sale of property and compensation for loss	\$ -	\$ 3,043
Food sales	<u>635,053</u>	<u>521,807</u>
Total Revenues	635,053	524,850
EXPENDITURES		
Current		
Cost of food sales	<u>641,263</u>	<u>519,847</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,210)	5,003
OTHER FINANCING SOURCES		
Transfers in	<u>22,595</u>	<u>-</u>
Net Change in Fund Balance	16,385	5,003
FUND BALANCE		
Beginning of Year	<u>12,159</u>	<u>7,156</u>
End of Year	<u>\$ 28,544</u>	<u>\$ 12,159</u>

Briarcliff Manor Union Free School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	<u>\$ 79,847</u>	<u>\$ 80,494</u>
FUND BALANCE		
Restricted	<u>\$ 79,847</u>	<u>\$ 80,494</u>

Briarcliff Manor Union Free School District, New York

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

	2019	2018
REVENUES		
Use of money and property	\$ 1,553	\$ 848
Miscellaneous	400	-
Total Revenues	1,953	848
EXPENDITURES		
Current		
Other	2,600	1,800
Deficiency of Revenues Over Expenditures	(647)	(952)
OTHER FINANCING USES		
Transfers out	-	-
Net Change in Fund Balance	(647)	(952)
FUND BALANCE		
Beginning of Year	80,494	81,446
End of Year	\$ 79,847	\$ 80,494

Briarcliff Manor Union Free School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 3,488	\$ 3,422
Due from other funds	<u>7,857</u>	<u>7,467</u>
Total Assets	<u><u>\$ 11,345</u></u>	<u><u>\$ 10,889</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Bond interest and matured bonds payable	\$ 5,019	\$ 5,019
Due to other funds	<u>72</u>	<u>72</u>
Total Liabilities	5,091	5,091
Fund balance		
Restricted	<u>6,254</u>	<u>5,798</u>
Total Liabilities and Fund Balance	<u><u>\$ 11,345</u></u>	<u><u>\$ 10,889</u></u>

Briarcliff Manor Union Free School District, New York

Debt Service Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	2019	2018
REVENUES		
Use of money and property	\$ 456	\$ 1,322
EXPENDITURES	-	-
Excess of Revenues Over Expenditures	456	1,322
OTHER FINANCING USES		
Transfers out	-	(155,135)
Net Change in Fund Balance	456	(153,813)
FUND BALANCE		
Beginning of Year	5,798	159,611
End of Year	<u>\$ 6,254</u>	<u>\$ 5,798</u>

Briarcliff Manor Union Free School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2019

Adopted Budget	\$ 52,196,413
Additions	
Encumbrances	<u>155,453</u>
Original Budget	52,351,866
Budget Amendments	<u>255,590</u>
Final Budget	<u><u>\$ 52,607,456</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

Year Ended June 30, 2018

2019-20 Expenditure Budget	<u>\$ 52,690,000</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	1,242,600
Unassigned fund balance	<u>2,107,597</u>
Total Unrestricted Fund Balance	<u>3,350,197</u>
Less	
Appropriations for subsequent year's budget	1,090,300
Encumbrances	<u>152,300</u>
Total Adjustments	<u>1,242,600</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 2,107,597</u></u>
Actual Percentage	<u><u>4.00%</u></u>

Briarcliff Manor Union Free School District, New York

Schedule of Net Investment in Capital Assets

Year Ended June 30, 2019

Capital Assets, net		\$ 43,177,813
Less		
Bonds payable	(12,925,000)	
Unamortized portion of premium on bonds	<u>(358,287)</u>	(13,283,287)
Plus		
Unamortized portion of loss on refunding bonds		<u>145,759</u>
Net Investment in Capital Assets		<u><u>\$ 30,040,285</u></u>