

Bronxville Union Free School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2016

Bronxville Union Free School District, New York

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Independent Auditors' Report

**The Board of Education of the
Bronxville 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 Bronxville Union Free School District, New York ("School District") as of and for the year ended June 30, 2016, 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2016, and the respective changes in financial position, thereof, 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.

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Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2016 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
September 9, 2016



**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
Bronxville 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 Bronxville Union Free School District, New York ("School District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 9, 2016.

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*.

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

Purpose of this Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 9, 2016

Bronxville Union Free School District

Management's Discussion and Analysis (MD&A)

June 30, 2016

Introduction

Management's Discussion and Analysis of the Bronxville Union Free School District, New York's ("School District") financial performance provides a summary of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this section is to provide an overview of the School District's financial performance, based on both the government-wide and fund-based financial statements, in perspective. The results of the current year are discussed in comparison with the prior year, with emphasis placed on the current year. This section serves only as an introduction. Readers should review it in conjunction with the basic financial statements, notes to the financial statements, and required supplemental information that follows to enhance their understanding of the School District's results of operations and overall position.

Financial Highlights

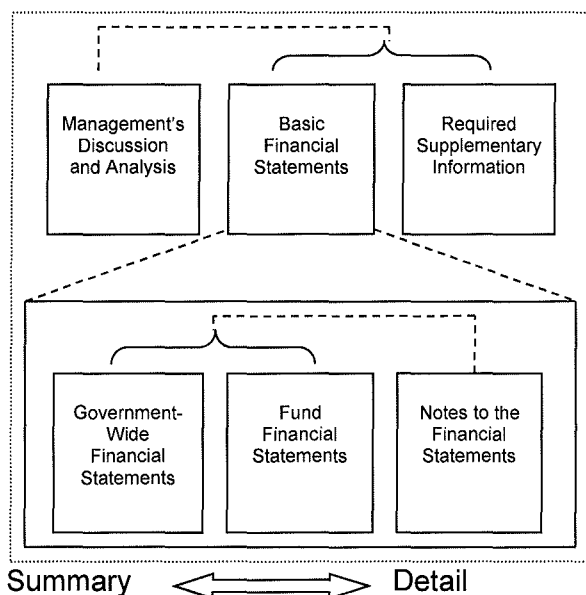
Key financial highlights for fiscal year 2016 are as follows:

- The School District's governmental fund financial statements report a combined ending fund balance of \$10,068,457, a decrease of \$2,106,873 from the prior year, which is mainly due to the Capital Projects Fund expenditures relating to the Auditorium & Science Classroom capital project and a reduction in fund balance assigned to subsequent year's expenditures. A total of \$1,526,558 is restricted for tax certioraris; \$79,046 for unemployment benefits, \$1,397,486 for liability and casualty claims, \$691,090 for employee retirement system contributions, and \$2,209,767 for future capital projects. \$1,800,000 of that balance is already committed to the Hayes Field Renovation project, which is expected to begin in 2017.
- The School District redeemed \$2,395,000 of serial bonds during the 2015-16 fiscal year. Bonds outstanding at June 30, 2016 were \$11,165,000.
- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount assigned (designated) for the subsequent year's budgets. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$1,863,314 (4.0% of the fiscal year 2016-17 adopted budget of \$46,582,858), and \$580,000 was assigned to offset the fiscal year 2016-17 tax levy.
- As required under the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 45, we continue to recognize an increase in the other post-employment benefit ("OPEB") obligations. The GASB is charged with developing the accounting rules that apply to governments, including school districts and BOCES. These obligations include any benefits provided to retirees, other than a pension, including health insurance, life insurance, vision, dental, etc. GASB Statement No. 45 establishes standards for accrual-based measurement and recognition of OPEB expenses over periods that approximate employees' years of active service, as well as the required note disclosures. For the year ending June 30, 2016, the School District's OPEB obligations of \$6,783,384 are reflected as a liability on the district-wide financial statements.

- Also noteworthy on the district-wide financial statements for the year ended June 30, 2016, is the provisions of GASB Statement No. 68. This pronouncement established 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 Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS"). Under these standards, cost-sharing employers are required to report in their district-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At June 30, 2016, the School District reported in its Statement of Net Position a liability of \$1,755,635 for its proportionate share of the ERS net pension liability, while also reporting a pension asset of \$14,350,824 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 s pension expense and deferred inflows/outflows of resources, is presented in note 3E in the notes to financial statements.

Overview Of The Financial Statements

Required Components of the School District's Annual Financial Report



This annual report consists of three parts: MD&A (this section), a series of financial statements and notes to those statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District's finances.

- The first two statements; Statement of Net Position and Statement of Activities are the *district-wide financial statements* that provide both short-term and long-term information about the School District's overall financial status.

- The remaining statements, *fund financial statements*, focus on *individual parts* of the School District, reporting operations in *more detail* than the district-wide statements. The *governmental funds statements* concentrate on the School District's most significant funds with all other non-major funds listed in total in one column. They tell how basic services were financed in the *short term* as well as what remains for future spending.
- Fiduciary funds* statements provide information about financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at the financial transactions and asks the question, "How did we do financially during 2015-2016?" The *Statement of Net Position* and *Statement of Activities* answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources and revenues and expenses* using the *accrual basis of accounting*, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's *net position* and changes in that position. Net position – the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – are one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position are an indicator of whether the *financial position* of the School District as a whole is improving or deteriorating. The causes for change may be the result of many factors, some financial, some not. Non-financial factors include changes in the School District's real property tax base, current laws in New York, the condition of school buildings and other facilities, new or mandated educational programs and area economic factors such as unemployment and inflation.

In the District-wide financial statements, the School District reports all its programs and basic services as *governmental activities*, including regular and special instruction, administration and support services, transportation and food service operations.

The School District's Statement of Net Position and Statement of Activities can be found on pages 18-19 of the basic financial statements.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and bond covenants. The School District has established other funds to control and manage money for particular purposes or to show that it is properly using certain revenues, such as federal grants. Fund financial statements provide detailed information about individual School District funds, focusing on its most significant or major funds - not the School District as a whole.

The School District has two kinds of funds:

Governmental Funds

Most of the School District's activities are reported in *governmental funds*, which focus on how funds flow into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The School District reports the following governmental funds: General Fund, Capital Projects Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund, Permanent Fund and Debt Service Fund. Information is presented separately in the Balance Sheet and in the Statement of Revenues, Expenditures and Changes in Fund Balances for each fund that the School District reports as a major fund and in the aggregate for non-major funds. Because this information does not encompass the additional long-term focus of the district-wide statements, a reconciliation is provided with the fund financial statements to explain the relationship (or differences) between them.

The governmental fund statements can be found on pages 20-24 of the basic financial statements.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the School District in a custodial or *agency* capacity on behalf of others. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.

All of the School District's fiduciary activities are reported in separate *Statement of Assets and Liabilities Fiduciary Fund* on page 25 of the financial statements. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 26-54 of this report.

Required Supplemental Information

This section furnishes additional schedules that further explain and support the basic financial statements. The General Fund budgetary comparison schedules present variations between original and final budget amounts and between final budget amounts and actual revenues and expenditures. The purpose of budgetary comparison reporting is to present whether resources were obtained and used in accordance with the School District's legally adopted budget. These schedules can be found on pages 55-68.

Additional schedules are included providing detailed information relating to individual projects in the Capital Projects Funds. See Supplemental Schedules on pages 71-72.

The table below summarizes the major features of the School District's financial statements, including the portion of the School District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements			
	Fund Financial Statements		
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of assets and liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Financial Analysis

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Prior year condensed information is provided in this MD&A for comparative purposes.

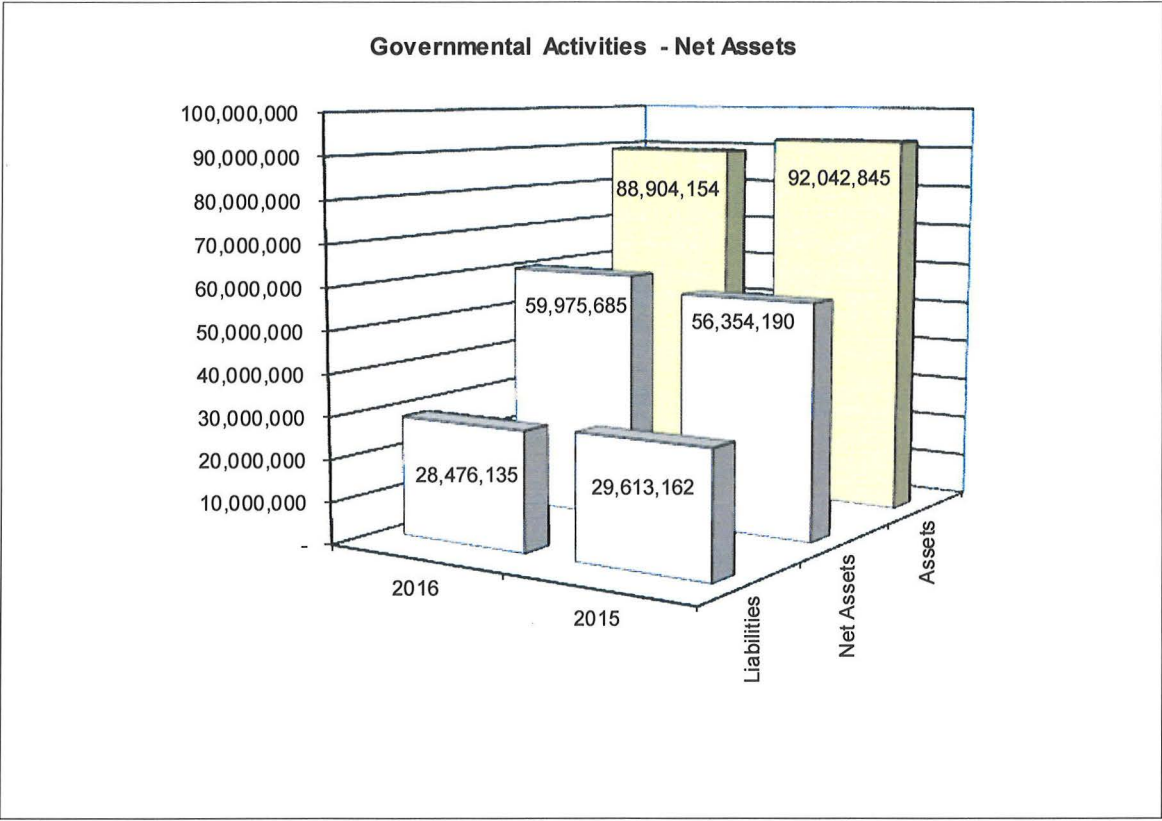
As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the Bronxville Union Free School District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$59,975,685 at the close of the current fiscal year, which is an increase of \$3,621,495 over last year.

Condensed Statement of Net Position

	June 30,		Percentage
	2016	2015	Change
Assets			
Current and other assets	\$ 32,564,356	\$ 36,403,159	-10.55%
Capital assets, net	56,339,798	55,639,686	1.26%
Total Assets	88,904,154	92,042,845	-3.41%
Deferred Outflows of Resources	5,222,490	4,646,725	12.39%
Liabilities			
Current and other liabilities	7,827,206	8,927,261	-12.32%
Long-term debt and other liabilities	20,648,929	20,685,901	-0.18%
Total Liabilities	28,476,135	29,613,162	-3.84%
Deferred Inflows of Resources	5,674,824	10,722,218	-47.07%
Net Position			
Net investment in capital assets	41,192,379	38,164,552	7.93%
Restricted	12,353,983	13,496,949	-8.47%
Unrestricted	6,429,323	4,692,689	37.01%
Total Net Position	\$ 59,975,685	\$ 56,354,190	6.43%

The largest component of the School District's net position is its investment in capital assets, net of related debt (which is equal to its total capital assets, less any related spent outstanding debts plus any refunding bonds unamortized portion of issuance costs and loss). 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 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. At June 30, 2016, the School District has outstanding bond anticipation notes payable of \$4,000,000 (short-term borrowing). These were issued in September 2014 to finance construction and renovation of the auditorium and Middle School science classrooms.

Assets subject to external restrictions are in various reserves and used for specific purposes. Those assets constitute \$12,353,983 of net position.



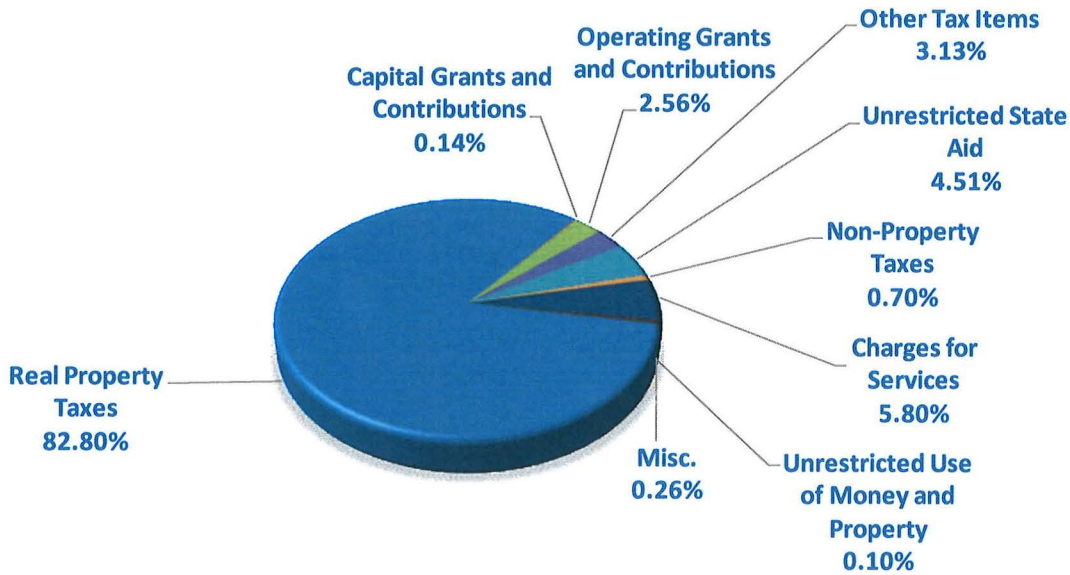
The following table illustrates changes in net position from operating results for fiscal year 2016 compared to fiscal year 2015.

Changes in Net Position from Operating results

	June 30,		
	2016	2015	% Change
REVENUES			
Program Revenues			
Charges for Services	\$ 2,646,897	\$ 2,715,316	-2.52%
Operating Grants and Contributions	1,300,707	1,201,156	8.29%
Capital Grants and Contributions	62,612	65,579	-4.52%
Total Program Revenues	4,010,216	3,982,051	0.71%
General Revenues			
Real Property Taxes	39,394,973	38,763,957	1.63%
Other Tax Items	1,367,803	1,465,272	-6.65%
Non-Property Taxes	332,507	326,674	1.79%
Unrestricted Use of Money and Property	45,458	44,446	2.28%
Sale of Property and Compensation for Loss	1,615	2,072	-22.06%
Unrestricted State Aid	2,221,267	2,110,442	5.25%
Miscellaneous	145,488	118,238	23.05%
Total General Revenues	43,509,111	42,831,101	1.58%
Total Revenues	47,519,327	46,813,152	1.51%
PROGRAM EXPENSES			
General Support	8,269,424	7,387,353	11.94%
Instruction	34,251,940	33,564,005	2.05%
Pupil Transportation	638,031	639,972	-0.30%
Cost of Food Sales	460,693	387,594	18.86%
Other	9,019	15,464	-41.68%
Interest	268,725	588,256	-54.32%
Total Expenses	43,897,832	42,582,644	3.09%
Change in Net Position	3,621,495	4,230,508	-14.40%
NET POSITION			
Beginning, as reported	56,354,190	48,293,804	16.69%
Cumulative Change in Accounting Principle	-	3,829,878	-100.00%
Net Position, as restated	56,354,190	52,123,682	8.12%
Ending	<u>\$ 59,975,685</u>	<u>\$ 56,354,190</u>	<u>6.43%</u>

Overall, there was an improvement of \$3,621,495 in the School District's financial condition. As indicated on the following graph, the School District relies upon real property taxes as its primary revenue source.

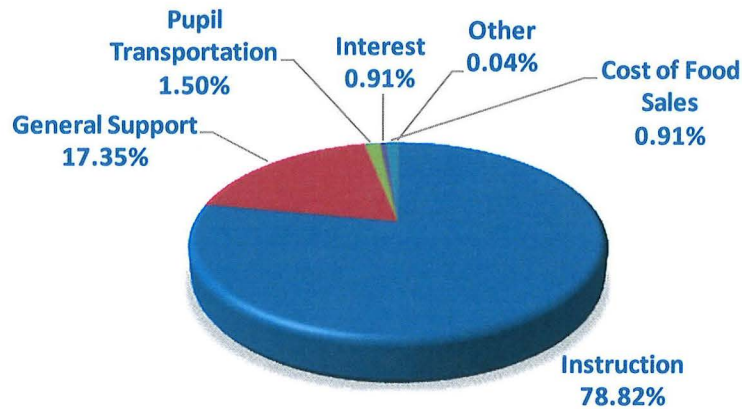
SOURCES OF REVENUE FOR FISCAL YEAR 2016 GOVERNMENTAL ACTIVITIES



The major change in revenue was the \$631,016 increase in the tax levy.

Expenditures are weighted toward Instruction.

EXPENSES FOR FISCAL YEAR 2016



Fund Balance Reporting

It is noteworthy to report that the Governmental Accounting Standards Board ("GASB") issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in February 2009. The requirements of GASB Statement No. 54 was effective for financial statements for periods ending June 30, 2011. GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

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

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

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

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

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

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

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

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.

Governmental Funds

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

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$10,068,457, a reduction of \$2,106,873 from the prior year combined fund balances due to Capital Projects Fund expenditures on various projects and the planned reduction in fund balance assigned to reduce the 2015-16 tax levy. The available *unassigned fund balance* is \$1,863,314 and is available for spending at the School District's discretion. The remainder of fund balance is either *nonspendable*, *restricted* or *assigned* to indicate that is not available for new spending because it has already been committed. The nonspendable balance includes \$5,469 for inventory in the School Lunch Fund and \$905,020 for the principal portion in

the Permanent Fund. The restricted balance includes tax certioraris of \$1,526,558, liability and casualty claims of \$1,397,486, employee retirement system contributions of \$691,090, unemployment benefits of \$79,046, future capital projects of \$2,209,767, debt service of \$2,785,073, special purposes of \$86,960 and permanent fund of \$77,351. The assigned balance includes \$86,096 of purchases on order (encumbrances) in the General Fund, \$580,000 for subsequent year's expenditures and \$210,556 for the School Lunch Fund.

The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$8,433,330.

The General Fund balance decreased by \$193,137 as favorable expenditure and revenue variances vs. budget were offset by a \$665,000 use of fund balance to offset the 2015-16 tax levy and purchase orders carried over were \$141,115 less than the prior year.

General Fund Budgetary Highlights

Detail of the financial performance of the General Fund can be found on page 61. The original budget is an estimate prepared over a year in advance of what the School District will spend during the fiscal year. There were also various budget transfers during the year to address unanticipated expenditures. Expenditure areas yielding significant surplus were Employee Benefits (\$288,707), Instruction (\$104,733), and Central Services (\$51,935). The surpluses were largely due to staff turnover and unfilled vacancies. Much of the structural surplus has been substantially reduced through more aggressive budget practices.

Capital Assets

At June 30, 2016 the School District had \$56,339,798 net of accumulated depreciation invested in a broad range of capital assets, including land, improvements other than buildings, buildings and improvements, machinery and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected in Note 3B on page 37 and the table below.

Capital Assets

Class	June 30,	
	2016	2015
Land	\$ 23,900	\$ 23,900
Improvement Other than Buildings	85,493	91,146
Buildings and Improvements	45,420,604	46,609,286
Machinery and Equipment	746,645	797,585
Construction-in-Progress	10,063,156	8,117,769
Total Capital Assets, net of accumulated depreciation	<u>\$ 56,339,798</u>	<u>\$ 55,639,686</u>

The School District's capital assets, net of depreciation, increased by \$700,112 as construction-in progress peaked toward the end of the Auditorium and Science Classroom project.

Long-Term Debt

At June 30, 2016, the School District had \$20,648,929 in general obligation debt and other liabilities, as follows:

	June 30,	
	2016	2015
Bonds Payable	\$ 11,165,000	\$ 13,560,000
Unamortized Premium on Bonds	663,983	610,235
Compensated Absences	280,927	265,522
Net Pension Liability (Change in Accounting)	1,755,635	354,588
Other Post Employment Benefits Obligations	6,783,384	5,895,556
Total	<u>\$ 20,648,929</u>	<u>\$ 20,685,901</u>

At June 30, 2016, the School District reported a liability of \$1,755,635 for its proportionate share of the net pension liability of ERS. The net pension liability was measured as of March 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Factors Bearing on the District's Future

The Bronxville Union Free School District ended fiscal 2016 financially strong. Conservative spending practices allowed the School District to keep its unassigned fund balance at the 4% legal limitation. In these times of major economic uncertainty, the future financial stability of the School District is not without challenges. The School District must strive to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility. School District Administration must provide the resources necessary to meet the needs of the students, while carefully controlling expenditures to assure tax levy increases are kept within the tax levy cap and spent prudently. Due to stagnant inflation, the tax levy cap is expected to be minimal for the next few years. Furthermore, the School District must be vigilant in maintaining the nearly 100 year-old core building.

The School District faces a future filled with a number of financial challenges. Declining non-tax revenues, volatile enrollment, higher costs and a demand for more services will force the Administration to make some difficult decisions. Everything from staffing and program levels to class sizes and financial reserves will be evaluated. Existing and future collective bargaining agreements need to be negotiated carefully. Health care and prescription drug costs, as well as mandated retirement system contributions, continue to rise.

Effective June 30, 2009, the District implemented GASB Statement 45, Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions (OPEB). The School District continues to disclose the results from this actuarial study. At year end June 30, 2016 the School District shows an unfunded actuarial accrued liability of approximately \$33.7 million. While GASB Statement No. 45 requires accrual accounting and reporting, it does not require or provide a mechanism for advance funding of OPEB other than payment of the actual costs on an annual basis. Nonetheless, the School District does need to develop strategies to address this enormous liability. Credit rating agencies, for instance, have indicated that they may begin to consider OPEB

funding status in their evaluations of a government's financial condition, which, over time, could have a negative effect on bond ratings.

The School District is fortunate, however, that it has a strong financial base in place to help it get through the current economic crisis. Over the last few years, the Administration began increasing the School District's unassigned fund balance as well as establishing various Restricted Fund Balances and funding them. The School District continues to fund these reserves in anticipation of increased expenditures in future years. The restrictions for Unemployment Benefits and Liability and Casualty Claims were adjusted appropriately in anticipation that the School District will need to continue to utilize reserves next year to help bridge the gap between revenues and expenditures. A fund balance restricted for Future Capital Projects was created and funded in order to plan for future capital projects and reduce reliance on bonded debt. School District Administration expects to continue this policy of diligent fiscal planning to ensure continued long-term budgetary health and stability.

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:

Bronxville Union Free School District
Attn: L. Daniel Carlin
Assistant Superintendent for Business
177 Pondfield Road
Bronxville, New York 10708

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Bronxville Union Free School District, New YorkStatement of Net Position
June 30, 2016

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 16,045,045
Investments	17,279
Receivables	
Accounts	91,242
State and Federal aid	309,299
Due from other governments	1,745,198
Inventory	5,469
Net pension asset	14,350,824
Capital assets	
Not being depreciated	10,087,056
Being depreciated, net	46,252,742
Total Assets	88,904,154
DEFERRED OUTFLOWS OF RESOURCES	5,222,490
LIABILITIES	
Accounts payable	461,192
Accrued liabilities	60,365
Retainage payable	4,566
Due to other governments	518
Unearned revenues	16,565
Due to retirement systems	3,164,659
Bond anticipation notes payable	4,000,000
Accrued interest payable	119,341
Non-current liabilities	
Due within one year	2,493,000
Due in more than one year	18,155,929
Total Liabilities	28,476,135
DEFERRED INFLOWS OF RESOURCES	5,674,824
NET POSITION	
Net investment in capital assets	41,192,379
Restricted	
Tax certiorari	1,526,558
Liability and casualty claims	1,397,486
Employee retirement system contributions	691,090
Unemployment benefits	79,046
Capital projects	2,283,361
Future capital projects	2,209,767
School lunch	216,025
Debt service	2,881,319
Special purposes	86,960
Permanent fund	982,371
Unrestricted	6,429,323
Total Net Position	\$ 59,975,685

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

Bronxville Union Free School District, New York

Statement of Activities
Year Ended June 30, 2016

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	\$ 8,269,424	\$ 6,305	\$ -	\$ -	\$ (8,263,119)
Instruction	34,251,940	2,194,224	1,282,856	-	(30,774,860)
Pupil transportation	638,031	25,582	-	-	(612,449)
Cost of food sales	460,693	420,786	112	-	(39,795)
Other	9,019	-	17,739	-	8,720
Interest	268,725	-	-	62,612	(206,113)
Total Governmental Activities	<u>\$ 43,897,832</u>	<u>\$ 2,646,897</u>	<u>\$ 1,300,707</u>	<u>\$ 62,612</u>	<u>(39,887,616)</u>
General revenues					
Real property taxes					39,394,973
Other tax items					
School tax relief reimbursement					1,367,803
Non-property taxes					
Non-property tax distribution from County					332,507
Unrestricted use of money and property					45,458
Sale of property and compensation for loss					1,615
Unrestricted State aid					2,221,267
Miscellaneous					145,488
Total General Revenues					<u>43,509,111</u>
Change in Net Position					3,621,495
Net Position - Beginning					<u>56,354,190</u>
Net Position - Ending					<u>\$ 59,975,685</u>

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

Bronxville Union Free School District, New York

Balance Sheet
Governmental Funds
June 30, 2016

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 14,567,306	\$ 33,352	\$ 1,444,387	\$ 16,045,045
Investments	17,279	-	-	17,279
Receivables				
Accounts	39,842	-	51,400	91,242
State and Federal aid	77,151	-	232,148	309,299
Due from other governments	1,745,198	-	-	1,745,198
Due from other funds	803,120	3,605,729	3,116,291	7,525,140
Inventory	-	-	5,469	5,469
Total Assets	<u>\$ 17,249,896</u>	<u>\$ 3,639,081</u>	<u>\$ 4,849,695</u>	<u>\$ 25,738,672</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 341,752	\$ 91,110	\$ 28,330	\$ 461,192
Accrued liabilities	60,365	-	-	60,365
Retainage payable	-	4,566	-	4,566
Due to other funds	4,812,580	1,978,707	733,853	7,525,140
Due to other governments	-	-	518	518
Unearned revenues	-	-	16,565	16,565
Due to retirement systems	3,164,659	-	-	3,164,659
Bond anticipation notes payable	-	4,000,000	-	4,000,000
Total Liabilities	8,379,356	6,074,383	779,266	15,233,005
Deferred inflows of resources				
Taxes collected in advance	437,210	-	-	437,210
Total Liabilities and Deferred Inflows of Resources	<u>8,816,566</u>	<u>6,074,383</u>	<u>779,266</u>	<u>15,670,215</u>
Fund balances (deficits)				
Nonspendable	-	-	910,489	910,489
Restricted	5,903,947	-	2,949,384	8,853,331
Assigned	666,069	-	210,556	876,625
Unassigned	1,863,314	(2,435,302)	-	(571,988)
Total Fund Balances (Deficits)	<u>8,433,330</u>	<u>(2,435,302)</u>	<u>4,070,429</u>	<u>10,068,457</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 17,249,896</u>	<u>\$ 3,639,081</u>	<u>\$ 4,849,695</u>	<u>\$ 25,738,672</u>

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

Bronxville Union Free School District, New YorkReconciliation of Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2016

Fund Balances - Total Governmental Funds	\$ 10,068,457
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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.	56,339,798
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Governmental funds do not report the effect of losses on refunding
bonds and assets or liabilities related to net pension assets (liabilities)
whereas these amounts are deferred and amortized in the
statement of activities.

Deferred amounts on refunding bonds	681,564
Deferred amounts on net pension assets (liabilities)	(696,688)

(15,124)

Other long-term assets are not available to pay for current-period
expenditures and, therefore, are not reported in the funds.

Net pension asset	14,350,824
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Long-term liabilities that are not due and payable in the current
period are not reported in the funds.

Accrued interest payable	(119,341)
Bonds payable	(11,828,983)
Compensated absences	(280,927)
Net pension liability	(1,755,635)
Other post employment benefits obligation payable	(6,783,384)

(20,768,270)

Net Position of Governmental Activities	\$ 59,975,685
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The notes to the financial statements are an integral part of this statement.

Bronxville Union Free School District, New York
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2016

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
REVENUES				
Real property taxes	\$ 39,394,973	\$ -	\$ -	\$ 39,394,973
Other tax items	1,367,803	-	-	1,367,803
Non-property taxes	332,507	-	-	332,507
Charges for services	2,219,806	-	-	2,219,806
Use of money and property	51,763	-	64,011	115,774
Sale of property and compensation for loss	1,615	-	-	1,615
State aid	2,354,628	-	68,586	2,423,214
Federal aid	-	-	360,281	360,281
Food sales	-	-	420,786	420,786
Miscellaneous	145,488	-	737,080	882,568
Total Revenues	45,868,583	-	1,650,744	47,519,327
EXPENDITURES				
Current				
General support	6,088,730	-	-	6,088,730
Instruction	26,547,527	-	1,198,171	27,745,698
Pupil transportation	634,586	-	-	634,586
Employee benefits	9,881,326	-	-	9,881,326
Cost of food sales	-	-	455,228	455,228
Other	-	-	9,019	9,019
Debt service				
Principal	-	-	2,425,000	2,425,000
Interest	-	-	292,193	292,193
Refunding bond issuance costs	-	-	96,246	96,246
Capital outlay	-	2,094,420	-	2,094,420
Total Expenditures	43,152,169	2,094,420	4,475,857	49,722,446
Excess (Deficiency) of Revenues Over Expenditures	2,716,414	(2,094,420)	(2,825,113)	(2,203,119)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	6,820,000	6,820,000
Payment to refunded bond escrow agent	-	-	(6,950,775)	(6,950,775)
Issuance premium	-	-	227,021	227,021
Transfers in	-	100,000	2,809,551	2,909,551
Transfers out	(2,909,551)	-	-	(2,909,551)
Total Other Financing Sources (Uses)	(2,909,551)	100,000	2,905,797	96,246
Net Change in Fund Balances	(193,137)	(1,994,420)	80,684	(2,106,873)
FUND BALANCES (DEFICITS)				
Beginning of Year	8,626,467	(440,882)	3,989,745	12,175,330
End of Year	<u>\$ 8,433,330</u>	<u>\$ (2,435,302)</u>	<u>\$ 4,070,429</u>	<u>\$ 10,068,457</u>

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

Bronxville 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, 2016

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

Net Change in Fund Balances - Total Governmental Funds \$ (2,106,873)

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 total capital outlay since capital outlay includes amounts that are under the capitalization threshold.

Capital outlay expenditures	2,012,835
Depreciation expense	(1,312,723)
	<hr/>
	700,112

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Refunding bonds issued	(6,820,000)
Payment to refunded bond escrow agent	6,950,775
Issuance premium	(227,021)
Principal paid on bonds	2,425,000
Amortization of premium and loss on refunding bonds	(1,139)
	<hr/>
	2,327,615

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	24,607
Compensated absences	(15,405)
Pension assets (liabilities)	3,579,267
Other post employment benefits obligations	(887,828)
	<hr/>
	2,700,641

Change in Net Position of Governmental Activities \$ 3,621,495

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

Bronxville Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund

Balance - Budget and Actual

General Fund

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 39,423,532	\$ 39,423,532	\$ 39,394,973	\$ (28,559)
Other tax items	1,367,803	1,367,803	1,367,803	-
Non-property taxes	310,000	310,000	332,507	22,507
Charges for services	2,205,000	2,205,000	2,219,806	14,806
Use of money and property	60,000	60,000	51,763	(8,237)
Sale of property and compensation for loss	-	-	1,615	1,615
State aid	2,320,000	2,320,000	2,354,628	34,628
Miscellaneous	95,000	95,000	145,488	50,488
Total Revenues	45,781,335	45,781,335	45,868,583	87,248
EXPENDITURES				
Current				
General support	6,241,436	6,233,914	6,088,730	145,184
Instruction	26,419,231	26,666,402	26,547,527	118,875
Pupil transportation	679,575	637,108	634,586	2,522
Community services	675	187	-	187
Employee benefits	10,306,727	10,170,033	9,881,326	288,707
Total Expenditures	43,647,644	43,707,644	43,152,169	555,475
Excess of Revenues Over Expenditures	2,133,691	2,073,691	2,716,414	642,723
OTHER FINANCING USES				
Transfers out	(3,025,875)	(2,965,875)	(2,909,551)	56,324
Net Change in Fund Balance	(892,184)	(892,184)	(193,137)	699,047
FUND BALANCE				
Beginning of Year	892,184	892,184	8,626,467	7,734,283
End of Year	\$ -	\$ -	\$ 8,433,330	\$ 8,433,330

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

Bronxville Union Free School District, New York

Statement of Assets and Liabilities

Fiduciary Fund

June 30, 2016

	<u>Agency Fund</u>
ASSETS	
Cash and equivalents	\$ 331,710
Accounts receivable	<u>1,344</u>
 Total Assets	 <u><u>\$ 333,054</u></u>
 LIABILITIES	
Accounts payable	\$ 257,810
Student activity funds	<u>75,244</u>
 Total Liabilities	 <u><u>\$ 333,054</u></u>

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

Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

The School District participates in the Southern Westchester Board of Cooperative Educational Services (BOCES), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating 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 Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

B. District-Wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the 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 segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities.

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

C. Fund Financial Statements

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

capital 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 lunch and milk 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.

Permanent Fund - The Permanent Fund is used to account for assets that are legally restricted to the extent that only interest earnings, and not principal, may be used for purposes that support the School District's programs.

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 Statements) - Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. Among the activities included in the Agency Fund are the student activity funds. The Agency Fund is also utilized to account for payroll tax withholdings that are payable to other jurisdictions.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Deposits, Investments and Risk Disclosure

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

The School District's deposit and investment policies are governed by State statutes. The School District has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions and accordingly, the School District's policy provides for no credit risk or investments.

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

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial 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

Note 1 - Summary of Significant Accounting Policies (Continued)

balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2016.

Investments - The School District participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to General Municipal Law that meets the definition of a 2a7-like pool. In accordance with the provisions of General Municipal Law, Article 3A, CLASS has designated PT Asset Management, a subsidiary of Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

CLASS is authorized to invest in various securities issued by the United States and its agencies. The amount represents the amortized cost of the cooperative shares and is considered to approximate fair value. The School District's position in the pool is equal to the value of the pool shares. Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC 999 18th Street, Suite 1230, Denver, CO 80202.

CLASS is rated AAAM by Standard & Poor's. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

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

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of June 1st and are levied and payable in June and December. The Village of Bronxville is responsible for the billing and collection of the taxes. The Village of Bronxville guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

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

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2016, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventory - Inventory in the School Lunch Fund consists of food and supplies and are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are

Note 1 - Summary of Significant Accounting Policies (Continued)

equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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 \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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>
Improvements Other than Building	20
Buildings and Improvements	50
Machinery and Equipment	8-15

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

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In district-wide financial statements, unearned revenues consist of revenue 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 \$16,565 in the School Lunch Fund which represents the unspent portion of student cafeteria meal cards. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

The School District reported deferred outflows of resources of \$681,564 for a deferred loss on refunding bonds in the district-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The School District reported deferred inflows of resources of \$437,210 for taxes collected in advance in the General Fund and in the Statement of Net Position. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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

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

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

Compensated Absences - The various collective bargaining agreements do not provide for the payment of accumulated sick leave upon separation from service. However, it has been the School District's practice to compensate administrators and all other employees, except teachers, for unused vacation time upon separation of 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.

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

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on 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 tax certiorari, liability and casualty claims, employee retirement system contributions, unemployment benefits, capital projects, future capital projects, school lunch, debt service, special purposes and permanent fund. The balance is classified as unrestricted.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balances - 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 Business for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

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 inflow 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 9, 2016.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for General, Special Aid and Debt Service funds.
- g) Budgets for General, Special Aid and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the School Lunch, Special Purpose or Permanent 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, Special Aid and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Limitation on Fund Balance

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

C. Property Tax Limitation

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

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

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

D. Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects Fund of \$2,435,302 arises in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. The deficit will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits where no bond anticipation notes are outstanding to the extent of the deficit arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

Note 3 - Detailed Notes on All Funds

A. Due From/To Other Funds

The composition of interfund balances at June 30, 2016 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 803,120	\$ 4,812,580
Capital Projects	3,605,729	1,978,707
Non-Major Governmental	3,116,291	733,853
Total	<u>\$ 7,525,140</u>	<u>\$ 7,525,140</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) payments between funds are made.

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

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, 2015	Additions	Balance June 30, 2016
Capital Assets, not being depreciated			
Land	\$ 23,900	\$ -	\$ 23,900
Construction-in-Progress	8,117,769	1,945,387	10,063,156
Total Capital Assets, not being depreciated	<u>\$ 8,141,669</u>	<u>\$ 1,945,387</u>	<u>\$ 10,087,056</u>
Capital Assets, being depreciated			
Improvements Other Than			
Buildings	\$ 467,538	\$ -	\$ 467,538
Buildings and Improvements	63,790,487	-	63,790,487
Machinery and Equipment	1,519,016	67,448	1,586,464
Total Capital Assets, being depreciated	<u>65,777,041</u>	<u>67,448</u>	<u>65,844,489</u>
Less Accumulated Depreciation for			
Improvements Other Than			
Buildings	376,392	5,653	382,045
Buildings and Improvements	17,181,201	1,188,682	18,369,883
Machinery and Equipment	721,431	118,388	839,819
Total Accumulated Depreciation	<u>18,279,024</u>	<u>1,312,723</u>	<u>19,591,747</u>
Total Capital Assets, being depreciated, net	<u>\$ 47,498,017</u>	<u>\$ (1,245,275)</u>	<u>\$ 46,252,742</u>
Capital Assets, net	<u>\$ 55,639,686</u>	<u>\$ 700,112</u>	<u>\$ 56,339,798</u>

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

General Support	\$ 1,205,877
Instruction	101,381
Cost of Food Sales	<u>5,465</u>
Total Depreciation Expense	<u>\$ 1,312,723</u>

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)**C. Accrued Liabilities**

Accrued liabilities at June 30, 2016 were as follows:

	General Fund
Payroll and Employee Benefits	\$ 60,365

D. Short-Term Capital Borrowing

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

Purpose	Year of Original Issue	Rate of Interest	Balance July 1, 2015	Redemptions	Balance June 30, 2016
Auditorium/Science Labs	2015	2.0 %	\$ 4,000,000	\$ -	\$ 4,000,000

Interest expenditures of \$40,000 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$71,889 was recorded in the district-wide financial statements.

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

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2016:

	Balance, as Reported July 1, 2015	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2016	Due Within One-Year
Bonds Payable					
Capital Construction	\$ 13,560,000	\$ 6,820,000	\$ 9,215,000	\$ 11,165,000	\$ 2,465,000
Plus - Unamortized Premium on Bonds	610,235	227,021	173,273	663,983	-
	14,170,235	7,047,021	9,388,273	11,828,983	2,465,000
Other Non-current Liabilities					
Compensated Absences	265,522	42,405	27,000	280,927	28,000
Net Pension Liability	354,588	1,401,047	-	1,755,635	-
Other Post Employment Benefit Obligations	5,895,556	2,205,160	1,317,332	6,783,384	-
Total Long-Term Liabilities	\$ 20,685,901	\$ 10,695,633	\$ 10,732,605	\$ 20,648,929	\$ 2,493,000

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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

Bonds Payable

Bonds payable at June 30, 2016 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2016
Refunding Bonds	2012	\$ 4,300,000	October, 2019	2.00 - 4.00 %	\$ 2,635,000
District-Wide Improvements	2015	2,000,000	September, 2024	2.00	1,810,000
Refunding Bonds	2015	6,820,000	October, 2020	1.00 - 3.00	6,720,000
					<u>\$ 11,165,000</u>

Interest expenditures of \$252,193 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$196,836 was recorded in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of June 30, 2016 including interest payments of \$554,975 are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 2,465,000	\$ 218,225	\$ 2,683,225
2018	2,535,000	156,625	2,691,625
2019	2,535,000	89,125	2,624,125
2020	2,590,000	38,100	2,628,100
2021	200,000	18,800	218,800
2022-2025	840,000	34,100	874,100
	<u>\$ 11,165,000</u>	<u>\$ 554,975</u>	<u>\$ 11,719,975</u>

The above general obligation bonds 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.

Advance Refunding

During the 2016 fiscal year, the School District issued \$6,820,000 in serial bonds with interest rates ranging from 1.0% to 3.0%, depending on maturity. The proceeds were used to advance refund \$6,790,000 of outstanding 2005 refunding public improvement serial bonds bearing interest at rates ranging from 4.50% to 5.00%, depending on maturity. The net proceeds of \$6,950,775 (including

Note 3 - Detailed Notes on All Funds (Continued)

\$227,021 of issuance premium and after \$96,246 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds.

As a result, the 2005 serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$160,775. This amount and the premium are being amortized over the remaining life of the refunded debt. The School District advance refunded the 2005 serial bonds to reduce its total debt service payments over 5 years by \$561,806 and to obtain a net present value economic gain of \$550,616. As of June 30, 2016, \$6,790,000 of the bonds are considered defeased.

Compensated Absences

Under the terms of existing collective bargaining agreements, the School District is required to compensate retiring employees for unused vacation leave. The School District is not required to compensate employees for accumulated sick leave. The value of the compensated absences has been reflected in the district-wide financial statements.

Pension Plans

Employees' Retirement System

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/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 ERS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2016 are as follows:

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

<u>Tier/Plan</u>	<u>Rate</u>
2 75I	23.2%
3 A14	18.9
4 A15	18.9
5 A15	15.6
6 A15	10.6

At June 30, 2016, the School District reported a liability of \$1,755,635 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At March 31, 2016, the School District's proportion was 0.0109383%, which was an increase of 0.000442% from its proportion measured as of March 31, 2015.

For the year ended June 30, 2016, the School District recognized pension expense in the district-wide financial statements of \$657,584. Pension expenditures of \$505,417 were recorded in the fund financial statement and were charged to the General Fund. At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,872	\$ 208,101
Changes of assumptions	468,175	-
Net difference between projected and actual earnings on pension plan investments	1,041,539	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	109,819	-
School District contributions subsequent to the measurement date	139,702	-
	<u>\$ 1,768,107</u>	<u>\$ 208,101</u>

\$139,702 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

<u>Year Ended March 31,</u>	
2017	\$ 364,722
2018	364,722
2019	364,722
2020	326,138

The total pension liability for the March 31, 2016 measurement date was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. The total pension liability for the March 31, 2014 measurement date was determined by using an actuarial valuation as of April 1, 2014. Significant actuarial assumptions used in the April 1, 2015 valuation were as follows:

Actuarial cost method	Entry age normal
Inflation	2.5%
Salary scale	3.8%, indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

Annuitant mortality rates are based on the April 1, 2010 – March 31, 2015 ERS's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.0%, 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%) or 1 percentage point higher (8.0%) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Assumption (7.0%)</u>	<u>1% Increase (8.0%)</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 3,958,830</u>	<u>\$ 1,755,635</u>	<u>\$ (105,970)</u>

The components of the collective net pension liability of ERS as of the March 31, 2016 measurement date were as follows:

Total pension liability	\$ 172,303,544,000
ERS fiduciary net position	<u>156,253,265,000</u>
Employers' net pension liability	<u>\$ 16,050,279,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>90.7%</u>

Note 3 - Detailed Notes on All Funds (Continued)

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, 2016 represent the projected employer contribution for the period of April 1, 2016 through June 30, 2016 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS as of June 30, 2016 were \$139,702.

Teachers' Retirement System

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

The TRS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% depending on salary levels for their entire length of service. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rate for the plan's year ending in 2016 was 13.26%.

At June 30, 2016, the School District reported an asset of \$14,350,824 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The School District's proportion of the net pension asset was based on the School District's contributions to the pension plan relative to the contributions of all participating members. At June 30, 2015, the School District's proportion was .138164%, which was an increase of .003055% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the School District recognized pension expense in the district-wide financial statements of \$(957,606). Pension expenditures of \$2,773,828 were recorded in the fund financial statements and were charged to the General Fund. At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 397,723
Net difference between projected and actual earnings on pension plan investments	-	4,536,370
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,950	95,420
School District contributions subsequent to the measurement date	<u>2,770,869</u>	<u>-</u>
	<u>\$ 2,772,819</u>	<u>\$ 5,029,513</u>

\$2,770,869 reported as deferred outflows of resources related to TRS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to TRS will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$ (1,841,064)
2017	(1,841,064)
2018	(1,841,064)
2019	743,050
2020	(60,943)
Thereafter	(186,478)

The total pension liability for the June 30, 2015 measurement date was determined by using an actuarial valuation as of June 30, 2014, with update procedures used to roll forward the total pension liability to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by using an actuarial valuation as of June 30, 2013, with update procedures used to roll forward the total pension liability to June 30, 2014. These actuarial valuations used the following actuarial assumptions:

Inflation	3.0%
Projected salary increases	Rates of increase differ based on age and gender. They have been calculated based upon recent TRS member experience.

Age	Female	Male
25	10.35 %	10.91 %
35	6.26	6.27
45	5.39	5.04
55	4.42	4.01

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Projected COLAs	1.625% compounded annually
Investment rate of return	8.0% compounded annually, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2014 and 2013 valuations were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of the valuation dates of June 30, 2014 and 2013 are summarized in the following table:

Asset Class:	Target Allocation		Long-Term Expected Real Rate of Return*	
	2014	2013	2014	2013
Equities:				
Domestic equities	37 %	37 %	6.5 %	7.3 %
International equities	18	18	7.7	8.5
Real estate	10	10	4.6	5.0
Alternative investments	7	7	9.9	11.0
Total Equities	72	72		
Fixed Income:				
Domestic fixed income securities	17	18	2.1	1.5
Global fixed income securities	2	2	1.9	1.4
Mortgages	8	8	3.4	3.4
Short-term	1	-	1.2	0.8
Total Fixed Income	28	28		
Total	100 %	100 %		

* Real rates of return are net of the long-term inflation assumption of 2.3% for 2014 and 2013.

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

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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

	1% Decrease (7.0%)	Current Assumption (8.0%)	1% Increase (9.0%)
School District's proportionate of the net pension liability (asset)	<u>\$ 978,911</u>	<u>\$ (14,350,824)</u>	<u>\$ (27,423,870)</u>

The components of the collective net pension asset of TRS as of the June 30, 2015 measurement date were as follows:

Total pension liability	\$ 99,332,103,743
TRS fiduciary net position	<u>109,718,916,659</u>
Employers' net pension asset	<u>\$ 10,386,812,916</u>
TRS fiduciary net position as a percentage of total pension liability	<u>110.46%</u>

Employer and employee contributions for the year ended June 30, 2016 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, 2016 represent employee and employer contributions for the fiscal year ended June 30, 2016 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS. Accrued retirement contributions to TRS as of June 30, 2016 were \$2,770,869.

Other Post Employment Benefit Obligations

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

The School District's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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

The School District is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the expected rate of return on the School District's general assets. Funding for the Plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits is as follows:

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

The amortization basis is the level dollar method with a closed amortization approach with 22 years remaining in the amortization period. The actuarial assumptions included a 5.0% investment rate of return. The School District currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of June 30, 2016 was as follows:

Active Employees	203
Retired Employees	<u>133</u>
	<u>336</u>

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component	
Actuarial Accrued Liability as of July 1, 2015	\$ 33,756,522
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 33,756,522</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 23,638,080</u>
UAAL as a Percentage of Covered Payroll	<u>142.81%</u>
Annual Required Contribution	\$ 1,792,349
Interest on Net OPEB Obligation	294,778
Adjustment to Annual Required Contribution	<u>118,033</u>
Annual OPEB Cost	2,205,160
Contributions Made	<u>(1,317,332)</u>
Increase in Net OPEB Obligation	887,828
Net OPEB Obligation - Beginning of Year	<u>5,895,556</u>
Net OPEB Obligation - End of Year	<u>\$ 6,783,384</u>

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

<u>Fiscal Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2016	\$ 2,205,160	59.74 %	\$ 6,783,384
2015	2,116,862	61.61	5,895,556
2014	2,231,777	53.54	5,082,918

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

F. Revenues and Expenditures**Interfund Transfers**

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

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Total</u>
	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	
General Fund	<u>\$ 100,000</u>	<u>\$ 2,809,551</u>	<u>\$ 2,909,551</u>

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

G. Net Position

The components of net position are detailed below:

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

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

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 6n of General Municipal Law.

Restricted for Employee Retirement System Contributions - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6p of General Municipal Law.

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6m of General Municipal Law.

Restricted for Capital Projects - the component of net position that has been established to set aside funds to be used to finance all or part of the construction or acquisition of a specific type of improvement in accordance with Section 6c of General Municipal Law.

Restricted for Future Capital Projects - the component of net position that has been established to set aside reserve funds to finance any object or purpose for which the District may issue bonds in accordance with Section 3651 of Education Law.

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

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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

Restricted for Permanent Fund - the component of net position that reports the difference between assets and liabilities of the non-expendable trust with constraints placed on their use by external parties.

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

Bronxville Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2016				2015			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable								
Inventories	\$ -	\$ -	\$ 5,469	\$ 5,469	\$ -	\$ -	\$ 2,129	\$ 2,129
Permanent fund	-	-	905,020	905,020	-	-	905,020	905,020
Total Nonspendable	-	-	910,489	910,489	-	-	907,149	907,149
Restricted								
Tax certiorari	1,526,558	-	-	1,526,558	1,526,558	-	-	1,526,558
Liability and casualty claims	1,397,486	-	-	1,397,486	1,386,199	-	-	1,386,199
Employee retirement system contributions	691,090	-	-	691,090	691,090	-	-	691,090
Unemployment benefits	79,046	-	-	79,046	134,372	-	-	134,372
Future capital projects	2,209,767	-	-	2,209,767	2,209,767	-	-	2,209,767
Debt service	-	-	2,785,073	2,785,073	-	-	2,678,779	2,678,779
Special purposes	-	-	86,960	86,960	-	-	93,941	93,941
Permanent fund	-	-	77,351	77,351	-	-	61,650	61,650
Total Restricted	5,903,947	-	2,949,384	8,853,331	5,947,986	-	2,834,370	8,782,356
Assigned								
Purchases on order								
General government support	71,927	-	-	71,927	170,319	-	-	170,319
Instruction	14,142	-	-	14,142	56,865	-	-	56,865
	86,069	-	-	86,069	227,184	-	-	227,184
Subsequent year's expenditures	580,000	-	-	580,000	665,000	-	-	665,000
School Lunch Fund	-	-	210,556	210,556	-	-	248,226	248,226
Total Assigned	666,069	-	210,556	876,625	892,184	-	248,226	1,140,410
Unassigned	1,863,314	(2,435,302)	-	(571,988)	1,786,297	(440,882)	-	1,345,415
Total Fund Balances	\$ 8,433,330	\$ (2,435,302)	\$ 4,070,429	\$ 10,068,457	\$ 8,626,467	\$ (440,882)	\$ 3,989,745	\$ 12,175,330

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.

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

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 at June 30, 2016, represent that 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. Unassigned amount in the Capital Projects Fund represents the amount by which liabilities exceed assets.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

B. Contingencies

The School District participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the School District's compliance with applicable grant requirements will 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 purchases conventional insurance coverage to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million per occurrence and \$3 million in the aggregate. The School District maintains liability coverage for school board members up to \$1 million. The School District also maintains an umbrella policy with coverage up to \$35 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

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

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Bronxville Union Free School District, New York**Required Supplementary Information - Schedule of Funding Progress
Other Post Employment Benefits
Last Three Fiscal Years**

Actuarial			Unfunded	Funded	Covered	Unfunded
Valuation	Value of	Accrued	Actuarial			Liability as a
Date	Assets	Liability	Accrued	Ratio	Payroll	Percentage
			Liability			of Covered
						Payroll
July 1, 2015	\$ -	\$ 33,756,522	\$ 33,756,522	- %	\$ 23,638,080	142.81 %
July 1, 2014	-	32,514,322	32,514,322	-	23,257,281	139.80
July 1, 2013	-	33,791,735	33,791,735	-	22,337,171	151.28

Bronxville Union Free School District, New York

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

	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.138164%</u>	<u>0.135109%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (14,350,824)</u>	<u>\$ (15,050,281)</u>
School District's covered-employee payroll	<u>\$ 21,246,367</u>	<u>\$ 20,357,057</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>(67.54)%</u>	<u>(73.93)%</u>
Plan fiduciary net position as a percentage of the total pension asset	<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*.

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

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,859,684	\$ 3,724,488
Contributions in relation to the contractually required contribution	<u>(2,859,684)</u>	<u>(3,724,488)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
School District's covered-employee payroll	<u>\$ 21,566,242</u>	<u>\$ 21,246,367</u>
Contributions as a percentage of covered-employee payroll	<u>13.26%</u>	<u>17.53%</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*.

Bronxville 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)

	2016 (2)	2015
School District's proportion of the net pension liability (asset)	<u>0.0109383%</u>	<u>0.0104962%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 1,755,635</u>	<u>\$ 354,588</u>
School District's covered-employee payroll	<u>\$ 3,237,348</u>	<u>\$ 3,411,300</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>54.23%</u>	<u>10.39%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.7%</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.

Bronxville 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>2016</u>	<u>2015</u>
Contractually required contribution	\$ 527,539	\$ 611,471
Contributions in relation to the contractually required contribution	<u>(527,539)</u>	<u>(611,471)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
School District's covered-employee payroll	<u>\$ 3,445,703</u>	<u>\$ 3,396,507</u>
Contributions as a percentage of covered-employee payroll	<u>15.31%</u>	<u>18.00%</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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Bronxville Union Free School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2016	2015
ASSETS		
Cash and equivalents	\$ 14,567,306	\$ 16,656,028
Investments	17,279	2,641
Receivables		
Accounts	39,842	34,514
State and Federal aid	77,151	77,878
Due from other governments	1,745,198	1,940,654
Due from other funds	803,120	444,835
	2,665,311	2,497,881
Total Assets	\$ 17,249,896	\$ 19,156,550
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 341,752	\$ 206,840
Accrued liabilities	60,365	151,335
Due to other funds	4,812,580	5,721,627
Due to retirement systems	3,164,659	4,056,046
Total Liabilities	8,379,356	10,135,848
Deferred inflows of resources		
Taxes collected in advance	437,210	394,235
Total Liabilities and Deferred Inflows of Resources	8,816,566	10,530,083
Fund balance		
Restricted	5,903,947	5,947,986
Assigned	666,069	892,184
Unassigned	1,863,314	1,786,297
Total Fund Balance	8,433,330	8,626,467
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 17,249,896	\$ 19,156,550

Bronxville 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,

	2016				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Encumbrances	
REVENUES					
Real property taxes	\$ 39,423,532	\$ 39,423,532	\$ 39,394,973	\$	\$ (28,559)
Other tax items	1,367,803	1,367,803	1,367,803		-
Non-property taxes	310,000	310,000	332,507		22,507
Charges for services	2,205,000	2,205,000	2,219,806		14,806
Use of money and property	60,000	60,000	51,763		(8,237)
Sale of property and compensation for loss	-	-	1,615		1,615
State aid	2,320,000	2,320,000	2,354,628		34,628
Miscellaneous	95,000	95,000	145,488		50,488
Total Revenues	45,781,335	45,781,335	45,868,583		87,248
EXPENDITURES					
Current					
General support					
Board of education	63,537	59,687	57,446	-	2,241
Central administration	465,991	464,054	460,401	-	3,653
Finance	728,895	715,499	699,663	7,365	8,471
Staff	195,174	239,137	237,003	-	2,134
Central services	3,473,088	3,538,298	3,434,231	52,132	51,935
Special items	1,314,751	1,217,239	1,199,986	12,430	4,823
Total General Support	6,241,436	6,233,914	6,088,730	71,927	73,257
Instruction					
Instruction, administration and improvement	2,432,953	2,503,800	2,488,517	3,272	12,011
Teaching - Regular school	15,006,108	15,188,777	15,134,168	4,254	50,355
Programs for children with handicapping conditions	5,110,355	5,195,461	5,190,260	-	5,201
Occupational education	-	14,157	14,157	-	-
Instructional media	1,352,059	1,337,819	1,307,614	6,616	23,589
Pupil services	2,517,756	2,426,388	2,412,811	-	13,577
Total Instruction	26,419,231	26,666,402	26,547,527	14,142	104,733
Pupil transportation	679,575	637,108	634,586	-	2,522
Community services	675	187	-	-	187
Employee benefits	10,306,727	10,170,033	9,881,326	-	288,707
Total Expenditures	43,647,644	43,707,644	43,152,169	86,069	469,406
Excess of Revenues Over Expenditures	2,133,691	2,073,691	2,716,414	(86,069)	556,654
OTHER FINANCING SOURCES (USES)					
Insurance recoveries	-	-	-	-	-
Transfers out	(3,025,875)	(2,965,875)	(2,909,551)	-	56,324
Total Other Financing Uses	(3,025,875)	(2,965,875)	(2,909,551)	-	56,324
Net Change in Fund Balance	(892,184)	(892,184)	(193,137)	\$ (86,069)	\$ 612,978
FUND BALANCE					
Beginning of Year	892,184	892,184	8,626,467		
End of Year	\$ -	\$ -	\$ 8,433,330		

2015				
Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
\$ 38,769,027	\$ 38,769,027	\$ 38,763,957	\$	\$ (5,070)
1,465,272	1,465,272	1,465,272		-
310,000	310,000	326,674		16,674
2,225,000	2,225,000	2,292,030		67,030
60,000	60,000	55,264		(4,736)
70,000	70,000	2,072		(67,928)
2,250,000	2,250,000	2,242,057		(7,943)
-	-	118,238		118,238
45,149,299	45,149,299	45,265,564		116,265
55,342	61,442	55,479	-	5,963
462,083	459,483	454,270	-	5,213
778,847	801,395	774,368	8,325	18,702
197,174	225,376	223,582	-	1,794
3,444,739	3,315,519	3,176,671	61,994	76,854
1,224,511	1,025,111	917,184	100,000	7,927
6,162,696	5,888,326	5,601,554	170,319	116,453
2,390,449	2,611,126	2,560,097	2,162	48,867
14,386,807	14,579,163	14,454,470	53,110	71,583
4,962,060	4,963,851	4,945,149	-	18,702
-	4,000	4,000	-	-
1,457,548	1,641,652	1,607,516	1,593	32,543
2,443,651	2,500,281	2,465,396	-	34,885
25,640,515	26,300,073	26,036,628	56,865	206,580
648,988	643,599	631,762	-	11,837
675	675	-	-	675
10,961,711	10,581,912	10,512,358	-	69,554
43,414,585	43,414,585	42,782,302	227,184	405,099
1,734,714	1,734,714	2,483,262	(227,184)	521,364
20,000	20,000	-	-	(20,000)
(3,146,300)	(3,146,300)	(3,045,139)	-	101,161
(3,126,300)	(3,126,300)	(3,045,139)	-	81,161
(1,391,586)	(1,391,586)	(561,877)	\$ (227,184)	\$ 602,525
1,391,586	1,391,586	9,188,344		
\$ -	\$ -	\$ 8,626,467		

Bronxville Union Free School District, New York

General Fund

Schedule of Revenues Compared to Budget

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	<u>\$ 39,423,532</u>	<u>\$ 39,423,532</u>	<u>\$ 39,394,973</u>	<u>\$ (28,559)</u>
OTHER TAX ITEMS				
School tax relief reimbursement	<u>1,367,803</u>	<u>1,367,803</u>	<u>1,367,803</u>	<u>-</u>
NON PROPERTY TAXES				
Non-property tax distribution from County	<u>310,000</u>	<u>310,000</u>	<u>332,507</u>	<u>22,507</u>
CHARGES FOR SERVICES				
Day school tuition - Individuals	180,000	180,000	166,192	(13,808)
Day school tuition - Other districts	1,250,000	1,250,000	1,224,150	(25,850)
Health services for other districts	425,000	425,000	453,546	28,546
Transportation for other districts	-	-	25,582	25,582
Other services for other districts	<u>350,000</u>	<u>350,000</u>	<u>350,336</u>	<u>336</u>
	<u>2,205,000</u>	<u>2,205,000</u>	<u>2,219,806</u>	<u>14,806</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	60,000	60,000	45,458	(14,542)
Rental of real property	<u>-</u>	<u>-</u>	<u>6,305</u>	<u>6,305</u>
	<u>60,000</u>	<u>60,000</u>	<u>51,763</u>	<u>(8,237)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Other	<u>-</u>	<u>-</u>	<u>1,615</u>	<u>1,615</u>

STATE AID

Basic formula	2,320,000	2,320,000	1,632,667	(687,333)
BOCES	-	-	554,143	554,143
Textbooks	-	-	110,209	110,209
Computer software	-	-	9,315	9,315
Lottery	-	-	34,457	34,457
Library	-	-	13,837	13,837
	<u>2,320,000</u>	<u>2,320,000</u>	<u>2,354,628</u>	<u>34,628</u>

MISCELLANEOUS

Refund of prior year's expenditures	-	-	83,153	83,153
Other	<u>95,000</u>	<u>95,000</u>	<u>62,335</u>	<u>(32,665)</u>
	<u>95,000</u>	<u>95,000</u>	<u>145,488</u>	<u>50,488</u>
TOTAL REVENUES	<u><u>\$ 45,781,335</u></u>	<u><u>\$ 45,781,335</u></u>	<u><u>\$ 45,868,583</u></u>	<u><u>\$ 87,248</u></u>

Bronxville Union Free School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 50,061	\$ 49,211	\$ 47,872	\$ -	\$ 1,339
District clerk	10,206	10,206	9,474	-	732
District meeting	3,270	270	100	-	170
Total Board of Education	63,537	59,687	57,446	-	2,241
CENTRAL ADMINISTRATION					
Chief school administrator	465,991	464,054	460,401	-	3,653
FINANCE					
Business administration	648,151	659,950	644,728	7,365	7,857
Accounting and auditing	80,744	55,549	54,935	-	614
Total Finance	728,895	715,499	699,663	7,365	8,471
STAFF					
Legal	110,000	177,934	177,094	-	840
Personnel	72,174	61,123	59,829	-	1,294
Public information and services	13,000	80	80	-	-
Total Staff	195,174	239,137	237,003	-	2,134

CENTRAL SERVICES

Operation and maintenance of plant	2,913,697	2,904,216	2,809,728	52,132	42,356
Central printing and mailing	221,506	197,706	194,769	-	2,937
Central data processing	337,885	436,376	429,734	-	6,642
Total Central Services	3,473,088	3,538,298	3,434,231	52,132	51,935

SPECIAL ITEMS

Unallocated insurance	719,500	666,100	663,050	3,000	50
Judgments and claims	105,000	270,100	269,382	-	718
Assessments on school property	72,000	70,488	70,475	-	13
Administrative charge - BOCES	168,251	168,551	168,551	-	-
Refunds of real property taxes	150,000	42,000	28,528	9,430	4,042
Other - Contractual	100,000	-	-	-	-

Total Special Items	1,314,751	1,217,239	1,199,986	12,430	4,823
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Total General Support	6,241,436	6,233,914	6,088,730	71,927	73,257
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INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	389,198	366,976	362,803	3,272	901
Supervision - Regular school	1,795,869	1,889,836	1,883,881	-	5,955
Research, planning and evaluation	57,600	74,144	73,814	-	330
In-service training - Instruction	190,286	172,844	168,019	-	4,825

Total Instruction, Administration and Improvement	2,432,953	2,503,800	2,488,517	3,272	12,011
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TEACHING - REGULAR SCHOOL	15,006,108	15,188,777	15,134,168	4,254	50,355
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PROGRAMS FOR CHILDREN WITH HANDICAPPING CONDITIONS

Programs for students with disabilities	5,110,355	5,195,461	5,190,260	-	5,201
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(Continued)

Bronxville Union Free School District, New York

General Fund

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

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
INSTRUCTION (Continued)					
OCCUPATIONAL EDUCATION	\$ -	\$ 14,157	\$ 14,157	\$ -	\$ -
INSTRUCTIONAL MEDIA					
School library and audiovisual	417,260	463,320	453,243	-	10,077
Computer assisted instruction	934,799	874,499	854,371	6,616	13,512
Total Instructional Media	1,352,059	1,337,819	1,307,614	6,616	23,589
PUPIL SERVICES					
Guidance - Regular school	942,489	806,742	801,893	-	4,849
Health services - Regular school	401,324	435,076	431,159	-	3,917
Psychological services - Regular school	76,723	49,187	47,087	-	2,100
Co-curricular activities - Regular school	290,741	277,429	275,363	-	2,066
Interscholastic athletics - Regular school	806,479	857,954	857,309	-	645
Total Pupil Services	2,517,756	2,426,388	2,412,811	-	13,577
Total Instruction	26,419,231	26,666,402	26,547,527	14,142	104,733
PUPIL TRANSPORTATION					
District transportation services	75,675	35,692	34,687	-	1,005
Contract and public carrier transportation	603,900	601,416	599,899	-	1,517
Total Pupil Transportation	679,575	637,108	634,586	-	2,522

COMMUNITY SERVICES

Census	<u>675</u>	<u>187</u>	<u>-</u>	<u>-</u>	<u>187</u>
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EMPLOYEE BENEFITS

State retirement	518,234	508,234	505,417	-	2,817
Teachers' retirement	3,052,025	2,972,266	2,773,828	-	198,438
Social security	1,807,429	1,834,766	1,798,118	-	36,648
Workers' compensation benefits	146,112	158,112	151,761	-	6,351
Unemployment benefits	10,000	10,000	9,203	-	797
Hospital, medical and dental insurance	4,342,927	4,086,687	4,064,033	-	22,654
Employee benefit trust	310,000	311,360	311,359	-	1
District-wide incentives	<u>120,000</u>	<u>288,608</u>	<u>267,607</u>	<u>-</u>	<u>21,001</u>

Total Employee Benefits	<u>10,306,727</u>	<u>10,170,033</u>	<u>9,881,326</u>	<u>-</u>	<u>288,707</u>
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TOTAL EXPENDITURES	<u>43,647,644</u>	<u>43,707,644</u>	<u>43,152,169</u>	<u>86,069</u>	<u>469,406</u>
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OTHER FINANCING USES

Transfers out					
Special Aid Fund	105,000	105,000	48,676	-	56,324
Capital Projects Fund	100,000	100,000	100,000	-	-
Debt Service Fund	<u>2,820,875</u>	<u>2,760,875</u>	<u>2,760,875</u>	<u>-</u>	<u>-</u>

TOTAL OTHER FINANCING USES	<u>3,025,875</u>	<u>2,965,875</u>	<u>2,909,551</u>	<u>-</u>	<u>56,324</u>
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TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 46,673,519</u>	<u>\$ 46,673,519</u>	<u>\$ 46,061,720</u>	<u>\$ 86,069</u>	<u>\$ 525,730</u>
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Bronxville Union Free School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	2016	2015
ASSETS		
Cash and equivalents	\$ 33,352	\$ 833,600
Investments	-	80
Due from other funds	3,605,729	5,005,729
Total Assets	<u>\$ 3,639,081</u>	<u>\$ 5,839,409</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 91,110	\$ 15,140
Retainage payable	4,566	302,269
Due to other funds	1,978,707	1,962,882
Bond anticipation notes payable	4,000,000	4,000,000
Total Liabilities	6,074,383	6,280,291
Fund deficit		
Unassigned	<u>(2,435,302)</u>	<u>(440,882)</u>
Total Liabilities and Fund Deficit	<u>\$ 3,639,081</u>	<u>\$ 5,839,409</u>

Bronxville Union Free School District, New York

Capital Projects Fund

Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance

Years Ended June 30,

	<u>2016</u>	<u>2015</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Capital outlay	<u>2,094,420</u>	<u>5,492,781</u>
Deficiency of Revenues Over Expenditures	<u>(2,094,420)</u>	<u>(5,492,781)</u>
OTHER FINANCING SOURCES		
Bonds issued	-	2,000,000
Transfers in	<u>100,000</u>	<u>100,000</u>
Total Other Financing Sources	<u>100,000</u>	<u>2,100,000</u>
Net Change in Fund Balance	(1,994,420)	(3,392,781)
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>(440,882)</u>	<u>2,951,899</u>
End of Year	<u><u>\$ (2,435,302)</u></u>	<u><u>\$ (440,882)</u></u>

Bronxville Union Free School District, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through June 30, 2016

PROJECT	Authorization		Expenditures and Transfers to Date		
	Original	Revised	Prior Years	Current Year	Total
Flood Renovations	\$ 13,700,000	\$ 17,184,534	\$ 15,014,209	\$ -	\$ 15,014,209
Athletic Field Improvements	20,350	20,350	18,350	-	18,350
Auditorium/Science Labs	10,000,000	10,000,000	7,535,743	2,092,920	9,628,663
Concession Stands/Restroom	324,000	366,000	365,455	-	365,455
Press Box/Bleachers	199,721	199,721	198,221	1,500	199,721
Flood Mitigation	900,000	900,000	89,509	-	89,509
Totals	<u>\$ 25,144,071</u>	<u>\$ 28,670,605</u>	<u>\$ 23,221,487</u>	<u>\$ 2,094,420</u>	<u>\$ 25,315,907</u>

Unexpended Balance	Methods of Financing				Fund Balance (Deficit) at June 30, 2016	Bond Anticipation Notes Outstanding at June 30, 2016
	Proceeds of Obligations	State and Federal Aid	Other	Totals		
\$ 2,170,325	\$ 2,080,000	\$ 8,387,475	\$ 6,717,059	\$ 17,184,534	\$ 2,170,325	\$ -
2,000	-	-	20,350	20,350	2,000	-
371,337	-	-	4,910,000	4,910,000	(4,718,663)	4,000,000
545	-	-	366,000	366,000	545	-
-	-	-	199,721	199,721	-	-
810,491	-	-	200,000	200,000	110,491	-
<u>\$ 3,354,698</u>	<u>\$ 2,080,000</u>	<u>\$ 8,387,475</u>	<u>\$ 12,413,130</u>	<u>\$ 22,880,605</u>	<u>\$ (2,435,302)</u>	<u>\$ 4,000,000</u>

Bronxville Union Free School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2016
(With Comparative Totals for 2015)

	Special Aid	School Lunch	Special Purpose	Permanent
ASSETS				
Cash and equivalents	\$ 123,332	\$ 251,824	\$ 86,860	\$ 982,371
Investments	-	-	-	-
Receivables				
Accounts	51,400	-	-	-
State and Federal aid	232,148	-	-	-
Due from other funds	331,118	-	100	-
	614,666	-	100	-
Inventory	-	5,469	-	-
Total Assets	<u>\$ 737,998</u>	<u>\$ 257,293</u>	<u>\$ 86,960</u>	<u>\$ 982,371</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 4,145	\$ 24,185	\$ -	\$ -
Due to other funds	733,853	-	-	-
Due to other governments	-	518	-	-
Unearned revenues	-	16,565	-	-
Total Liabilities	<u>737,998</u>	<u>41,268</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	-	5,469	-	905,020
Restricted	-	-	86,960	77,351
Assigned	-	210,556	-	-
Total Fund Balances	<u>-</u>	<u>216,025</u>	<u>86,960</u>	<u>982,371</u>
Total Liabilities and Fund Balances	<u>\$ 737,998</u>	<u>\$ 257,293</u>	<u>\$ 86,960</u>	<u>\$ 982,371</u>

Debt Service	Total Non-Major Governmental Funds	
	2016	2015
\$ -	\$ 1,444,387	\$ 1,510,959
-	-	11,575
-	51,400	11,068
-	232,148	271,752
2,785,073	3,116,291	2,678,779
2,785,073	3,399,839	2,961,599
-	5,469	2,129
<u>\$ 2,785,073</u>	<u>\$ 4,849,695</u>	<u>\$ 4,486,262</u>
\$ -	\$ 28,330	\$ 27,274
-	733,853	444,834
-	518	628
-	16,565	23,781
-	779,266	496,517
-	910,489	907,149
2,785,073	2,949,384	2,834,370
-	210,556	248,226
2,785,073	4,070,429	3,989,745
<u>\$ 2,785,073</u>	<u>\$ 4,849,695</u>	<u>\$ 4,486,262</u>

Bronxville Union Free School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2016
(With Comparative Totals for 2015)

	Special Aid	School Lunch	Special Purpose	Permanent
REVENUES				
Use of money and property	\$ -	\$ 112	\$ 38	\$ 1,249
State aid	68,586	-	-	-
Federal aid	360,281	-	-	-
Food sales	-	420,786	-	-
Miscellaneous	720,628	-	-	16,452
Total Revenues	1,149,495	420,898	38	17,701
EXPENDITURES				
Current				
Instruction	1,198,171	-	-	-
Cost of food sales	-	455,228	-	-
Other	-	-	7,019	2,000
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Refunding bond issuance costs	-	-	-	-
Total Expenditures	1,198,171	455,228	7,019	2,000
Excess (Deficiency) of Revenues Over Expenditures	(48,676)	(34,330)	(6,981)	15,701
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Issuance premium	-	-	-	-
Transfers in	48,676	-	-	-
Total Other Financing Sources	48,676	-	-	-
Net Change in Fund Balances	-	(34,330)	(6,981)	15,701
FUND BALANCES				
Beginning of Year	-	250,355	93,941	966,670
End of Year	\$ -	\$ 216,025	\$ 86,960	\$ 982,371

Debt Service	Total Non-Major Governmental Funds	
	2016	2015
\$ 62,612	\$ 64,011	\$ 66,269
-	68,586	99,333
-	360,281	363,542
-	420,786	412,468
-	737,080	605,976
62,612	1,650,744	1,547,588
-	1,198,171	1,145,738
-	455,228	383,459
-	9,019	15,464
2,425,000	2,425,000	2,050,000
292,193	292,193	580,411
96,246	96,246	-
2,813,439	4,475,857	4,175,072
(2,750,827)	(2,825,113)	(2,627,484)
6,820,000	6,820,000	-
(6,950,775)	(6,950,775)	-
227,021	227,021	-
2,760,875	2,809,551	2,945,139
2,857,121	2,905,797	2,945,139
106,294	80,684	317,655
2,678,779	3,989,745	3,672,090
\$ 2,785,073	\$ 4,070,429	\$ 3,989,745

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Bronxville Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	<u>\$ 123,332</u>	<u>\$ 128,924</u>
Receivables		
Accounts	51,400	11,068
State and Federal aid	232,148	271,752
Due from other funds	<u>331,118</u>	<u>-</u>
	<u>614,666</u>	<u>282,820</u>
 Total Assets	 <u><u>\$ 737,998</u></u>	 <u><u>\$ 411,744</u></u>
LIABILITIES		
Accounts payable	\$ 4,145	\$ 4,996
Due to other funds	733,853	399,699
Unearned revenues	<u>-</u>	<u>7,049</u>
 Total Liabilities	 <u><u>\$ 737,998</u></u>	 <u><u>\$ 411,744</u></u>

Bronxville 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,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 68,586	\$ 68,586	\$ 68,586	\$ -
Federal aid	360,281	360,281	360,281	-
Miscellaneous	795,125	1,095,110	720,628	(374,482)
Total Revenues	1,223,992	1,523,977	1,149,495	(374,482)
EXPENDITURES				
Current				
Instruction	1,272,668	1,572,653	1,198,171	374,482
Deficiency of Revenues Over Expenditures	(48,676)	(48,676)	(48,676)	-
OTHER FINANCING SOURCES				
Transfers in	48,676	48,676	48,676	-
Net Change in Fund Balance	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

2015			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 98,082	\$ 98,082	\$ 99,333	\$ 1,251
363,542	363,542	363,542	-
1,276,448	1,151,709	589,024	(562,685)
1,738,072	1,613,333	1,051,899	(561,434)
1,833,072	1,708,333	1,145,738	562,595
(95,000)	(95,000)	(93,839)	1,161
95,000	95,000	93,839	(1,161)
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Bronxville Union Free School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 251,824	\$ 332,999
Inventory	<u>5,469</u>	<u>2,129</u>
Total Assets	<u><u>\$ 257,293</u></u>	<u><u>\$ 335,128</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 24,185	\$ 22,278
Due to other funds	-	45,135
Due to other governments	518	628
Unearned revenues	<u>16,565</u>	<u>16,732</u>
Total Liabilities	<u>41,268</u>	<u>84,773</u>
Fund balance		
Nonspendable	5,469	2,129
Assigned	<u>210,556</u>	<u>248,226</u>
Total Fund Balance	<u>216,025</u>	<u>250,355</u>
Total Liabilities and Fund Balance	<u><u>\$ 257,293</u></u>	<u><u>\$ 335,128</u></u>

Bronxville Union Free School District, New York

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

	<u>2016</u>	<u>2015</u>
REVENUES		
Use of money and property	\$ 112	\$ 167
Food sales	<u>420,786</u>	<u>412,468</u>
Total Revenues	420,898	412,635
EXPENDITURES		
Current		
Cost of food sales	<u>455,228</u>	<u>383,459</u>
Excess (Deficiency) of Revenues Over Expenditures	(34,330)	29,176
FUND BALANCE		
Beginning of Year	<u>250,355</u>	<u>221,179</u>
End of Year	<u><u>\$ 216,025</u></u>	<u><u>\$ 250,355</u></u>

Bronxville Union Free School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 86,860	\$ 89,728
Investments	-	4,213
Due from other funds	<u>100</u>	<u>-</u>
Total Assets	<u>\$ 86,960</u>	<u>\$ 93,941</u>
FUND BALANCE		
Restricted	<u>\$ 86,960</u>	<u>\$ 93,941</u>

Bronxville Union Free School District, New York

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

	<u>2016</u>	<u>2015</u>
REVENUES		
Use of money and property	\$ 38	\$ 46
Miscellaneous	<u>-</u>	<u>500</u>
Total Revenues	38	546
EXPENDITURES		
Current		
Other	<u>7,019</u>	<u>7,464</u>
Deficiency of Revenues Over Expenditures	(6,981)	(6,918)
FUND BALANCE		
Beginning of Year	<u>93,941</u>	<u>100,859</u>
End of Year	<u><u>\$ 86,960</u></u>	<u><u>\$ 93,941</u></u>

Bronxville Union Free School District, New York

Permanent Fund
Comparative Balance Sheet
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 982,371	\$ 959,308
Investments	<u>-</u>	<u>7,362</u>
Total Assets	<u>\$ 982,371</u>	<u>\$ 966,670</u>
FUND BALANCE		
Nonspendable	\$ 905,020	\$ 905,020
Restricted	<u>77,351</u>	<u>61,650</u>
Total Fund Balance	<u>\$ 982,371</u>	<u>\$ 966,670</u>

Bronxville Union Free School District, New York

Permanent Fund

Comparative Statement of Revenues, Expenditures and

Changes in Fund Balance

Years Ended June 30,

	<u>2016</u>	<u>2015</u>
REVENUES		
Use of money and property	\$ 1,249	\$ 477
Miscellaneous	<u>16,452</u>	<u>16,452</u>
Total Revenues	17,701	16,929
EXPENDITURES		
Current		
Other	<u>2,000</u>	<u>8,000</u>
Excess of Revenues Over Expenditures	15,701	8,929
FUND BALANCE		
Beginning of Year	<u>966,670</u>	<u>957,741</u>
End of Year	<u>\$ 982,371</u>	<u>\$ 966,670</u>

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Bronxville Union Free School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Due from other funds	<u>\$ 2,785,073</u>	<u>\$ 2,678,779</u>
 FUND BALANCE		
Restricted	<u>\$ 2,785,073</u>	<u>\$ 2,678,779</u>

Bronxville Union Free School District, New York

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

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 62,612	\$ 62,612
EXPENDITURES				
Debt service				
Serial bonds				
Principal	2,383,825	2,425,214	2,425,000	214
Interest	327,050	285,661	252,193	33,468
	2,710,875	2,710,875	2,677,193	33,682
Bond anticipation notes				
Interest	110,000	110,000	40,000	70,000
Refunding bond issuance costs	-	96,246	96,246	-
Total Expenditures	2,820,875	2,917,121	2,813,439	103,682
Deficiency of Revenues Over Expenditures	(2,820,875)	(2,917,121)	(2,750,827)	166,294
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	6,820,000	6,820,000	-
Payment to refunded bond escrow agent	-	(6,950,775)	(6,950,775)	-
Issuance premium	-	227,021	227,021	-
Transfers in	2,820,875	2,820,875	2,760,875	(60,000)
Total Other Financing Sources	2,820,875	2,917,121	2,857,121	(60,000)
Net Change in Fund Balance	-	-	106,294	106,294
FUND BALANCE				
Beginning of Year	-	-	2,678,779	2,678,779
End of Year	\$ -	\$ -	\$ 2,785,073	\$ 2,785,073

2015			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 65,579	\$ 65,579
2,250,925	2,250,925	2,050,000	200,925
590,375	590,375	539,411	50,964
2,841,300	2,841,300	2,589,411	251,889
110,000	110,000	41,000	69,000
-	-	-	-
2,951,300	2,951,300	2,630,411	320,889
(2,951,300)	(2,951,300)	(2,564,832)	386,468
-	-	-	-
-	-	-	-
-	-	-	-
2,951,300	2,951,300	2,851,300	(100,000)
2,951,300	2,951,300	2,851,300	(100,000)
-	-	286,468	286,468
-	-	2,392,311	2,392,311
\$ -	\$ -	\$ 2,678,779	\$ 2,678,779

Bronxville Union Free School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2016

Adopted Budget		\$ 46,446,335
Additions		
Encumbrances		<u>227,184</u>
Original/Final Budget		<u>\$ 46,673,519</u>

General Fund

Section 1318 of Real Property Tax Limit Calculation

Year Ended June 30, 2016

2016-17 Expenditure Budget		<u>\$ 46,582,858</u>
General Fund Fund Balance Subject to		
Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance		
Assigned fund balance	666,069	
Unassigned fund balance	<u>1,863,314</u>	
Total Unrestricted Fund Balance	<u>2,529,383</u>	
Less		
Appropriated for subsequent year's budget	580,000	
Encumbrances	<u>86,069</u>	
Total Adjustments	<u>666,069</u>	
General Fund Fund Balance Subject to		
Section 1318 of Real Property Tax Law		<u>\$ 1,863,314</u>
Actual Percentage		<u>4.00%</u>

Bronxville Union Free School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2016

Capital Assets, net		\$ 56,339,798
Less		
Bonds payable	(11,165,000)	
Bond anticipation notes payable	(4,000,000)	
Unamortized portion of premium	<u>(663,983)</u>	(15,828,983)
Plus		
Unamortized portion of loss on refunding bonds		<u>681,564</u>
Net Investment in Capital Assets		<u><u>\$ 41,192,379</u></u>