

**Greenburgh Eleven Union Free
School District, New York**

Financial Statements and
Supplementary Information

Year Ended June 30, 2018

Greenburgh Eleven Union Free School District, New York

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Independent Auditors' Report

**The Board of Education of the
Greenburgh Eleven 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 Greenburgh Eleven Union Free School District, New York ("School District") as of and for the year ended June 30, 2018, 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, 2018, and the respective changes in financial position and the respective budgetary comparison for the General and Special Aid funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 2C and Note 3D in the notes to financial statements which disclose the effects of the School District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit for the year ended June 30, 2018 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The individual fund financial statements and schedules for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the School District as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated September 25, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended June 30, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2017 financial statements. The individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards

generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2018 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 18, 2018

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

Independent Auditors' Report

**The Board of Education of the
Greenburgh Eleven 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 Greenburgh Eleven Union Free School District, New York ("School District") as of and for the year ended June 30, 2018, 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 18, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 18, 2018

Greenburgh Eleven Union Free School District, New York

Management's Discussion and Analysis (MD&A) June 30, 2018

Introduction

Our discussion and analysis of the Greenburgh Eleven Union Free School District, New York's ("School District") financial performance provides an overview of the School District's financial activities for the year ended June 30, 2018. It should be read in conjunction with the basic financial statements to enhance understanding of the School District's financial performance, which immediately follows this section.

As a Special Act Public School District, Greenburgh Eleven is governed by a rate-setting methodology established by the New York State Education Department. Sending school districts and Departments of Social Services are charged tuition for students referred to the School District. This tuition is the School District's primary source of revenue. By its charter, the School District educates students residing at The Children's Village, the residential treatment center on whose campus the School District is located. The School District also educates day students from New York City and surrounding communities in Westchester and neighboring counties who are referred by their local Committees on Special Education (CSE).

The rate-setting methodology includes initial prospective tuition rates calculated based upon actual expenditures from the period two years prior, inflated by annual growth rates. This two-year gap creates ongoing financial and programmatic challenges, particularly in an environment of increasing costs. These prospective rates are subsequently reconciled to determine final tuition rates for each fiscal year, a process which can take one or more years after the fiscal year closes to be finalized. The reconciliation process can result in increases or decreases to each district's prospective tuition rate. The tuition rates are calculated and certified by the State of New York. The School District may only bill tuition at the most current certified rates. The most recent certified rate which the School District may charge is the prospective rate for fiscal year 2015-2016, which is based on actual expenditures from fiscal year 2013-2014. The School District has been advised that new tuition rates have been recommended by the New York State Education Department and are awaiting certification by the New York State Division of the Budget.

Based upon the New York State rate-setting methodology, Special Act School District revenues and expenditures should be equal at the end of each fiscal year. Special Act School Districts are prohibited by New York State from retaining fund balance from current revenues in the General Fund. This is different from community school districts, which are able to retain 4% of the ensuing year's budget, exclusive of the amount assigned for the subsequent year's budget. New York State does permit Special Act School Districts to retain fund balance from prior period tuition revenue, which may be collected as a result of rate reconciliations. Available fund balance resulting from prior period revenue may be assigned for subsequent years' expenditures, may be applied to reduce an existing fund balance deficit or may be utilized to reduced aged receivables.

The tuition rate setting methodology establishes the maximum amount that all Special Act School Districts can spend each year by establishing maximum annual growth rates for each district's daily tuition rate. Approval of tuition rates beyond the maximum expenditures allowed (known as the cost screen) requires the granting of a cost screen waiver by the New York State Education Department and approval by the New York State Division of the Budget. The School District has been fortunate to receive multiple cost screen waivers in the past to address inadequate funding and the revenue shortfalls resulting from reduced enrollment.

Greenburgh Eleven has successfully educated its highly challenging special education students in spite of a rate-setting methodology which provides insufficient revenue to support instructional programs. With changes in philosophy in foster care sending fewer students to residential treatment and community school districts electing to retain special education students who would otherwise be referred to out-of-district schools, many Special Act School Districts have seen their student enrollments decline. In meeting these challenges over the last decade, Greenburgh Eleven has continuously reduced expenditures to avoid an operating loss. Each fiscal year, the School District's goal is to have sufficient enrollment and resulting tuition revenue to fully support operations. Through continuous cost savings, conservative expenditure planning, and the receipt of multiple cost screen waivers from the New York State Education Department, the District has made progress in addressing the structural deficit that many Special Act School Districts continue to experience.

The most recent cost screen waiver was granted by the New York State Education Department for the 2013-2014 fiscal year. The School District is grateful for the continued support of the New York State Rate Setting Unit in helping to address our long-standing structural deficit and the imbalance between revenues and expenditures. Increased revenue from the 2013-2014 cost screen waiver and consequent increases in tuition rates for subsequent fiscal years has served as a turning point in the School District's financial viability. Carefully conserved cost screen waiver revenues collected in 2015-2016 and 2016-2017 resulted in a significant fund balance to support future operations. This combined fund balance will bridge the School District's structural deficit for the foreseeable future and will provide students with the instructional supports necessary for academic success. It is hoped that proposed modifications to the tuition rate setting methodology will result in permanent changes that will increase revenues and eliminate the need for annual cost screen waivers to ensure fiscal solvency for Greenburgh Eleven and for all other Special Act School Districts.

Financial Highlights

Key financial highlights for fiscal year 2018 are as follows:

- The School District met its goal to maintain fiscal viability through minimally utilizing fund balance from past cost screen waivers to support future operations. The 2017-2018 General Fund budget anticipated \$313,417 of fund balance would be needed to address the School District's ongoing structural deficit and bridge the gap between revenues and expenditures. However, due to increased revenue, only \$296,100 of fund balance was needed. The School District ended the 2017-2018 fiscal year with a General Fund fund balance of \$3,625,003.
- The School District met its goal to increase its cash position, increasing slightly from \$7.31 million at the end of 2016-2017, to \$7.34 million at the end of 2017-2018.
- The School District partially met its goal to increase student enrollment. Summer enrollment exceeded planned levels by approximately three percent. Ten month student enrollment remained relatively flat in 2017-2018 in comparison to the previous fiscal year.
- The School District met its goal for timely collection of tuition receivables. Of the \$1.36 million tuition receivable at the end of 2017-2018, \$1.32 million are current receivables of less than 60 days.
- The School District met its goal in 2017-2018 to incrementally reduce short term debt in the form of outstanding Revenue Anticipation Notes ("RAN's") issued for cash flow purposes. RAN balances were reduced from \$4.20 million to \$4.10 million at the end of the 2018 fiscal year. Similar debt reduction efforts will be continued in future fiscal years.

- The School District has applied to the New York State Education Department for a \$7.27 million capital improvement project to address the aging infrastructure in the Bethune Building. The application was originally submitted in 2014 and is now being reviewed for approval. It is anticipated that the capital improvement project will support facilities expenses that, until this point, have been funded by General Fund revenues, resulting in future cost savings.
- The School District was awarded \$79,785 from the Smart Schools Bond Act. These funds were used to upgrade classroom technology and high-tech security to improve classroom instruction and School District safety, respectively.
- The School District continues to have three categories of reoccurring costs that significantly impacted its finances in 2017-2018. Without the costs listed below, which totaled \$2.13 million, the tuition revenue used to fund these expenditures would have been available to fund other School District programs and operational costs.
 - 1) Mandated contractual costs for retirees' health insurance, totaling \$1,002,770, for an increasing number of retired School District employees. As the number of retired employees continues to exceed active employees, this liability will place an even greater financial impact upon the School District.
 - 2) The cost of out-of-district tuition for the children of Children's Village employees residing in D'Assern Housing on campus who attend the Dobbs Ferry School District. These out-of-district tuition costs totaled \$537,388 in 2017-2018. These substantial costs are unique to Greenburgh Eleven and are mandated by the School District's charter.
 - 3) Costs associated with the School District's services agreement with Children's Village, totaling \$593,688 for utilities, maintenance, facilities use, grounds, medical services, security services, recreation and other charges. Similar to the rate setting formula determining School District revenues, these costs are based upon the cost of services for the period two years prior.
- Reduced enrollment again resulted in reduced grant funding for 2017-2018, with a reduction of \$144,022. The most significant reduction was in the District's Title I Neglected or Delinquent Grant award. Future grant reductions will result in the assignment of critical grant costs to the School District's General Fund.
- For the year ended June 30, 2018, the School District implemented the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")*. This statement addresses accounting and financial reporting for OPEB by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. This statement supersedes the provisions of GASB Statement No. 45, *"Accounting and Financial Reporting By Employers for Postemployment Benefits Other Than Pensions"*. The primary distinction between the two standards is that since no mechanism exists under current New York State law for New York municipalities and school districts to pre-fund these obligations in an irrevocable trust, entities must now report their *total* OPEB liability as opposed to the *net* OPEB liability that has been reported under the prior standard. As a result, the net position on the district-wide financial statements reflects a change in accounting principle adjustment of \$(29,654,110) to the opening net position originally reported as of July 1, 2017 of \$995,400, thereby restating the opening net position to \$(28,658,710).

- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded the assets and deferred outflows of resources at the close of its most recent fiscal year by \$29,745,440, a decrease of \$1,086,730 for the year ended June 30, 2018 (exclusive of the cumulative effect of the change in accounting principle noted above). For the year ending June 30, 2018, the School District's OPEB obligations of \$39,626,630 are reflected as a liability on the district-wide Statement of Net Position and impact the total net position calculation. More detailed information about the School District's OPEB obligations reported in accordance with the provisions of GASB Statement No. 75 is presented in note 3D in the notes to financial statements.
- The district-wide financial statements for the year ended June 30, 2018 are also significantly impacted by the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*". 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 Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS"). Under this standard, 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, 2018, the School District reported in its Statement of Net Position a liability for its proportionate share of the ERS net pension liability of \$186,528 and an asset of \$206,357 for its proportionate share of the TRS net pension asset. More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in note 3D in the notes to financial statements.

Overview of the Financial Statements

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

District-Wide Financial Statements

- The *district-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.
- The *statement of net position* presents information on all of the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
- The *statement of activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The *governmental activities* of the School District include instruction, interest and general administrative support.

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

Fund Financial Statements

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- The School District maintains four individual governmental funds: General Fund, Special Aid Fund, Special Purpose Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for each fund, since the School District has elected to report them as major funds.
- The School District adopts an annual budget for its General Fund. Budgets are developed for the Special Aid Fund. A budgetary comparison statement has been provided for the General and the Special Aid funds within the basic financial statements to demonstrate compliance with the respective budgets.
- The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statements because the resources of these funds are *not* available to support the School District's programs.

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

Notes to Financial Statements

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

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the School District's other postemployment and pension benefit obligations and schedules of budget to actual comparisons.

District-Wide Financial Analysis

The discussion that follows provides information concerning the School District's finances at the district-wide level. The School District's Statement of Net Position does not reflect the results of operations at the General Fund level, which is the most accurate indication of the School District's financial well-being. District-wide statements contain liabilities, such as those for other post-employment benefits ("OPEB") and for which the School District may never incur a cost, and assets (such as pension assets) over which the School District has no control and may not use for other purposes.

Statement of Net Position

	June 30,	
	<u>2018</u>	<u>2017</u>
Current Assets	\$ 9,486,899	\$ 9,244,736
Capital Assets, net	<u>6,049,921</u>	<u>6,093,800</u>
Total Assets	<u>15,536,820</u>	<u>15,338,536</u>
Deferred Outflows of Resources	<u>3,901,172</u>	<u>4,036,989</u>
Current Liabilities	5,790,247	5,406,907
Long-term Liabilities	<u>40,551,133</u>	<u>12,712,504</u>
Total Liabilities	<u>46,341,380</u>	<u>18,119,411</u>
Deferred Inflows of Resources	<u>2,842,052</u>	<u>260,714</u>
Net Position		
Investment in Capital Assets	6,049,921	6,093,800
Restricted for Special Purposes	24,263	23,483
Unrestricted	<u>(35,819,624)</u>	<u>(5,121,883)</u>
Total Net Position	<u>\$ (29,745,440)</u>	<u>\$ 995,400</u>

One component of net position is investment in capital assets. The School District uses these capital assets to provide services to students and consequently, these assets are not available for future spending.

The Statement of Net Position reflects the recognition of the School District's actuarial liability for health insurance benefits for an increasing number of retirees and the pre-funding of future health insurance benefits for current employees as required by GASB Statement No. 75 related to OPEB. This statement replaces GASB Statement No. 45, causing a cumulative effect of change in accounting principle of a deficit of \$29,654,110. This liability is not allowed to be funded. The School District's contractual obligations to employees include the payment of health insurance premiums in retirement without cost to employees and the lump sum payment of accumulated sick time following retirement at a formula specified by contract. These benefits, and the costs and/or potential costs associated with them, significantly reduce the School District's net position. Without these potential contractual obligations under OPEB (as not all employees are eligible or will retire from the School District) and mandates to report them on the Statement of Net Position, the School District's net position without the recording of OPEB obligations would have been a positive \$9,881,190 rather than the \$29,745,440 deficit being reported.

While Special Act School Districts do not have the financial capability to fund or create reserves to address this potential future liability, the cost of such benefits is required to be reflected in the district-wide financial statements. For the year ended June 30, 2018, the district-wide liabilities and deferred inflows of resources exceeded the district-wide assets and deferred outflows of resources by \$29,745,440. The negative unrestricted net position is primarily a result of the recognition of the OPEB liabilities. Overall, net position decreased by \$1,086,730 from the prior year (exclusive of the cumulative effect of a change in accounting principle of \$(29,654,110) for the adoption of the provisions of GASB Statement No. 75), primarily from the recording of an increase in the OPEB liability caused by the change in the mandated discount rates and valuation assumption methods. See Note 3D in the notes to financial statements for a more detailed discussion.

Changes in Net Position

	June 30,	
	<u>2018</u>	<u>2017</u>
REVENUES		
Program revenues		
Charges for Services	\$ 13,374,654	\$ 15,742,843
Operating Grants and Contributions	507,425	651,447
Capital Grants and Contributions	<u>53,460</u>	<u>-</u>
Total Program Revenues	<u>13,935,539</u>	<u>16,394,290</u>
General revenues		
Unrestricted Use of Money and Property	5,060	3,054
Unrestricted State Aid	87,284	122,752
Miscellaneous	<u>100,424</u>	<u>93,223</u>
Total General Revenues	<u>192,768</u>	<u>219,029</u>
Total Revenues	<u>14,128,307</u>	<u>16,613,319</u>
PROGRAM EXPENSES		
General Support	2,703,030	2,646,245
Instruction	12,329,644	12,323,519
Other	9,917	7,746
Interest	<u>172,446</u>	<u>145,260</u>
Total Expenses	<u>15,215,037</u>	<u>15,122,770</u>
Change in Net Position	<u>(1,086,730)</u>	<u>1,490,549</u>
NET POSITION		
Beginning, as reported	995,400	(495,149)
Cumulative Effect of Change in Accounting Principle	<u>(29,654,110)</u>	<u>-</u>
Beginning, as restated	<u>(28,658,710)</u>	<u>(495,149)</u>
Ending	<u>\$ (29,745,440)</u>	<u>\$ 995,400</u>

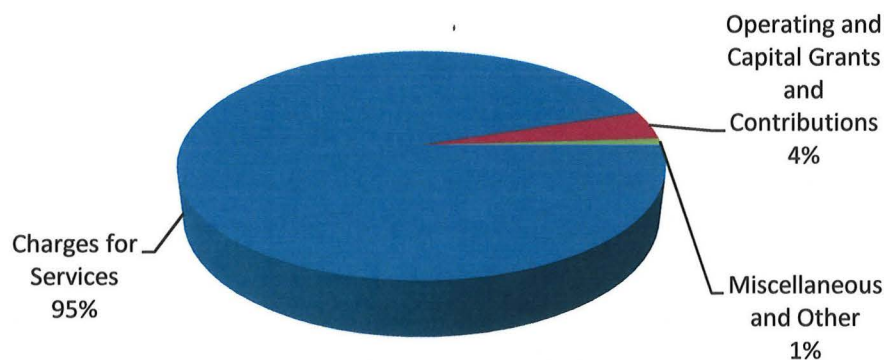
Changes in the School District's net position from 2017 to 2018 resulted from a combination of factors, including the following:

- Charges for services, reflecting tuition revenues during the period, decreased from \$15,742,843 to \$13,374,654 as a result of no further cost screen waiver revenue to recognize.
- Operating grants and contributions decreased by \$144,022 resulting from lower student enrollment. The most significant reduction was in the School District's Title I Neglected or Delinquent Grant award.
- Total revenues decreased by \$2,485,012, primarily as a result of no further cost screen waiver revenue to recognize.
- The School District's decrease in net position, from the surplus of \$995,400 in 2017 to a deficit of \$29,745,440 is attributed to changes in long-term retirement system obligations under GASB Statement No. 68 and OPEB liability requirements of GASB Statement No. 75.

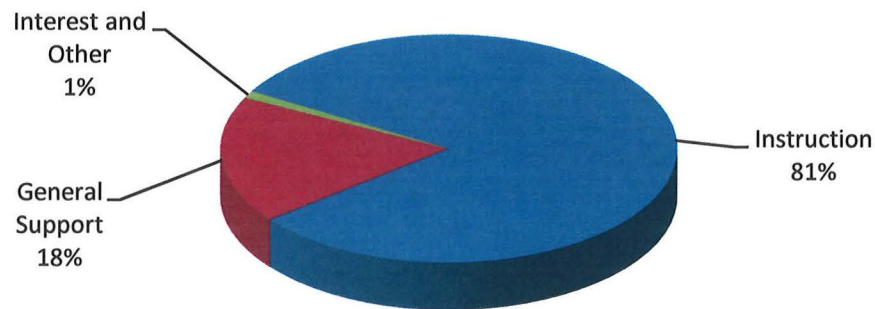
The following graphs depict the component parts of the School District's 2017-2018 revenues and expenditures:

- The School District relied upon tuition billings, which comprised 95% of revenue, as its primary revenue source. Operating grants and contributions, at 4%, and miscellaneous revenues, at 1%, comprised the balance.
- Instructional costs accounted for 81% of School District expenses. General support expenditures, including central administration, business administration, auditing, legal, insurance, personnel, maintenance and operations, and data processing, accounted for 18% of expenditures, with interest and other expenses representing the remaining 1% balance.

Sources of Revenue for Fiscal Year 2018 Governmental Activities



Expenses for Fiscal Year 2018 Governmental Activities



Financial Analysis of the School District's Funds

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

Fund Balance Reporting

GASB issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" in February 2009. The requirements of Statement No. 54 became effective for financial statements for periods ending June 30, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced 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. According to GASB, this pronouncement should result in an improvement in the usefulness of fund balance information.

Governmental Funds

The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the School District's financing requirements. While *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, the rate setting methodology governing Special Act School Districts does not allow for the creation of unassigned fund balance, except from prior period revenues.

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$3,622,941, which was comprised of \$3,625,003 in the General Fund, \$24,263 in the Special Purpose Fund, and a deficit in the Capital Projects Fund of \$26,325 (representing a balance of state aid due the School District from the Smart Schools Bond Act capital project, which should be received and recognized as revenue in 2018-2019).

The results of operations at the end of 2017-2018 reflect the School District's improved financial position and its successful efforts to balance revenues and expenditures and maintain fund balance for future operations.

General Fund Budgetary Highlights

The results of operations at the General Fund level are the most accurate indication of the School District's continuous efforts to effectively manage its finances. The General Fund original budget of \$13,740,569 was increased by \$122,953 during the year as a result of increased facilities, salaries, and employee benefits costs. Actual General Fund revenues fell modestly short of budgetary expectations by \$296,100 as anticipated prior year tuition revenues were not yet approved.

Capital Assets

At June 30, 2018, the School District had \$6,049,921 net of accumulated depreciation, invested in a broad range of capital assets, including buildings and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below.

Class	June 30,	
	2018	2017
Buildings and improvements	\$ 5,844,959	\$ 6,078,357
Machinery and equipment	<u>204,962</u>	<u>15,443</u>
Total Capital Assets, net of accumulated depreciation	<u>\$ 6,049,921</u>	<u>\$ 6,093,800</u>

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

Long-Term Debt

The School District's long-term obligations increase of \$27,838,629 reflects increases in potential liabilities for other postemployment retirement benefits primarily due to the change in accounting principle required as the result of the implementation of GASB Statement No. 75 and a decrease in potential compensated absences, net pension liabilities, and retirement incentives. The increase in other post-retirement benefits result from changes in actuarial assumptions associated with pension liability calculations. This is not a full indication of the financial position in 2018 versus 2017, but rather a reflection of potential liabilities that may or may not need to be satisfied and are required to be reported.

	June 30,	
	2018	2017
Compensated Absences	\$ 557,002	\$ 685,437
Net Pension Liability	186,528	947,911
Retirement Incentives and Other Pension Obligations	180,973	211,163
Other Post Employment Benefit Obligations	<u>39,626,630</u>	<u>10,867,993</u>
Total	<u>\$ 40,551,133</u>	<u>\$ 12,712,504</u>

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

Summary

The Greenburgh Eleven School District ended the 2017-2018 fiscal year in a positive financial position. Prior year cost share waivers will continue to bridge the gap between revenues and expenditures created by the structural deficits experienced by the majority of Special Act School Districts. The School District is hopeful subsequent higher prospective rate adjustments will result in increased funding to support future operations.

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. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Greenburgh Eleven Union Free School District
Attn: Marsha Maddox
Deputy Superintendent of Schools
P.O. Box 501
Dobbs Ferry, New York 10522

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Greenburgh Eleven Union Free School District, New York

Statement of Net Position

June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 7,370,069
Receivables	
Accounts	213,353
State and Federal aid	328,400
Due from other governments	1,368,720
Net pension asset	206,357
Capital assets, being depreciated, net	<u>6,049,921</u>
 Total Assets	 <u>15,536,820</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>3,901,172</u>
 LIABILITIES	
Accounts payable	605,134
Revenue anticipation notes payable	4,100,000
Due to other governments	405,441
Due to retirement systems	547,026
Accrued interest payable	132,646
Non-current liabilities	
Due within one year	87,174
Due in more than one year	<u>40,463,959</u>
 Total Liabilities	 <u>46,341,380</u>
 DEFERRED INFLOWS OF RESOURCES	 <u>2,842,052</u>
 NET POSITION	
Investment in capital assets	6,049,921
Restricted for special purposes	24,263
Unrestricted	<u>(35,819,624)</u>
 Total Net Position	 <u><u>\$ (29,745,440)</u></u>

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

Greenburgh Eleven Union Free School District, New York

Statement of Activities
Year Ended June 30, 2018

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	\$ 2,703,030	\$ -	\$ -	\$ -	\$ (2,703,030)
Instruction	12,329,644	13,374,654	496,728	53,460	1,595,198
Other	9,917	-	10,697	-	780
Interest	172,446	-	-	-	(172,446)
Total Governmental Activities	<u>\$ 15,215,037</u>	<u>\$ 13,374,654</u>	<u>\$ 507,425</u>	<u>\$ 53,460</u>	<u>\$ (1,279,498)</u>
General revenues					
Unrestricted use of money and property					5,060
Unrestricted State aid					87,284
Miscellaneous					<u>100,424</u>
Total General Revenues					<u>192,768</u>
Change in Net Position					<u>(1,086,730)</u>
Net Position - Beginning, as reported					995,400
Cumulative Effect of Change in Accounting Principle					<u>(29,654,110)</u>
Net Position - Beginning, as restated					<u>(28,658,710)</u>
Net Position - Ending					<u>\$ (29,745,440)</u>

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

Greenburgh Eleven Union Free School District, New York

Balance Sheet
Governmental Funds
June 30, 2018

	General	Special Aid	Special Purpose	Capital Projects	Total Governmental Funds
ASSETS					
Cash and equivalents	\$ 7,345,239	\$ -	\$ 24,830	\$ -	\$ 7,370,069
Receivables					
Accounts	212,193	-	1,160	-	213,353
State and Federal aid	109,398	219,002	-	-	328,400
Due from other governments	1,368,720	-	-	-	1,368,720
Due from other funds	179,392	-	1,000	-	180,392
Total Assets	<u>\$ 9,214,942</u>	<u>\$ 219,002</u>	<u>\$ 26,990</u>	<u>\$ -</u>	<u>\$ 9,460,934</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 536,472	\$ 46,646	\$ 2,727	\$ 19,289	\$ 605,134
Revenue anticipation notes payable	4,100,000	-	-	-	4,100,000
Due to other governments	405,441	-	-	-	405,441
Due to other funds	1,000	172,356	-	7,036	180,392
Due to retirement systems	547,026	-	-	-	547,026
Total Liabilities	<u>5,589,939</u>	<u>219,002</u>	<u>2,727</u>	<u>26,325</u>	<u>5,837,993</u>
Fund balances (Deficit)					
Restricted	-	-	24,263	-	24,263
Unassigned	3,625,003	-	-	(26,325)	3,598,678
Total Fund Balances	<u>3,625,003</u>	<u>-</u>	<u>24,263</u>	<u>(26,325)</u>	<u>3,622,941</u>
Total Liabilities and Fund Balances	<u>\$ 9,214,942</u>	<u>\$ 219,002</u>	<u>\$ 26,990</u>	<u>\$ -</u>	<u>\$ 9,460,934</u>

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

Greenburgh Eleven Union Free School District, New York

Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position June 30, 2017

Fund Balances - Total Governmental Funds	\$ 3,622,941
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.	6,049,921
Governmental funds do not report the effect of assets or liabilities related to net pension and postemployment benefit obligations whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on net pension assets (liabilities)	2,659,983
Deferred amounts on other postemployment benefit obligations	(1,600,863)
	1,059,120
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Net pension assets	206,357
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(132,646)
Compensated absences	(557,002)
Net pension liability	(186,528)
Retirement incentives and other pension obligations	(180,973)
Other post employment benefit obligations payable	(39,626,630)
	(40,683,779)
Net Position of Governmental Activities	\$ (29,745,440)

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

Greenburgh Eleven Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2018

	General	Special Aid	Special Purpose	Capital Projects	Total Governmental Funds
REVENUES					
Charges for services	\$ 13,374,654	\$ -	\$ -	\$ -	\$ 13,374,654
Use of money and property	5,060	-	18	-	5,078
State aid	87,284	49,969	-	53,460	190,713
Federal aid	-	446,759	-	-	446,759
Miscellaneous	100,424	-	10,679	-	111,103
Total Revenues	13,567,422	496,728	10,697	53,460	14,128,307
EXPENDITURES					
Current					
General support	2,427,683	-	-	-	2,427,683
Instruction	7,116,487	496,728	-	-	7,613,215
Employee benefits	4,172,795	-	-	-	4,172,795
Other	-	-	9,917	-	9,917
Debt service					
Interest	146,557	-	-	-	146,557
Capital outlay	-	-	-	79,785	79,785
Total Expenditures	13,863,522	496,728	9,917	79,785	14,449,952
Excess (Deficiency) of Revenues Over Expenditures	(296,100)	-	780	(26,325)	(321,645)
FUND BALANCES (DEFICITS)					
Beginning of Year	3,921,103	-	23,483	-	3,944,586
End of Year	\$ 3,625,003	\$ -	\$ 24,263	\$ (26,325)	\$ 3,622,941

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

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Greenburgh Eleven 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, 2018

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

Net Change in Fund Balances - Total Governmental Funds	\$ (321,645)
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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.

Capital outlay expenditures	193,693
Depreciation expense	<u>(237,572)</u>
	<u>(43,879)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	(25,889)
Compensated absences	128,435
Retirement incentives and other pension obligations	30,190
Pension assets (liabilities)	(148,552)
Other post employment benefit obligations	<u>(705,390)</u>
	<u>(721,206)</u>

Change in Net Position of Governmental Activities	<u><u>\$ (1,086,730)</u></u>
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The notes to financial statements are an integral part of this statement.

Greenburgh Eleven Union Free School District, New York

Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual
 General and Special Aid Funds
 Year Ended June 30, 2018

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for services	\$ 13,640,602	\$ 13,763,555	\$ 13,374,654	\$ (388,901)
Use of money and property	1,800	1,800	5,060	3,260
State aid	78,667	78,667	87,284	8,617
Federal aid	-	-	-	-
Miscellaneous	19,500	19,500	100,424	80,924
Total Revenues	13,740,569	13,863,522	13,567,422	(296,100)
EXPENDITURES				
Current				
General support	2,242,951	2,427,683	2,427,683	-
Instruction	7,007,409	7,116,487	7,116,487	-
Employee benefits	4,243,244	4,172,795	4,172,795	-
Debt service				
Interest	246,965	146,557	146,557	-
Total Expenditures	13,740,569	13,863,522	13,863,522	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	(296,100)	(296,100)
FUND BALANCES				
Beginning of Year	-	-	3,921,103	3,921,103
End of Year	\$ -	\$ -	\$ 3,625,003	\$ 3,625,003

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

Special Aid Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
50,000	50,000	49,969	(31)
509,055	642,585	446,759	(195,826)
-	-	-	-
559,055	692,585	496,728	(195,857)
-	-	-	-
559,055	692,585	496,728	195,857
-	-	-	-
-	-	-	-
559,055	692,585	496,728	195,857
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Greenburgh Eleven Union Free School District, New York

Statement of Assets and Liabilities

Fiduciary Fund

June 30, 2018

	<u>Agency</u>
ASSETS	
Cash and equivalents	<u>\$ 223,871</u>
LIABILITIES	
Accounts payable	<u>\$ 223,871</u>

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

Note 1 - Summary of Significant Accounting Policies

The Greenburgh Eleven Union Free School District, New York ("School District"), as presently constituted, was established in 1928 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and five of its seven members are elected from the Board of Directors of The Children's Village, the sponsoring agency. The remaining two members are appointed by the Commissioner of Education. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as administration, finance and plant maintenance support the primary function.

The accounting policies of the School District conform to generally accepted accounting principles as applicable to 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 the 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 in 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. 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 funds 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. The School District has elected to treat each governmental fund as a major fund as provided by the provisions of GASB Statement No. 34. 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 explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The 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. The major revenues of this fund are Federal and State aid.

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. The major revenues of this fund are donations.

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 capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

- b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. The Agency Fund is utilized to account for payroll tax withholdings and deposits that are payable to other jurisdiction or individuals.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, net pension liabilities, certain pension costs and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental

Note 1 - Summary of Significant Accounting Policies (Continued)

funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit 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.

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40 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

Note 1 - Summary of Significant Accounting Policies (Continued)

securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2018.

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

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

Receivables - Receivables include amounts due from other governments for tuition and other items. 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, 2018, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - There are no inventory values presented in the financial statements of the School District. Purchases of inventoriable items are recorded as expenditures at the time of purchase and year-end balances are not material.

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

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

Property, plant and equipment of the School District are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings	20-50
Machinery and Equipment	5-10

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
New York State Teachers' Retirement System	\$ 3,327,679	\$ 570,776
New York State and Local Employees' Retirement System	573,493	670,413
Other postemployment benefit obligations	-	1,600,863
	<u>\$ 3,901,172</u>	<u>\$ 2,842,052</u>

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

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated sick leave upon retirement. 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, investment in capital assets and restricted for special purposes. The balance is classified as unrestricted.

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

Non-spendable 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 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 entity 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 delegated to the Deputy Superintendent of Schools for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General and Special Aid funds. Encumbrances outstanding at year-end are 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 18, 2018.

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 financial statements:

- a) Prior to the budget presentation, a copy of the budget is made available to the Board of Education.
- b) At the budget presentation, the Board may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for a meeting to vote upon the General Fund Budget. This usually occurs in May or June of the preceding fiscal year.
- d) Formal budgetary integration is employed during the year as a management control device for General and Special Aid funds.

Greenburgh Eleven Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2018

Note 2 - Stewardship, Compliance and Accountability (Continued)

- e) Budgets for General and Special Aid funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Purpose Fund.
- f) 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.
- g) Appropriations in General and Special Aid funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Capital Projects Fund Deficit

The Capital Projects Fund has an unassigned deficit of \$26,325 at June 30, 2018. The School District plans to address the deficit by filing for state aid reimbursement in the following year.

C. Cumulative Effect of Change in Accounting Principle

For the year ended June 30, 2018, the School District implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")". This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governments by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the district-wide financial statements reflect a cumulative effect for the change in accounting principle of \$(29,654,110).

Note 3 - Detailed Notes on All Funds

A. Due From/To Other Funds

The composition of interfund balances at June 30, 2018 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 179,392	\$ 1,000
Special Aid	-	172,356
Special Purpose	1,000	-
Capital Projects	-	7,036
	<u>\$ 180,392</u>	<u>\$ 180,392</u>

Greenburgh Eleven Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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.

B. Capital Assets

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

Class	Balance July 1, 2017	Additions	Balance June 30, 2018
Capital Assets, being depreciated:			
Buildings	\$ 11,869,911	\$ -	\$ 11,869,911
Machinery and equipment	182,401	193,693	376,094
Total Capital Assets, being depreciated	12,052,312	193,693	12,246,005
Less Accumulated Depreciation:			
Buildings	5,791,554	233,398	6,024,952
Machinery and equipment	166,958	4,174	171,132
Total Accumulated Depreciation	5,958,512	237,572	6,196,084
Capital Assets, net	\$ 6,093,800	\$ (43,879)	\$ 6,049,921

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

General Support	\$ 1,831
Instruction	235,741
Total Depreciation Expense	\$ 237,572

C. Short-Term Non-Capital Borrowings

The schedule below details the changes in short-term non-capital borrowings. These borrowings consisted of notes issued in anticipation of tuition revenues.

	Balance July 1, 2017	New Issues	Redemptions	Balance June 30, 2018	Issue Date	Maturity Date	Interest Rate
Revenue Anticipation Note	\$ 1,750,000	\$ -	\$ 1,750,000	\$ -	08/26/2016	08/25/2017	- %
Revenue Anticipation Note	2,450,000	-	2,450,000	-	11/18/2016	11/17/2017	-
Revenue Anticipation Note	-	1,650,000	-	1,650,000	08/25/2017	08/24/2018	5.75
Revenue Anticipation Note	-	2,450,000	-	2,450,000	11/27/2017	11/27/2018	3.50
	\$ 4,200,000	\$ 4,100,000	\$ 4,200,000	\$ 4,100,000			

Interest expenditures of \$146,557 were recorded in the fund financial statements in the General Fund. Interest expense of \$172,446 was recorded in the district-wide financial statements.

Greenburgh Eleven Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

D. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2018:

	Balance as reported, July 1, 2017	Cumulative Effect of Change in Accounting Principle *	Balance, as restated July 1, 2017	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2018	Due Within One-Year
Long-Term Liabilities:							
Compensated Absences	\$ 685,437	\$ -	\$ 685,437	\$ -	\$ 128,435	\$ 557,002	\$ 56,000
Net Pension Liability	947,911	-	947,911	-	761,383	186,528	-
Retirement Incentives and Other Pension Obligations	211,163	-	211,163	-	30,190	180,973	31,174
Other Post Employment Benefit Obligations	10,867,993	29,654,110	40,522,103	219,034	1,114,507	39,626,630	-
Total Long-Term Liabilities	<u>\$ 12,712,504</u>	<u>\$ 29,654,110</u>	<u>\$ 42,366,614</u>	<u>\$ 219,034</u>	<u>\$ 2,034,515</u>	<u>\$ 40,551,133</u>	<u>\$ 87,174</u>

*See Note 2C.

Each governmental fund's liability for compensated absences, net pension liabilities, retirement incentives and other pension obligations and other post employment benefit obligations is liquidated by the General Fund.

Compensated Absences

The School District has agreements with its employees which require payments to retiring employees for accumulated sick leave. The agreements provide for payment up to 200 days at one-half of current salary levels. The value of the compensated absences has been reflected in the district-wide financial statements.

Pension Plans

New York State and Local Retirement System and Teachers' Retirement System

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all 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/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Greenburgh Eleven Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

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

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2018 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	21.5 %
	3 A15	15.9
	4 A15	15.9
	5 A15	13.1
	6 A15	9.3
TRS	1-6	9.8 %

At June 30, 2018, the School District reported the following for its proportionate share of the net pension liability (asset) for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2018	June 30, 2017
Net pension liability (asset)	\$ 186,528	\$ (206,357)
School Districts' proportion of the net pension liability (asset)	0.0057794 %	0.027149 %
Change in proportion since the prior measurement date	(0.0010018) %	(0.001863) %

Greenburgh Eleven Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

The net pension liability (asset) was measured as of March 31, 2018 for ERS and June 30, 2017 for TRS and the total pension liability used to calculate the net pension liability (asset) were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension asset for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2018, the School District recognized pension expense in the district-wide financial statements of \$840,337 (\$209,260 for ERS and \$631,077 for TRS). Pension expenditures for ERS of \$211,067 and \$19,122 were recorded in the fund financial statements and were charged to the General and Special Aid funds, respectively. Pension expenditures for TRS of \$445,079 and \$16,517 were recorded in the fund financial statements and were charged to the General and Special Aid funds, respectively.

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 66,528	\$ 54,977	\$ 169,781	\$ 80,456
Changes of assumptions	123,683	-	2,099,720	-
Net difference between projected and actual earnings on pension plan investments	270,916	534,762	-	486,030
Changes in proportion and differences between School District contributions and proportionate share of contributions	42,929	80,674	596,896	4,290
School District contributions subsequent to the measurement date	69,437	-	461,282	-
	<u>\$ 573,493</u>	<u>\$ 670,413</u>	<u>\$ 3,327,679</u>	<u>\$ 570,776</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 236,309	\$ 135,433		
Changes of assumptions	2,223,403	-		
Net difference between projected and actual earnings on pension plan investments	270,916	1,020,792		
Changes in proportion and differences between School District contributions and proportionate share of contributions	639,825	84,964		
School District contributions subsequent to the measurement date	530,719	-		
	<u>\$ 3,901,172</u>	<u>\$ 1,241,189</u>		

Greenburgh Eleven Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

\$69,437 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2019. The \$461,282 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>March 31, ERS</u>	<u>June 30, TRS</u>
2018	\$ -	\$ 159,551
2019	23,614	667,319
2020	27,468	509,338
2021	(146,497)	210,487
2022	(70,942)	508,181
Thereafter	-	240,745

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2018	June 30, 2017
Actuarial valuation date	April 1, 2017	June 30, 2016
Investment rate of return	7.0% *	7.25% *
Salary scale	3.8%	1.90%-4.72%
Inflation rate	2.5%	2.5%
Cost of living adjustments	1.3%	1.5%

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

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

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

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

Greenburgh Eleven Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

Asset Type	ERS March 31, 2018		TRS June 30, 2017	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.55 %	35 %	5.90 %
International Equity	14	6.35	18	7.40
Private Equity	10	7.50	8	9.00
Real Estate	10	5.55	11	4.30
Domestic Fixed Income Securities	-	-	16	1.60
Global Fixed Income Securities	-	-	2	1.30
High Yield Fixed Income Securities	-	-	1	3.90
Short-Term	-	-	1	0.60
Absolute Return Strategies	2	3.75	-	-
Opportunistic Portfolio	3	5.68	-	-
Real Assets	3	5.29	-	-
Bonds and Mortgages	17	1.31	8	2.80
Cash	1	(0.25)	-	-
Inflation Indexed Bonds	4	1.25	-	-
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.2% for TRS.

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

Greenburgh Eleven Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 1,411,318</u>	<u>\$ 186,528</u>	<u>\$ (849,596)</u>
	1% Decrease (6.25%)	Current Assumption (7.25%)	1% Increase (8.25%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 3,554,915</u>	<u>\$ (206,357)</u>	<u>\$ (3,356,235)</u>

The components of the collective net pension liability as of the March 31, 2018 ERS measurement date and the June 30, 2017 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 183,400,590,000	\$ 114,708,261,032
Fiduciary net position	<u>180,173,145,000</u>	<u>115,468,360,316</u>
Employers' net pension liability (asset)	<u>\$ 3,227,445,000</u>	<u>\$ (760,099,284)</u>
Fiduciary net position as a percentage of total pension liability	<u>98.24%</u>	<u>100.66%</u>

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, 2018 represent the projected employer contribution for the period April 1, 2018 through June 30, 2018 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2018 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, 2018 represent employee and employer contributions for the fiscal year ended June 30, 2018 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Note 3 - Detailed Notes on All Funds (Continued)

Accrued retirement contributions as of June 30, 2018 were \$69,437 to ERS and \$477,589 to TRS (including employee contributions of \$16,307).

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will contribution 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Retirement Incentives and Other Pension Obligations

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their ERS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The School District has elected to amortize the maximum allowable ERS contribution in each of the fiscal years outlined in the table below.

	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
2012-2013 ERS	\$ 187,781	\$ 22,014	\$ 100,816	\$ 18,989
2013-2014 ERS	124,735	15,126	80,157	12,185
	<u>\$ 312,516</u>	<u>\$ 37,140</u>	<u>\$ 180,973</u>	<u>\$ 31,174</u>

The current year payments were charged to ERS retirement expenditures in the General Fund.

Other Post Employment Benefit Obligations ("OPEB")

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

Greenburgh Eleven Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	91
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>81</u>
	<u>172</u>

The School District's total OPEB liability of \$39,626,630 was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2016.

The total OPEB liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20%
Real wage growth	1.0%
Wage inflation	3.2%
Salary increases	10.47%-3.20%, average, including inflation
Discount rate	3.87%
Healthcare cost trend rates	5.5% for 2018, decreasing to an ultimate rate of 3.84% by 2078.
Retirees' share of benefit-related costs	0%

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

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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

Total OPEB Liability - Beginning of Year	\$ 40,522,103
Service cost	814,397
Interest	1,430,742
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(2,026,105)
Benefit payments	<u>(1,114,507)</u>
Total OPEB Liability - End of Year	<u>\$ 39,626,630</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1

Greenburgh Eleven Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current discount rate:

	1% Decrease (2.87%)	Current Assumption (3.87%)	1% Increase (4.87%)
Total OPEB Liability	<u>\$ 48,942,759</u>	<u>\$ 39,626,630</u>	<u>\$ 34,516,890</u>

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

	1% Decrease (4.50% decreasing to 2.84%)	Healthcare Cost Trend Rates (5.50% decreasing to 3.84%)	1% Increase (6.50% decreasing to 4.84%)
Total OPEB Liability	<u>\$ 34,030,625</u>	<u>\$ 39,626,630</u>	<u>\$ 49,712,679</u>

For the year ended June 30, 2018, the School District recognized OPEB expense of \$1,819,897 in the district-wide financial statements. At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ -	\$ 1,600,863
Differences between expected and actual experience	-	-
	<u>\$ -</u>	<u>\$ 1,600,863</u>

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

Year Ended June 30,	
2019	\$ (425,242)
2020	(425,242)
2021	(425,242)
2022	(425,242)
2023	(425,242)
Thereafter	525,347

Greenburgh Eleven Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

E. Net Position

The components of net position are detailed below:

Investment in Capital Assets - the component of net position that reports the difference between capital assets less the accumulated depreciation.

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

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

F. Fund Balances

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:

	2018				2017			
	General Fund	Special Purpose Fund	Capital Projects	Total	General Fund	Special Purpose Fund	Capital Projects	Total
Restricted - Special purposes	\$ -	\$ 24,263	\$ -	\$ 24,263	\$ -	\$ 23,483	\$ -	\$ 23,483
Unassigned	3,625,003	-	(26,325)	3,598,678	3,921,103	-	-	3,921,103
Total Fund Balances (Deficit)	<u>\$ 3,625,003</u>	<u>\$ 24,263</u>	<u>\$ (26,325)</u>	<u>\$ 3,622,941</u>	<u>\$ 3,921,103</u>	<u>\$ 23,483</u>	<u>\$ -</u>	<u>\$ 3,944,586</u>

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned. Unassigned fund balance in the Capital Projects Fund represents the deficit balance in the Smart Schools Bond Act capital project.

Note 4 - Summary Disclosure of Significant Contingencies

A. Contingencies

The School District participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Uniform Guidance. 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 and tuition revenue by the New York State Education Department. The amounts previously paid to the School District which may be disallowed cannot be determined at this time, although the School District anticipates such amount, if any, to be immaterial.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

B. Risk Management

The School District purchases various conventional insurance coverages to reduce its exposure to loss. The School District maintains general liability policies with coverage up to \$1 million and umbrella and excess liability policies with coverage up to \$15 million. The School District maintains liability coverage for school board members with coverage up to \$1 million and an umbrella policy with coverage up to \$15 million. The School District also maintains employment practices liability coverage up to \$15 million. The School District purchases conventional workers' compensation insurance with coverage at statutory levels. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District and neighboring 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 action may be taken by the Board of Trustees except by a vote of a majority of the total number of trustees. Billings to participants are based upon coverage provided to each participant's employees. The School District has transferred all related risk to the Plan.

C. Related Party Transactions

The School District enters into an annual service agreement with Children's Village for services related to maintenance of the campus and the use of the Lanza Building for School District programs. For 2017-18, the School District's costs under this agreement were \$593,688. Five of the seven members of the School District's Board of Education also serve as members of the Board of Directors of Children's Village. The remaining two members are appointed by the Commissioner of Education.

In addition, the School District entered into a land lease agreement with Children's Village, the sponsoring agency, for the land utilized for the new School District building. The terms of the lease require an annual lease payment of \$120 through 2033.

Note 5 - Subsequent Events

On August 27, 2018, the School District issued a \$1,550,000 note in anticipation of tuition revenues. The note is due on August 27, 2019 and bears interest at a rate of 5.80% per annum payable at maturity.

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Greenburgh Eleven Union Free School District, New York**Required Supplementary Information - Schedule of Changes in the
School District's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1)**

	<u>2018</u>
Total OPEB Liability:	
Service cost	\$ 814,397
Interest	1,430,742
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(2,026,105)
Benefit payments	<u>(1,114,507)</u>
Net Change in Total OPEB Liability	(895,473)
Total OPEB Liability – Beginning of Year	<u>40,522,103</u> (2)
Total OPEB Liability – End of Year	<u>\$ 39,626,630</u>
School District's covered-employee payroll	<u>\$ 5,839,022</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>678.65%</u>

Notes to Schedule:

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

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

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

Greenburgh Eleven Union Free School District, New York

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

	2018 (3)	2017 (2)	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.027149%</u>	<u>0.029012%</u>	<u>0.038568%</u>	<u>0.038388%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (206,357)</u>	<u>\$ 310,735</u>	<u>\$ (4,006,008)</u>	<u>\$ (4,276,174)</u>
School District's covered payroll	<u>\$ 4,303,831</u>	<u>\$ 4,476,900</u>	<u>\$ 5,793,468</u>	<u>\$ 5,795,335</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>(4.79)%</u>	<u>6.94%</u>	<u>(69.15)%</u>	<u>(73.79)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>

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

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

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

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 461,282	\$ 504,409	\$ 593,637	\$ 1,015,595
Contributions in relation to the contractually required contribution	<u>(461,282)</u>	<u>(504,409)</u>	<u>(593,637)</u>	<u>(1,015,595)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 4,706,959</u>	<u>\$ 4,303,831</u>	<u>\$ 4,476,900</u>	<u>\$ 5,793,468</u>
Contributions as a percentage of covered payroll	<u>9.80%</u>	<u>11.72%</u>	<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*.

See independent auditors' report.

Greenburgh Eleven 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)

	2018	2017	2016 (2)	2015
School District's proportion of the net pension liability	<u>0.0057794%</u>	<u>0.0067812%</u>	<u>0.0077107%</u>	<u>0.0076662%</u>
School District's proportionate share of the net pension liability	<u>\$ 186,528</u>	<u>\$ 637,176</u>	<u>\$ 1,237,586</u>	<u>\$ 258,982</u>
School District's covered payroll	<u>\$ 1,768,970</u>	<u>\$ 1,637,773</u>	<u>\$ 1,900,525</u>	<u>\$ 1,991,423</u>
School District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>10.54%</u>	<u>38.91%</u>	<u>65.12%</u>	<u>13.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

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

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

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

Greenburgh Eleven 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 242,449	\$ 292,686	\$ 375,998	\$ 305,474
Contributions in relation to the contractually required contribution	<u>(242,449)</u>	<u>(292,686)</u>	<u>(375,998)</u>	<u>(305,474)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 1,688,101</u>	<u>\$ 1,663,665</u>	<u>\$ 1,818,633</u>	<u>\$ 1,961,113</u>
Contributions as a percentage of covered payroll	<u>14.36%</u>	<u>17.59%</u>	<u>20.67%</u>	<u>15.58%</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*.

See independent auditors' report.

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Greenburgh Eleven Union Free School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2018	2017
ASSETS		
Cash and equivalents	\$ 7,345,239	\$ 7,320,530
Receivables		
Accounts	212,193	135,781
State and Federal aid	109,398	222,824
Due from other governments	1,368,720	1,336,274
Due from other funds	179,392	156,208
	1,869,703	1,851,087
Total Assets	\$ 9,214,942	\$ 9,171,617
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 536,472	\$ 363,493
Revenue anticipation notes payable	4,100,000	4,200,000
Due to other governments	405,441	97,086
Due to other funds	1,000	-
Due to retirement systems	547,026	589,935
Total Liabilities	5,589,939	5,250,514
Fund balance		
Unassigned	3,625,003	3,921,103
Total Liabilities and Fund Balance	\$ 9,214,942	\$ 9,171,617

See independent auditors' report.

Greenburgh Eleven 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,**

	2018				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Encumbr- ances	
REVENUES					
Charges for services	\$ 13,640,602	\$ 13,763,555	\$ 13,374,654	\$	\$ (388,901)
Use of money and property	1,800	1,800	5,060		3,260
State aid	78,667	78,667	87,284		8,617
Miscellaneous	19,500	19,500	100,424		80,924
Total Revenues	13,740,569	13,863,522	13,567,422		(296,100)
EXPENDITURES					
Current					
General support					
Board of education	3,127	3,127	3,127	-	-
Central administration	345,025	347,689	347,689	-	-
Finance	598,734	575,550	575,550	-	-
Staff	68,430	116,505	116,505	-	-
Central services	990,181	1,141,242	1,141,242	-	-
Special items	237,454	243,570	243,570	-	-
Total General Support	2,242,951	2,427,683	2,427,683	-	-
Instruction					
Instruction, administration and improvement	360,572	356,802	356,802	-	-
Teaching - Regular school	5,028,317	5,097,410	5,097,410	-	-
Teaching - Summer school	618,582	639,627	639,627	-	-
Pupil services	999,938	1,022,648	1,022,648	-	-
Total Instruction	7,007,409	7,116,487	7,116,487	-	-
Employee benefits	4,243,244	4,172,795	4,172,795	-	-
Debt service					
Interest	246,965	146,557	146,557	-	-
Total Expenditures	13,740,569	13,863,522	13,863,522	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	(296,100)	\$ -	\$ (296,100)
FUND BALANCE					
Beginning of Year	-	-	3,921,103		
End of Year	\$ -	\$ -	\$ 3,625,003		

See independent auditors' report.

2017				
Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
\$ 13,122,615	\$ 13,335,770	\$ 15,742,843	\$	\$ 2,407,073
500	500	3,054		2,554
127,981	127,981	122,752		(5,229)
250	250	93,223		92,973
<u>13,251,346</u>	<u>13,464,501</u>	<u>15,961,872</u>		<u>2,497,371</u>
3,049	3,326	3,326	-	-
297,134	338,912	338,912	-	-
539,415	618,739	618,739	-	-
82,500	107,889	107,889	-	-
853,833	879,362	879,362	-	-
233,445	232,688	232,688	-	-
<u>2,009,376</u>	<u>2,180,916</u>	<u>2,180,916</u>	-	-
408,697	447,237	447,237	-	-
4,548,818	4,741,642	4,741,642	-	-
547,972	553,365	553,365	-	-
933,446	973,314	973,314	-	-
<u>6,438,933</u>	<u>6,715,558</u>	<u>6,715,558</u>	-	-
<u>4,608,362</u>	<u>4,424,156</u>	<u>4,424,156</u>	-	-
<u>194,675</u>	<u>143,871</u>	<u>143,871</u>	-	-
<u>13,251,346</u>	<u>13,464,501</u>	<u>13,464,501</u>	-	-
-	-	2,497,371	<u>\$ -</u>	<u>\$ 2,497,371</u>
-	-	1,423,732		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,921,103</u>		

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Greenburgh Eleven Union Free School District, New York

General Fund

Schedule of Revenues Compared to Budget

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CHARGES FOR SERVICES				
Tuition - Other districts	\$ 13,327,185	\$ 13,450,138	\$ 13,374,654	\$ (75,484)
Prior year tuition	313,417	313,417	-	(313,417)
	<u>13,640,602</u>	<u>13,763,555</u>	<u>13,374,654</u>	<u>(388,901)</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	<u>1,800</u>	<u>1,800</u>	<u>5,060</u>	<u>3,260</u>
STATE AID				
BOCES	<u>78,667</u>	<u>78,667</u>	<u>87,284</u>	<u>8,617</u>
MISCELLANEOUS				
Unclassified	<u>19,500</u>	<u>19,500</u>	<u>100,424</u>	<u>80,924</u>
TOTAL REVENUES	<u>\$ 13,740,569</u>	<u>\$ 13,863,522</u>	<u>\$ 13,567,422</u>	<u>\$ (296,100)</u>

See independent auditors' report.

Greenburgh Eleven Union Free School District, New York

General Fund

Schedule of Expenditures Compared to Budget

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Encum- brances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
District clerk	\$ 3,127	\$ 3,127	\$ 3,127	\$ -	\$ -
CENTRAL ADMINISTRATION					
Chief school administrator	345,025	347,689	347,689	-	-
FINANCE					
Business administration	450,784	440,417	440,417	-	-
Auditing	50,000	42,433	42,433	-	-
Treasurer	97,950	92,700	92,700	-	-
Total Finance	598,734	575,550	575,550	-	-
STAFF					
Legal	60,000	112,730	112,730	-	-
Personnel	8,430	3,775	3,775	-	-
Total Staff	68,430	116,505	116,505	-	-
CENTRAL SERVICES					
Operation and maintenance of plant	823,639	843,798	843,798	-	-
Central data processing	166,542	297,444	297,444	-	-
Total Central Services	990,181	1,141,242	1,141,242	-	-

SPECIAL ITEMS

Unallocated insurance	231,746	239,250	239,250	-	-
School association dues	5,708	4,320	4,320	-	-
Total Special Items	237,454	243,570	243,570	-	-
Total General Support	2,242,951	2,427,683	2,427,683	-	-

INSTRUCTION**INSTRUCTION, ADMINISTRATION
AND IMPROVEMENT**

Supervision - Regular school	360,572	356,802	356,802	-	-
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TEACHING - REGULAR SCHOOL	5,028,317	5,097,410	5,097,410	-	-
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TEACHING - SUMMER SCHOOL	618,582	639,627	639,627	-	-
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PUPIL SERVICES

Attendance - Regular school	135,084	132,372	132,372	-	-
Guidance - Regular school	345,244	368,816	368,816	-	-
Health services - Regular school	124,412	126,262	126,262	-	-
Psychological services - Regular school	395,198	395,198	395,198	-	-
Total Pupil Services	999,938	1,022,648	1,022,648	-	-
Total Instruction	7,007,409	7,116,487	7,116,487	-	-

(Continued)

Greenburgh Eleven Union Free School District, New York

General Fund

Schedule of Expenditures Compared to Budget (Continued)

Year Ended June 30, 2018

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	Original Budget	Final Budget	Actual	Encum- brances	Variance with Final Budget Positive (Negative)
EMPLOYEE BENEFITS					
State retirement	\$ 320,164	\$ 248,207	\$ 248,207	\$ -	\$ -
Teachers' retirement	512,961	445,079	445,079	-	-
Social security	495,057	493,123	493,123	-	-
Workers' compensation benefits	460,087	514,514	514,514	-	-
Life insurance	2,733	2,224	2,224	-	-
Unemployment benefits	20,640	18,395	18,395	-	-
Hospital, medical and dental insurance	2,352,075	2,370,380	2,370,380	-	-
Disability insurance	6,677	6,750	6,750	-	-
Other employee benefits	10,250	8,832	8,832	-	-
Union welfare benefits	62,600	65,291	65,291	-	-
Total Employee Benefits	4,243,244	4,172,795	4,172,795	-	-
DEBT SERVICE					
Interest					
Revenue anticipation notes	246,965	146,557	146,557	-	-
TOTAL EXPENDITURES	<u>\$ 13,740,569</u>	<u>\$ 13,863,522</u>	<u>\$ 13,863,522</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

Greenburgh Eleven Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2018</u>	<u>2017</u>
ASSETS		
Receivables		
Accounts	\$ -	\$ 190
State and Federal aid	<u>219,002</u>	<u>205,431</u>
Total Assets	<u>\$ 219,002</u>	<u>\$ 205,621</u>
LIABILITIES		
Accounts payable	\$ 46,646	\$ 41,459
Due to other funds	172,356	156,208
Unearned revenues	<u>-</u>	<u>7,954</u>
Total Liabilities	<u>\$ 219,002</u>	<u>\$ 205,621</u>

See independent auditors' report.

Greenburgh Eleven 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,

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 50,000	\$ 50,000	\$ 49,969	\$ (31)
Federal aid	509,055	642,585	446,759	(195,826)
Total Revenues	559,055	692,585	496,728	(195,857)
EXPENDITURES				
Current				
Instruction	559,055	692,585	496,728	195,857
Excess of Revenues Over Expenditures	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

See independent auditors' report.

2017			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 50,000	\$ 49,980	\$ 49,972	\$ (8)
711,482	805,742	596,233	(209,509)
761,482	855,722	646,205	(209,517)
761,482	855,722	646,205	209,517
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Greenburgh Eleven Union Free School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and equivalents	<u>\$ 24,830</u>	<u>\$ 23,706</u>
Receivables		
Accounts	1,160	-
Due from other funds	<u>1,000</u>	<u>-</u>
	<u>2,160</u>	<u>-</u>
Total Assets	<u><u>\$ 26,990</u></u>	<u><u>\$ 23,706</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 2,727	\$ 223
Fund balance		
Restricted	<u>24,263</u>	<u>23,483</u>
Total Liabilities and Fund Balance	<u><u>\$ 26,990</u></u>	<u><u>\$ 23,706</u></u>

See independent auditors' report.

Greenburgh Eleven Union Free School District, New York

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

	<u>2018</u>	<u>2017</u>
REVENUES		
Use of money and property	\$ 18	\$ 8
Miscellaneous	<u>10,679</u>	<u>5,234</u>
Total Revenues	10,697	5,242
EXPENDITURES		
Current		
Other	<u>9,917</u>	<u>7,746</u>
Excess (Deficiency) of Revenues Over Expenditures	780	(2,504)
FUND BALANCE		
Beginning of Year	<u>23,483</u>	<u>25,987</u>
End of Year	<u>\$ 24,263</u>	<u>\$ 23,483</u>

See independent auditors' report.

Greenburgh Eleven Union Free School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2018</u>	<u>2017</u>
ASSETS	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 19,289	\$ -
Due to other funds	<u>7,036</u>	<u>-</u>
Total Liabilities	26,325	-
Fund balance (deficit)		
Unassigned	<u>(26,325)</u>	<u>-</u>
Total Liabilities and Fund Balance (Deficit)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report.

Greenburgh Eleven Union Free School District, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2018</u>	<u>2017</u>
REVENUES		
State aid	\$ 53,460	\$ -
EXPENDITURES		
Capital outlay	<u>79,785</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(26,325)	-
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u>\$ (26,325)</u>	<u>\$ -</u>

See independent auditors' report.

Greenburgh Eleven Union Free School District, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through June 30, 2018

Project	Authorization	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
Smart Schools Bond Act	<u>\$ 79,785</u>	<u>\$ -</u>	<u>\$ 79,785</u>	<u>\$ 79,785</u>	<u>\$ -</u>

See independent auditors' report.

Method of Financing State Aid	Fund Deficit at June 30, 2018
\$ 53,460	\$ (26,325)

Greenburgh Eleven Union Free School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2018

Adopted/Original Budget	\$ 13,740,569
Budget Amendment	<u>122,953</u>
Final Budget	<u><u>\$ 13,863,522</u></u>

See independent auditors' report.

Greenburgh Eleven Union Free School District, New York

Schedule of Investment in Capital Assets
Year Ended June 30, 2018

Capital assets, net/Investment in capital assets	<u><u>\$ 6,049,921</u></u>
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