

GREENWICH CENTRAL SCHOOL

Financial Statements and Independent Auditor's Report

June 30, 2016

Greenwich Central School

June 30, 2016

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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Greenwich Central School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Greenwich Central School (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of Greenwich Central School as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Reporting on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information that follow 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information in this report, which is the responsibility of management, is presented for purposes of additional analysis as required by the New York State Education Department, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial Statements. The Schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information included in this report has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In Accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

September 29, 2016

Jenkins, Beecher, & Bethel, LLP

**Greenwich Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

The following is a discussion and analysis of Greenwich Central School District's financial performance for the fiscal year ended June 30, 2016. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The District's student enrollment of approximately 1,050 students remained fairly consistent between 2015-2016 and the 2014-2015 school years.
- During the year, the district continued work on the \$9,585,000 Field Heat Conversion Project. The project is expected to be completed by the fall of 2016.
- The District's general fund revenues increased by \$764,246 or 4.1% over the previous year. This was largely due to a decrease in revenue from state aid and property taxes.
- The District's general fund expenditures increased by \$413,128 or 2.4% compared to the prior year. Largest changes were in Instruction at over \$500K and Debt Service over 100K categories, while employee benefits decreased over \$200K.

OVERVIEW OF THE FINANCIAL STATEMENTS

Greenwich Central School District annual financial report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's overall financial status.
- The remaining statements are *fund financial* statements that focus on *individual* parts of the District, reporting the District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column.
- The *governmental funds* statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

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

Figure A-1	Major Features of the District-Wide and Fund Financial Statements		
	District-Wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and how they have changed. Net position (the difference between the School District's assets and liabilities) are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at

the bottom of the governmental funds statements explains the relationship (or differences) between them.

- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Table 2 shows a two-year analysis of the District's net position

Condensed Statement of Net Position

	Governmental Activities And Total School District		Percentage Change
	2015	2016	2015-2016
Current and Other Assets	\$ 15,701,629	\$ 11,291,453	-28.09%
Capital Assets	<u>18,419,098</u>	<u>20,198,282</u>	<u>9.66%</u>
Total Assets	<u>34,120,727</u>	<u>31,489,735</u>	<u>-7.71%</u>
Long-Term Debt Outstanding	18,784,999	29,761,729	58.43%
Other Liabilities	<u>11,749,328</u>	<u>2,638,133</u>	<u>-77.55%</u>
Total Liabilities	<u>30,534,327</u>	<u>32,399,862</u>	<u>6.11%</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	11,994,905	8,447,064	-29.58%
Restricted	105,295	105,295	0.00%
Unrestricted	<u>-8,513,800</u>	<u>-9,462,486</u>	<u>11.14%</u>
Total Net Position	<u>\$ 3,586,400</u>	<u>\$ -910,127</u>	<u>-125.38%</u>

Note: Totals may not add due to rounding.

Changes in Net Position

The District's fiscal year 2016 revenues totaled \$20.1 million. Property taxes and state formula aid accounted for most of the District's revenue by contributing 52% and 41% respectively, of every dollar earned. The remainder came from fees charged for services, operation grants and other miscellaneous sources. These revenues are shown in table 3.

The total cost of all programs and services totaled \$24.6 million for fiscal year 2016. These expenses (86%) are predominately support to general instruction and employee benefits. These expenses are shown in table 3

Table 3 shows a two-year analysis of the districts revenues and expenditures for the 2015 and 2016 school years.

Changes in Net Assets from Operating Results

	Governmental and Total School District		Percentage Change
	2015	2016	2015-2016
Revenues			
Program Revenue			
Charges for Services	\$ 291,297	\$ 280,067	-3.86%
Operating Grants and Contributions	976,584	726,443	-25.61%
Capital Grants Contributions			
General Revenues			
Property Taxes	10,164,844	10,521,543	3.51%
State Formula Aid	7,825,740	8,343,541	6.62%
Federal Aid	15,476	48,040	210.42%
Use of Money and Property	8,617	12,622	46.48%
Miscellaneous	302,222	153,581	-49.18%
Total Revenues	<u>\$ 19,584,780</u>	<u>\$ 20,085,837</u>	<u>2.56%</u>
Expenses			
General Support	\$ 2,057,920	\$ 1,986,234	-3.48%
Instruction	11,793,370	12,183,374	3.31%
Transportation	628,886	641,375	1.99%
Employee Benefits	6,477,480	6,829,823	5.44%
Debt Service - Interest	286,870	163,843	-42.89%
Depreciation	1,009,647	2,229,142	120.78%
School Lunch Program	368,289	412,482	12.00%
Other	140,538	136,091	-3.16%
Total Expenses	<u>22,763,000</u>	<u>24,582,364</u>	<u>7.99%</u>
Decrease in Net Position	<u>\$ -3,178,220</u>	<u>\$ -4,496,527</u>	<u>N/A</u>

Note: Totals may not add due to rounding.

Chart 1 and Chart 2 visually depict the revenues and expenses for the 2015-2016 year.

Chart 1

Sources of Revenues for Fiscal Year 2016

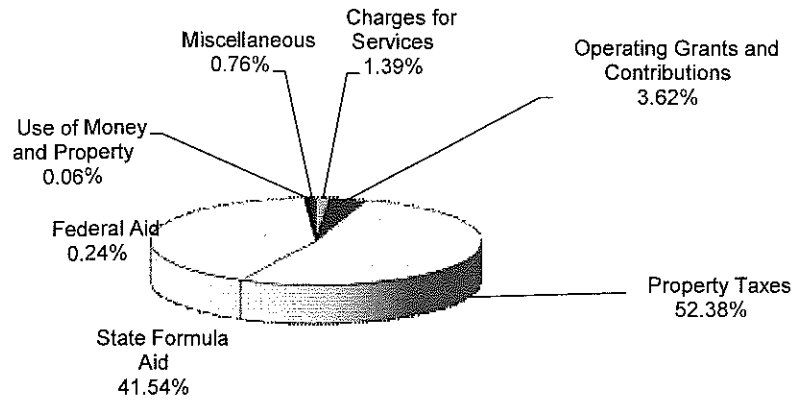
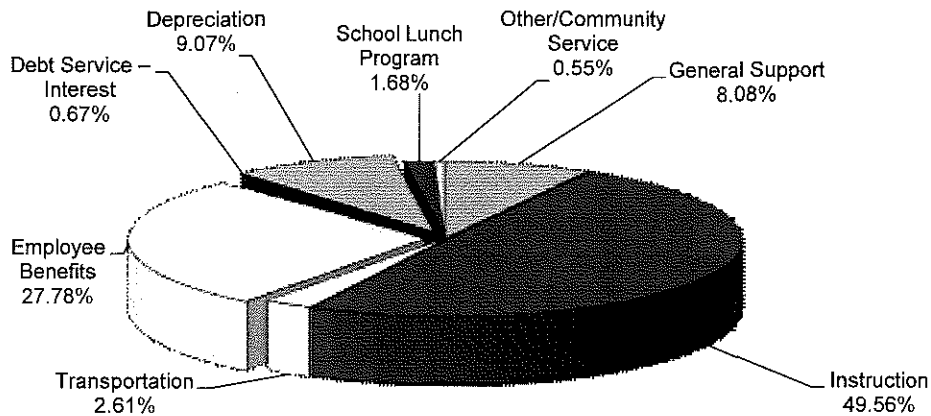


Chart 2

Expenses for Fiscal Year 2016



Governmental Activities

The table below presents the cost of seven major districts areas. The table also shows each activity net cost, (total cost less fees generated by the activity and grants received for specific programs). The total net cost shows the financial burden placed on the district.

Table 4 Net Cost of Governmental Activities

	Total Cost of Services		Percent Change 2015-2016	Net Cost of Services		Percent Change 2015-2016
	2015	2016		2015	2016	
General Support	\$ 2,057,920	\$ 1,986,234	-3.48%	\$ 2,057,920	\$ 1,986,234	-3.48%
Instruction	11,793,370	12,183,374	3.31%	10,886,592	11,559,380	6.18%
Pupil Transportation	628,886	641,375	1.99%	628,886	641,375	1.99%
Employee Benefits	6,477,480	6,829,823	5.44%	6,477,480	6,829,823	5.44%
Debt Service – Interest	286,870	163,843	-42.89%	286,870	163,843	-42.89%
Depreciation	1,009,647	2,229,142	120.78%	1,009,647	2,229,142	120.78%
Other	140,538	136,091	-3.16%	140,538	136,091	-3.16%
Cost of Sales – Food	368,289	412,482	12.00%	7,186	29,966	317%
Total	\$ 22,763,000	\$ 24,582,364	7.99%	\$ 21,495,119	\$ 23,575,854	9.68%

Note: Totals may not add due to rounding

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variations between years for the governmental fund financial statements are not the same as variations between years for District-wide financial statements. The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and current payments for debt.

No other significant variations are reflected in the governmental fund financial statements for 2016.

The District maintains reserve funds for unemployment insurance and retirement contributions.

General Fund – The general fund, fund balance decreased by \$39,198 as shown in statement #5.

School Lunch Fund – The school lunch fund, fund balance decreased by \$29,744 as shown in statement #5.

Debt Service Fund – The debt service fund, fund balance increased by \$7,720 as shown in statement #5.

Capital Projects Fund – the capital project fund, fund balance increased by \$451,184 as shown in statement #5.

General Fund Budgetary Highlights

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the board approves them because of a need that exists which was not determined at the time the budget was adopted. The following is a schedule of budget modifications that occurred during the year.

Original adopted budget	\$ 19,312,575
* Budget revisions	132,123
June 30, 2015 carryover encumbrances	<u>66,141</u>
Revised budget	\$ 19,510,839
Actual 2016 expenditures (see SS#2)	<u>19,164,369</u>
Total expenditures under budget	\$ <u><u>346,470</u></u>

*Budget revisions were made to accommodate the following actions:

- \$132,123 Library

CAPITAL ASSET AND DEBT ADMINISTRATION

By the end of fiscal year 2016, the district had invested \$20,198,282, net of accumulated depreciation, in a broad range of capital assets.

Table 5 Capital Assets (Net of Depreciation)

Capital Assets (Net of Depreciation)

	Governmental Activities and Total School District		Percentage Change
	2015	2016	
Land	\$ 842,083	\$ 842,083	0.00%
Buildings	16,236,592	17,957,120	10.60%
Equipment and Furniture	1,340,423	1,399,079	4.38%
Total	\$ 18,419,098	\$ 20,198,282	9.66%

Note: Totals may not add due to rounding.

Long-Term Debt

As of June 30, 2016, the District had outstanding long-term liabilities of \$26,717,475. The various obligations are listed below in Table 6.

Table 6 Outstanding Long-Term Debt

Outstanding Long-Term Debt

	Governmental Activities and Total School District		Percentage Change
	2015	2016	
General Obligation Bonds	\$ 6,424,192	\$ 11,751,218	45.33%
Post Employment Benefits	12,360,805	14,966,257	17.41%
Total	\$ 18,784,997	\$ 26,717,475	29.69%

FACTORS BEARING ON THE DISTRICT'S FUTURE

NEXT YEAR'S BUDGET AND RATES

The budget development process for the fiscal year 7/1/16 - 6/30/17 was different than in past years. After the financial collapse in 2007-2008, the State instituted a Gap Elimination Adjustment (GEA) in 2010. Over the 6 years the reduction in state aid to Greenwich totaled 6,282,790 or approximately 1.05 million per year. As a result, the district had made cuts in staffing and general spending while the cost of payroll and benefits continued to rise. In addition to the cuts, the district had to spend down overall fund balance from approximately 2.7M to under 1M to keep tax rates to a minimum and eventually within the new tax cap law. The approved State Budget for 2016-17 includes a full restoration of GEA, this provides the district with and additional \$292K which was used to bring back positions that were cut over the last 6 years. This includes a new math teacher, a music teacher to full time, paid assistant coaches, and a new clerk.

The Governor's proposal of a tax freeze to homeowners living in school districts that approve tax levy amounts below the increases calculated as complying with the tax cap law entered its third year. For school district tax payers, each resident will receive a refund in the form of a check from the State for \$185 for income under \$275,000. The tax levy limit for 2016-17 calculated out to 0.91% due to a cost of living index of only 0.12%.

There were several significant factors included in developing the 2016-17 budget. The school health insurance plan rates increased slightly by 1.4% for the PPO and 12% for the Matrix Plan, based on claims experience of the group. The required contribution rate for teacher pensions is dropping from 13.26% of salary to 11.72% of salary for 2016-17. The rate for non-instructional salaries is dropping as well.

The Greenwich Central School District budget was passed by the community on the uniform State voting date of May 17th. The total was 273 yes to 65 no. Participation was down from the prior year by 15%. The incumbent board member chose to run and filed for the seat. The budget was proposed with a 5.5% increase. Over 3% of this increase was due to debt service for voter approved capital projects. A capital proposition for a new bus, min-van, plow truck and mower was also proposed and passed. The budget passed by 80%, which was more than the 73% the prior year. The passage of the budget set the spending level for 2016-17.

Total fund balance dropped at year end 2016 by \$39K. This has been a planned draw down to make up for the Gap Elimination Adjustment deductions from State aid. As a result, only \$80K is budgeted to be applied to 2016-17 operations. In 2015-16, \$105K was budgeted to be applied.

The school district includes parts of eight towns in Washington County. Equalization rates spread the tax levy over taxable assessed value to maintain a uniform tax rate on true value. The tax on true value decreased slightly from \$17.20 to \$17.13.

Economic Factors

Aid from New York State makes up about 46% of revenues in Greenwich. 52% of the balance of revenue comes from the property taxes that are collected in September.

The State is projecting increases in tax collections which will support this level of aid in the future.

The Fort Miller Company is the largest employer in the school district with close to 400 employees and has consolidated operations at its headquarters in the Town of Easton, followed by H&V, a manufacturer of paper products, with over 200 employees.

Global Foundries has announced an intention to expand at its facility in Malta. The town board has consented to allow the company to expand its facility from the current 2,100 jobs to a maximum of 6,700 jobs. The school district border is 15 miles from the Technology Park. Peroxychem is a supplier to Global Foundries, they constructed a facility in Saratoga's industrial park. It has been hoped that more supplier companies will relocate to the area and provide more high paying jobs.

Another topic of economic development conversation during the past year has been about building casinos in upstate New York. Schenectady was successful at being awarded a casino license, and is under construction at the former American Locomotive site. This city is within commuting distance from Greenwich. The Saratoga Racino, which did not compete for a license, built a new hotel to attract more participants. The Schenectady project includes a hotel and development of the waterfront on the Mohawk River. There have been new hotels opened in Saratoga in the past few years in anticipation of increased occupancy.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

**Greenwich Central School
Business Office
Troy Tyler, Business Administrator
10 Gray Avenue
Greenwich, New York 12834
(518) 692-9542 Ext. 6803**

FINANCIAL STATEMENTS

**Greenwich Central School
Statement of Net Position
Governmental Activities
June 30, 2016**

Statement #1

ASSETS	
Cash	
Unrestricted	\$ 3,171,237
Restricted	105,295
Investments	_____
Unrestricted	_____
Restricted	_____
Receivables	_____
Taxes	_____
State and Federal aid	617,942
Due from other governments	_____
Due from fiduciary funds	53,181
Other	29,266
Inventories	14,230
Deferred expenditures	_____
Net Pension Asset, Proportionate Share	5,172,970
Capital assets, net	20,198,282
Total Assets	29,362,403
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	2,127,332
Total Deferred Outflows of Resources	2,127,332
Total Assets & Deferred Outflows of Resources	\$ 31,489,735
LIABILITIES	
Payables	
Accounts payable	\$ 119,515
Accrued liabilities	_____
Due to other governments	46
Due to fiduciary funds	_____
Retainage payable	_____
Bond interest and matured bonds	_____
Due to teachers' retirement	1,037,154
Due to employees' retirement	101,418
Notes payable	_____
Tax anticipation	_____
Revenue anticipation	_____
Bond anticipation	1,380,000
Unearned credits	_____
Overpayments and collections in advance	_____
Unearned revenues - planned balance	_____
Unearned revenues - other	_____
Long-term liabilities	_____
Due and payable within one year	_____
Bonds payable	1,191,527
BANs refinanced on a long-term basis	_____
Installment purchase debt payable	_____
Due to teachers' retirement	_____
Due to employees' retirement	_____
Compensated absences	_____
Other Postemployment benefits payable	_____
Judgements and claims payable	_____
Due and payable after one year	_____
Due and payable after one year	_____
Bonds payable	10,559,691
Installment purchase debt payable	_____
Due to teachers' retirement	_____
Due to employees' retirement	_____
Compensated absences	_____
Net Pension Liability, Proportionate Share	1,115,944
Other Postemployment benefits payable	14,966,257
Judgements and claims payable	_____
Total Liabilities	\$ 30,471,552
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	6,507
Pensions	1,921,803
Total Deferred Inflows or Resources	\$ 1,928,310
NET POSITION	
Investment in capital assets, net of related debt	8,447,064
Restricted for:	_____
Unemployment	105,295
Retirement Contribution	_____
Unrestricted (deficit)	(9,462,486)
Total Net Positions	\$ (910,127)

**Greenwich Central School
Statement of Activities
and Changes in Net Positions
For the Year Ended June 30, 2016**

	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Positions
			Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS					
General support	\$ 1,986,234	\$ _____	\$ _____	\$ _____	\$ 1,986,234
Instruction	12,183,374	_____	106,734	517,260	11,559,380
Pupil transportation	641,375	_____	_____	_____	641,375
Community service	136,091	_____	_____	_____	136,091
Employee benefits	6,829,823	_____	_____	_____	6,829,823
Debt service	163,843	_____	_____	_____	163,843
Other expenses	_____	_____	_____	_____	_____
Depreciation - Unallocated	_____	2,229,142	_____	_____	2,229,142
School lunch program	412,482	_____	173,333	209,183	29,966
Total Functions and Programs	\$ 22,353,222	\$ 2,229,142	\$ 280,067	\$ 726,443	\$ 23,575,854
GENERAL REVENUES					
Real property taxes	_____	_____	_____	_____	10,484,570
Other tax items	_____	_____	_____	_____	_____
Nonproperty taxes	_____	_____	_____	_____	36,973
Use of money and property	_____	_____	_____	_____	12,622
Sale of property and compensation for loss	_____	_____	_____	_____	11,094
Miscellaneous	_____	_____	_____	_____	142,487
Interfund revenue	_____	_____	_____	_____	_____
State sources	_____	_____	_____	_____	8,343,541
Federal sources	_____	_____	_____	_____	48,040
Medicaid Reimbursement	_____	_____	_____	_____	_____
Total General Revenues	_____	_____	_____	_____	19,079,327
Change in Net Position	_____	_____	_____	_____	(4,496,527)
Total Net Position - Beginning of year, As Previously Reported	_____	_____	_____	_____	3,586,400
Cumulative Change in Accounting Principle,	_____	_____	_____	_____	_____
Total Net Position - Beginning of year, As Restated	_____	_____	_____	_____	3,586,400
Total Net Position - End of year	_____	_____	_____	_____	\$ (910,127)

Greenwich Central School
Balance Sheet - Governmental Funds
June 30, 2016

	General	Special Aid	School Lunch	Debt Service	Capital Project	Non-Major	Total Governmental Funds
ASSETS							
Cash							
Unrestricted	\$ 1,231,295	\$ 168,794	\$ 18,585	\$ 416	\$ 1,752,147		\$ 3,171,237
Restricted investments	105,295						105,295
Investments							
Unrestricted							
Restricted							
Receivables							
Taxes							
Due from other funds	614,265	170,397		103,273			887,935
Due from fiduciary funds	111,126						111,126
State and Federal aid	402,380	214,576	986				617,942
Due from other governments							
Other	27,304		1,962				29,266
Inventories			14,230				14,230
Deferred expenditures							
Capital assets, net							
Total Assets	\$ 2,491,665	\$ 553,767	\$ 35,763	\$ 103,689	\$ 1,752,147		\$ 4,937,031
DEFERRED OUTFLOWS OF RESOURCES							
Defeasance loss							
Total Deferred Outflows of Resources							
LIABILITIES							
Payables							
Accounts payable	\$ 117,118		\$ 2,397				\$ 119,515
Accrued liabilities							
Due to other funds	291,343	553,767			100,770		945,880
Due to fiduciary funds							
Due to other governments			46				46
Retainage payable							
Due to Teachers' Retirement System	1,037,154						1,037,154
Due to Employees' Retirement System	101,418						101,418
Judgements & claims payable							
Bond interest and matured bonds							
Notes payable							
Tax anticipation							
Revenue anticipation							
Bond anticipation					1,380,000		1,380,000
Deferred credits							
Overpayments and collections in advance							
Deferred revenues							
Planned balance							
Long-term liabilities							
Due to Teachers' Retirement System							
Due to Employees' Retirement System							
Compensated absences payable							
Other postemployment benefits payable							
Judgements & claims payable							
Other liabilities							
Total Liabilities	1,547,033	553,767	2,443		1,480,770		3,584,013
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue			6,507				6,507
Sale of future revenues							
Total Deferred Inflows of Resources			6,507				6,507
FUND BALANCES							
Nonspendable			14,230				14,230
Restricted	105,295						105,295
Committed							
Assigned	223,264						223,264
Unassigned	616,073		12,583	103,689	271,377		1,003,722
Total Fund Balances	944,632		26,813	103,689	271,377		1,346,511
Total Liabilities and Fund Balances	\$ 2,491,665	\$ 553,767	\$ 35,763	\$ 103,689	\$ 1,752,147		\$ 4,937,031

Greenwich Central School
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2016

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash	\$ 3,276,532			\$ 3,276,532
Accounts receivable	29,266			29,266
Due from other funds	887,935		(887,935)	
Due from fiduciary funds	111,126		(57,945)	53,181
Due from other governments				
Taxes receivable (city school districts)				
State & federal aid receivable	617,942			617,942
Inventories	14,230			14,230
Net Pension Asset, Proportionate Share		5,172,970		5,172,970
Mortgages receivable				
Land, buildings and equipment (net)		20,198,282		20,198,282
Total Assets	\$ 4,937,031	\$ 25,371,252	\$ (945,880)	\$ 29,362,403
DEFERRED OUTFLOWS OF RESOURCES				
Pensions		2,127,332		2,127,332
Total Deferred Outflows of Resources		2,127,332		2,127,332
Total Assets & Deferred Outflows of Resources:	\$ 4,937,031	\$ 27,498,584	\$ (945,880)	\$ 31,489,735
LIABILITIES				
Accounts payable	\$ 119,515			\$ 119,515
Accrued liabilities				
Bonds payable		11,751,218		11,751,218
Bond anticipation notes payable	1,380,000			1,380,000
Revenue anticipation notes payable				
Bond interest and matured bonds				
Due to other funds	945,880		(945,880)	
Due to other governments	46			46
Due to fiduciary funds				
Retainage payable				
Due to teachers' retirement system	1,037,154			1,037,154
Due to employees' retirement system	101,418			101,418
Compensated absences				
Postemployment benefits		14,966,257		14,966,257
Overpayments and collections in advance				
Net Pension Liability, Proportionate Share		1,115,944		1,115,944
Deferred revenues				
Other liabilities				
Total Liabilities	\$ 3,584,013	\$ 27,833,419	\$ (945,880)	\$ 30,471,552
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	6,507			6,507
Pensions		1,921,803		1,921,803
Total Deferred Inflows of Resources	6,507	1,921,803		1,928,310
FUND BALANCE\NET POSITION				
Total Fund Balance\Net Position	1,346,511	(2,256,638)		(910,127)
Total Liabilities and Fund Balances/Net Position:	\$ 4,937,031	\$ 27,498,584	\$ (945,880)	\$ 31,489,735
See notes to financial statements				

Greenwich Central School
Statement of Revenues, Expenditures
and Changes in Fund Balance - Governmental Funds
For the Year Ended June 30, 2016

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
REVENUES						
Real property taxes	\$ 10,484,570					\$ 10,484,570
Other tax items						
Nonproperty taxes	36,973					36,973
Charges for services	106,734					106,734
Use of money and property	10,859		35	1,728		12,622
Sale of property and compensation for loss	11,094					11,094
Miscellaneous	x 83,360		187			83,547
Interfund revenue						
State sources	8,343,541	90,325	6,376			8,440,242
Medicaid reimbursement						
Federal sources	48,040	426,935	176,491			651,466
Surplus food			26,316			26,316
Sales - school lunch			173,333			173,333
Total Revenues	\$ 19,125,171	\$ 517,260	\$ 382,738	\$ 1,728	\$	\$ 20,026,897
EXPENDITURES						
General support	\$ 1,831,454	\$ 154,780	\$ 149,978			\$ 2,136,212
Instruction	9,981,987	353,644				10,335,631
Pupil transportation	641,375					641,375
Community service	136,091					136,091
Employee benefits	5,459,757	31,418	88,403			5,579,578
Debt service						
Principal	860,228					860,228
Interest	230,895			52,948		283,843
Cost of sales			155,951			155,951
Other expenditures			18,150			18,150
Capital outlay					5,856,069	5,856,069
Total Expenditures	\$ 19,141,787	\$ 539,842	\$ 412,482	\$ 52,948	\$ 5,856,069	\$ 26,003,128
Excess (Deficiency) of Revenues Over Expenditures	\$ (16,616)	\$ (22,582)	\$ (29,744)	\$ (51,220)	\$ (5,856,069)	\$ (5,976,231)
OTHER FINANCING SOURCES AND USES						
Proceeds from debt					6,192,253	6,192,253
Operating transfers in		22,582				22,582
Operating transfers (out)	(22,582)					(22,582)
BANs redeemed from appropriations					115,000	115,000
Premium on obligations issued				58,940		58,940
Total Other Sources (Uses)	(22,582)	22,582		58,940	6,307,253	6,366,193
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	(39,198)		(29,744)	7,720	451,184	389,962
Fund Balances - Beginning of year	983,830		56,556	95,969	(179,807)	956,548
Prior Period Adjustment, note 25						
Fund Balances - End of year	\$ 944,632	\$	\$ 26,812	\$ 103,689	\$ 271,377	\$ 1,346,510

Greenwich Central School
Reconciliation of Governmental Funds Revenues, Expenditures, and Changes in
Fund Balance to the Statement of Activities
For the Year Ended June 30, 2016

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
REVENUES					
Real property taxes	\$ 10,484,570	\$	\$	\$	\$ 10,484,570
Other tax items	36,973				36,973
Charges for services	106,734				106,734
Use of money and property	12,622				12,622
Sale of property and compensation for loss	11,094				11,094
Miscellaneous	83,547				83,547
Interfund revenue					
State sources	8,440,242				8,440,242
Medicaid reimbursement					
Federal sources	651,466				651,466
Surplus food	26,316				26,316
Sales - school lunch	173,333				173,333
Total Revenues	\$ 20,026,897	\$	\$	\$	\$ 20,026,897
EXPENDITURES\EXPENSES					
General support	\$ 2,136,212	\$	\$	\$	\$ 2,136,212
Instruction	10,335,631		1,847,743		12,183,374
Pupil transportation	641,375				641,375
Community service	136,091				136,091
Employee benefits	5,579,578			1,338,648	6,918,226
Debt service	1,144,071			(980,228)	163,843
Cost of sales	155,951				155,951
Other expenditures	18,150				18,150
Depreciation - Unallocated			2,229,142		2,229,142
Capital outlay	5,856,069		(5,856,069)		
Total Expenditures	\$ 26,003,128	\$	\$ (1,779,184)	\$ 358,420	\$ 24,582,364
Excess (Deficiency) of Revenues over Expenditures	\$ (5,976,231)	\$	\$ 1,779,184	\$ (358,420)	\$ (4,555,467)
OTHER SOURCES AND USES					
Proceeds from debt	6,192,253			(6,192,253)	
Operating transfers in	22,582			(22,582)	
Operating transfers (out)	(22,582)			22,582	
BANs redeemed from appropriatons	115,000			(115,000)	
Premium on obligations issued	58,940				58,940
Total Other Sources (Uses)	\$ 6,366,193	\$	\$	\$ (6,307,253)	\$ 58,940
Net Change for the Year	\$ 389,962	\$	\$ 1,779,184	\$ (6,665,673)	\$ (4,496,527)

Greenwich Central School
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2016

Statement #7

	Private Purpose Trusts	Agency
ASSETS		
Cash	\$ 67,415	\$ 156,324
Due from other funds		
Accounts receivable		
Total Assets	\$ 67,415	\$ 156,324
LIABILITIES		
Due to governmental funds	\$ _____	\$ _____
Due to other funds	_____	53,180
Extraclassroom activity balances	_____	84,740
Other liabilities	_____	18,404
Total Liabilities	_____	\$ 156,324
NET POSITION		
Reserved for scholarships	\$ 67,415	

Greenwich Central School
Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2016

Statement #8

	Private Purpose Trusts
ADDITIONS	
Gifts and contributions	\$ 18,477
Investment earnings	66
Total Additions	18,543
DEDUCTIONS	
Scholarships and awards	(13,175)
Change in valuation	_____
Total Deductions	(13,175)
Change in Net Position	5,368
Net Position - Beginning of year	62,047
Net Position - End of Year	\$ 67,415

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

Note 1 – Summary of certain significant accounting policies:

The financial statements of the Greenwich Central School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the District are described below:

A) Reporting entity:

The Greenwich District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 5 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity, as amended by GASB 39, Component Units. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity.

i) Extraclassroom Activity Funds

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

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

B) Joint venture:

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

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed \$1,474,368 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued \$0 of serial bonds on behalf of BOCES. As of the year-end, the District had outstanding BOCES debt of \$0.

The District's share of BOCES aid amounted to \$157,673.

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

C) Basis of presentation:

i) District-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to payroll expended in those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ii) Fund financial statements:

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds: These funds account for the proceeds of specific revenue sources, such as federal and State grants, that are legally restricted to expenditures for specified purposes, child nutrition or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major projects are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of the capital asset up to the balance of related bonds outstanding.

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

Fiduciary Fund: Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

Private purpose trust funds: These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

Agency funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extra-classroom activity funds and for payroll or employee withholding.

D) Measurement focus and basis of accounting:

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

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

E) Property taxes:

Real property taxes are levied annually by the Board of Education no later than September 1, 2015 and become a lien on September 1 2015. Taxes are collected during the period September 1, 2015 to November 6, 2015.

Uncollected real property taxes are subsequently enforced by the County in which the District is located. The County pay an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

F) Restricted Resources:

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

G) Interfund transactions:

The operations of the district include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid with one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

In the district-wide statements, the amounts reported on the Statements of Net Position for inter-fund receivables and payables represent amounts due between different types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of the legal offset.

Refer to Note 12 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity. Caterpillar

H) Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates an assumption that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

I) Cash (and cash equivalents)/Investments:

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

New York State law governs the District's investments policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposits not covered by the FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

Investments are stated at fair value.

J) Receivable (or Accounts receivable)

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

K) Inventories and prepaid items:

Inventories of food in the School Lunch Fund are recorded at cost on a first-in first-out basis, or in a case of surplus food, at stated value that approximates market. Purchases of inventorable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

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

L) Other assets/restricted assets:

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

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

In the district-wide financial statements, bond issuance costs are capitalized and amortized over the life of the debt issue. In the funds statements these same costs are netted against bond proceeds and recognized in the period of issuance.

M) Capital Assets:

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2003. For assets acquired prior to July 1, 2003, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

The threshold for capitalization of Capital Assets was increased from \$1,000 in past years to \$5,000 starting during the 2007-2008 school year and moving forward.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	5,000	Straight-Line	50 years
Building improvements	5,000	Straight-Line	50 years
Site improvements	5,000	Straight-Line	20 years
Furniture and equipment	5,000	Straight-Line	5-10 years
Infrastructure	5,000	Straight-Line	20 years

Certain infrastructure capital assets are accounted for using the modified approach permitted for eligible assets under GASB 34. The modified approach requires that an asset management system be established which assures that an expenditure amount sufficient to preserve the assets in good condition for proper and efficient functioning is budgeted each year in lieu of depreciation. Accordingly, all expenditures made for those assets, other than additions and improvements that increase capacity or efficiency, are charged to expense in the period incurred instead of calculating depreciation. The school district is required to conduct a condition assessment of these assets at least once every three years.

N) Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. First is the deferred charge

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Notes to Financial Statements
For the Year Ended June 30, 2016

on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Lastly is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense.

PENSION OBLIGATIONS

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems).

PLAN DESCRIPTIONS AND BENEFITS PROVIDED

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive,

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Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. 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.

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

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

CONTRIBUTIONS

	ERS	TRS
2016	\$ 317,552	\$ 1,024,745
2015	\$ 363,026	\$ 1,311,441
2014	\$ 401,873	\$ 839,975

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

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Notes to Financial Statements
For the Year Ended June 30, 2016

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERED OUTFLOWS OF RESOURCES AND DEFERED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2016, the District reported the following asset/(liability) for its proportionate share of the net pension asset /(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2016 for ERS and June 30, 2015 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	31-Mar-16	30-Jun-15
Net pension asset/(liability)	\$ (1,115,944)	\$ 5,172,970
District's portion of the Plan's total net pension asset/(liability)	0.0069528 %	0.049803 %

For the year ended June 30, 2016, the District's recognized pension expense of \$317,552 for ERS and the actuarial value \$342,035 for TRS. At June 30, 2016 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 5,639	\$ -	\$ 132,277	\$ 143,365
Changes of assumptions	\$ 297,589	\$ -	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 662,039	\$ -	\$ -	\$ 1,635,203
Changes in proportion and differences between the District's contributions and proportionate share of contributions	\$ 47,548	\$ 11,440	\$ 1,909	\$ 9,049
District's contributions subsequent to the measurement date	\$ 101,418	\$ 1,001,659	\$ -	\$ -
Total	<u>\$ 1,114,233</u>	<u>\$ 1,013,099</u>	<u>\$ 134,186</u>	<u>\$ 1,787,617</u>

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30,

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2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
Year ended:		
2016	-	\$ (659,466)
2017	\$ 223,756	\$ (659,466)
2018	\$ 223,756	\$ (659,466)
2019	\$ 223,756	\$ 272,017
2020	\$ 2,007,826	\$ (17,794)
thereafter		\$ (52,002)

ACTUARIAL ASSUMPTIONS

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2016	June 30, 2015
Actuarial valuation date	April 1, 2015	June 30, 2014
Interest rate	7.5%	8%
Salary scale	4.90%	4.01% - 10.91%
Decrement tables	April 1, 2005 - March 31, 2010 System's Experience	July 1, 2005 - June 30, 2010 System's Experience
Inflation rate	2.70%	3.0%

For ERS, annuitant mortality rates are based on April 1, 2005 – March 31, 2011 System's experience with adjustments for mortality improvements based on MP-2014. For TRS, annuitant mortality rates are based on July 1, 2005 – June 30, 2010 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale AA.

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For ERS, the actuarial assumptions used in the April 1, 2011 valuation are based on the results of an actuarial experience study for the period April 1, 2005 – March 31, 2010. For TRS, the actuarial assumptions used in the June 30, 2013 valuation are based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010.

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

<u>ERS</u>	<u>Target Allocation</u>	<u>Long-term expected Real rate of return*</u>
	<u>2016</u>	<u>2016</u>
Asset Class:		
Domestic equities	38%	7.30%
International equities	13	8.55
Private Equity	10	11.00
Real estate	8	8.25
Absolute return strategies	3	6.75
Opportunistic portfolio	3	8.60
Real assets	3	8.65
Bonds and mortgages	18	4.00
Cash	2	2.25
Inflation-Indexed bonds	<u>2</u>	4.00
Total	<u>100%</u>	

* Real rates of return are net of the long-term inflation assumption of 2.5% for 2016.

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Notes to Financial Statements
For the Year Ended June 30, 2016

<u>TRS</u>	<u>Target Allocation</u>	<u>Long-term expected Real rate of return*</u>
	<u>2014</u>	<u>2014</u>
Asset Class:		
Domestic equities	38%	6.5%
International equities	13	7.7
Real estate	10	4.6
Alternative investments	8	9.9
Total equities	<u>72</u>	
Domestic fixed income securities	17	2.1
Global fixed income securities	2	1.9
Mortgages	8	3.4
Short-term	1	1.2
Total fixed income	<u>28</u>	
Total	<u>100%</u>	

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

DISCOUNT RATE

The discount rate used to calculate the total pension liability was 7.0% for ERS and 8.0% 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. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO THE DISCOUNT RATE ASSUMPTION

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2016 calculated using the discount rate of 7.0% for ERS and 8.0% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.0% for ERS and 7.0% for TRS) or 1-percentagepoint higher (8.0% for ERS and 9.0% for TRS) than the current rate :

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ERS	1% Decrease <u>(6.0%)</u>	Current Assumption <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
Employer's proportionate Share of the net Pension asset (liability)	\$ (2,516,372)	\$ (1,115,944)	\$67,358
TRS	1% Decrease <u>(7.0%)</u>	Current Assumption <u>(8.0%)</u>	1% Increase <u>(9.0%)</u>
Employer's proportionate Share of the net Pension asset (liability)	\$ (352,863)	\$5,172,970	\$9,885,345

PENSION PLAN FIDUCIARY NET POSITION

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

Valuation date	(Dollars in Thousands)		
	<u>ERS</u>	<u>TRS</u> June 30, 2015	<u>Total</u>
Employers' total pension	\$ (1,115,944)	\$ 5,172,970	\$ 4,057,026
Plan Net Poition	\$ -	\$ -	\$ -
Employers' net pension	\$ (1,115,944)	\$ 5,172,970	\$ 4,057,026

PAYABLES TO THE PENSION PLAN

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2016 represent the projected employer contribution for the period of April 1, 2016 through June 30, 2016 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2016 amounted to \$101,418.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2016 are paid to the System in September, October and November 2016 through a state aid intercept. Accrued retirement contributions as of June 30, 2016 represent employee and employer contributions for the fiscal year ended June 30, 2016 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2016 amounted to \$1,037,154.

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Notes to Financial Statements
For the Year Ended June 30, 2016

O) Unearned Revenues

The district reports unearned revenues on its statement of net position and its balance sheet. On the statement of net position, unearned revenue arises when resources are received by the district before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the district has legal claim to resources, the liability for unearned revenues is removed and the revenue is recognized.

P) Vested employee benefits

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time:

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

District employees granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement 16, Accounting for compensated Absences, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the funds statements only the amount matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

Q) Other Benefits:

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement.

Substantially all the district's employees may become eligible for these benefits if they reach normal retirement age while working for the district. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as expenditure.

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

R) Short-term Debt:

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RAN's and TAN's represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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

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

S) Accrued liabilities and long-term obligations:

Payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables, and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment benefits and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

T) Equity Classifications

District-wide statements: In the district-wide statements

Net Investment in capital assets, consists of net assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted net position – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other

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governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – reports all other assets that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Fund Statements:

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of \$15,595.

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General fund are classified as restricted fund balance. The School District has established the following restricted fund balances:

Capital Reserve

Capital Reserve (Educational Law §3651) is used to pay the cost of any objector purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only from a specific purpose further authorized by the voters. The form for the required legal notice for the vote on the establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Repair Reserve

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

Workers' Compensation

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According to General Municipal Law §6-j, must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget

Unemployment Insurance Reserve

According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated.

Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund

Debt Service

According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of the District property or capital improvement.

Insurance Reserve

According to General Municipal Law §6-n, must be used to pay liability, casualty and other type of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by the Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval.

Liability Claims and Property Loss

According to Education Law §1709(8) (c)) must be used to pay for property loss and liability claims incurred. Separate funds for liability claims and property

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loss are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000.

Tax Certiorari

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to serve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Employee Benefit Accrued Liability

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

Retirement Contributions

According to General Municipal Law §6-r, must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the funds must be provided to the Board.

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

Restricted Fund Balance includes the following:

General Fund	\$	0
Capital		0
Debt Service		0
Employee Benefit Accrued Liability		0
Insurance		0
Liability Claims and Propety Loss		0
Repairs		0
Retirement Contributions		0
Tax Certiorari		0
Uncollected Taxes in a City School District		0
Unemployment Insurance		105,295
Worker's Compensation		0
Capital Fund*		0
Debt Service Fund*		0
Special Aid Fund*		0
School Lunch Fund*		0
		0
total restricted funds	\$	105,295

*includes remaining fund balance in these funds not otherwise classified as nonspendable, committed or assigned

Committed – includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2016.

Assigned – Includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the general fund amounted to \$9,931.00

Unassigned – Includes all other General Fund amounts that do not meet the definition of the above four classification and are deemed to be available for general use by the district.

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

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are

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determined first and then restricted fund balances or specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

U) New Accounting Standards

The District has adopted and implemented the following (all) current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2016:

GASB has issued Statement No. 72, Fair Value Measurement and Application,	Effective for the year ending June 30, 2016
<i>GASB has issued No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments</i>	Effective for the year ending June 30, 2016

V) Future Changes in Accounting Standards

GASB has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, effective for the year ending June 30, 2018. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans.

The school district will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

Note 2 – Explanation of certain differences between governmental fund statements and District-wide statements:

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

- A) Total fund balances of governmental funds vs. net position of governmental activities:

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Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

i) Long-term revenue differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

ii) Capital related differences:

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

iii) Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

iv) Pension differences:

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

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

The costs of building and acquiring capital assets (land, buildings, and equipment) financed from governmental funds are reported as expenditures in the year that they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of net position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original Cost of capital assets	\$ 39,518,350
Accumulated Depreciation	\$ 18,528,145

Long-term liabilities are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Bonds and noted payable	\$ 11,751,218
Post-employment benefits	\$ 18,784,999

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. Depreciation was \$2,229,142 and capital expenditures were \$4,800,249 in the current year.

Repayment of bond principal (\$865,229) is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position, and does not affect the Statement of Activities.

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities is the result of two factors. First, accrued interest on bonds, leases and contracts payable decreased by \$0 and second, \$0 of additional accumulated interest was accrued on the District's capital appreciation bonds.

Note 3 – Changes in accounting principles:

For the fiscal year ended June 30, 2015, the District implemented GASB Statement No. 68 Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27 and **GASB Statement No. 71**, Pension Transition for contributions Made Subsequent to the Measurement date. The implementation of the Statements requires the District to report as an asset and/or liability its portion of the collective net pensions asset and liability in the New York State Teachers' and Employees' Retirement Systems. The implementation of the Statements also requires the District to report a deferred outflow and/or inflow for the effect of the net change in the District's proportion of the collective net pension asset and/or liability and difference

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Also included as a deferred outflow is the District contributions to the pension systems subsequent to the measurement date. See note N for the financial statement impact of implementation of the Statements.

Note 4 – Stewardship and compliance:

Budgets

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

The voters of the district approved the proposed appropriation budget for the General fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, of the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

Budgets are established and used for individual capital project funds expenditures as approved by a specific referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

Encumbrances

Encumbrances accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year –ends are presented as reservations of fund balance and do not represent expenditures or liabilities. These

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

The District's unreserved undesignated fund balance was not in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year.

Note 5 – Cash (and cash equivalents) - custodial credit, concentration of credit, interest rate and foreign currency risks:

Cash

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the district does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes.

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$	0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	\$	3,276,532

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$105,295 within the governmental funds and \$0 in the fiduciary funds.

Note 6 – Investments

The District did not participate in any multi-municipal cooperative investment pool agreement, pursuant to New York General Municipal Law Article 5-G, § 119-0, as of the year end June 30, 2016

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

Note 7 – Receivables

Receivables at year-end for individual major funds and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

Description	Governmental Activities				Total
	General	Special Aid	School Lunch	Non-major	
Accounts Receivable	\$ 27,304	\$ 0	\$ 1,962	\$ 0	\$ 29,266
Due from State and Federal	614,265	214,576	986	0	829,827
Total	\$ 641,569	\$ 214,576	\$ 2,948	\$ 0	\$ 859,093

District management has deemed the amounts to be fully collectible.

Note 8 – Capital assets:

Capital asset balances and activity for the year ended June 30, 2016 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 842,083	\$ 0	\$ 0	\$ 842,083
Total nondepreciable historical cost	842,083	0	0	842,083
Capital assets that are depreciated:				
Buildings	\$ 29,905,363	\$ 3,620,274	\$ 0	\$ 33,525,637
Furniture and equipment	3,970,655	388,052	0	4,358,707
Total depreciable historical cost	33,876,018	4,008,326	0	37,884,344
Less accumulated depreciation:				
Buildings	\$ 13,668,771	\$ 1,899,746	\$ 0	\$ 15,568,517
Furniture and equipment	2,630,232	329,396	0	2,959,628
Total accumulated depreciation	16,299,003	2,229,142	0	18,528,145
Governmental functions as follows:				
Depreciation not charged to a Specific function		\$ 2,229,142		\$ 2,229,142

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

Note 9– Short-term debt:

The District may issue Revenue Anticipation Notes and Tax Anticipation Notes, in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which an

insufficient or no provision is made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year in which the note was issued.

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

As of June 30, 2016, the district had the following short-term debt transactions.

Interest on short-term debt for the year was composed of:

Interest Paid	\$	40,052
Less Interest accrued in the prior year		0
Plus interest accrued in the current year		0
Total Expense	\$	<u>40,052</u>

Transactions in short-term debt for the year are summarized below:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
BAN maturing 06/21/16 at 1.03%	\$ 6,200,000	\$ 1,380,000	\$ 6,200,000	\$ 1,300,000
Totals	<u>\$ 6,200,000</u>	<u>\$ 1,380,000</u>	<u>\$ 6,200,000</u>	<u>\$ 1,300,000</u>

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

Note 10– Long-term debt obligations:

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Government Activities:					
Bonds and notes payable:					
General obligation debt:					
Serial Bonds	\$ 6,304,194	\$ 6,192,253	\$ 745,229	\$ 11,751,218	\$ 1,191,527
Total bonds & notes payable	\$ 6,304,194	\$ 6,192,253	\$ 745,229	\$ 11,751,218	\$ 1,191,527
Other liabilities:					
Retirees health insurance	12,360,805	2,605,452	0	14,966,257	0
Total other liabilities	\$ 12,360,805	\$ 2,605,452	\$ 0	\$ 14,966,257	\$ 0
Total long-term liabilities	\$ 18,664,999	\$	\$ 745,229	\$ 18,784,999	\$ 1,191,527

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

Existing serial and statutory bond obligations:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at year end
Serial Bonds 2,230,584	06/15/07	2023	4.02%	\$ 1,140,000
Serial Bonds 3,615,000	06/15/12	2019	3.25%	415,000
Serial Bonds 203,604	9/16/12	2017	2.99%	81,440
Serial Bonds 2,040,000	6/26/13	2028	3.47%	1,680,000
Serial Bonds 297,825	9/12/13	2018	3.25%	148,912
Serial Bonds 238,149	9/15/14	2018	3.15%	178,612
Serial Bonds 2,045,000	6/24/15	2030	2.39%	1,915,000
Serial Bonds 6,085,000	6/21/16	2031	2.11%	6,085,000
Serial Bonds 107,253	9/18/15	2019	2.75%	107,254
Total				\$ 11,751,218

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

	Principal	Interest	Total
Fiscal year ended June 30,			
2017	1,191,527	302,595	1,494,122
2018	1,126,526	271,727	1,398,253
2019	1,056,351	241,789	1,298,140
2020	821,814	213,920	1,035,734
2021	820,000	191,508	1,011,508
2022-2027	4,505,000	718,658	5,223,658
2028-2032	2,230,000	136,763	2,366,763
Total	\$ 11,751,218	\$ 2,076,960	13,828,178

The District is not obligated under any operating or capital leases as of June 30, 2016.

Interest on Long-term debt for the year was composed of:

Interest Paid	\$	190,843
Less Interest accrued in the prior year		0
Plus interest accrued in the current year		0
Total Expense	\$	190,843

Note 11 – Pension plans:

General Information:

The District participates in the New York State Employees' Retirement System (NYSERS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Provisions and administration:

The New York State Teachers' Retirement Board administrators NYSTERS. The system provides benefits to plan members and beneficiaries as authorized by the Education law and the Retirement and Social Security Law of the State of New York. NYSTERS issues a publicly available financial report that contains financial statements

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

and required supplementary information for the System. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

NYSERS provides retirement benefits as well as death benefits. New York State Retirement and Social Security Law govern obligations of employers and employees to contribute, and benefits to employees. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing NYSERS, Governor Alfred E. Smith State Office Building, and Albany, New York 12244.

Funding policies:

The Systems are noncontributory for the employee, except for those who joined the Systems after July 27, 1976, who contributes 3% of their salary, except the employees in the Systems more than ten years are no longer required to contribute. For NYSERS, the Comptroller certifies that rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The District is required to contribute at an actuarially determined rate. The District contributions made to the systems were equal to 100% of the contributions required each year. The required contributions for the current year and two preceding years were:

		NYSTRS		NYSERS
2016	\$	1,024,745	\$	317,552
2015	\$	1,311,441	\$	363,026
2014	\$	839,975	\$	401,873

Since 1989, the NYSERS billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. The legislation requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 over the 17 year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability, which the District exercised. As a result, the total unpaid liability at the end of the year was \$0.

The State Legislature authorized local governments to make available retirement incentive programs with estimated total costs of \$1,283,038. Of which \$1,283,038 was charged to expenditures in the governmental Funds in the current fiscal year.

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 725,390	291,343	0	22,582
Special Aid Funds	170,397	553,767	22,582	0
School Lunch Fund	0	0	0	0
Debt Service Fund	103,273	0	0	0
Capital Funds	0	100,770	0	0
Total governmental activities	999,060	945,880	22,582	22,582
Fiduciary Agency Fund		53,180	0	0
Totals	\$ 999,060	999,060	22,582	22,582

Note 12 – Interfund Balances and Activity:

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

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

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

Note 13 – Post – employment Benefits

The District provides post employment health insurance coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements.

The District implemented GASB Statement #45, Accounting and Financial Reporting by employers for Postemployment Benefits Other than Pensions, in the school year ended June 30, 2011. This required the District to calculate and record a net other post-employment benefit obligation at year-end. The net other post-employment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contributions made.

Currently there are 119 retired employees receiving health insurance through the district.

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the funds financial statements as payments are

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

made. For the year ended the District recognized \$1,022,114 for its share of insurance premiums for currently enrolled retirees.

The District has obtained an actuarial valuation report as of June 30, 2016 which indicates that the total liability for other post employment benefits is \$58,596,177 of which \$14,966,257 is currently reflected in the Statement of Net Position.

Annual OPEB Cost and Net OPEB Obligation: The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to HP:

Annual required contribution	\$	4,015,867
Interest on net OPEB obligation		475,891
Adjustment to annual required contribution		789,296
Annual OPEB cost (expense)	\$	3,702,462
Contributions made		(1,097,010)
Increase in net OPEB obligation	\$	2,605,452
Net OPEB obligation – beginning of year		12,360,805
Net OPEB obligation – end of year	\$	14,966,257

The Districts annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2016 and the two preceding years were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/16	\$ 3,702,462	29.63%	2,605,452
6/30/15	\$ 3,346,891	29.80%	2,349,610
6/30/14	\$ 2,752,486	37.30%	1,726,178

Funded Status and Funding Progress. As of June 30, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$41,755,081, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$41,755,081. The covered payroll (annual payroll of active employees covered by the plan) was \$10,125,973 and the ratio of the UAAL to the covered payroll was 24.25%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2016 actuarial valuations, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.85% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5% after 5 years. Both rates included an inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2016 was 23 years.

Note 14 – Risk management:

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

Note 15 – Commitments and contingencies:

The District has received grants, which are subject to audit by agencies of the State and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the district's administration believes disallowances, if any, will be immaterial.

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

Note 16 – Fund Balances:

Portions of fund balances are reserved and not available for current expenses or expenditures, as reported in the Governmental Funds Balance Sheet.

Unemployment Insurance Reserve - \$105,295

Note 17 – Donor-restricted endowments:

The District had no donor-restricted endowments for the year ended June 30, 2016.

Note 18 – On-behalf-of payments:

During the year, the District did not make any payments to a third party (or received payments from another government) for fringe benefits and salaries of another legally separate entity, in the aggregate amount of \$0.

Note 19 – Overpayments:

The District had no overpayments for the year ended June 30, 2016.

Note 20 - Related Party transactions:

The District has no related party transactions to report as June 30, 2016.

Note 21 – Discretely presented component units:

The District has no component units.

Note 22 – Subsequent events:

The District has no subsequent events to disclose.

Note 23 - Derivatives not reported at fair value on the Statement of Net Position:

For the year ended June 30, 2016, the District did not have any derivatives to report.

Greenwich Central School District
Notes to Financial Statements
For the Year Ended June 30, 2016

Note 24 – Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absence, potential contingent liabilities and useful lives of long-lived assets.

Note 25 – Real Estate held as investments by endowments:

The District has no real estate held as investments by endowments to disclose.

Greenwich Central School
Schedule of Funding Progress Other Post Employment Benefits Plan
For the Year Ended June 30, 2016

Actual Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) (in thousands)	Unfunded AAL (UAAL) (in thousands)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
July 1, 2013	-	28,394,003	28,394,003	- \$	9,597,341	49.00%
July 1, 2014	-	28,575,059	28,575,059	- \$	9,951,976	34.83%
July 1, 2015	-	36,125,351	36,125,351	- \$	10,029,585	27.76%
July 1, 2016	-	41,755,081	41,755,081	- \$	10,125,973	24.25%

Greenwich Central School
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual (Budgetary Basis)		Final Budget Variance With Budgetary Actual
REVENUES					
Local Sources					
Real property taxes	10,356,065	10,488,188	10,484,570	\$	(3,618)
Other tax items	27,373	27,373	36,973		9,600
Nonproperty taxes					
Charges for services	34,100	34,100	106,734		72,634.00
Use of money and property	8,500	8,500	10,859		2,359.00
Sale of property and compensation for loss	20,000	20,000	11,094		(8,906.00)
Miscellaneous	156,200	156,200	83,360		(72,840.00)
Forfeitures			0		0.00
Total Local Sources	10,602,238	10,734,361	10,733,590		(771.00)
State Sources	8,596,897	8,596,897	8,343,541		(253,356.00)
Medicaid Reimbursement					0.00
Federal Sources	8,000	8,000	48,040		40,040.00
Retirement System Credits					
Total Revenues	19,207,135	19,339,258	19,125,171		(214,087)
OTHER FINANCING SOURCES					
Transfers from other funds	0	0	0		0
Total Reserves and other financing sources	19,207,135	19,339,258	19,125,171	\$	(214,087)
EXPENDITURES					
General Support					
Board of education	9,925	12,625	12,023	0	\$ 602
Central administration	188,538	186,784	185,958	0	826
Finance	274,527	291,851	290,181	1,056	614
Staff	27,600	24,130	16,899		7,231
Central services	1,214,517	1,184,165	1,117,767	253	66,145
Special items	216,990	212,690	208,626	0	4,064
Total General Support	1,932,097	1,912,245	1,831,454	1,309	79,482
Instruction					
Instruction, administration and improvement	601,954	582,154	564,348	2,310	15,496
Teaching - regular school	5,161,387	5,316,111	5,290,526	61	25,524
Programs for children with handicapping conditions	2,621,237	2,584,167	2,556,230	0	27,937
Occupational education					
Teaching - special school	70,718	71,563	71,485		78
Instructional media	694,958	743,582	737,250	580	5,752
Pupil services	784,939	772,129	762,148	37	9,944
Total Instructional	9,935,193	10,069,706	9,981,987	2,988	84,731
Pupil Transportation	666,865	688,545	641,375	5,094	42,076
Community Services	10,000	140,323	136,091		4,232
Employee Benefits	5,599,655	5,533,655	5,459,757		73,898
Debt Service	1,148,765	1,143,365	1,091,123		52,242
Total Expenditures	19,292,575	19,487,839	19,141,787	9,391	336,661
OTHER FINANCING USES					
Transfers to other funds	20,000	23,000	22,582		418
Total Expenditures and Other Uses	19,312,575	19,510,839	19,164,369	9,391	337,079
Net change in fund balances	(105,440)	(171,581)	(39,198)		
Fund Balance - beginning	983,830	983,830	983,830		
Fund Balance - ending	878,390	812,249	944,632		

See paragraph on supplementary schedules included in auditor's report

Greenwich Central School
 Schedule of Change from Adopted Budget to Final Budget
 And Use of Unreserved Fund Balance - General Fund
 For the Year Ended June 30, 2016

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$	19,312,575
Add: Prior year's encumbrances		66,141
Original Budget		19,378,716
Budget revision:		
Add: Library		132,123
Final Budget:	\$	19,510,839

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2015-16 Voter approved expenditure budget	\$	20,375,960
Maximum allowed (4% of 2015-16 budget)	\$	815,038

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:

Total fund balance	\$	944,632
Less:		
Appropriated fund balance		213,873
Encumbrances included in committed and assigned fund balance		9,391
Restricted fund balance		105,295
Total adjustments	\$	328,559
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$	616,073
Actual percentage		3.024 %

**Greenwich Central School
Schedule of Project Expenditures-Capital Projects Fund
For the Year Ended June 30, 2016**

PROJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Proceeds of Obligations	Methods of Financing			Fund Balance June 30, 2016
			Prior Year's	Current Year	Total			State Aid	Local Sources	Total	
Capital Project #1											
BUS PURCHASE	107,253	107,253	0	107,253	107,253	0	107,253			107,253	0
	107,253	107,253	0	107,253	107,253	0	107,253	0	0	107,253	0
Capital Project #2											
2011-2012 BUILDING RECONSTRUCTION PROJECT	2,480,000	2,480,000	2,571,710	0	2,571,710	(91,710)	2,040,000	0	465,000	2,505,000	(66,710)
	2,480,000	2,480,000	2,571,710	0	2,571,710	(91,710)	2,040,000	0	465,000	2,505,000	(66,710)
Capital Project #3											
HEAT CONVERSION - FIELD	9,585,000	9,585,000	2,075,932	5,748,817	7,824,749	1,760,252	8,130,000	0	0	8,130,000	305,252
	9,585,000	9,585,000	2,075,932	5,748,817	7,824,749	1,760,252	8,130,000	0	0	8,130,000	305,252
Capital Project #4											
Non-Major capital projects											
FUND BALANCE - PRIOR YEARS PROJECTS											32,835
	0	0	0	0	0	0	0	0	0	0	32,835
Totals	12,172,253	12,172,253	4,647,642	5,856,069	10,503,711	1,668,542	10,277,253	0	465,000	10,742,253	271,377

See Paragraph on supplementary schedules included in auditor's report

**Greenwich Central School
Combined Balance Sheet -
Non-Major Governmental Funds
June 30, 2016**

	<u>Special Aid</u>	<u>School Lunch</u>	<u>Total</u>
Assets			
Unrestricted Cash	\$ 168,794	\$ 18,585	\$ 187,379
Restricted Cash	_____	_____	_____
Unrestricted Investments	_____	_____	_____
Restricted Investments	_____	_____	_____
State and Federal Aid Receivable	214,576	986	215,562
Due from Other Governments	_____	_____	_____
Other Receivables, Net	_____	1,962	1,962
Due From Other Funds	170,397	_____	170,397
Inventories	_____	14,230	14,230
Deferred Expenditures	_____	_____	_____
Total Assets	\$ <u>553,767</u>	\$ <u>35,763</u>	\$ <u>589,530</u>
 Liabilities			
Accounts Payable	\$ _____	\$ 2,398	\$ 2,398
Accrued Liabilities	_____	_____	0
Due to Other Governments	_____	46	46
Due to Other Funds	553,767	_____	553,767
Due to Teachers' Retirement System	_____	_____	_____
Due to Employees' Retirement System	_____	_____	_____
Other Liabilities	_____	_____	_____
Deferred Revenues	_____	6,507	6,507
Total Liabilities	553,767	8,951	562,718
 Fund Balances			
Reserved for Encumbrances	_____	_____	_____
Reserved for Inventory	_____	14,230	14,230
Unreserved - Designated for Subsequent Year's Expenditures	_____	_____	_____
Unreserved - Undesignated	_____	12,582	12,582
Total Fund Balances	_____	26,812	26,812
Total Liabilities and Fund Balances	\$ <u>553,767</u>	\$ <u>35,763</u>	\$ <u>589,530</u>

Greenwich Central School
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2016

	<u>Special Aid</u>	<u>School Lunch</u>	<u>Total</u>
Revenues			
Charges for Services	\$ _____	\$ _____	\$ _____
Use of Money and Property	_____	35	35
Sale of Property and Compensation for Loss	_____	_____	_____
Miscellaneous	_____	187	187
State Sources	90,325	6,376	96,701
Federal Sources	426,935	202,807	629,742
Sales	_____	173,333	173,333
Total Revenues	<u>517,260</u>	<u>382,738</u>	<u>899,998</u>
Expenditures			
General Support	154,780	149,978	304,758
Instruction	353,644	_____	353,644
Pupil Transportation	_____	_____	_____
Community Services	_____	_____	_____
Employee Benefits	31,418	88,403	119,821
Cost of Sales	_____	155,951	155,951
Other Expenses	_____	18,150	18,150
Total Expenditures	<u>539,842</u>	<u>412,482</u>	<u>952,324</u>
Excess (Deficiency) Revenues Over Expenditures	<u>(22,582)</u>	<u>(29,744)</u>	<u>(52,326)</u>
Other Sources and Uses			
Operating Transfers In	22,582	_____	22,582
Operating Transfers (Out)	_____	_____	_____
Reserve Revenues	_____	_____	_____
Reserve Expenditures	_____	_____	_____
Total Other Sources and Uses	<u>22,582</u>	_____	<u>22,582</u>
Excess (Deficiency) Revenues and Other Sources Over Expenditures and Other Uses	_____	<u>(29,744)</u>	<u>(29,744)</u>
Fund Balances, Beginning of Year	_____	56,556	56,556
Fund Balances, End of Year	\$ _____	\$ <u>26,812</u>	\$ <u>26,812</u>

Supplemental Schedule #7
Greenwich Central School
Investments in Capital Assets, Net of Related Debt
For the Year Ended June 30, 2016

Capital Assets, net		\$	<u>20,198,282</u>
Add:			
Unamortized bond issuance costs	_____		
Discount on bonds payable	_____		
Other(list)	_____		
Deduct:			
Bond anticipation notes	_____		
Premium on bonds payable	_____		
Short-term portion of bonds payable	<u>1,191,527</u>		
Long-term portion of bonds payable	<u>10,559,691</u>		
Less: unspent bond preceeds	_____		
Short-term portion of capital leases	_____		
Long-term portion of capital leases	_____		
Other short of long-term debt related to capital assets	_____		
Other (list)	_____		<u>11,751,218</u>
Investment in capital assets, net of related debt		\$	<u><u>8,447,064</u></u>

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The Board of Education
Greenwich Central School District

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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 government activities and each major fund of Greenwich Central School District (the "District"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 29, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

September 29, 2016

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Report on Compliance for Each Major Federal Program

We have audited the Greenwich Central School District's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The District's federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Greenwich Central School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.* *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

September 29, 2016

Jenkins, Beecher, & Bethel, LLP

**Greenwich Central School
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016**

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed-through NYS Education Department:			
Child Nutrition Cluster:			
Cash Assistance			
NATIONAL SCHOOL BREAKFAST	10.553	N/A	29,549
NATIONAL SCHOOL LUNCH	10.555	N/A	146,942
Cash assistance subtotal			<u>176,491</u>
Non-Cash Assistance			
U.S.D.A. SURPLUS FOOD	10.550	N/A	26,316
Non-cash assistance subtotal			<u>26,316</u>
Total Passed-through NYS Education Department			<u>202,807</u>
Total Child Nutrition Cluster			<u>202,807</u>
Total, U.S. Department of Agriculture			\$ <u>202,807</u>
<u>U.S. Department of Education</u>			
Passed-through NYS Education Department:			
TITLE 1 A&D IMPROV ACHMT	84.010A	0021-16-3510	\$ 133,477
TITLE 11A	84.027A	0147-16-3510	44,800
Total Passed-through NYS Education Department			<u>178,277</u>
Special Education Cluster:			
IDEA-PART B, SECTION 611	84.027A	0032-16-1021	241,661
IDEA-PART B, SECTION 619	84.173A	0033-16-1021	6,997
Total Special Education Cluster			<u>248,658</u>
Total, U.S. Department of Education			\$ <u>426,935</u>
Total Federal Awards Expended			\$ <u><u>629,742</u></u>

A - Audited as a Major Program
no major programs in 2016

Greenwich Central School
Notes to Schedule of Expenditures of Federal Awards
For the Year Ending June 30, 2016

Note 1 – Summary of certain significant accounting policies:

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

Note 2 – Subrecipients:

No amounts were provided to sub recipients.

Note 3 – Other disclosures:

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

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

Greenwich Central School
Greenwich, New York
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: unqualified

Internal control over financial reporting:

- Material weakness (es) identified? No
- Reportable condition(s) identified that are not considered to be Material weaknesses? No

Noncompliance material to financial Statements noted? No

Federal Awards:

Internal Control over major programs:

- Material weakness (es) identified? No
- Reportable condition(s) identified that are not considered to be Material weaknesses? No

Type of auditor’s report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-----------------------	---

No major programs in 2016

Greenwich Central School
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None noted in 2016.

Section III – Federal Findings

None noted in 2016.

Schedule of Findings and Questioned Costs
From 2015 Report

No findings from 2015 report.

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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Greenwich Central School District

Report on the Financial Statements

We have audited the accompanying financial statements of the Greenwich Central School District Extraclassroom Activity Funds which comprise the cash and fund balances resulting from cash transactions, and the related statement of cash receipts and cash disbursements as of June 30, 2016 of the Greenwich Central School District's Extraclassroom Activity Funds for the year ended June 30, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash receipts and cash disbursements method, an Other Comprehensive Basis of Accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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 District'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.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the cash and fund balances resulting from cash transactions of the Extraclassroom Activity Funds, of the Greenwich Central School District for the year ended June 30, 2016, and the cash receipts and cash disbursements for the year then ended, on the basis of accounting described in Note 1.

September 29, 2016

Greenwich Central School
 Extraclassroom Activity Funds
 Cash Receipts and Cash Disbursements
 June 30, 2016

Activities	Balance June 30, 2015	Receipts	Disbursements	Balance June 30, 2016
1-2 Club	324.99	0.00	5.00	319.99
Class of '15	1,287.25	7.97	1,295.22	0.00
Class of '16	2,706.20	3,511.50	4,838.30	1,379.40
Class of '17	5,081.07	24,065.06	27,229.47	1,916.66
Class of '18	1,981.48	4,958.55	2,833.28	4,106.75
Class of '19	1,802.29	5,479.50	2,600.00	4,681.79
Class of '20	1,302.83	6,853.83	6,482.36	1,674.30
Class of 2021	0.00	2,783.32	1,329.00	1,454.32
Art Club	154.92	56.00	150.00	60.92
Band	1,324.39	6,963.70	7,638.20	649.89
Bank Charges	35.78	306.15	91.24	250.69
Baseball Club	9.83	12,246.38	12,216.39	39.82
Book Buyers Club	455.91	100.06	95.34	460.63
Boy's Lacrosse	300.00	1,613.00	1,657.50	255.50
Future Business Leaders	5,446.64	7,890.16	9,273.84	4,062.96
Cheerleaders	1,521.22	3,116.50	3,333.95	1,303.77
Chess Club	206.39	0.00	35.00	171.39
Chorus	6,234.08	5,840.37	5,226.66	6,847.79
Drama Club	1,475.53	3,582.90	3,772.78	1,285.65
Elementary Library	3,672.74	12,143.20	12,682.11	3,133.83
JR High Excel Program	6.50	0.00	6.50	0.00
Future Farmers of America	3,045.38	48,426.72	48,069.70	3,402.40
Field Hockey	921.16	6,267.17	6,578.75	609.58
Fitness Club	347.07	700.00	890.00	157.07
Football	1,823.48	9,651.00	9,985.39	1,489.09
For Friends of Rachel	106.66	0.00	100.00	6.66
French Club	807.94	5,094.30	4,082.00	1,820.24
Girls Varsity Basketball	2,064.24	1,696.20	2,124.58	1,635.86
Girls Varsity Soccer	21.73	0.00	21.73	0.00
History	308.85	2,311.00	1,960.00	659.85
Jr. High Drama Club	2,693.40	1,902.00	1,301.24	3,294.16
Jr. High FFA	432.16	0.00	95.50	336.66
Witches Brew Newspaper	140.00	0.00	140.00	0.00
National Honor Society	1,234.86	451.50	635.57	1,050.79
Soccer Club	97.66	350.00	375.00	72.66
Girls Varsity Softball	1,810.51	929.00	737.14	2,002.37
6th Grade Camp Fund	7.40	7,749.47	7,402.99	353.88
Spanish Club	544.43	184.00	152.78	575.65
Varsity Club	1,189.10	16,097.34	17,255.72	30.72
Yearbook	12,973.20	13,209.65	8,312.12	17,870.73
Student Council	8,193.89	8,342.14	6,316.03	10,220.00
Sales Tax Holding Account	519.96	948.23	1,220.70	247.49
Greenwich K-6 Memory Book	2,156.43	3,609.14	3,836.07	1,929.50
Lacrosse Girls	933.47	714.00	976.00	671.47
SAAD	1,923.59	0.00	140.26	1,783.33
Stop Stop	526.68	206.25	363.98	368.95
Tennis Club	2.75	0.00	2.75	0.00
Totals	\$ 80,156.04	\$ 230,357.26	\$ 225,868.14	\$ 84,645.16

See accompanying notes to financial statements.

Greenwich Central School District
Extraclassroom Activity Funds
Note to Financial Statements

June 30, 2016

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The financial statements of the Extraclassroom Activity Funds of Greenwich Central School District (the District) are prepared on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. The cash basis of accounting, therefore, does not recognize receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States. The more significant principles and policies used by the District are described below.

Reporting Entity

The transactions of the Extraclassroom Activity Funds are included in the reporting entity of Greenwich Central School District. Such transactions are included in the basic financial statements of the District and reported in the Trust and Agency Fund as cash and extraclassroom activity fund balances. Exclusion from the District's financial statements, due to their nature and significance of their relationship with the primary government, would cause the reporting entity's financial statements to be misleading or incomplete.

The Extraclassroom Activity Funds represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. The activities included in this report were formed only for educational and school activity purposes in accordance with District rules and regulations for the conduct, operation, and maintenance of the extraclassroom activities.

Cash

The District's cash consist of cash on hand and demand deposits. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, and obligations of New York State or its localities.

Demand deposits at year-end were entirely covered by FDIC. At June 30, 2016, demand deposits are entirely composed of cash on hand and demand deposit accounts. All deposits are carried at cost, which equals market.

Equity Classifications-FundBalance

Unreserved fund balance consists of the portion of fund balance that has not been designated or reserved.

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REPORT TO THE BOARD

The Board of Education
Greenwich Central School District
Greenwich, NY 12834

We have audited the financial statements of Greenwich Central School District (the "District") for the year ended June 30, 2016, and have issued our report thereon dated September 29, 2016. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Accounting Principles Generally Accepted in the United States of America, Government Auditing Standards, and OMB Circular A-133

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatement may exist and not be detected by us.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, 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. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the District's compliance with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to its major programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide legal determination on the District's compliance with those requirements.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2015. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was Management's estimate of depreciation expense, which is based on the estimated useful lives of the District's capital assets. We evaluated the key factors and assumptions used to develop depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the District's financial reporting process (that is, cause future financial statements to be materially misstated). All proposed adjustments were recorded by the business office staff prior to completion of the audit.

There were no unrecorded proposed adjustments.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the

financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those financial statements, our professional standards require the consulting accountant check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditor

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

Comments and Recommendations

There were no findings or comments to report on the audit for the fiscal year ended June 30, 2016

Extraclassroom Activity Funds Audit

We completed our audit of the Extraclassroom Activity Funds as required under Section 172.3(d) of the Regulations of the Commissioner of Education. We have prepared a separate report on this audit, which is bound with the District's annual report. There were no findings to report from the audit of the extraclassroom activity funds.

Federal Single Audit Requirement

We completed the annual audit of the federally funded programs as required by the Single Audit Act of 1996 and Circular A-133. We have prepared separate reports on this audit that are bound with the district's annual report. We had no findings on noncompliance.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by Troy Tyler and his staff during our examination. Should you have any questions concerning the matters presented herein, we would be pleased to discuss them with you at your convenience.

September 29, 2016

Jenkins, Beecher, & Bethel, LLP