

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**FINANCIAL REPORT**

**JUNE 30, 2013 AND 2012**

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*CBTT*

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
Beekmantown Central School District  
West Chazy, New York

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Beekmantown Central School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the District's 2012 financial statements, and in our report dated October 22, 2012, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

**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 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Beekmantown Central School District, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 through 9), budgetary comparison information (pages 44 & 45) and Schedule of Funding Progress Other Post Employment Benefits Plan (page 49) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our Audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Beekmantown Central School District's basic financial statements as a whole. The Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, Schedule of Certain Revenues and Expenditures Compared to ST-3 Data and Investment In Capital Assets, Net of Related Debt are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Beekmantown Central School District. The Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, Schedule of Certain Revenues and Expenditures Compared to ST-3 Data and Investment In Capital Assets, Net of Related Debt and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic

financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2013, on our consideration of the Beekmantown Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beekmantown Central School District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Conroy, Boulrice, Telling & Trombley, PC".

Conroy, Boulrice, Telling & Trombley, PC  
October 16, 2013

## **Management Discussion and Analysis**

Within this section of the Beekmantown Central School District's annual financial report, the School's management provides narrative discussion and analysis of the financial activities of the School for the fiscal year ended June 30, 2013. The School's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Additional information is available in the auditor's opinion letter, which precedes management's discussion and analysis.

### **Financial Highlights**

- The District received voter approval in May 2008 for renovation of district infrastructure in accordance with the District 5-year Capital Facilities Plan consisting of health and safety renovations, equipment upgrades and other alterations, renovations, and improvements to Cumberland Head Elementary School and the Main Building (K-12 facilities). The total ongoing project has a total estimated cost not to exceed \$6,655,455 using all available state aid including Excel Aid; and
- As of June 30, 2013, under the GASB 34 reporting model, the change in net position was (\$5,063,512). Under the fund accounting model, the change in fund balance was \$1,417,265. The primary reasons for these differences involve other post employment benefits and debt service transactions. For Further details, see the reconciliation on pages 20 and 21.

### **Overview of the Financial Statements**

Management's discussion and analysis introduces the School's basic financial statements. The basic financial statements include: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

### **District-Wide Financial Statements**

The Governmental Accounting Standards Board's Statement #34 requires that reporting financial status take place in a district-wide format. The School's annual report includes two such district-wide financial statements, which provide both long-term and short-term information about the School's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these district-wide statements is the Statement of Net Position. This is a school-wide statement of position presenting information that includes all of the School's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net

position may serve as a useful indicator of whether the overall financial position of the School is improving or deteriorating. In addition to the financial information provided in this report, evaluation of the overall health of the School would extend to other non-financial factors such as diversification of the taxpayer base, the continued financial support of the State and Federal governments, and the condition of the School's infrastructure.

The second district-wide statement is the Statement of Activities. This statement reports how the School's net position changed during the current fiscal year. All current revenues and expenditures are included regardless of when cash is received or paid. An important purpose for the design of the statement of activities is to show the financial reliance of the School's distinct activities or functions on revenues provided by the School's taxpayers.

Both of the district-wide financial statements distinguish government activities of the School that are principally supported by State and Federal sources, intergovernmental revenues, such as operating grants, and revenue from the local tax levy. Fiduciary activities, such as those for which the accounting occurs in the trust and agency fund, are not included in the government-wide statements since these assets are not available to fund the School programs.

The district-wide financial statements are presented on pages 14 and 15 of this report.

### **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The School uses funds to ensure and demonstrate compliance with finance-related law and regulations. Within the basic financial statements, fund financial statements focus on the School's most significant funds rather than the School as a whole. Major funds are reported separately while all others are combined in a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. The School has two kinds of funds:

Governmental Funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide statements, the governmental fund statements focus on the near-term inflows and outflows of resources available for spending. These statements illustrate short-term fiscal accountability in the use of such resources and the balances of such resources at the end of the fiscal year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of such resources for the near-term.

Since the district-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the government fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balance have been reconciled in the notes to the financial statements to assist in understanding the differences between these two perspectives.



Budgetary comparison statements are included in the supplemental financial statements for the General Fund. These statements and schedules demonstrate regulatory compliance with the School's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 16 through 17 of this report.

Fiduciary Funds such as the scholarship accounts, extra-classroom activity balances and other payroll withholdings are reported in the fiduciary fund financial statements, but are excluded from the district-wide reporting. Fiduciary fund financial statements report resources that are not available to fund school programs.

The basic fiduciary fund financial statements are presented on pages 18 and 19 of this report.

### **Notes to Financial Statements**

Notes to Financial Statements provide information essential to a full understanding of the district-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also includes supplementary information beginning on page 45.

## Financial Analysis of the District as a Whole

The District's net position at fiscal year end is \$(10,388,211). This represents a \$5,063,512 decrease from last year's net position of \$(5,324,699). The following table provides a summary of the School's net position:

### Summary of Net Position

	<u>06/30/13</u>	<u>Restated 06/30/12</u>
Current and Other Assets	<b>\$ 13,181,290</b>	\$ 12,437,699
Capital Assets	<b>34,770,177</b>	35,739,115
Total Assets	<b><u>\$ 47,951,467</u></b>	<b><u>\$ 48,176,814</u></b>
Current Liabilities	<b>\$ 11,288,650</b>	\$ 11,866,699
Long-Term Liabilities	<b>47,051,028</b>	41,634,814
Total Liabilities	<b><u>58,339,678</u></b>	<b><u>53,501,513</u></b>
Net Assets		
Invested in Capital Assets, Net of Related Debt	<b>19,176,304</b>	17,332,797
Restricted	<b>4,100,951</b>	3,067,445
Unrestricted	<b>(33,665,466)</b>	(25,724,941)
Total Net Position	<b><u>(10,388,211)</u></b>	<b><u>(5,324,699)</u></b>
Total Liabilities and Net Position	<b><u>\$ 47,951,467</u></b>	<b><u>\$ 48,176,814</u></b>

The following table and supporting graphs provide a summary of revenues, expenses and net position for the year ended June 30, 2013:

Statement of Activities  
Summary of Changes in Net Position

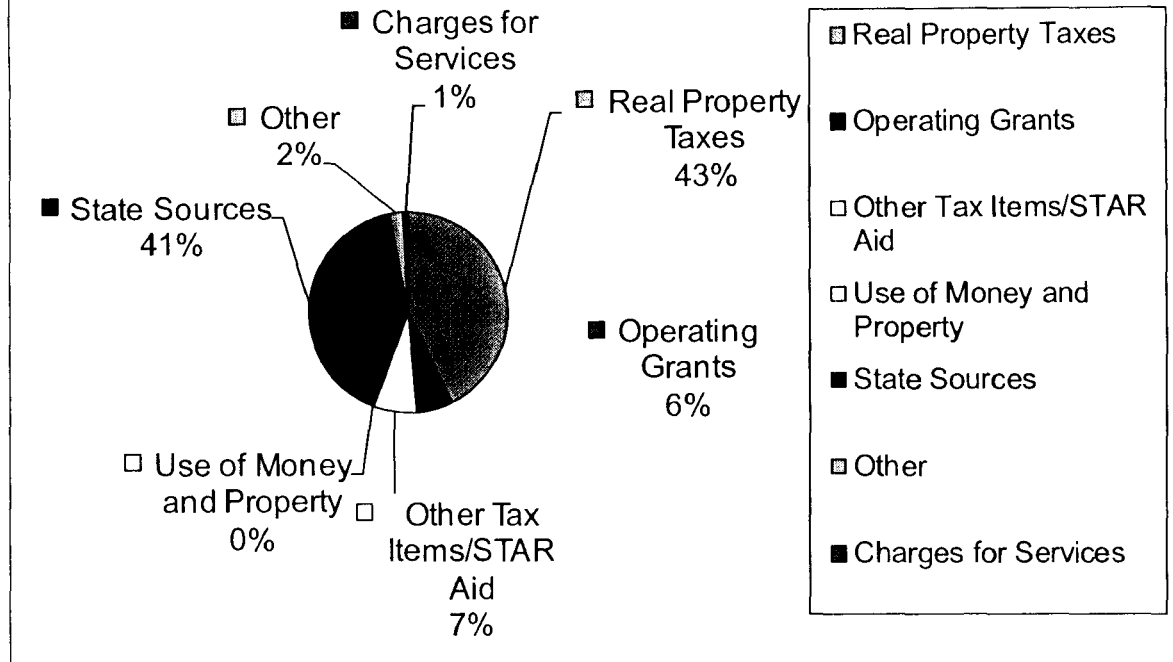
	<u>06/30/13</u>	<u>06/30/12</u>	%
<b>Revenues:</b>			Change
Program Revenues:			
Charges for services	\$ 310,422	\$ 349,997	-11.3%
Operating Grants & Contributions	2,170,699	2,688,132	-19.2%
General Revenues:			
Property Taxes	16,129,523	15,711,862	2.7%
School Tax Relief (STAR)	2,650,970	2,503,012	5.9%
State Formula Aid	15,472,280	16,011,470	-3.4%
Use of Money and Property	49,166	301,881	-83.7%
Miscellaneous	869,806	868,084	0.2%
<b>Total Revenues:</b>	<u>37,652,866</u>	<u>38,434,438</u>	-2.0%
<b>Expenses:</b>			
General Government Support	3,622,609	3,441,121	5.3%
Instruction	18,552,751	21,329,364	-13.0%
Pupil Transportation	1,876,085	1,881,504	-0.3%
Employee Benefits	9,460,961	9,907,648	-4.5%
Employee Benefits, OPEB GASB 45	8,280,360	7,646,982	8.3%
Debt Service – Interest	527,622	467,857	12.8%
Cost of Sales – food	395,990	394,233	0.4%
<b>Total Expenses:</b>	<u>42,716,378</u>	<u>45,068,709</u>	-5.2%
 Increase (decrease) in Net Position:	 (5,063,512)	 (6,634,271)	 -23.7%
 Beginning Net Position	 (5,324,699)	 1,481,187	
 Prior Period Adjustment (Note 13)	 -	 (171,615)	
 Ending Net Position	 <u>\$ (10,388,211)</u>	 <u>\$ (5,324,699)</u>	

Revenues for the District's governmental activities totaled \$37,652,866 while total expenses equaled \$42,716,378. Therefore, the decrease in net position for governmental activities was \$5,063,512 in 2013. The District's financial condition can be credited to:

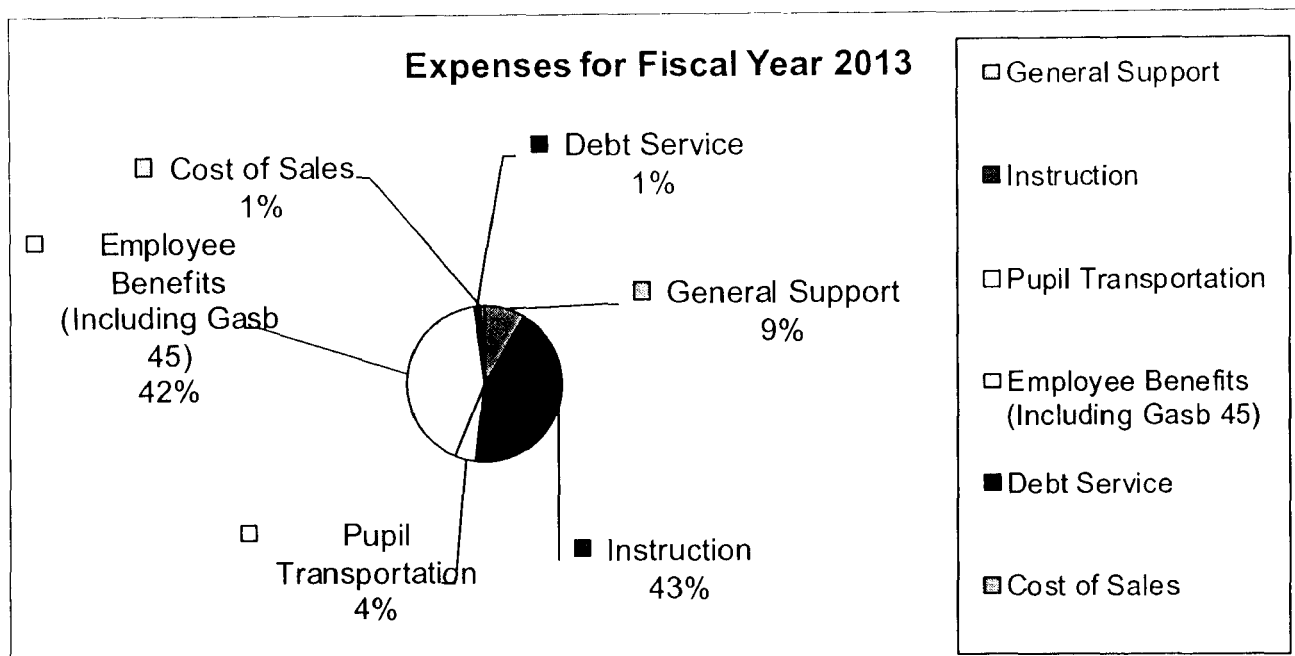
- The Board of Education reaches out to all residents through an active web site, presenting our budget at convenient community locations, and encouraging community input at Board of Education meetings;
- The Audit Committee meets monthly to review and discuss financial documents and, where required, recommends those documents to the full Board of Education for review and approval;

- The Board of Education continually reviews board policies on fiscal management and internal controls and updates them for adherence to applicable laws;
- Internal controls include training for the claims auditor. The claims auditor matches all vendor payment claims and supporting documentation against the warrant report and indicates approval with a signature. Additionally, the claims auditor submits a monthly report of findings to the Board and meets with the audit committee;
- Bank statements are current and necessary documentation is maintained with the statements. The Audit Committee and Board of Education are provided with a current Treasurer's Report each month;
- Health insurance and other employee benefits are reviewed monthly to insure benefits are limited to only participants contractually entitled to such benefits;
- Submitted payrolls are reviewed for accuracy, which includes verifying contractual rates of pay to insure no unnecessary spending and payment. Substitutes are utilized only when necessary;
- Grants are reviewed to verify all expenditures, including payroll and benefits, are paid properly from these grants;
- Termination of employees is documented and unemployment claims are monitored closely;
- The District continues to manage expenditures through the solicitation of competitive bids and requests for proposal. The District also participates in state contract purchasing through the NYS Office of General Services and competitive bidding with St. Lawrence BOCES; and
- Equipment and computers purchased are tracked using a computerized inventory control system.
- During the year ended June 30, 2009, the District implemented GASB45 which requires the District to calculate and report the present value of the future liability for retiree health insurance costs. The District hired an actuary to calculate the liability which is reported in the Statement of Net position at \$35,839,646.
- The Board of Education annually supports professional development in fiscal management and compliance for the business office staff. The Board of Education recruited and appointed an accountant, with auditing experience with the NYS Comptroller's Office, to the District Treasurer's position. Additionally, the Board of Education appointed a Certified Public Accountant to the School Business Executive's position.

## Sources of Revenues for Fiscal Year 2013



Revenue Source	Amount
Real Property Taxes	\$ 16,129,523
Operating Grants	2,170,699
Other Tax Items/STAR Aid	2,650,970
Use of Money and Property	49,166
State Sources	15,472,280
Other	869,806
Charges for Services	310,422
	<u>\$ 37,652,866</u>



Expenditure	Amount
General Support	\$ 3,622,609
Instruction	18,552,751
Pupil Transportation	1,876,085
Employee Benefits (Including Gasb 45)	17,741,321
Debt Service	527,622
Cost of Sales	395,990
	<u>\$ 42,716,378</u>

### Financial Analysis of the School District's Funds

As discussed, the School's governmental funds are reported in the fund statements with a modified accrual basis that focuses on the short-term, inflow and outflow of resources available for spending. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the School District consist of the General Fund, Special Revenue Fund, and Capital Projects Fund.

Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

## Capital Assets and Debt Administration

### Capital Assets

The District's investment in capital assets, net of accumulated depreciation as of June 30, 2013, was \$34,770,177 which represents a decrease of 2.7% from the 2012 balances. The capital assets include renovation of district infrastructure in accordance with the District's 5-year Capital Facilities Plan consisting of health and safety renovations, equipment upgrades and other alterations, renovations, and improvements to Cumberland Head Elementary School and the Main Building (K-12 facilities), at a total estimated cost not to exceed \$6,655,455.

<u>CAPITAL ASSETS</u>			
<u>Net of Accumulated Depreciation</u>			
	<u>2013</u>	<u>Restated 2012</u>	<u>% Change</u>
Non-Depreciable Assets:			
Land	\$ 73,608	\$ 73,608	0.0%
Construction in Progress	5,043,291	4,972,079	1.4%
Depreciable Assets:			
Buildings	28,025,535	28,748,002	-2.5%
Machinery and Equipment	1,627,743	1,945,426	-16.3%
<b>TOTAL</b>	<b>\$ 34,770,177</b>	<b>\$ 35,739,115</b>	<b>-2.7%</b>

### Long Term Debt

At the end of the fiscal year, the District had \$49,486,028 in long-term debt outstanding. More detailed information about the District's long-term liabilities and Bond Anticipation Notes are presented in Note 7 to the financial statements.

	<u>2013</u>	<u>2012</u>	<u>% Change</u>
Compensated Absences	\$ 3,191,382	\$ 3,620,528	-11.9%
Bonds Payable	10,455,000	12,855,000	-18.7%
Other Post Employment Benefits	35,839,646	27,559,286	30.0%
	<b>\$ 49,486,028</b>	<b>\$ 44,034,814</b>	<b>12.4%</b>

### **Factors Bearing on the Future of District**

At the time these financial statements were prepared and audited, the District faces the following existing circumstances that could significantly affect its financial health in the future:

- Condition of State's financial health and the impact this condition will have on state aid.
- Potential increases in the employer's contribution to the Teacher's Retirement System and the Employee Retirement System.
- Increasing cost of health insurance premiums.
- State-wide and District trends indicate declining enrollment
- Long range positive financial relief/benefit resulting from the NYS creation of Tier V and Tier VI class employees.
- Anticipated growth in the local economy stemming from active local economic development efforts, including an Aerospace facility suggest a potential period of growth for District.
- Continued reductions in funding from Federal and State Grants
- Increased number of retirees receiving benefits for longer period of time.

### **Contacting the Financial Managers of the School**

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the School's finances, comply with finance-related laws and regulations and demonstrate the School's commitment to public accountability. If you have questions about this report, or would like to request additional information, please contact:

Beekmantown Central School District Offices  
Attn: Daniel W. Mannix, Superintendent  
37 Eagle Way, West Chazy, NY 12992-2577  
(518) 563-8250 Ext 5501



## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## EXHIBIT 1

STATEMENTS OF NET POSITION  
June 30, 2013 and 2012

	2013	Restated 2012
<b>ASSETS</b>		
Cash:		
Unrestricted	\$ 6,837,061	\$ 6,935,089
Restricted	3,625,217	2,472,560
Receivables:		
Accounts Receivable	1,907	7,235
Due from Fiduciary Funds	103,214	102,282
State and Federal Aid Receivable	1,605,129	1,865,832
Due from Other Governments	535,389	553,404
Inventories	24,443	16,297
Prepaid Expenditures	24,555	-
Deferred Interest	424,375	485,000
Capital Assets, Net	34,770,177	35,739,115
<b>Total Assets</b>	<b>\$ 47,951,467</b>	<b>\$ 48,176,814</b>
<b>LIABILITIES</b>		
Payables:		
Accounts Payable and Accrued Expenses	\$ 254,159	\$ 246,771
Bond Anticipation Notes Payable	6,644,088	7,139,398
Due to Other Governments	115,793	132,501
Due to Fiduciary Funds	354	405
Long-Term Liabilities		
Due and payable within one year:		
Bonds Payable - Current	2,435,000	2,400,000
Compensated Absences	126,624	109,077
Due to Teacher's Retirement System	1,542,183	1,675,872
Due to Employee Retirement System	170,449	162,675
Due and payable after one year:		
Bonds Payable - Non-Current	8,020,000	10,455,000
Compensated Absences Payable	3,191,382	3,620,528
Other post employment benefits	35,839,646	27,559,286
<b>Total Liabilities</b>	<b>58,339,678</b>	<b>53,501,513</b>
<b>NET POSITION</b>		
Investment in Capital Assets, Net of Related Debt	19,176,304	17,332,797
Restricted:		
Debt Service	442,317	561,474
Tax Certiorari	264,845	246,276
Unemployment Insurance	150,458	98,195
Employee Benefit Accrued Liability	2,826,386	1,781,495
Workers Comp Reserve	71,012	85,001
Retirement Reserve	345,933	295,004
Unrestricted	(33,665,466)	(25,724,941)
<b>Total Net Position</b>	<b>(10,388,211)</b>	<b>(5,324,699)</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 47,951,467</b>	<b>\$ 48,176,814</b>

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## EXHIBIT 2

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2013 and 2012

Functions/ Programs	2013			2012
	EXPENSES	PROGRAM REVENUES	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS	
General Support	\$ (3,622,609)	\$ -	\$ 609,239	\$ (3,013,370)
Instruction	(18,552,751)	-	1,561,460	(16,991,291)
Pupil Transportation	(1,876,085)	-	-	(1,876,085)
Employee Benefits	(17,741,321)	-	-	(17,741,321)
Debt Service	(527,622)	-	-	(527,622)
Cost of Sales (School Lunch)	(395,990)	310,422	-	(85,568)
<b>Total Functions and Programs</b>	<b>\$ (42,716,378)</b>	<b>\$ 310,422</b>	<b>\$ 2,170,699</b>	<b>(40,235,257)</b>
<b>General Revenues</b>				
Real Property Taxes			16,129,523	15,711,862
Other Tax Items/STAR Aid			2,650,970	2,503,012
Charges for services			44,266	48,062
Use of Money and Property			49,166	301,881
Sale of Property and Compensation for Loss			2,249	1,781
Miscellaneous			407,521	630,698
State Sources			15,472,280	16,011,470
Federal Sources			415,770	187,543
<b>Total General Revenues</b>			<b>35,171,745</b>	<b>35,396,309</b>
<b>Change in Net Position</b>			<b>(5,063,512)</b>	<b>(6,634,271)</b>
<b>Total Net Position - Beginning of Year</b>			<b>(5,324,699)</b>	<b>1,481,187</b>
<b>Prior Period Adjustment (Note 13)</b>			<b>-</b>	<b>(171,615)</b>
<b>Total Net Position - End of Year</b>			<b>\$ (10,388,211)</b>	<b>\$ (5,324,699)</b>

See Notes to the Financial Statements.

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## EXHIBIT 3

BALANCE SHEETS - GOVERNMENTAL FUNDS  
June 30, 2013 and 2012

	General Fund	Special Revenue	Capital Projects	Debt Service	2013 TOTAL	2012 TOTAL
<b>ASSETS</b>						
Unrestricted Cash	\$ 4,431,949	\$ 256,057	\$ 2,149,055	\$ -	\$ 6,837,061	\$ 6,935,089
Restricted Cash	3,625,217	-	-	-	3,625,217	2,472,560
Accounts Receivable	330	1,577	-	-	1,907	7,235
Due from Other Funds	1,250,943	789,979	359,924	627,196	3,028,042	4,721,690
Due from Fiduciary Funds	103,214	-	-	-	103,214	102,282
Inventories	-	24,443	-	-	24,443	16,297
State & Federal Aid Receivable	762,873	555,090	287,166	-	1,605,129	1,865,832
Prepaid Expenditures	24,555	-	-	-	24,555	-
Due from Other Governments	535,389	-	-	-	535,389	553,404
<b>Total Assets</b>	<u>\$ 10,734,470</u>	<u>\$ 1,627,146</u>	<u>\$ 2,796,145</u>	<u>\$ 627,196</u>	<u>\$ 15,784,957</u>	<u>\$ 16,674,389</u>
<b>LIABILITIES</b>						
Accounts Payable and Accrued Expenses	\$ 93,008	\$ 161,151	\$ -	\$ -	\$ 254,159	\$ 246,771
Bond Anticipation Notes Payable	-	-	6,644,088	-	6,644,088	7,139,398
Due to Other Funds	25,029	1,527,204	1,290,930	184,879	3,028,042	4,721,690
Due to Fiduciary Funds	354	-	-	-	354	405
Due to Other Governments	115,689	104	-	-	115,793	132,501
Due to Teachers' Retirement System	1,542,183	-	-	-	1,542,183	1,675,872
Due to Employees' Retirement System	170,449	-	-	-	170,449	162,675
Compensated Absences	126,624	-	-	-	126,624	109,077
<b>Total Liabilities</b>	<u>2,073,336</u>	<u>1,688,459</u>	<u>7,935,018</u>	<u>184,879</u>	<u>11,881,692</u>	<u>14,188,389</u>
<b>Fund Balances:</b>						
Nonspendable						
Inventories	-	24,443	-	-	24,443	16,297
Restricted						
Tax Certiorari	264,845	-	-	-	264,845	246,276
Unemployment Insurance	150,458	-	-	-	150,458	98,195
Employee Benefit Accrued Liability	2,826,386	-	-	-	2,826,386	1,781,495
Retirement of long-term debt	-	-	-	442,317	442,317	561,474
Workers Comp Reserve	71,012	-	-	-	71,012	85,001
Retirement Reserve	345,933	-	-	-	345,933	295,004
Assigned						
Board of Education	15,611	-	-	-	15,611	2,458
Central Admin	1,536	-	-	-	1,536	-
Finance	30,380	-	-	-	30,380	25,265
Staff	15,829	-	-	-	15,829	5,966
Central Services	428,601	-	-	-	428,601	154,371
Teaching	90,818	-	-	-	90,818	24,491
Programs for Children with Handicap	306,403	-	-	-	306,403	153,296
Instructional Media	39,547	-	-	-	39,547	1,136
Pupil Services	2,004	-	-	-	2,004	409
Pupil Transportation	13,362	-	-	-	13,362	49,764
Employee Benefits	13,305	-	-	-	13,305	-
Appropriated Fund Balance	1,065,000	-	-	-	1,065,000	2,117,949
Unassigned	2,980,104	(85,756)	(5,138,873)	-	(2,244,525)	(3,132,847)
<b>Total Fund Balances</b>	<u>8,661,134</u>	<u>(61,313)</u>	<u>(5,138,873)</u>	<u>442,317</u>	<u>3,903,265</u>	<u>2,486,000</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 10,734,470</u>	<u>\$ 1,627,146</u>	<u>\$ 2,796,145</u>	<u>\$ 627,196</u>	<u>\$ 15,784,957</u>	<u>\$ 16,674,389</u>

See Notes to the Financial Statements.

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## EXHIBIT 4

## COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Years Ended June 30, 2013 and 2012

					2013	2012
	General	Special Revenue	Capital Projects	Debt Service	TOTAL	TOTAL
<b>REVENUES</b>						
Real Property Taxes	\$ 16,129,523	\$ -	\$ -	\$ -	\$ 16,129,523	\$ 15,711,862
Other Tax Items/STAR Aid	2,650,970	-	-	-	2,650,970	2,503,012
Charges for Services	44,266	-	-	-	44,266	48,062
Use of Money and Property	42,283	308	-	6,575	49,166	301,881
Sale of Property and Compensation for Loss	2,249	-	-	-	2,249	1,781
Miscellaneous	321,432	34,712	-	29,205	385,349	630,698
State Sources	15,472,280	422,465	-	-	15,894,745	16,721,633
Federal Sources	415,770	1,680,016	-	-	2,095,786	2,108,973
Surplus Food	-	68,218	-	-	68,218	56,539
Sales (School Lunch)	-	310,422	-	-	310,422	349,997
<b>Total Revenues</b>	<u>35,078,773</u>	<u>2,516,141</u>	<u>-</u>	<u>35,780</u>	<u>37,630,694</u>	<u>38,434,438</u>
<b>EXPENDITURES</b>						
General Support	3,050,501	373,507	-	-	3,424,008	3,236,676
Instruction	16,769,789	1,202,301	-	-	17,972,090	20,720,475
Pupil Transportation	1,570,051	11,321	-	-	1,581,372	1,581,327
Employee Benefits	9,245,197	644,910	-	-	9,890,107	10,053,208
Debt Service	585,307	-	-	2,777,000	3,362,307	3,441,897
Cost of Sales (School Lunch)	-	395,990	-	-	395,990	394,233
Capital Outlay	-	-	82,865	-	82,865	382,968
<b>Total Expenditures</b>	<u>31,220,845</u>	<u>2,628,029</u>	<u>82,865</u>	<u>2,777,000</u>	<u>36,708,739</u>	<u>39,810,784</u>
<b>OTHER SOURCES AND USES</b>						
Bond Anticipation Notes Redeemed From Appropriations	-	-	495,310	-	495,310	494,040
Interfund Transfers In	-	159,502	-	2,622,063	2,781,565	2,848,872
Interfund Transfers (Out)	(2,781,565)	-	-	-	(2,781,565)	(2,848,872)
Proceeds of Refunding Bonds	-	-	-	-	-	15,821,855
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	(15,821,855)
<b>Total Other Sources and (Uses)</b>	<u>(2,781,565)</u>	<u>159,502</u>	<u>495,310</u>	<u>2,622,063</u>	<u>495,310</u>	<u>494,040</u>
<b>Excess (Deficiency) Revenues and Other Sources Over Expenditures and Other Uses</b>	1,076,363	47,614	412,445	(119,157)	1,417,265	(882,306)
<b>Fund Balance, Beginning of Year</b>	<u>7,584,771</u>	<u>(108,927)</u>	<u>(5,551,318)</u>	<u>561,474</u>	<u>2,486,000</u>	<u>3,368,306</u>
<b>Fund Balance, End of Year</b>	<u>\$ 8,661,134</u>	<u>\$ (61,313)</u>	<u>\$ (5,138,873)</u>	<u>\$ 442,317</u>	<u>\$ 3,903,265</u>	<u>\$ 2,486,000</u>

See Notes to the Financial Statements.

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## EXHIBIT 5

STATEMENTS OF FIDUCIARY NET POSITION  
June 30, 2013 and 2012

	Private Purpose Trust	Agency	<u>2013</u> Total	<u>2012</u> Total
<b>ASSETS</b>				
Cash	\$ 22,795	\$ 209,460	\$ 232,255	\$ 240,231
Due from Other Funds	<u>-</u>	<u>354</u>	<u>354</u>	<u>405</u>
<b>Total Assets</b>	<u>\$ 22,795</u>	<u>\$ 209,814</u>	<u>\$ 232,609</u>	<u>\$ 240,636</u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ -	\$ 103,214	\$ 103,214	\$ 102,282
Extraclassroom Activities Balances	<u>-</u>	<u>106,600</u>	<u>106,600</u>	<u>116,752</u>
<b>Total Liabilities</b>	<u>-</u>	<u>209,814</u>	<u>209,814</u>	<u>219,034</u>
<b>NET POSITION</b>				
Reserved for Scholarships	<u>22,795</u>	<u>-</u>	<u>22,795</u>	<u>21,602</u>
<b>Total Net Position</b>	<u>22,795</u>	<u>-</u>	<u>22,795</u>	<u>21,602</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 22,795</u>	<u>\$ 209,814</u>	<u>\$ 232,609</u>	<u>\$ 240,636</u>

See Notes to the Financial Statements

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## EXHIBIT 6

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
	<u>Private Purpose Trust</u>	<u>Private Purpose Trust</u>
<b>ADDITIONS</b>		
Gifts and Contributions	\$ 17,699	\$ 18,073
Investment Earnings	84	29
<b>Total Additions</b>	<u>17,783</u>	<u>18,102</u>
<b>DEDUCTIONS</b>		
Scholarships and awards	<u>16,590</u>	<u>23,050</u>
<b>Total Deductions</b>	<u>16,590</u>	<u>23,050</u>
<b>Changes in Net Position</b>	1,193	(4,948)
<b>Net Position, Beginning of Year</b>	<u>21,602</u>	<u>26,550</u>
<b>Net Position, End of Year</b>	<u>\$ 22,795</u>	<u>\$ 21,602</u>

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

EXHIBIT 7

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2013

	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
<b>ASSETS</b>				
Unrestricted Cash	\$ 6,837,061	\$ -	\$ -	\$ 6,837,061
Restricted Cash	3,625,217	-	-	3,625,217
Accounts Receivable	1,907	-	-	1,907
Due from Other Funds	3,028,042	-	(3,028,042)	-
Due from Fiduciary Funds	103,214	-	-	103,214
State & Federal Aid Receivable	1,605,129	-	-	1,605,129
Due from Other Governments	535,389	-	-	535,389
Inventories	24,443	-	-	24,443
Prepaid Expenditures	24,555	-	-	24,555
Deferred Interest	-	424,375	-	424,375
Capital Assets, Net	-	34,770,177	-	34,770,177
<b>Total Assets</b>	<b>\$ 15,784,957</b>	<b>\$ 35,194,552</b>	<b>\$ (3,028,042)</b>	<b>\$ 47,951,467</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	\$ 254,159	\$ -	\$ -	\$ 254,159
Bond Anticipation Notes Payable	6,644,088	-	-	6,644,088
Due to Other Funds	3,028,042	-	(3,028,042)	-
Due to Fiduciary Funds	354	-	-	354
Due to Other Governments	115,793	-	-	115,793
Due to Teacher's Retirement System	1,542,183	-	-	1,542,183
Due to Employee's Retirement System	170,449	-	-	170,449
Bonds Payable	-	10,455,000	-	10,455,000
Compensated Absences	126,624	3,191,382	-	3,318,006
Other post employment benefits	-	35,839,646	-	35,839,646
<b>Total Liabilities</b>	<b>11,881,692</b>	<b>49,486,028</b>	<b>(3,028,042)</b>	<b>58,339,678</b>
<b>FUND EQUITY/NET POSITION</b>				
<b>Total Fund Equity/ Net Position</b>	<b>3,903,265</b>	<b>(14,291,476)</b>	<b>-</b>	<b>(10,388,211)</b>
<b>Total Liabilities and Fund Equity/ Net Position</b>	<b>\$ 15,784,957</b>	<b>\$ 35,194,552</b>	<b>\$ (3,028,042)</b>	<b>\$ 47,951,467</b>

See Notes to the Financial Statements

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

EXHIBIT 8

RECONCILIATION OF GOVERNMENTAL FUNDS - REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES  
 Year Ended June 30, 2013

	TOTAL GOVERNMENT FUNDS	LONG-TERM REVENUE EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTION	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
<b>REVENUES</b>						
Real Property Taxes	\$ 16,129,523	\$ -	\$ -	\$ -	\$ -	\$ 16,129,523
Other Tax Items/STAR Aid	2,650,970	-	-	-	-	2,650,970
Charges for Services	44,266	-	-	-	-	44,266
Use of Money and Property	49,166	-	-	-	-	49,166
Sale of Property and Compensation for Loss	2,249	-	-	-	-	2,249
Miscellaneous	385,349	-	22,172	-	-	407,521
State Sources	15,894,745	-	-	-	-	15,894,745
Federal Sources	2,095,786	-	-	-	-	2,095,786
Surplus Food	68,218	-	-	-	-	68,218
Sales (School Lunch)	310,422	-	-	-	-	310,422
<b>Total Revenues</b>	<b>37,630,694</b>	<b>-</b>	<b>22,172</b>	<b>-</b>	<b>-</b>	<b>37,652,866</b>
<b>EXPENDITURES</b>						
General Support	3,424,008	-	198,601	-	-	3,622,609
Instruction	17,972,090	-	580,661	-	-	18,552,751
Pupil Transportation	1,581,372	-	294,713	-	-	1,876,085
Employee Benefits	9,890,107	7,851,214	-	-	-	17,741,321
Debt Service	3,362,307	60,625	-	(2,400,000)	(495,310)	527,622
Cost of Sales (School Lunch)	395,990	-	-	-	-	395,990
Capital Outlay	82,865	-	(82,865)	-	-	-
<b>Total Expenditures</b>	<b>36,708,739</b>	<b>7,911,839</b>	<b>991,110</b>	<b>(2,400,000)</b>	<b>(495,310)</b>	<b>42,716,378</b>
<b>OTHER SOURCES AND USES</b>						
Bond Anticipation Notes Redeemed	495,310	-	-	-	(495,310)	-
Operating Transfers In	2,781,565	-	-	-	(2,781,565)	-
Operating Transfers (Out)	(2,781,565)	-	-	-	2,781,565	-
Proceeds of Refunding Bonds	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-
<b>Total Other Sources and Uses</b>	<b>495,310</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(495,310)</b>	<b>-</b>
<b>Net Change for the Year</b>	<b>\$ 1,417,265</b>	<b>\$ (7,911,839)</b>	<b>\$ (968,938)</b>	<b>\$ 2,400,000</b>	<b>\$ -</b>	<b>\$ (5,063,512)</b>

See Notes to the Financial Statements



## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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#### Note 1. Summary of Significant Accounting Policies

The general purpose financial statements of Beekmantown Central School District have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing governmental accounting and financial reporting principles.

- A. Financial Reporting Entity: The Beekmantown Central School District Board of Education is the basic level of government, which has financial accountability and control over all activities related to the District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in GASB pronouncements, since Board members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

The general-purpose financial statements include all funds of the District as well as the component units and other organizational entities determined to be includable in the District's financial reporting entity

- B. Extraclassroom Activity Funds - The Extraclassroom Activity Funds of the Beekmantown Central School 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. The cash and investment balances are reported in the Fiduciary Funds of the District. Separate audited general financial statements (cash basis) of the Extraclassroom Activity Funds can be found attached to the general-purpose financial statements.
- C. Joint Venture - The Beekmantown Central School District is one of 17 component school districts in the Clinton/Essex/Warren/Washington Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support activities.

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation. In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the General Municipal Law.

A BOCES budget is comprised of separate budgets for administrative, program, and capital cost. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7).

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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#### Note 1. Summary of Significant Accounting Policies (continued)

During the year ended June 30, 2013, the District was billed \$3,093,282 for BOCES administrative and program cost and received \$1,041,716 representing the District's share of BOCES aid.

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

#### D. Basis of presentation

##### 1. 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 nonexchange transactions.

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. Program revenues include charges paid by the recipients of good or services offered by the programs, and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

##### 2. Fund Functional 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. Nonmajor funds are aggregated and presented in a single column. Beekmantown Central School District elects to report all governmental funds as major funds.

Governmental Fund Types: Governmental funds are those funds used to account for, and report, the operations of the District. The acquisition, use and balances of financial resources and related assets and liabilities are reported

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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### Note 1. Summary of Significant Accounting Policies (continued)

therein. The measurement focus is the determination of changes in financial position rather than net income determination. The following funds and aggregate governmental fund types are employed in accounting for and reporting District operations:

General Fund - the general fund is the principal operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

Special Aid Fund - used to account for Federal and State special program activities.

School Lunch Fund- used to account for transactions for the District food service programs.

Capital Projects Fund - the capital projects funds are to account for and report financial resources to be used for acquisition, construction or renovation of major capital facilities, or equipment.

Debt Service Fund – the debt service fund is used to account for the financial resources used for acquisition, construction, or major repairs of capital facilities.

Fiduciary Fund Types: Fiduciary fund types consist of Expendable and Nonexpendable Trust and Agency Funds and are used to account for and report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

### E. Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On a modified accrual basis, revenue from property taxes is recognized by estimating how much will be collected during the ensuing fiscal year. Revenue from grants and donations is

BEEKMANTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

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**Note 1. Summary of Significant Accounting Policies (continued)**

recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental 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. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within the subsequent fiscal year.

Expenditures are recorded when the related fund liability is incurred except for:

- a. Prepays and inventory-type items are recognized at the time of purchase.
  - b. Principal and interest on indebtedness are not recognized as an expenditure until due.
  - c. Compensated absences, such as sick leave, which vests or accumulates, are charged as an expenditure when paid.
  - d. Pension costs are recognized as an expenditure when billed by the state.
  - e. The District recognizes the cost of providing post retirement health insurance coverage and survivor benefits by recording its share of insurance premiums as an expenditure in the year paid.
- F. Cash and Cash Equivalents: For financial statement purposes, all highly liquid investments having maturities of three months or less are considered as cash equivalents.
- G. Inventories: Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis or in the case of surplus food, at stated value, which approximates market. Purchases of items (which could be inventoried) in other funds are recorded as expenditures at the time of purchase.
- H. Capital Assets: Acquisitions of equipment and capital facilities are treated as expenditures in the various funds of the District, and are capitalized when cost of acquisition exceeds \$1,500. The assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at estimated fair market value at the time received.
- I. Deferred Revenue: Deferred revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability of deferred revenues is removed and revenues are recognized.

BEEKMANTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

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**Note 1. Summary of Significant Accounting Policies (continued)**

- J. Deferred Compensation: Employees of the District may elect to participate in an Employees Deferred Compensation Plan created in accordance with Internal Revenue Code Section 403(b). The plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.
- K. Post-Employment Benefits: In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. The cost of providing post-retirement benefits is paid by the District or is shared between the District and the retired employee, depending on length of service and/or classification of employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums for retirees and their dependents as an expenditure or operating transfer to other funds in the General Fund in the year paid.
- L. Property Taxes: Real property taxes are levied annually by the Board of Education no later than September 1st. Uncollected real property taxes are subsequently enforced by the County of Clinton. An amount representing uncollected real property taxes is transmitted to the county for enforcement and is paid by the county to the District no later than the forthcoming April 1st.

M. Equity Classifications:

District- wide statements:

In the district-wide statements there are three classes of net position:

Net investment in capital assets – consists of net capital 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 or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

BEEKMANTOWN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

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Note 1. Summary of Significant Accounting Policies (continued)

Fund statements:

In the fund basis statements there are five classifications of fund balance:

**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 \$24,443.

**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:

Employee Benefits Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due to 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.

Unemployment Insurance

According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

Tax Certiorari

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

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

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### Note 1. Summary of Significant Accounting Policies (continued)

#### Workers' Compensation

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 gets applied to appropriations of the next succeeding fiscal year's budget.

#### 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 fund must be provided to the Board.

#### Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve 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.

**Committed** – Includes amounts that can only be used for 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, 2013.

**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 \$957,396.

**Unassigned** – Includes all other General Fund net position that do not meet the definition of the above four classifications and are deemed to be available for general use by the School 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. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

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### Note 1. Summary of Significant Accounting Policies (continued)

#### Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as 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.

#### N. Budgetary Procedures and Budgetary Accounting

1. Budget Policies - The District administration prepares a proposed budget for approval by the Board of Education for the following governmental fund types:  
General Fund

The voters within the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which 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.

2. Budget Basis of Accounting - Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. The budget and actual comparison for the General Fund, included in the Combined Statement of Revenues and Expenditures - Budget and Actual, reflects budgeted and actual amounts for funds with legally authorized (appropriated) budgets.

#### P. Events Occurring After Reporting Date

The District has evaluated events and transactions that occurred between June 30, 2013 and October 16, 2013, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.



# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

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### Note 1. Summary of Significant Accounting Policies (continued)

#### Q. Estimates

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

#### R. Reclassifications

Certain amounts in the 2012 financial statements may have been reclassified to conform to the 2013 presentation.

#### S. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2013, the District implemented the following new standard issued by GASB:

GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of resources, and Net Position*.

GASB 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, and amends the net asset reporting provisions of GASB 34 by incorporating deferred inflows and outflows into the definitions of the residual measure and by renaming that measure as net position, rather than net assets.

### 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 differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources of the governmental funds.

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

Total fund balances of the District's governmental funds differs 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.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

### Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year 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, with their original costs capitalized and depreciation expensed annually over their useful lives.

Original cost of capital assets	\$ 50,985,838
Accumulated depreciation	<u>16,215,661</u>
Capital assets, net	<u>\$ 34,770,177</u>

Because the governmental funds focus on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred revenue in the governmental funds, and thus are not included in the fund balance. They are, however, included in the net position of the governmental activities. As of June 30, 2013 the District did not have any assets unavailable to pay for current-period expenditures.

Long-term liabilities are reported in the Statements 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 payable and other long-term debt	\$ 10,455,000
Compensated absences	3,191,382
Other post employment benefits	<u>35,839,646</u>
	<u>\$ 49,486,028</u>

#### 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:

##### 1. 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.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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### Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

#### 2. 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.

#### 3. Long-Term Debt Transaction Differences

Long-term debt transaction differences occur as a result of proceeds from serial bonds reflected as revenue in governmental funds whereas they are a liability on the statement of net position. Also 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. Following are reconciliations of revenues and expenditures Governmental Funds to Statement of Activities.

#### 4. Other Post-Employment Benefits

Other post-employment benefits occur because retiree health insurance premiums are paid and recorded as expenditures in the governmental fund statements as incurred. GASB 45 requires an actuarial calculation of the future liability and to record the Net OPEB Obligation in the Statement of Net Position.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)**

Explanation of Differences Between Governmental Funds Operating Statement  
and the Statement of Activities

Total Revenues and other Funding Sources

**Revenues:**

Total Revenue reported in Governmental Funds (Exhibit 4)	\$ 37,630,694
Value of donated equipment	<u>22,172</u>
Total Revenues Statement of Activities (Exhibit 8)	<u><u>\$ 37,652,866</u></u>

**Expenditures:**

Total expenditures reported in governmental funds (Exhibit 4)	\$ 36,708,739
In the Statement of Activities, certain operating expenses - compensated absences (vacations) and special termination benefits (early retirement) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences used exceeded the amount earned during the year. (Exhibit 8)	(429,146)
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 their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense was more than capital expenditures in the current year. (Exhibit 8)	991,110
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Assets, and does not effect the Statement of Activities, (Exhibit 8)	(2,400,000)
Amortization of deferred interest	60,625

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

### Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

The payment of Other Post-Employment Benefits (OPEB) is recorded in the governmental funds as expenditures when incurred. However, in the Statement of Activities, the current cost plus the actuarial cost of future benefits are combined and recognized as an expense. This is the amount by which the Annual OPEB Cost exceeded the premiums paid.	8,280,360
Repayment of bond anticipation notes is an expenditure in the General Fund and other sources of income in the Capital Project's Fund. A reclassifying entry to offset these amounts reduces both expenditures and other sources of income in the Statement of Activities. (Exhibit 8)	<u>(495,310)</u>
Total expenses of governmental activities in the Statement of Activities (Exhibit 2)	<u>\$ 42,716,378</u>
<u>Other Sources and Uses:</u>	
Total other sources and uses in government funds (Exhibit 4)	\$ 495,310
Repayment of bond anticipation notes is an expenditure in the General Fund and other sources of income in the Capital Project's fund. A reclassifying entry to offset these amounts reduces both expenditures and other sources of income in the Statement of Activities. (Exhibit 8)	<u>(495,310)</u>
Total other sources and uses in Statement of Activities (Exhibit 8)	<u>\$ -</u>

### Note 3. Cash and Investments

The District's investment policies are governed by State statutes and the District's own written policy. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the U.S. Treasury and U.S. 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 Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and Districts.

At June 30, 2013, the District's bank balances totaled \$11,918,243 of which, \$250,000 was covered by Federal depository insurance \$11,668,243 was covered by collateral held by the pledging banks in the District's name.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

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**Note 4. Interfund Balances and Activity**

Interfund balances and activity at June 30, 2013 and for the fiscal year then ended, were as follows:

Fund Type	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General	\$ 1,354,157	\$ 25,383	\$ -	\$ 2,781,565
Capital	359,924	1,290,930	-	-
Special Revenue:				
School Lunch	-	171,532	159,502	-
Special Aid	789,979	1,355,672	-	-
Debt Service	627,196	184,879	2,622,063	-
Trust and Agency	354	103,214	-	-
Total	<u>\$ 3,131,610</u>	<u>\$ 3,131,610</u>	<u>\$ 2,781,565</u>	<u>\$ 2,781,565</u>

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

The District typically transfers money from the General Fund to the Debt Service Fund, where it makes principal and interest payments on the District's bonds.

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

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

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

### Note 5. Capital Assets

The following is a summary of changes in capital assets:

	Restated June 30, 2012 Balance	Additions	Retirements/ Reclassifications	June 30, 2013 Balance
Governmental Activities				
Capital Assets that are not Depreciated:				
Land	\$ 73,608	\$ -	\$ -	\$ 73,608
Construction in Progress	4,972,079	82,865	(11,653)	5,043,291
Total Nondepreciable Historical Cost	\$ 5,045,687	\$ 82,865	\$ (11,653)	\$ 5,116,899
Capital Assets that are Depreciated:				
Buildings	\$ 40,996,097	\$ 23,422	\$ -	\$ 41,019,519
Machinery and Equipment	5,281,414	72,699	(504,693)	4,849,420
Total Depreciable Historical Cost	46,277,511	96,121	(504,693)	45,868,939
Less Accumulated Depreciation:				
Buildings	12,248,095	745,889	-	12,993,984
Machinery and Equipment	3,335,988	390,382	(504,693)	3,221,677
Total Accumulated Depreciation	15,584,083	1,136,271	(504,693)	16,215,661
Total Depreciable Historical Cost, Net	\$ 30,693,428	\$ (1,040,150)	\$ -	\$ 29,653,278
Total Capital Assets, Net	\$ 35,739,115	\$ (957,285)	\$ (11,653)	\$ 34,770,177

### Note 6. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation 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 are granted vacation in varying amounts, based primarily on length of service and service position.

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 fund statements only the amount of matured liabilities is accrued within the General Fund

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

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**Note 6. Compensated Absences (continued)**

based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

**Note 7. Indebtedness**Short-term Debt:

Bond Anticipation Notes – Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of the bonds. Such notes may be classified as long-term debt when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. Although the District's bus purchase BANs mature in one year, each year the School District pays only one-fifth of the original amount of the BAN and renews the balance due so that the entire amount is paid off in five years. The School District has three BANs as described above. The interest rates on these BANs are 1.34%. These BANs had an outstanding balance of \$462,633 at June 30, 2013. The remaining BAN is for a construction project.

## BANs Outstanding:

Payee	Interest Rate	Date Issued	Maturity Date	Purpose	Balance 06/30/13
Glens Falls National Bank and Trust Company	1.34%	08/05/12	08/04/13	Bus Purchases	\$ 150,319
Glens Falls National Bank and Trust Company	1.34%	08/05/12	08/10/13	Bus Purchases	241,533
Glens Falls National Bank and Trust Company	1.34%	08/27/12	08/26/13	Bus Purchases	70,781
Jefferies & Co	1.00%	07/06/12	07/05/13	Construction	6,181,455
					<u>\$ 6,644,088</u>

Interest expense on the District's BAN obligations amounted to \$89,997 for 2012-2013.



# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

### Note 7. Indebtedness (continued)

Long-term Debt: On June 15, 2004, the District issued long-term serial bonds in the amount of \$27,875,000 to finance its district-wide renovation project. In May 2012, the District advance refunded the remaining \$14,850,000 of serial bonds, resulting in a new balance of \$15,335,000. The increase of \$485,000 will be amortized over eight years as an adjustment to interest expense, beginning in the fiscal year ended June 30, 2013. Interest expense on the District's bond obligations amounted to \$377,000 for 2012-2013.

The following is a summary of changes in long-term debt:

	Balance 06/30/12	Additions	Deletions	Balance 06/30/13
Serial Bonds	\$ 12,855,000	\$ -	\$ 2,400,000	\$ 10,455,000
Compensated Absences	3,620,528	-	429,146	3,191,382
Other Post Employment Benefits	27,559,286	8,280,360	-	35,839,646
Total	\$ 44,034,814	\$ 8,280,360	\$ 2,829,146	\$ 49,486,028

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

Serial Bonds are comprised of the following:

Description of Issue	Issue Date	Maturity Date	Interest Rate	Outstanding at 6/30/13
Serial Bond	05/10/12	06/30/20	2.0-5.0%	\$ 10,455,000
Total				\$ 10,455,000

The following is a summary of debt service requirements for General Obligation Bonds, Notes and other long-term debt:

Fiscal Year Ending June 30:	Principal	Interest	Total
2014	\$ 2,435,000	\$ 329,000	\$ 2,764,000
2015	2,495,000	255,950	2,750,950
2016	2,575,000	156,150	2,731,150
2017	1,340,000	104,650	1,444,650
2018	530,000	37,650	567,650
2019-2023	1,080,000	43,400	1,123,400
	\$ 10,455,000	\$ 926,800	\$ 11,381,800

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

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### **Note 7. Indebtedness (continued)**

On May 10, 2012, \$15,335,000 in general obligation bonds with interest rates varying between 2.0% and 5.0% were issued to advance refund \$14,850,000 of outstanding bonds with interest rates varying between 4.0% and 5.0%. The net proceeds of \$15,821,855 (after payment of \$165,412 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding decreases total debt service payments over the next 8 years by approximately \$457,000.

### **Note 8. Post-Employment Benefits**

The District provides post employment (health insurance, etc) 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. Post employment benefits aggregating \$2,362,567 for 284 employees were charged to expenses/ expenditures in the Governmental Funds in the current year.

The District implemented GASB Statement #45, Accounting and Financial Reporting by employers for Post-employment Benefits Other than Pensions, in the school year ended June 30, 2009. 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.

The District has obtained an actuarial valuation report for the year ended June 30, 2013, which indicates that the total liability for other post employment benefits is \$35,839,646, which is reflected in the Statement of Net position.

**Annual OPEB Cost and Net OPEB Obligation:** The District's annual other post-employment 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 over a period not to exceed 30 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:

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 8. Post-Employment Benefits (continued)**

	<u>06/30/13</u>	<u>06/30/12</u>	<u>06/30/11</u>
Annual required contribution	\$ 11,357,969	\$ 10,405,774	\$ 9,767,386
Interest on net OPEB obligation	1,102,371	796,492	505,961
Adjustment to annual required contribution	<u>(1,657,993)</u>	<u>(1,172,500)</u>	<u>(729,910)</u>
Annual OPEB cost (expense)	10,802,347	10,029,766	9,543,438
Contributions made	<u>(2,521,987)</u>	<u>(2,382,784)</u>	<u>(2,280,171)</u>
Increase in net OPEB obligation	8,280,360	7,646,982	7,263,267
Net OPEB obligation - beginning of year	27,559,286	19,912,304	12,649,037
Net OPEB obligation - end of year	<u>\$ 35,839,646</u>	<u>\$ 27,559,286</u>	<u>\$ 19,912,304</u>
Annual OPEB Cost	\$ 10,802,347	\$ 10,029,766	\$ 9,543,438
Percentage of Annual OPEB Cost Contributed	23.3%	23.8%	23.9%
Net OPEB Obligation at end of year	\$ 35,839,646	\$ 27,559,286	\$ 19,912,304

Funding Status and Funding Progress: As of June 30, 2013, the actuarial accrued liability for benefits was \$105,254,296 all of which was unfunded. The covered payroll for all active employees was \$18,531,976, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 568%. 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 expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financials statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial 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.

The following simplifying assumptions were made:

Retirement age for active employees – Retirement age was based on the experience under the NYS & Local Retirement System.

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

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#### Note 8. Post-Employment Benefits (continued)

Marital status – It is assumed that 70% of retirees will be married at the time of their retirement.

Mortality – Life expectancies were based on The RP-2000 Mortality Table for males and females.

Turnover – Turnover was based on the experience under the NYS & Local Retirement System.

Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums was initially set at 6.75% using the SOA Long-Run Medical Cost Trend Model.

Discount rate – A 4% discount was used.

The unfunded actuarial accrued liability is being amortized over a level period of 30 years. The remaining amortization period at June 30, 2013 was 25 years.

#### Note 9. Pension Plans

Pension Plans: Beekmantown Central School District participates in the New York State and local Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS). 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 administers NYSTRS. NYSTRS 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. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information. The Report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

The New York State and Local Employees' Retirement System (NYSERS) provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law (NYSRSSL) govern obligations of employers and employees to contribute and benefits to employees. NYSERS issues a publicly available financial report that includes financial statements and required supplementary information. The Report may be obtained by writing to The New York State and Local Employees' Retirement System, Office of the State Comptroller, 110 State Street, Albany, NY 12244.

##### Funding Policies

The Systems are noncontributory for the employee who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

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### Note 9. Pension Plans (continued)

10 years are no longer required to contribute. For employees who joined after January 1, 2010, employees in NYSERS contribute 3% of their salary throughout their active membership and those in NYSTRS contribute 3.5% throughout their active membership. For the New York State and Local Employees' Retirement System, the Comptroller certifies the 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, rates are established annually for NYSTRS by the New York State Teachers' Retirement Board.

The District is required to contribute at an actuarially determined rate, currently, 11.84% for TRS based on the annual covered payroll for the fiscal year ended June 30, 2013. Rates applicable to the fiscal years ended June 30, 2012 and 2011 were respectively, 11.11% and 8.62%. The District's contributions made to the Systems were equal to 100% of the contributions required for each year.

The required contributions for the current year and two preceding years were:

Year	ERS	TRS
2013	\$ 591,933	\$ 1,677,181
2012	\$ 644,889	\$ 1,398,048
2011	\$ 378,075	\$ 1,030,672

### Note 10. Commitments and Contingencies

Risk Financing and Related Insurance - The Beekmantown Central School District is exposed to the risk of various types of loss which includes torts; theft of, damage to, and destruction of assets; and injuries to employees and students. These risks, and settled claims, 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.

The District incurs costs related to an employee health insurance plan (Plan) sponsored by Clinton-Essex-Warren-Washington BOCES and its component districts. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risk reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2013

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### Note 10. Commitments and Contingencies (continued)

The District is a defendant in certain lawsuits arising out of the ordinary course of business. While the outcome of lawsuits and other proceedings against the District cannot be predicted with certainty, the District does not expect that these matters will have a material adverse effect on its financial position.

The District has received Federal and State Aid/Grants which are subject to audit by agencies of the Federal and State governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. The District believes disallowances, not previously provided for, if any, will be immaterial.

Operating Leases - The District leases property and equipment under operating leases. Total rental expenditures on such leases for the fiscal year ended June 30, 2013 were approximately \$6,570.

Estimated future rents to be paid under this lease are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2014	\$ 6,570
2015	5,475
Total	<u>\$ 12,045</u>

Litigation – The District is aware of various petitions for tax certiorari proceedings which if successful would expose the district to significant tax refunds to the landowners. A reserve for tax certiorari is established and funded for \$264,845. The District is aware of petitions totaling \$260,798.

### Note 11. Stewardship, Compliance and Accountability

The District's unassigned general fund balance was in excess of the New York State Real Property Tax Law Section 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The unassigned fund balance at June 30, 2013 was \$2,980,104, which represents 7.92% of next year's budget. The excess amounted to \$1,474,401.

The Capital Projects Fund had a deficit fund balance of \$5,138,873. This will be funded as the General Fund transfers monies to the Capital Projects Fund to make the principal payments on the outstanding BANs and with the issuance of Bonds.

The Special Revenue Fund had a deficit fund balance of \$61,313 in the school lunch fund at June 30, 2013. The Board of Education appropriated a transfer from the General Fund for the 2014 year end in the amount of \$51,626.

### Note 12. Prior Period Information

Comparative prior period information has been presented in summary form. This information was derived from the District's June 30, 2012 financial statements, and in our report dated October 22, 2012, we expressed an unqualified opinion.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

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**Note 13. Prior Period Adjustment**

During the year ended June 30, 2013, the District changed fixed asset management vendors. During the transition, errors were discovered in the June 30, 2012 fixed asset inventory that consisted mainly of assets on the list that no longer existed and depreciation errors. The adjustments were as follows:

	<b>06/30/12</b>		<b>06/30/12</b>
	<b>As Previously</b>	<b>Prior Period</b>	<b>As</b>
	<b>Reported</b>	<b>Adjustment</b>	<b>Restated</b>
Depreciable Historical Cost	\$ 51,322,377	\$ 821	\$ 51,323,198
Accumulated Depreciation	(15,411,647)	(172,436)	(15,584,083)
Depreciable Historical Cost, Net	<u>\$ 35,910,730</u>	<u>\$ (171,615)</u>	<u>\$ 35,739,115</u>

**Note 14. Subsequent Event**

Subsequent to June 30, 2013, the District received several tax certiorari claims which total approximately \$273,000. A Board resolution dated October 8, 2013 transferred \$232,174.31 from Unassigned Fund Balance to the Tax Certiorari Reserve. Additional transfers are expected to reserve for the balance of the claims.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**Combining Balance Sheet - Special Revenue Funds**  
**June 30, 2013 and 2012**

	Special Aid	School Lunch	2013 Total	2012 Total
<b>ASSETS</b>				
Unrestricted Cash	\$ 178,396	\$ 77,661	\$ 256,057	\$ 158,222
Account Receivable	-	1,577	1,577	6,518
State and Federal Aid Receivable	548,434	6,656	555,090	694,345
Due from Other Funds	789,979	-	789,979	1,342,490
Inventories	-	24,443	24,443	16,297
<b>Total Assets</b>	<b>\$ 1,516,809</b>	<b>\$ 110,337</b>	<b>\$ 1,627,146</b>	<b>\$ 2,217,872</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts Payable and Accrued Expenses	\$ 161,137	\$ 14	\$ 161,151	\$ 145,763
Due to Other Funds	1,355,672	171,532	1,527,204	2,180,852
Due to Other Governments	-	104	104	184
<b>Total Liabilities</b>	<b>1,516,809</b>	<b>171,650</b>	<b>1,688,459</b>	<b>2,326,799</b>
Fund Balance:				
Nonspendable				
Inventories	-	24,443	24,443	16,297
Unassigned	-	(85,756)	(85,756)	(125,224)
<b>Total Fund Balance</b>	<b>-</b>	<b>(61,313)</b>	<b>(61,313)</b>	<b>(108,927)</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,516,809</b>	<b>\$ 110,337</b>	<b>\$ 1,627,146</b>	<b>\$ 2,217,872</b>



**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SPECIAL REVENUE FUNDS - COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
Years Ended June 30, 2013 and 2012**

	Special Aid	School Lunch	2013 Total	2012 Total
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ 308	\$ 308	\$ 17
Miscellaneous	-	34,712	34,712	33,034
State Sources	398,745	23,720	422,465	710,163
Federal Sources	1,162,715	517,301	1,680,016	1,921,430
Surplus Foods	-	68,218	68,218	56,539
Sales	-	310,422	310,422	349,997
Total Revenues	<u>1,561,460</u>	<u>954,681</u>	<u>2,516,141</u>	<u>3,071,180</u>
<b>EXPENDITURES</b>				
General Support	-	373,507	373,507	352,071
Transportation	11,321	-	11,321	22,449
Instruction	1,202,301	-	1,202,301	1,677,340
Employee Benefits	347,838	297,072	644,910	656,603
Cost of Sales	-	395,990	395,990	394,233
Total Expenditures	<u>1,561,460</u>	<u>1,066,569</u>	<u>2,628,029</u>	<u>3,102,696</u>
<b>OTHER SOURCES AND USES</b>				
Interfund Transfers In	-	159,502	159,502	-
Total Other Uses and Sources	<u>-</u>	<u>159,502</u>	<u>159,502</u>	<u>-</u>
<b>Excess (Deficit) of Revenues over Expenditures</b>	-	47,614	47,614	(31,516)
<b>Fund Balance, Beginning</b>	-	(108,927)	(108,927)	(77,411)
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ (61,313)</u>	<u>\$ (61,313)</u>	<u>\$ (108,927)</u>

See Independent Auditor's Report.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT**  
**Year Ended June 30, 2013**

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**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

Adopted budget	\$ 36,942,838
Add: Prior year's encumbrances	417,156
Gifts and donations	46,296
Grants	50,000
Use of reserve for unanticipated expenses	314,445
	<u>827,897</u>
 Final budget	 <u><u>\$ 37,770,735</u></u>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

2013-2014 expenditure budget	\$ 37,642,566
Maximum allowed (4% of 2013-14 budget)	

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

Unrestricted fund balance:	
Committed fund balance	\$ -
Assigned fund balance	2,022,396
Unassigned fund balance	2,980,104
Total unrestricted fund balance	<u>5,002,500</u>

Less:

Appropriated fund balance	1,065,000
Insurance recovery reserve	-
Tax reduction reserve	-
Encumbrances included in committed and assigned fund balance	957,396
Total adjustments	<u>2,022,396</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	<u><u>\$ 2,980,104</u></u>
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Actual percentage	<u><u>7.92%</u></u>
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**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2013**

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
Revenues:				
Local Sources:				
Real Property Taxes	\$ 16,133,679	\$ 16,133,679	\$ 16,129,523	\$ (4,156)
Other Tax Items/STAR Aid	2,611,352	2,608,352	2,650,970	42,618
Charges for Services	10,000	17,500	44,266	26,766
Use of Money and Property	3,000	6,000	42,283	36,283
Sale of Property and Compensation for Loss	1,000	1,000	2,249	1,249
Miscellaneous	186,000	224,796	321,432	96,636
State Sources	15,629,858	15,679,858	15,472,280	(207,578)
Federal Sources	250,000	250,000	415,770	165,770
<b>Total Revenues</b>	<b>34,824,889</b>	<b>34,921,185</b>	<b>35,078,773</b>	<b>157,588</b>
Other Financing Sources				
Interfund Transfers	-	-	-	-
Appropriated Reserves	-	731,601	-	-
	-	731,601	-	-
<b>Total Revenues and Appropriated Fund Balance</b>	<b>\$ 34,824,889</b>	<b>\$ 35,652,786</b>	<b>\$ 35,078,773</b>	<b>\$ 157,588</b>

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
Expenditures:					
General Support:					
Board of Education	\$ 9,870	\$ 33,502	\$ 13,606	\$ 15,611	\$ 4,285
Central Administration	223,414	223,414	221,185	1,536	693
Finance	278,385	300,833	265,248	30,380	5,205
Staff	95,134	109,600	83,964	15,829	9,807
Central Services	2,325,749	2,511,699	2,001,234	428,601	81,864
Special Items	486,122	481,509	465,264	-	16,245
Instructional:					
Instruction, Administration, and Improvement	900,911	890,082	882,540	-	7,542
Teaching - Regular School	8,569,820	8,613,666	8,071,114	90,818	451,734
Programs for Children with Handicapping Conditions	6,298,709	6,220,236	4,610,214	306,403	1,303,619
Teaching - Special Schools	985,586	931,012	870,992	-	60,020
Instructional Media	776,297	937,492	894,422	39,547	3,523
Pupil Service	1,344,819	1,464,197	1,440,507	2,004	21,686
Pupil Transportation	1,634,272	1,712,199	1,570,051	13,362	128,786
Employee Benefits	9,713,115	9,974,421	9,245,197	13,305	715,919
Debt Service	3,196,610	585,308	585,307	-	1
<b>Total Expenditures</b>	<b>36,838,813</b>	<b>34,989,170</b>	<b>31,220,845</b>	<b>957,396</b>	<b>\$ 2,810,929</b>
Other Uses:					
Interfund Transfer	104,025	2,781,565	2,781,565	-	-
<b>Total Expenditures and Other Uses</b>	<b>\$ 36,942,838</b>	<b>\$ 37,770,735</b>	<b>34,002,410</b>	<b>\$ 957,396</b>	<b>2,810,929</b>
<b>Net Change in Fund Balance</b>	<b>\$ (2,117,949)</b>	<b>(2,117,949)</b>	<b>1,076,363</b>		
<b>Fund Balance - Beginning</b>	<b>\$ 7,584,771</b>	<b>7,584,771</b>	<b>7,584,771</b>		
<b>Fund Balance - Ending</b>	<b>\$ 5,466,822</b>	<b>\$ 5,466,822</b>	<b>\$ 8,661,134</b>		

See Independent Auditor's Report.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND**  
**Year Ended June 30, 2013**

Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	(Overexpended) Unexpended Balance	Methods of Financing				Fund Balance June 30, 2013
							Proceeds of Obligations	State Aid	Local Sources	Total	
Excel Project	\$ 6,655,455	\$ 6,655,455	\$ 4,972,078	\$ 82,865	\$ 5,054,943	\$ 1,600,512	\$ -	\$ -	\$ 378,429	\$ 378,429	\$ (4,676,514)
	6,655,455	6,655,455	4,972,078	82,865	5,054,943	1,600,512	-	-	378,429	378,429	(4,676,514)
Buses											
Buses 231-234	344,342	344,342	344,342	-	344,342	-	-	-	344,342	344,342	-
Buses 235-239	353,903	353,903	353,903	-	353,903	-	-	-	283,122	283,122	(70,781)
Buses 240-243	375,798	375,798	375,798	-	375,798	-	-	-	225,479	225,479	(150,319)
Buses 244-247	402,544	402,270	402,270	-	402,270	-	-	-	161,011	161,011	(241,259)
	1,476,587	1,476,313	1,476,313	-	1,476,313	-	-	-	1,013,954	1,013,954	(462,359)
Totals	\$ 8,132,042	\$ 8,131,768	\$ 6,448,391	\$ 82,865	\$ 6,531,256	\$ 1,600,512	\$ -	\$ -	\$ 1,392,383	\$ 1,392,383	\$ (5,138,873)

See Independent Auditor's Report.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CERTAIN REVENUES AND EXPENDITURES COMPARED TO ST-3 DATA**  
**Year Ended June 30, 2013**

	<u>Account Code</u>	<u>ST-3 Data</u>	<u>Audited Amount</u>	
<b>Revenues</b>				
Property Taxes	A - 1001	\$ 16,129,524	\$ 16,129,523	(1)
Non-Property Taxes	AT - 1199	\$ -	\$ -	
State Aid	AT - 3999	\$ 15,472,280	\$ 15,472,280	
Federal Aid	AT - 4999	\$ 415,770	\$ 415,770	
Total Revenues	AT - 5999	\$ 35,078,773	\$ 35,078,773	
<b>Expenditures</b>				
General Support	AT - 1999.0	\$ 3,050,504	\$ 3,050,501	(1)
Pupil Transportation	AT - 5599.0	\$ 1,570,052	\$ 1,570,051	(1)
Debt Service - Principal	AT - 9798.6	\$ 495,311	\$ 495,310	(1)
Debt Service - Interest	AT - 9798.7	\$ 89,997	\$ 89,997	
Total Expenditures	AT - 9999.0	\$ 34,002,414	\$ 34,002,410	(1)

(1) Rounding

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT**  
**Year Ended June 30, 2013**

Capital Assets, Net	\$ 34,770,177
Deduct:	
Bond anticipation notes	6,644,088
Short-term portion of bonds payable	2,435,000
Long-term portion of bonds payable	8,020,000
Less: unspent bond proceeds	(1,505,215)
Investment in capital assets, net of related debt	<u>\$ 19,176,304</u>

BEEKMANTOWN CENTRAL SCHOOL DISTRICT

**SCHEDULE OF FUNDING PROGRESS OTHER POST EMPLOYMENT BENEFITS PLAN**  
**Year Ended June 30, 2013**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UALL as a Percentage of Covered Payroll</b>
06/30/13	\$ -	\$ 105,254,296	\$ 105,254,296	0%	\$ 18,531,976	568.0%
06/30/12	\$ -	\$ 93,549,473	\$ 93,549,473	0%	\$ 17,267,025	541.8%
06/30/11	\$ -	\$ 87,819,793	\$ 87,819,793	0%	\$ 18,779,542	467.6%
06/30/10	\$ -	\$ 77,313,675	\$ 77,313,675	0%	\$ 17,920,794	431.4%
06/30/09	\$ -	\$ 72,408,518	\$ 72,408,518	0%	\$ 17,430,289	415.4%

See Independent Auditor's Report.



**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2013**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. Department of Education			
Pass-Through New York State Department of Education:			
Title I A&D Imprv Acad Achmt F/Disad	84.010A	0021-12-0480	\$ 5,869
Title I A&D Imprv Acad Achmt F/Disad	84.010A	0021-13-0480	375,432
Title I School Improvement	84.010	0011-12-2044	74,359
IDEA - Part B, Section 611	84.027A	0032-13-0133	535,974
IDEA - Part B, Section 619	84.173A	0033-13-0133	23,004
Title II, Part A	84.367A	0147-12-0480	1,936
Title II, Part A	84.367A	0147-13-0480	146,141
Total Department of Education			<u>1,162,715</u>
U.S. Department of Agriculture Direct Programs:			
Pass-through New York State Department of Education			
National School Lunch Program- cash	10.555		372,600
National School Lunch Program- commodities	10.555		68,218
School Breakfast Program	10.553		144,701
Total Child Nutrition Cluster			<u>585,519</u>
Total Department of Agriculture			<u>585,519</u>
Total Federal Assistance Expended			<u>\$ 1,748,234</u>

See Notes to Schedule of Expenditures of Federal Awards.

## **BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2013**

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Beekmantown Central School District, and is presented on the accrual basis of accounting. The information in this schedule 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 basic financial statements.

*Conroy, Boulrice, Telling & Trombley, PC*

*Certified Public Accountants*

*JACK L. CONROY, CPA*

*MICHAEL L. BOULRICE, CPA*

*THOMAS R. TELLING, CPA*

*LEO P. TROMBLEY, CPA*

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

To the Board of Education  
Beekmantown Central School District  
West Chazy, New York 12992

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 the *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Beekmantown Central School District as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Beekmantown Central School District's basic financial statements and have issued our report thereon dated October 16, 2013.

**Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Beekmantown Central School Districts financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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 the internal control exists 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiencies. The findings are referenced as 13-1, 13-2 and 13-3.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Beekmantown Central School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government *Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 13-1.

### **District's Response to Findings**

Beekmantown Central School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Beekmantown Central School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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



Conroy, Boulrice, Telling & Trombley, PC  
October 16, 2013

*Conroy, Boulrice, Telling & Trombley, PC*

*Certified Public Accountants*

JACK L. CONROY, CPA

MICHAEL L. BOULRICE, CPA

THOMAS R. TELLING, CPA

LEO P. TROMBLEY, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Education  
Beekmantown Central School District  
West Chazy, New York 12992

**Report on Compliance for Each Major Federal Program**

We have audited Beekmantown Central School District's compliance with the types of compliance requirements described in OMB Circular A-133 Compliance Supplement that could have a direct and material effect on Beekmantown Central School District's major federal programs for the year ended June 30, 2013. Beekmantown Central School District's major 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 major federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Beekmantown Central School 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 Beekmantown Central School District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

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

## **Opinion on Each Major Federal Program**

In our opinion, Beekmantown Central School District complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## **Report on Internal Control Over Compliance**

Management of Beekmantown Central School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered Beekmantown Central School District's internal control over compliance with the types of requirements that could have a direct and material effect on a major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Beekmantown Central School District's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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. 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.

A significant deficiency in internal control over compliance is a deficiency, or 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, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 13-2 and 13-3 to be significant deficiencies.

Beekmantown Central School District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Beekmantown Central School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Conroy, Boulrice, Telling, Trombley, PC*

Conroy, Boulrice, Telling & Trombley, PC  
October 16, 2013

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

**SECTION I - SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
· Material weakness(es) identified?	_____ yes	<u>  X  </u> no
· Significant deficiencies identified that are not considered to be material weaknesses?	<u>  x  </u> yes	_____ no
Noncompliance material to financial statements noted?	_____ yes	<u>  X  </u> no

Federal Awards

Internal control over major programs:		
· Material weakness(es) identified?	_____ yes	<u>  X  </u> no
· Significant deficiencies identified not considered to be a material weakness?	<u>  x  </u> yes	_____ 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?	_____ yes	<u>  X  </u> no

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555	National School Lunch Program
10.553	School Breakfast Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000	
Auditee qualified as low-risk Auditee?	<u>  X  </u> yes	_____ no



**BEEKMANTOWN CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
JUNE 30, 2013**

**13-1 Excess Fund Balance**

Condition: The District's unassigned general fund balance was 7.92% of next year's budget.

Criteria: According to New York State Real Property Tax Law Section 1318, a district's unappropriated fund balance may not exceed an amount equal to 4% of next year's budget.

Effect: The District's unassigned general fund balance was 3.92%, or \$1,474,401, over the amount allowable by law.

Recommendation: We recommend the District keep in mind this rule when preparing the next year's budget.

Corrective action: The District acknowledges the June 30, 2013 level of Unappropriated Unassigned Fund Balance of \$2,980,104 which represents 7.92% of the ensuing Budget. This is \$1,474,401 above the NYSED allowable 4% level. The Board of Education plans to utilize part of this \$1,474,401 to cover \$273,000 of potential tax claim refunds. The District received legal notifications of new Tax Certiorari claims between July and October 2013 which is a significant subsequent event. To put the Unappropriated Unassigned Fund Balance of \$1,474,401 in perspective and context this represents an average of two (2) weeks worth of current Budget expenditures which is far below savings levels commonly recommended by professional financial advisors for individuals, private business, nonprofit entities and other municipal agencies whereby between 2 and 6 months of savings are a benchmark recommended range.

During the 2012 - 2013 fiscal year, the District undertook several initiatives making real time dramatic changes and cost reductions within the year. These changes resulted in increased class sizes in many areas to undesirable levels, reduced and eliminated student program options, reduced intramural and modified athletic curricular and extra-curricular activities. These initiatives dramatically reduced opportunities for student success. The reductions made during the year resulted with desirable and undesirable outcomes. The ability of the District to cut costs in real time resulted with the year end expenditures coming in below budgeted amounts. As a point of reference the District achieved a 2012 - 2013 General Fund Actual Expenditure total of \$34,002,410 which is actually below the level of \$34,121,453 at June 30, 2009 and reversing four (4) years worth of increases. The ongoing question is whether this level of cuts is sustainable or prudent. This savings resulted in a current year increase to Unassigned Unappropriated Fund Balance pushing the District over the planned level of 4%. This came at a cost of adverse and drastic negative results in student outcomes on NYS assessments. The Board of Education desires a stable and sustainable budget model as well as a stable and sustainable world class instructional program to facilitate our students leaving public school career or college ready.

During the 2013 - 2014 budget process the Board appropriated \$1,065,000 of Unassigned Fund Balance for the ensuing budget year and decreased the tax levy amount needed to balance the budget by the same amount. The board has consistently demonstrated an ability to manage reasonable tax rates for eight (8) consecutive years as evidenced by the 2005 - 2006 Tax Rate

of \$18.08 per thousand as compared to the 2013 - 2014 tax rate of \$17.21 per thousand reflecting current rates 87 cents lower per thousand.

The Board will continue to apply a comprehensive thoughtful approach over multiple years to reduce Fund Balance levels to statutory limits. The goal of adjusting Fund Balance in a methodical and disciplined multi year approach is to avoid unnecessary "spikes" in tax levies which allows the district to not exceed the NYS tax cap limitations, while maintaining a sustainable educational environment represented by student achievement.

The District is committed to balance necessary instructional program opportunities for student success and achievement while minimizing peaks and valleys to tax levies and tax rate trends. The **long term financial position** of the District as reported in this Audit Report reflects an **Ending Net Financial Position Deficit of -\$10,388,211** which may suggest further reduction to short term or current Unassigned Unappropriated Fund Balance to meet the 4% level actually undermines, weakens and continues to jeopardize the long term Financial Position of the District. The Board believes it must be financially prudent and conservative in balancing short term and long term financial needs and will strive to provide a sustainable budget model. The Board will focus on maintaining stable and consistent tax levies resulting in tax rates avoiding peaks and valleys and most importantly meeting the primary goal of providing an educational platform which facilitates student success and achievement at every grade level progressing through graduation.

The Federal and State Fiscal environments continue to expose many fiscal uncertainties and variables to Public School Districts with regard to Aid Revenues. The change in NYS School Aid for the 2013 2014 fiscal year is \$665,900 or 4.57% less than the NYS School Aid for the 2008-2009 fiscal year. Since the Gap Elimination Adjustment (GEA) was introduced, the District has lost an accumulated \$7,058,526 in NYS Aid over that time period. If not for the past Unassigned Fund Balance resources to cover this shortfall and drastic cuts to Budgets, the educational programs for students would have been decimated or the Tax levies would have had to absorb the \$7,058,526 increase. Some refer to this recent fiscal environment as an "economic storm" of sorts at both the State and Federal level affecting schools at the same time. Federal Stimulus Aid has been phased out. NYS Aid reductions, a plethora of unfunded mandates and cost shifting of other mandated services from a previously 'state funded' source to local funding at the school level, bargained contractual obligations, continually increasing NYS retirement contribution rates, escalating health insurance costs all converging at the same time. All of these variables and uncertainties combined suggest that the Fund Balance is not excessive under a fiscally prudent and conservative long range plan.

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### **SECTION III - MAJOR FEDERAL AWARDS**

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#### **13-2 Incorrect Reduced Price/Free Lunch Status**

Condition: We sampled 42 students receiving free or reduced lunches to determine if their status was calculated correctly using Income Eligibility Guidelines for Free and Reduced Price Meals. Of the 42 students sampled, 5 had discrepancies. Two students were receiving free lunches when students only qualified for reduced. Applications for three students were not available for audit.

Criteria: Under the National School Lunch Program, children belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or at a reduced price.

Cause: There are no procedures in place for a "second" review of free and reduced lunch applications.

Effect: Five students were receiving free lunches when two should have been receiving reduced lunches and three students' applications were missing, their true status was unknown.

Recommendation: We recommend the District implement additional internal controls where the free and reduced lunch applications are given a "second" review, by someone outside the school lunch department.

Corrective Action: For the 2013-14 school year Free and Reduced meals applications, the business manager is helping the cafeteria manager to review all of the applications that are processed. Once all of the applications are received the district treasurer is going to pull a sample of the approved Free and Reduced meal applications to verify the accuracy against what is recorded in the point of sale system. If any errors are found during the review of the first sample, then the treasurer will pull another larger sample.

### **13-3 Incorrect Verification of Household Eligibility for Free/Reduced Price Lunch**

Condition: During verification of the free and reduced price eligibility of households, selected by the District, a student receiving reduced price meals was incorrectly changed to free. A mistake was made interpreting the pay stub of a household member resulting in a change in classification. The reduced price meal status was correct and should not have been changed to free.

Criteria: By November 15<sup>th</sup> of each school year, the District must verify the current free and reduced price eligibility of households selected from a sample of applications that it has approved for free and reduced price meals.

Cause: A mistake was made interpreting the pay stub of a household member.

Effect: A student receiving reduced price lunches was incorrectly changed to free lunch status.

Recommendation: We recommend the District implement additional internal controls where the free and reduced price eligibility of households testing is given a "second" review, by someone outside the school lunch department.

Corrective Action: Starting in the 2013-2014 school year, the business manager or district treasurer will review all of the verifications of the free and reduced price eligibility of household applications completed by the school lunch department.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT  
SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
JUNE 30, 2013**

There were no prior year audit findings.

*Conroy, Boulrice, Telling & Trombley, PC*

*Certified Public Accountants*

*JACK L. CONROY, CPA*

*MICHAEL L. BOULRICE, CPA*

*THOMAS R. TELLING, CPA*

*LEO P. TROMBLEY, CPA*

**INDEPENDENT AUDITOR'S REPORT**

To the School Board  
Beekmantown Central School District  
West Chazy, New York 12992

We have audited the accompanying statement of assets, liabilities and fund balance – cash basis and the related statement of receipts, disbursements and ending balances – cash basis of the Extraclassroom Activity Funds of the Beekmantown Central School District as of and for the year ended June 30, 2013, 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 basis of accounting 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 minimum program procedures established by the New York State Department of Education. 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 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Funds of the Beekmantown Central School District as of June 30, 2013, and its receipts, disbursements and ending balances – cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

*Conroy, Boulrice, Telling & Trombley, PC*

Conroy, Boulrice, Telling & Trombley, PC  
October 16, 2013

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS**

**June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	<u>\$ 106,600</u>	<u>\$ 116,752</u>
<b>Total Assets</b>	<u><u>\$ 106,600</u></u>	<u><u>\$ 116,752</u></u>
<b>LIABILITIES</b>		
Sales Tax Payable	\$ 952	\$ 797
<b>FUND BALANCE</b>		
Extraclassroom Activity	<u>105,648</u>	<u>115,955</u>
<b>Total Fund Balance</b>	<u><u>\$ 106,600</u></u>	<u><u>\$ 116,752</u></u>

See Notes to the Financial Statements – Extraclassroom Activity Funds.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**EXTRACLASROOM ACTIVITY FUNDS  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND ENDING FUND BALANCE - CASH BASIS  
Year Ended June 30, 2013 and 2012**

Activity	Balance 06/30/12	Receipts	Disbursements	Balance 06/30/13
Class of 2011	\$ 375	\$ -	\$ 375	\$ -
Class of 2012	1,508	-	1,508	-
Class of 2013	10,474	10,180	15,390	5,264
Class of 2014	15,930	24,192	29,461	10,661
Class of 2015	10,352	3,306	2,143	11,515
Class of 2016	7,004	6,516	4,887	8,633
Class of 2017	7,486	3,578	3,364	7,700
Class of 2018	3,205	3,974	3,252	3,927
Class of 2019	-	11,792	9,196	2,596
Library Club	897	-	897	-
NYS Tax Account	797	3,738	3,583	952
S.A.D.D.	929	-	929	-
H.S. Student Council	14,487	37,624	36,643	15,468
M.S. Student Council	2,643	3,708	4,285	2,066
Varsity Club	2,284	4,428	4,753	1,959
H.S. Yearbook Club	20,593	11,172	13,288	18,477
Outdoor Adventure Club	857	-	857	-
M.S. Yearbook	4,940	6,086	5,804	5,222
M.S. Drama Club	3,988	2,160	1,291	4,857
H.S. Drama Club	6,445	-	5.00	6,440
BCS Fitness Center	21	-	21	-
Community Service Club	21	-	1	20
National Honor Society	986	2,036	2,277	745
Natinal Jr Honor Society	377	2,450	2,754	73
BCS Fitness Club	153	2,848	2,976	25
Total	<u>\$ 116,752</u>	<u>\$ 139,788</u>	<u>\$ 149,940</u>	<u>\$ 106,600</u>

See Notes to the Financial Statements – Extraclassroom Activity Funds.



## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

### EXTRACLASSROOM ACTIVITY FUNDS NOTES TO FINANCIAL STATEMENTS

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#### **Note 1. Summary of Significant Accounting Policies**

Basis of Accounting: The books and records of the Beekmantown Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

Basis of Presentation: The Extraclassroom Activity Funds of the Beekmantown Central School 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. The cash and investment balances are reported in the Trust and Agency Funds of the District.

Cash Equivalents: For financial statement purposes all highly liquid investments having maturities of three months or less are considered as cash equivalents.