

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**FINANCIAL REPORT**

**JUNE 30, 2008 AND 2007**

## **Contents**

<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1-2</b>
Management's Discussion and Analysis	3-12
Statement of Net Assets - Exhibit 1	13
Statement of Activities - Exhibit 2	14
Balance Sheet - Governmental Funds - Exhibit 3	15
Combined Statement of Revenues, Expenditures and Changes in Fund Equity - Exhibit 4	16-17
Statement of Fiduciary Net Assets - Fiduciary Funds - Exhibit 5	18
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds - Exhibit 6	19
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets - Exhibit 7	20
Reconciliation of Governmental Funds - Revenues, Expenditures and Changes in Fund Balance to Statement of Activities - Exhibit 8	21
Notes to Financial Statements	22-38
<b>SUPPLEMENTARY INFORMATION</b>	
Special revenue funds:	
Combining balance sheet - special revenue funds	39
Combining statement of revenues, expenditures and changes in fund balance - special revenue funds	40
General fund:	
Schedule of change from original budget to revised budget	41
Schedule of use of fund balance	41
Schedule of general fund revenues and expenditures - budget and actual	42-43
Capital projects fund:	
Schedule of project expenditures	44
Schedule of certain revenues and expenditures compared to ST-3 data	45
Schedule of expenditures of federal awards	46
Notes to schedule of expenditures of federal awards	47

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	48-49
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	50-51
Schedule of Findings and Questioned Costs	52-53
Extraclassroom activity fund:	
Independent Auditor's Report	54
Statement of assets, liabilities and fund balance - cash basis	55
Statement of cash receipts, disbursements and ending fund balance - cash basis	56
Notes to financial statements	57

---

CBTT

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

We have audited the accompanying financial statements of the governmental activities of Beekmantown Central School District, as of and for the year ended June 30, 2008, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of Beekmantown Central School District's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the District's 2007 financial statements, and in our report dated September 10, 2007, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Beekmantown Central School District, as of June 30, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2008, 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 42 through 43, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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. 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 expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Conroy, Boulrice, Telling & Trombley, P.C.*

Conroy, Boulrice, Telling & Trombley, PC  
August 28, 2008

## **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, 2008. 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 recently completed a multi-year capital improvement project that updated many of its buildings;
- The District is nearing the end of a \$1 million dollar renovation project to the Cumberland Head Elementary School entrance and the Auditorium HVC;
- 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); and
- As of June 30, 2008, under the GASB 34 reporting model, the change in net assets was \$1,445,408. Under the fund accounting model, the change in fund balance was \$(185,110). The primary reasons for these differences involve capital costs 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 Assets. 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 assets. Over time, increases or decreases in net assets 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 assets 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 13 and 14 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 15 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 39.



## Financial Analysis of the District as a Whole

The District's net assets at fiscal year end are \$18,311,888. This represents a \$1,445,408 increase from last year's net assets of \$16,866,480. The following table provides a summary of the School's net assets:

### Summary of Net Assets

	<u>06/30/08</u>	<u>06/30/07</u>
Current and Other Assets	\$ 12,055,737	\$ 12,294,888
Capital Assets	32,924,077	33,166,034
Total Assets	<u>\$ 44,979,814</u>	<u>\$ 45,460,922</u>
Current Liabilities	\$ 4,560,953	\$ 4,544,994
Long-Term Liabilities	22,106,973	24,049,448
Total Liabilities	<u>26,667,926</u>	<u>28,594,442</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	11,939,077	10,281,034
Restricted	4,438,357	5,096,181
Unrestricted	1,934,454	1,489,265
Total Net Assets	<u>18,311,888</u>	<u>16,866,480</u>
Total Liabilities and Net Assets	<u>\$ 44,979,814</u>	<u>\$ 45,460,922</u>

The following table and supporting graphs provide a summary of revenues, expenses and net assets for the year ended June 30, 2008:

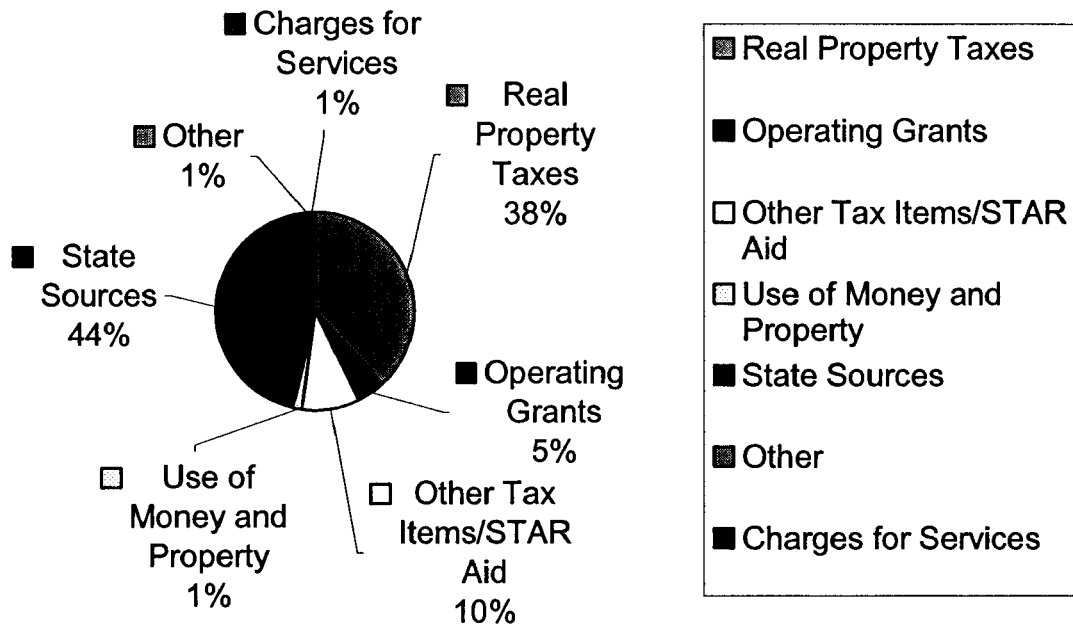
Statement of Activities  
Summary of Changes in Net Assets

	06/30/08	06/30/07	% Change
<b>Revenues:</b>			
Program Revenues:			
Charges for services	\$ 359,278	\$ 336,672	6.7%
Operating Grants & Contributions	1,669,893	1,753,706	-4.8%
General Revenues:			
Property Taxes	13,636,215	13,281,105	2.7%
School Tax Relief (STAR)	3,431,916	3,413,016	0.6%
State Formula Aid	15,939,423	15,272,195	4.4%
Use of Money and Property	508,538	712,717	-28.6%
Miscellaneous	276,285	564,915	-51.1%
<b>Total Revenues:</b>	<b>35,821,548</b>	<b>35,334,326</b>	<b>1.4%</b>
<b>Expenses:</b>			
General Government Support	4,125,722	3,762,304	9.7%
Instruction	19,248,921	17,822,565	8.0%
Pupil Transportation	1,907,597	1,727,522	10.4%
Community Services	12,840	12,593	2.0%
Employee Benefits	7,748,650	7,299,088	6.2%
Debt Service – Interest	1,000,191	1,058,646	-5.5%
Cost of Sales – food	332,219	286,699	15.9%
<b>Total Expenses:</b>	<b>34,376,140</b>	<b>31,969,417</b>	<b>7.5%</b>
 Increase (decrease) in Net Assets:	 <b>1,445,408</b>	 <b>3,364,909</b>	 <b>-57.0%</b>
 Beginning Net Assets	 <b>16,866,480</b>	 <b>13,501,571</b>	
 Ending Net Assets	 <b>\$ 18,311,888</b>	 <b>\$ 16,866,480</b>	

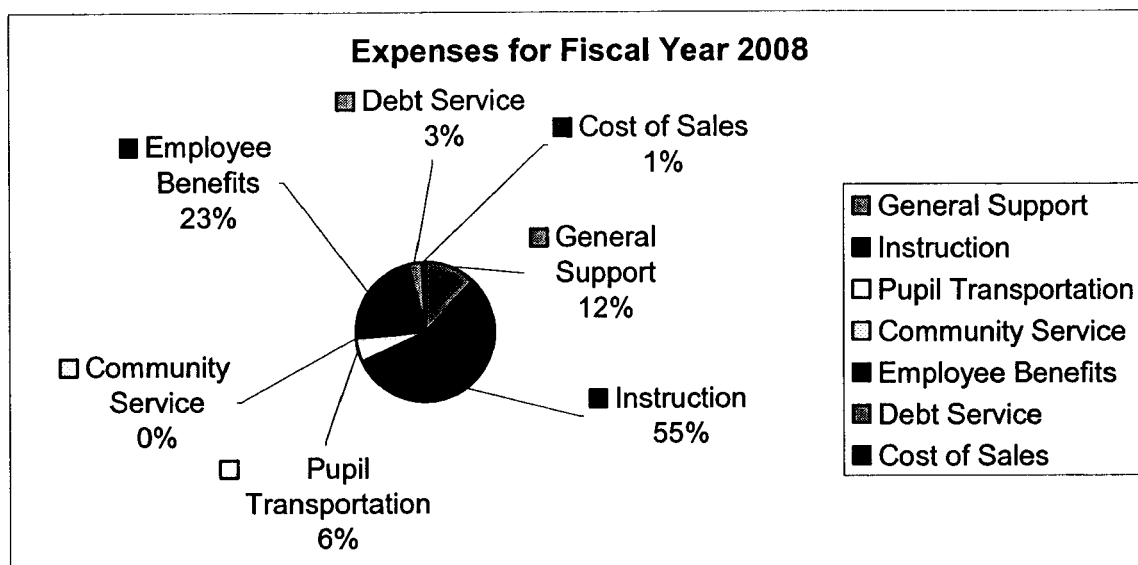
Revenues for the District's governmental activities totaled \$35,821,548 while total expenses equaled \$34,376,140. Therefore, the increase in net assets for governmental activities was \$1,445,408 in 2008. The continuation of the District's good financial condition can be credited to:

- 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 recommends those documents to the full Board of Education for 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 internal claims auditor. The internal claims auditor matches all accounts payable and supporting documentation against the warrant report and indicates approval with a signature;
- 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 benefits are reviewed to limit benefits 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 employees are paid properly from these grants;
- Termination of employees is documented and unemployment claims are monitored closely;
- The District continues to monitor expenses through bid writing and participation in bids offered through NYS Office of General Services and St. Lawrence BOCES; and
- Equipment and computers purchased are tracked using a computerized inventory control system.

## Sources of Revenues for Fiscal Year 2008



Revenue Source	Amount
Real Property Taxes	\$ 13,636,215
Operating Grants	1,669,893
Other Tax Items/STAR Aid	3,431,916
Use of Money and Property	508,538
State Sources	15,939,423
Other	276,285
Charges for Services	359,278
	<u>\$ 35,821,548</u>



Expenditure	Amount
General Support	\$ 4,125,722
Instruction	19,248,921
Pupil Transportation	1,907,597
Community Service	12,840
Employee Benefits	7,748,650
Debt Service	1,000,191
Cost of Sales	332,219
	<u>\$ 34,376,140</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, 2008, was \$32,924,077 which represents a decrease of .7% from the 2007 balances. The capital assets include a major re-construction to six (6) of the District's school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices.

#### CAPITAL ASSETS

##### Net of Accumulated Depreciation

	<u>2008</u>	<u>Restated 2007</u>	<u>% Change</u>
Non-Depreciable Assets:			
Land	\$ 73,608	\$ 73,608	0.0%
Construction in Progress	448,625	23,537,750	-98.1%
Depreciable Assets:			
Buildings	30,344,151	7,515,175	303.8%
Machinery and Equipment	2,057,693	2,039,501	0.9%
TOTAL	<u>\$ 32,924,077</u>	<u>\$ 33,166,034</u>	<u>-0.7%</u>

### Long Term Debt

At the end of the fiscal year, the District had \$24,076,973 in long-term debt outstanding. More detail information about the District's long-term liabilities and Bond Anticipation Notes are presented in Notes 2 and 7 to the financial statements.

	<u>2008</u>	<u>2007</u>	<u>% Change</u>
Compensated Absences	\$ 3,091,973	\$ 3,064,448	0.9%
Bonds Payable	20,985,000	22,885,000	-8.3%
	<u>\$ 24,076,973</u>	<u>\$ 25,949,448</u>	<u>-7.2%</u>

### **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.
- 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: Scott A. Amo, Superintendent  
37 Eagle Way, West Chazy, NY 12992-2577  
(518) 563-8250 Ext 5501

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## EXHIBIT 1

## STATEMENT OF NET ASSETS

June 30, 2008 and 2007

ASSETS	2008	2007
Cash:		
Unrestricted	\$ 10,676,655	\$ 10,253,947
Restricted	247,278	868,466
Receivables:		
Due from Other Funds	30,818	23,086
State and Federal Aid Receivable	1,074,175	1,128,602
Inventories	26,811	20,787
Capital Assets, Net	32,924,077	33,166,034
<b>Total Assets</b>	<b>\$ 44,979,814</b>	<b>\$ 45,460,922</b>
 LIABILITIES		
Payables:		
Accounts Payable and Accrued Expenses	\$ 206,239	\$ 400,068
Accounts Payable-Retained Percentage	595	-
Bond Anticipation Notes Payable	943,478	890,709
Due to Other Governments	406	585
Deferred Revenues/Other Liabilities	8,314	-
Long-Term Liabilities		
Due and payable within one year:		
Bonds Payable - Current	1,970,000	1,900,000
Compensated Absences	87,260	79,261
Due to Teacher's Retirement System	1,278,247	1,207,957
Due to Employee Retirement System	66,414	66,414
Due and payable after one year:		
Bonds Payable - Non-Current	19,015,000	20,985,000
Compensated Absences Payable	3,091,973	3,064,448
<b>Total Liabilities</b>	<b>26,667,926</b>	<b>28,594,442</b>
 NET ASSETS		
Investment in Capital Assets, Net of Related Debt	11,939,077	10,281,034
Restricted:		
Encumbrances	374,153	228,898
Inventories	26,811	20,787
Tax Certiorari	214,179	835,802
Unemployment	33,099	32,664
Employee Benefit Accrued Liability	1,500,000	1,500,000
Retirement of long-term debt	790,115	978,030
Designated for Subsequent Year's Expenditures	1,500,000	1,500,000
Unrestricted	1,934,454	1,489,265
<b>Total Net Assets</b>	<b>18,311,888</b>	<b>16,866,480</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 44,979,814</b>	<b>\$ 45,460,922</b>

See Notes to the Financial Statements.



**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**EXHIBIT 2**

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2008 and 2007

	2008			2007	
	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	
Functions/ Programs	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	
General Support	\$ (4,125,722)	\$ -	\$ 418,687	\$ (3,707,035)	
Instruction	(19,248,921)	-	1,251,206	(17,997,715)	
Pupil Transportation	(1,907,597)	-	-	(1,907,597)	
Community Service	(12,840)	-	-	(12,840)	
Employee Benefits	(7,748,650)	-	-	(7,748,650)	
Debt Service	(1,000,191)	-	-	(1,000,191)	
Cost of Sales (School Lunch)	(332,219)	359,278	-	27,059	
<b>Total Functions and Programs</b>	<b>\$ (34,376,140)</b>	<b>\$ 359,278</b>	<b>\$ 1,669,893</b>	<b>(32,346,969)</b>	
<b>General Revenues</b>					
Real Property Taxes				13,636,215	
Other Tax Items/STAR Aid				3,431,916	
Charges for services				27,590	
Use of Money and Property				508,538	
Sale of Property and Compensation for Loss				1,841	
Miscellaneous				153,595	
State Sources				15,939,423	
Federal Sources				93,259	
<b>Total General Revenues</b>				<b>33,792,377</b>	
<b>Change in Net Assets</b>				<b>1,445,408</b>	
<b>Total Net Assets - Beginning of Year</b>				<b>16,866,480</b>	
<b>Total Net Assets - End of Year</b>				<b>\$ 18,311,888</b>	
				<b>\$ 16,866,480</b>	

See Notes to the Financial Statements.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**  
**BALANCE SHEETS - GOVERNMENTAL FUNDS**  
**June 30, 2008 and 2007**

**EXHIBIT 3**

**ASSETS**

	General Fund	Special Revenue	Capital Projects	Debt Service	2008 TOTAL	2007 TOTAL
Unrestricted Cash	\$ 9,431,095	\$ 641,749	\$ 603,811	\$ -	\$ 10,676,655	\$ 10,253,947
Restricted Cash	247,278	-	-	-	247,278	868,466
Due from Other Funds	768,399	13,939	130,527	790,115	1,702,980	2,993,994
Inventories	-	26,811	-	-	26,811	20,787
State & Federal Aid Receivable	907,041	167,134	-	-	1,074,175	1,128,602
<b>Total Assets</b>	<b>\$ 11,353,813</b>	<b>\$ 849,633</b>	<b>\$ 734,338</b>	<b>\$ 790,115</b>	<b>\$ 13,727,899</b>	<b>\$ 15,265,796</b>

**LIABILITIES**

Accounts Payable and Accrued Expenses	\$ 194,508	\$ 11,731	\$ -	\$ -	\$ 206,239	\$ 400,068
Accounts Payable - Retained Percentage	-	-	595	-	595	-
Bond Anticipation Notes Payable	-	-	943,478	-	943,478	890,709
Due to Other Funds	858,267	801,466	12,429	-	1,672,162	2,970,908
Due to Other Governments	-	406	-	-	406	585
Due to Teachers' Retirement System	1,278,247	-	-	-	1,278,247	1,207,957
Due to Employees' Retirement System	66,414	-	-	-	66,414	66,414
Compensated Absences	87,260	-	-	-	87,260	79,261
Deferred Revenue	-	8,314	-	-	8,314	-
<b>Total Liabilities</b>	<b>\$ 2,484,696</b>	<b>\$ 821,917</b>	<b>\$ 956,502</b>	<b>\$ -</b>	<b>\$ 4,263,115</b>	<b>\$ 5,615,902</b>

**FUND EQUITY**

Fund Balances:

Reserved for:

Encumbrances	364,153	-	10,000	-	374,153	228,898
Inventories	-	26,811	-	-	26,811	20,787
Tax Certiorari	214,179	-	-	-	214,179	835,802
Unemployment Insurance	33,099	-	-	-	33,099	32,664
Employee Benefit Accrued Liability	1,500,000	-	-	-	1,500,000	1,500,000
Retirement of long-term debt	-	-	-	790,115	790,115	978,030
Unreserved Funds:						
Designated for Subsequent Year's Expenditures	1,500,000	-	-	-	1,500,000	1,500,000
Undesignated	5,257,686	905	(232,164)	-	5,026,427	4,553,713
<b>Total Fund Equity</b>	<b>\$ 8,869,117</b>	<b>\$ 27,716</b>	<b>\$ (222,164)</b>	<b>\$ 790,115</b>	<b>\$ 9,464,784</b>	<b>\$ 9,649,894</b>

**Total Liabilities and Fund Equity**

	\$ 11,353,813	\$ 849,633	\$ 734,338	\$ 790,115	\$ 13,727,899	\$ 15,265,796
--	---------------	------------	------------	------------	---------------	---------------

See Notes to the Financial Statements.

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

EXHIBIT 4

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY  
Years Ended June 30, 2008 and 2007

	2008			2007		
	General	Special Revenue	Capital Projects	Debt Service	TOTAL	TOTAL
<b>REVENUES</b>						
Real Property Taxes	\$ 13,636,215	\$ -	\$ -	\$ -	\$ 13,636,215	\$ 13,281,105
Other Tax Items/STAR Aid	3,431,916	-	-	-	3,431,916	3,413,016
Charges for Services	27,590	-	-	-	27,590	35,854
Use of Money and Property	490,818	5,635	-	12,085	508,538	712,717
Sale of Property and Compensation for Loss	1,841	-	-	-	1,841	3,452
Miscellaneous	117,437	36,158	-	-	153,595	247,050
State Sources	15,939,423	314,252	-	-	16,253,675	15,535,709
Federal Sources	93,259	1,301,715	-	-	1,394,974	1,720,977
Surplus Food	-	53,926	-	-	53,926	47,774
Sales (School Lunch)	-	359,278	-	-	359,278	336,672
<b>Total Revenues</b>	<b>33,738,499</b>	<b>2,070,964</b>	<b>-</b>	<b>12,085</b>	<b>35,821,548</b>	<b>35,334,326</b>
<b>EXPENDITURES</b>						
General Support	3,755,712	294,286	-	-	4,049,998	4,104,345
Instruction	17,974,474	973,178	-	-	18,947,652	17,546,733
Pupil Transportation	1,633,071	-	-	-	1,633,071	1,482,387
Community Service	12,840	-	-	-	12,840	12,593
Employee Benefits	7,275,290	445,835	-	-	7,721,125	7,250,680
Debt Service	327,219	-	-	2,864,544	3,191,763	3,176,493
Cost of Sales (School Lunch)	-	332,219	-	-	332,219	286,699
Capital Outlay	-	-	409,562	-	409,562	603,681
<b>Total Expenditures</b>	<b>30,978,606</b>	<b>2,045,518</b>	<b>409,562</b>	<b>2,864,544</b>	<b>36,298,230</b>	<b>34,463,611</b>
<b>OTHER SOURCES AND USES</b>						
Bond Anticipation Notes Redeemed From Appropriations	-	-	291,572	-	291,572	282,847
Interfund Transfers In	-	-	-	2,664,544	2,664,544	2,866,281
Interfund Transfers (Out)	(2,664,544)	-	-	-	(2,664,544)	(2,866,281)
<b>Total Other Sources and (Uses)</b>	<b>(2,664,544)</b>	<b>-</b>	<b>291,572</b>	<b>2,664,544</b>	<b>291,572</b>	<b>282,847</b>

<b>Excess (Deficiency) Revenues and Other Sources Over Expenditures and Other Uses</b>									
	95,349	25,446	(117,990)	(187,915)	(185,110)	1,153,562			
<b>Fund Equity, Beginning of Year</b>	<u>8,773,768</u>	<u>2,270</u>	<u>(104,174)</u>	<u>978,030</u>	<u>9,649,894</u>	<u>8,496,332</u>			
<b>Fund Equity, End of Year</b>	<u>\$ 8,869,117</u>	<u>\$ 27,716</u>	<u>\$ (222,164)</u>	<u>\$ 790,115</u>	<u>\$ 9,464,784</u>	<u>\$ 9,649,894</u>			

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## EXHIBIT 5

STATEMENTS OF FIDUCIARY NET ASSETS  
June 30, 2008 and 2007

	Private Purpose Trust	Agency	<u>2008</u> Total	<u>2007</u> Total
<b>ASSETS</b>				
Cash	\$ 25,482	\$ 282,234	\$ 307,716	\$ 256,481
<b>Total Assets</b>	<u>\$ 25,482</u>	<u>\$ 282,234</u>	<u>\$ 307,716</u>	<u>\$ 256,481</u>
<b>LIABILITIES</b>				
Due to Governmental Funds	\$ -	\$ 30,818	\$ 30,818	\$ 23,086
Extraclassroom Activities Balances	-	109,443	109,443	115,884
Other Liabilities	<u>-</u>	<u>141,973</u>	<u>141,973</u>	<u>93,733</u>
<b>Total Liabilities</b>	<u>-</u>	<u>282,234</u>	<u>282,234</u>	<u>232,703</u>
<b>NET ASSETS</b>				
Reserved for Scholarships	<u>25,482</u>	<u>-</u>	<u>25,482</u>	<u>23,778</u>
<b>Total Net Assets</b>	<u>25,482</u>	<u>-</u>	<u>25,482</u>	<u>23,778</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 25,482</u>	<u>\$ 282,234</u>	<u>\$ 307,716</u>	<u>\$ 256,481</u>

See Notes to the Financial Statements

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT****EXHIBIT 6****STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS****Years Ended June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
	<u>Private Purpose Trust</u>	<u>Private Purpose Trust</u>
<b>ADDITIONS</b>		
Gifts and Contributions	\$ 12,738	\$ 18,948
Investment Earnings	341	290
<b>Total Additions</b>	<u>13,079</u>	<u>19,238</u>
<b>DEDUCTIONS</b>		
Scholarships and awards	<u>11,375</u>	<u>7,983</u>
<b>Total Deductions</b>	<u>11,375</u>	<u>7,983</u>
<b>Changes in Net Assets</b>	1,704	11,255
<b>Net Assets, Beginning of Year</b>	<u>23,778</u>	<u>12,523</u>
<b>Net Assets, End of Year</b>	<u>\$ 25,482</u>	<u>\$ 23,778</u>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**EXHIBIT 7**

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS**

**June 30, 2008**

	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET ASSETS TOTALS
<b>ASSETS</b>				
Unrestricted Cash	\$ 10,676,655	\$ -	\$ -	\$ 10,676,655
Restricted Cash	247,278	-	-	247,278
Due from Other Funds	1,702,980	-	(1,672,162)	30,818
State & Federal Aid Receivable	1,074,175	-	-	1,074,175
Inventories	26,811	-	-	26,811
Capital Assets, Net	-	32,924,077	-	32,924,077
<b>Total Assets</b>	<b>\$ 13,727,899</b>	<b>\$ 32,924,077</b>	<b>\$ (1,672,162)</b>	<b>\$ 44,979,814</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	\$ 206,239	\$ -	\$ -	\$ 206,239
Accounts Payable - Retainage Percentage	595	-	-	595
Bond Anticipation Notes Payable	943,478	-	-	943,478
Due to Other Funds	1,672,162	-	(1,672,162)	-
Due to Other Governments	406	-	-	406
Due to Teacher's Retirement System	1,278,247	-	-	1,278,247
Due to Employee's Retirement System	66,414	-	-	66,414
Bonds Payable	-	20,985,000	-	20,985,000
Compensated Absences	87,260	3,091,973	-	3,179,233
Deferred revenues	8,314	-	-	8,314
<b>Total Liabilities</b>	<b>4,263,115</b>	<b>24,076,973</b>	<b>(1,672,162)</b>	<b>26,667,926</b>
<b>FUND EQUITY/NET ASSETS</b>				
<b>Total Fund Equity/ Net Assets</b>	<b>9,464,784</b>	<b>8,847,104</b>	<b>-</b>	<b>18,311,888</b>
<b>Total Liabilities and Fund Equity/ Net Assets</b>	<b>\$ 13,727,899</b>	<b>\$ 32,924,077</b>	<b>\$ (1,672,162)</b>	<b>\$ 44,979,814</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, 2008

	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	\$ 13,636,215	\$ -	\$ -	\$ -	\$ -	\$ 13,636,215
Other Tax Items/STAR Aid	3,431,916	-	-	-	-	3,431,916
Charges for Services	27,590	-	-	-	-	27,590
Use of Money and Property	508,538	-	-	-	-	508,538
Sale of Property and Compensation for Loss	1,841	-	-	-	-	1,841
Miscellaneous	153,595	-	-	-	-	153,595
State Sources	16,253,675	-	-	-	-	16,253,675
Federal Sources	1,394,974	-	-	-	-	1,394,974
Surplus Food	53,926	-	-	-	-	53,926
Sales (School Lunch)	359,278	-	-	-	-	359,278
<b>Total Revenues</b>	<b>35,821,548</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,821,548</b>
<b>EXPENDITURES</b>						
General Support	4,049,998	-	75,724	-	-	4,125,722
Instruction	18,947,652	-	301,269	-	-	19,248,921
Pupil Transportation	1,633,071	-	274,526	-	-	1,907,597
Community Service	12,840	-	-	-	-	12,840
Employee Benefits	7,721,125	-	-	27,525	-	7,748,650
Debt Service	3,191,763	-	-	(1,900,000)	(291,572)	1,000,191
Cost of Sales (School Lunch)	332,219	-	-	-	-	332,219
Capital Outlay	409,562	-	(409,562)	-	-	-
<b>Total Expenditures</b>	<b>36,298,230</b>	<b>-</b>	<b>241,957</b>	<b>(1,872,475)</b>	<b>(291,572)</b>	<b>34,376,140</b>
<b>OTHER SOURCES AND USES</b>						
Bond Anticipation Notes Redeemed	291,572	-	-	-	(291,572)	-
Operating Transfers In	2,664,544	-	-	-	(2,664,544)	-
Operating Transfers (Out)	(2,664,544)	-	-	-	2,664,544	-
<b>Total Other Sources and Uses</b>	<b>291,572</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(291,572)</b>	<b>-</b>
<b>Net Change for the Year</b>	<b>\$ (185,110)</b>	<b>\$ -</b>	<b>\$ (241,957)</b>	<b>\$ 1,872,475</b>	<b>\$ -</b>	<b>\$ 1,445,408</b>

See Notes to the Financial Statements



## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

---

#### 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, 2008

---

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

During the year ended June 30, 2008, the District was billed \$3,553,808 for BOCES administrative and program cost and received \$905,626 representing the District's share of BOCES income.

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 Assets 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, 2008

---

### 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, 2008

---

### 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. Prepaids 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. Compensated Absences: The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the governmental funds in as much as it will be funded from current financial resources, and the general long-term debt account group for amounts to be paid from future financial resources. Upon retirement, resignation or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.
- I. 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, \$5,000 prior to March 14, 2006. The assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

---

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

Donated assets are reported at estimated fair market value at the time received.

- J. 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.
- K. 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.
- L. 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.

Post employment benefits recognized by the District aggregated \$1,314,109 for 257 retirees for the year ended June 30, 2008.

- M. 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.
- N. Fund Balance: Reservations of fund balances are created to either satisfy legal restrictions or to plan for future expenditures. A designation of unreserved fund balances in governmental funds indicates the planned use of these resources in the subsequent year's budget. The following is a description of the reserves utilized by the District.

Reserve for Inventories - This reserve is used to limit the investment on inventory and to restrict that portion of fund balance, which is unavailable for appropriation. This reserve is accounted for in the School Lunch Fund.

Reserve for Encumbrances - This reserve represents the amount of outstanding

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

---

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

encumbrances at the end of the fiscal year to be potentially expended in the subsequent year. This reserve is accounted for in the governmental fund types.

The cost of construction contract commitments generally is recorded as an encumbrance of Capital Funds and is presented as a reserve for encumbrances. These committed amounts generally will become liabilities in future periods as the construction work is performed by the contractors. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Reserve for Tax Certiorari – Section 3651 of the Education Law permits the establishment of a reserve fund for tax certiorari and to expend monies from the fund without voter approval of the qualified voters of the school district. The total of the monies held in the reserve fund shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any monies deposited to such a reserve fund 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. This reserve is accounted for in the General Fund.

Reserve for Unemployment Insurance - This reserve is 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 employer elects to convert to tax (contribution) basis, excess of funds over a sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

Reserve for Employee Benefit Accrued Liability – This reserve is used to reserve funds for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

#### A. 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

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

---

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

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.

### 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 assets of governmental activities:

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

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 Assets 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.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

---

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

Original cost of capital assets	\$ 44,571,166
Accumulated depreciation	<u>11,647,089</u>
Capital assets, net	<u><u>\$ 32,924,077</u></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 assets of the governmental activities. As of June 30, 2008 the District did not have any assets unavailable to pay for current-period expenditures.

Long-term liabilities are reported in the Statements of Net Assets, 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	\$ 20,985,000
Compensated absences	<u>3,091,973</u>
	<u><u>\$ 24,076,973</u></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.

##### 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



**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

---

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

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 assets. 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 Assets. Following are reconciliations of revenues and expenditures Governmental Funds to Statement of Activities.

**Revenues:**

Total Revenue reported in Governmental Funds	\$ 35,821,548
Differences did not exist in revenue reporting for the current year	<u>-</u>
Total Revenues Statement of Activities	<u><u>\$ 35,821,548</u></u>

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

---

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

#### Expenditures:

Total expenditures reported in governmental funds (Exhibit 4) \$ 36,298,230

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 earned exceeded the amount used during the year. (Exhibit 8) 27,525

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 greater than capital expenditures in the current year. (Exhibit 8) 241,957

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) (1,900,000)

Transfers to Debt Service Fund are an expenditure in the General Fund and other income in the Debt Service Fund. A reclassifying entry to offset these amounts reduces both expenditures and other sources of income on the Statement of Activities. (Exhibit 8) (291,572)

Total expenses of governmental activities in the Statement of Activities (Exhibit 2) \$ 34,376,140

### Note 4. 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,

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

---

### Note 4. Cash and Investments (continued)

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, 2008, the District's bank balances totaled \$11,878,881, of which, \$300,000 was covered by Federal depository insurance and \$11,578,881 was covered by collateral held by the pledging banks in the District's name.

### Note 5. Interfund Balances and Activity

Interfund balances and activity at June 30, 2008 and for the fiscal year then ended, were as follows:

Fund Type	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General	\$ 768,399	\$ 858,267	\$ -	\$ 2,664,544
Capital	130,527	12,429	-	-
Special Revenue:				
School Lunch	-	283,304	-	-
Special Aid	13,939	518,162	-	-
Debt Service	790,115	-	2,664,544	-
Trust and Agency	-	30,818	-	-
Total	<u>\$ 1,702,980</u>	<u>\$ 1,702,980</u>	<u>\$ 2,664,544</u>	<u>\$ 2,664,544</u>

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

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.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

### Note 5. Interfund Balances and Activity (continued)

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.

### Note 6. Capital Assets

The following is a summary of changes in capital assets:

	June 30, 2007 Balance	Additions	Retirements/ Reclassifications	June 30, 2008 Balance
Governmental Activities				
Capital Assets that are not Depreciated:				
Land	\$ 73,608	\$ -	\$ -	\$ 73,608
Construction in Progress	23,537,750	65,220	(23,154,345)	448,625
Total Nondepreciable Historical Cost	<u>\$ 23,611,358</u>	<u>\$ 65,220</u>	<u>\$ (23,154,345)</u>	<u>\$ 522,233</u>
Capital Assets that are Depreciated:				
Buildings	16,524,321	23,154,345	-	39,678,666
Machinery and Equipment	4,223,361	408,800	(261,894)	4,370,267
Total Depreciable Historical Cost	<u>20,747,682</u>	<u>23,563,145</u>	<u>(261,894)</u>	<u>44,048,933</u>
Less Accumulated Depreciation:				
Buildings	9,009,146	325,369	-	9,334,515
Machinery and Equipment	2,183,860	390,608	(261,894)	2,312,574
Total Accumulated Depreciation	<u>11,193,006</u>	<u>715,977</u>	<u>(261,894)</u>	<u>11,647,089</u>
Total Depreciable Historical Cost, Net	<u>\$ 9,554,676</u>	<u>\$ 22,847,168</u>	<u>\$ -</u>	<u>\$ 32,401,844</u>
Total Capital Assets, Net	<u>\$ 33,166,034</u>	<u>\$ 22,912,388</u>	<u>\$ (23,154,345)</u>	<u>\$ 32,924,077</u>

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

---

### 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 five BANs as described above. The interest rates on these BANs range from 3.29% to 4.05%. These BANs had an outstanding balance of \$943,478 at June 30, 2008.

#### BANs Outstanding:

Payee	Interest Rate	Date Issued	Maturity Date	Purpose	Balance 06/30/08
TD Banknorth	3.29%	02/13/08	02/13/09	Bus Purchases	\$ 344,342
Glens Falls National Bank and Trust Company	3.94%	10/23/07	10/23/08	Bus Purchases	56,735
Glens Falls National Bank and Trust Company	3.99%	08/01/07	08/01/08	Bus Purchases	115,391
Glens Falls National Bank and Trust Company	3.99%	08/12/07	08/12/08	Bus Purchases	180,120
Glens Falls National Bank and Trust Company	4.05%	07/15/07	07/15/08	Bus Purchases	<u>246,890</u>
					<u>\$ 943,478</u>

Interest expense on the District's BAN obligations amounted to \$35,647 for 2007-2008.

Long-term Debt: On June 15, 2004, the District issued long-term serial bonds in the amount of

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

### Note 7. Indebtedness (continued)

\$27,875,000 to finance its district-wide renovation project. Interest expense on the District's bond obligations amounted to \$964,544 for 2007-2008.

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

	Balance 06/30/07	Additions	Deletions	Balance 06/30/08
Serial Bonds	\$ 22,885,000	\$ -	\$ 1,900,000	\$ 20,985,000
Compensated Absences	3,064,448	27,525	-	3,091,973
Total	\$ 25,949,448	\$ 27,525	\$ 1,900,000	\$ 24,076,973

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

Long-term Debt is comprised of the following:

Description of Issue	Issue Date	Maturity Date	Interest Rate	Outstanding at 6/30/08
Serial Bond	06/15/04	06/15/20	Various	\$ 5,485,000
Serial Bond	06/15/04	06/15/17	Various	6,680,000
Serial Bond	06/15/04	06/15/16	Various	8,820,000
Total				<u>\$ 20,985,000</u>

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
2009	\$ 1,970,000	\$ 893,144	\$ 2,863,144
2010	2,045,000	819,069	2,864,069
2011	2,120,000	739,694	2,859,694
2012	2,200,000	654,793	2,854,793
2013	2,285,000	563,994	2,848,994
2014-2018	9,260,000	1,313,794	10,573,794
2019-2023	1,105,000	82,150	1,187,150
	<u>\$ 20,985,000</u>	<u>\$ 5,066,638</u>	<u>\$ 26,051,638</u>

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

---

#### Note 8. Pension Plans

Pension Plans: Beekmantown Central School District participates in the New York State and local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). 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.

#### Pension Plan Description:

The New York State Teachers Retirement System (TRS) is a cost sharing multiple employer defined benefit pension plan administered by the New York State Teachers' Retirement Board. The System provides retirement, disability, withdrawal and death benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. 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 (ERS) provides retirement and death benefits as well as disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The Report may be obtained by writing to The New York State and Local Employees' Retirement System, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

#### Funding Policies

Plan members who joined the System before July 27, 1976 are not required to make contributions. Those members joining after July 27, 1976 who have less than 10 years service or membership are required to contribute three percent (3%) of their annual salary. For the New York State and Local Employees' Retirement System, the Comptroller shall certify annually the rates expressed as proportions of members' payroll, which shall be 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 TRS by the New York State Teachers' Retirement Board.

The District is required to contribute at an actuarially determined rate, currently, 8.73% for TRS based on the annual covered payroll for the fiscal year ended June 30, 2008. Rates applicable to the fiscal years ended June 30, 2007 and 2006 were 8.6% and 7.97%, respectively.

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

---

#### Note 8. Pension Plans (continued)

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

Year	ERS	TRS
2008	\$ 265,656	\$ 1,209,078
2007	\$ 316,563	\$ 1,072,171
2006	\$ 251,418	\$ 820,815

The District's contributions made to the Systems were equal to 100% of the contributions required for each year.

#### Note 9. 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.

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



## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2008

---

#### Note 9. Commitments and Contingencies (continued)

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, 2008 were approximately \$54,306.

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2009	\$ 54,306
2010	54,306
2011	54,306
Total	<u>\$ 162,918</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 \$214,179. The District is aware of petitions totaling \$214,175.

#### Note 10. Stewardship, Compliance and Accountability

The District's undesignated 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 undesignated fund balance at June 30, 2008 was \$5,257,686, which represents 14.54% of next year's budget. The excess amounted to \$3,811,709.

The Capital Projects Fund had a deficit fund balance of \$232,164. This will be funded as the General Fund transfers monies to the Capital Projects Fund to make the principal payments on the outstanding BANs.

#### Note 11. Prior Period Information

Comparative prior period information has been presented in summary form. This information was derived from the District's June 30, 2007 financial statements, and in our report dated September 10, 2007, we expressed an unqualified opinion.

# **BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

## **Combining Balance Sheet - Special Revenue Funds June 30, 2008 and 2007**

	Special Aid	School Lunch	2008 Total	2007 Total
<b>ASSETS</b>				
Unrestricted Cash	\$ 399,442	\$ 242,307	\$ 641,749	\$ 1,394,395
State and Federal Aid Receivable	122,219	44,915	167,134	486,904
Due from Other Funds	13,939	-	13,939	22,407
Inventories	-	26,811	26,811	20,787
<b>Total Assets</b>	<b>\$ 535,600</b>	<b>\$ 314,033</b>	<b>\$ 849,633</b>	<b>\$ 1,924,493</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts Payable and Accrued Expenses	\$ 9,124	\$ 2,607	\$ 11,731	\$ 29,877
Deferred Revenue	8,314	-	8,314	-
Due to Other Funds	518,162	283,304	801,466	1,891,761
Due to Other Governments	-	406	406	585
<b>Total Liabilities</b>	<b>535,600</b>	<b>286,317</b>	<b>821,917</b>	<b>1,922,223</b>
<b>Fund Balance:</b>				
Reserved for Encumbrances	-	-	-	8,159
Reserved for Inventories	-	26,811	26,811	20,787
Unreserved				
Undesignated	-	905	905	(26,676)
<b>Total Fund Balance</b>	<b>-</b>	<b>27,716</b>	<b>27,716</b>	<b>2,270</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 535,600</b>	<b>\$ 314,033</b>	<b>\$ 849,633</b>	<b>\$ 1,924,493</b>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SPECIAL REVENUE FUNDS - COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**Years Ended June 30, 2008 and 2007**

	Special Aid	School Lunch	2008 Total	2007 Total
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ 5,635	\$ 5,635	\$ 9,746
Miscellaneous	-	36,158	36,158	27,422
State Sources	289,169	25,083	314,252	263,514
Federal Sources	962,037	339,678	1,301,715	1,442,418
Surplus Foods	-	53,926	53,926	47,774
Sales	-	359,278	359,278	336,672
Total Revenues	<u>1,251,206</u>	<u>819,758</u>	<u>2,070,964</u>	<u>2,127,546</u>
<b>EXPENDITURES</b>				
General Support	-	294,286	294,286	290,700
Instruction	973,178	-	973,178	1,088,490
Employee Benefits	278,028	167,807	445,835	449,261
Cost of Sales	-	332,219	332,219	286,699
Total Expenditures	<u>1,251,206</u>	<u>794,312</u>	<u>2,045,518</u>	<u>2,115,150</u>
<b>Excess (Deficit) of Revenues over Expenditures</b>	-	25,446	25,446	12,396
<b>Fund Balance, Beginning</b>	-	2,270	2,270	(10,126)
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ 27,716</u>	<u>\$ 27,716</u>	<u>\$ 2,270</u>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**GENERAL FUND - SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET**  
**Year Ended June 30, 2008**

---

Original budget		\$ 35,296,500
Additions:		
Encumbrances - fiscal year 2007	220,739	
Budget revisions - gifts and donations	23,257	
Budget revisions - tax certiorari settlements	<u>643,280</u>	
<b>Total additions</b>		<u>887,276</u>
Revised budget		<u><u>\$ 36,183,776</u></u>

**GENERAL FUND - SCHEDULE OF USE OF FUND BALANCE**  
**As Of The Beginning Of Year Ended June 30, 2008**

---

Unreserved fund balance, beginning of year	\$ 6,184,563
Less:	
Unreserved fund balance designated for subsequent year's expenditures	<u>1,500,000</u>
<b>Total unreserved undesignated fund balance, beginning of year</b>	<u><u>\$ 4,684,563</u></u>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF GENERAL FUND REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**Year Ended June 30, 2008**

Revenues:	Original Budget	Revised Budget	Current Year's Revenues	Over/ (Under) Revised Budget
Real Property Taxes	\$ 13,721,741	\$ 13,721,741	\$ 13,636,215	\$ (85,526)
Other Tax Items/STAR Aid	3,178,225	3,178,225	3,431,916	253,691
Charges for Services	31,000	31,000	27,590	(3,410)
Use of Money and Property	360,500	360,500	490,818	130,318
Sale of Property and Compensation for Loss	5,000	5,000	1,841	(3,159)
Miscellaneous	110,000	133,257	117,437	(15,820)
State Sources	16,040,034	16,040,034	15,939,423	(100,611)
Federal Sources	150,000	150,000	93,259	(56,741)
<b>Total Revenues</b>	<b>33,596,500</b>	<b>33,619,757</b>	<b>33,738,499</b>	<b>118,742</b>
Appropriated Fund Balance:				
Appropriated Reserves	200,000	1,064,019	-	(1,064,019)
Appropriated Fund Balance	1,500,000	1,500,000	-	(1,500,000)
<b>Total Unreserved Fund Balance</b>	<b>1,700,000</b>	<b>2,564,019</b>	<b>-</b>	<b>(2,564,019)</b>
<b>Total Revenues, Other Sources and</b>				
<b>Unreserved Fund Balance</b>	<b>\$ 35,296,500</b>	<b>\$ 36,183,776</b>	<b>\$ 33,738,499</b>	<b>\$ (2,445,277)</b>

	Original Budget	Revised Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
<b>Expenditures:</b>					
General Support:					
Board of Education	\$ 23,188	\$ 20,807	\$ 13,871	\$ -	\$ 6,936
Central Administration	203,947	197,475	183,804	-	13,671
Finance	313,099	342,489	320,335	1,563	20,591
Staff	155,521	151,122	129,597	-	21,525
Central Services	2,590,949	2,707,608	2,108,514	163,837	435,257
Special Items	410,051	1,089,881	999,591	-	90,290
Instructional:					
Instruction, Administration, and Improvement	973,888	982,257	953,299	567	28,391
Teaching - Regular School	10,036,202	10,104,616	9,691,016	182,618	230,982
Programs for Children with Handicapping Conditions	4,544,073	4,604,490	4,448,708	1,033	154,749
Teaching - Special Schools	497,429	505,017	505,017	-	-
Instructional Media	894,606	1,004,706	1,003,521	887	298
Pupil Service	1,418,406	1,441,680	1,372,913	10,004	58,763
Pupil Transportation	1,636,064	1,729,806	1,633,071	3,644	93,091
Community Service	15,800	12,840	12,840	-	-
Employee Benefits	8,391,499	8,097,204	7,275,290	-	821,914
Debt Service	3,191,778	327,234	327,219	-	15
<b>Total Expenditures</b>	<b>35,296,500</b>	<b>33,319,232</b>	<b>30,978,606</b>	<b>364,153</b>	<b>1,976,473</b>
<b>Other Uses:</b>					
Interfund Transfer	-	2,864,544	2,664,544	-	200,000
<b>Total Expenditures and Other Uses</b>	<b>\$ 35,296,500</b>	<b>\$ 36,183,776</b>	<b>33,643,150</b>	<b>\$ 364,153</b>	<b>\$ 2,176,473</b>
<b>Excess of Revenues over Expenditures and Other Uses</b>					
					<b>\$ 95,349</b>

See Independent Auditor's Report.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**CAPITAL PROJECTS FUND - SCHEDULE OF PROJECT EXPENDITURES**

**Year Ended June 30, 2008**

Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	(Overexpended) Unexpended Balance
Buses	\$ 344,342	\$ 344,342	\$ -	\$ 344,342	\$ 344,342	\$ -
Various Improvements/Renovations	1,000,000	1,000,000	383,405	65,220	448,625	551,375
<b>Totals</b>	<b>\$ 1,344,342</b>	<b>\$ 1,344,342</b>	<b>\$ 383,405</b>	<b>\$ 409,562</b>	<b>\$ 792,967</b>	<b>\$ 551,375</b>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CERTAIN REVENUES AND EXPENDITURES COMPARED TO ST-3 DATA**  
**Year Ended June 30, 2008**

	<u>Account Code</u>	<u>ST-3 Data</u>	<u>Audited Amount</u>	
<b>Revenues</b>				
Property Taxes	A - 1001	\$ 13,636,215	\$ 13,636,215	
Non-Property taxes	AT - 1199	\$ -	\$ -	
State Aid	AT - 3999	\$ 15,939,423	\$ 15,939,423	
Federal Aid	AT - 4999	\$ 93,259	\$ 93,259	
Total Revenues	AT - 5999	\$ 33,738,502	\$ 33,738,499	(1)
<b>Expenditures</b>				
General Support	AT - 1999.0	\$ 3,755,712	\$ 3,755,712	
Pupil Transportation	AT - 5599.0	\$ 1,633,072	\$ 1,633,071	(1)
Debt Service - Principal	AT - 9798.6	\$ 291,572	\$ 291,572	
Debt Service - Interest	AT - 9798.7	\$ 35,647	\$ 35,647	
Total Expenditures	AT - 9999.0	\$ 33,643,154	\$ 33,643,150	(1)

(1) Rounding



**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2008**

<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	0021-08-0480	\$ 403,045
IDEA - Part B, Section 611	84.027A	0032-08-0133	434,518
Title V - Part A - Innovative	84.298A	0002-08-0480	4,240
IDEA - Part B, Section 619	84.173A	0033-08-0133	30,441
CPSE Administration	84.173A	0232-08-0133	9,158
Title IV - Part A, Safe and Drug-Free Schools	84.186A	0180-08-0480	9,920
Title II, Part A	84.367A	0147-08-0480	67,213
Title II, Part D	84.318X	0292-08-0480	3,502
<b>Total Department of Education</b>			<u>962,037</u>
U.S. Department of Agriculture Direct Programs:			
Pass-through New York State Department of Education			
National School Lunch Program/Breakfast Program	10.555		339,678
Surplus Food	10.550		53,926
<b>Total Child Nutrition Cluster</b>			<u>393,604</u>
<b>Total Department of Agriculture</b>			<u>393,604</u>
<b>Total Federal Assistance Expended</b>			<u>\$ 1,355,641</u>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**June 30, 2008**

---

**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.

CBTT

*Conroy, Boulrice, Telling & Trombley, PC*

---

*Certified Public Accountants*

*JACK L. CONROY, CPA*

*MICHAEL L. BOULRICE, CPA*

*THOMAS R. TELLING, CPA*

*LEO P. TROMBLEY, CPA*

**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 the financial statements of the governmental activities of Beekmantown Central School District as of and for the year ended June 30, 2008, which collectively comprise Beekmantown Central School District's basic financial statements and have issued our report thereon dated August 28, 2008. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Beekmantown Central School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Beekmantown Central School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Beekmantown Central School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Beekmantown Central School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Beekmantown Central School District's financial statements that is more than inconsequential will not be prevented or detected by the Beekmantown Central School District's internal control. We consider the deficiency described in

the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting. The finding is referenced as follows: 08-1.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Beekmantown Central School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is not a material weakness.

### **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 08-1.

We noted certain matters that we reported to management of Beekmantown Central School District, in a separate letter dated August 28, 2008.

Beekmantown Central School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Beekmantown Central School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, School Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Conroy, Boulrice, Telling & Trombley, P.C.*

Conroy, Boulrice, Telling & Trombley, PC  
August 28, 2008

CBTT

*Conroy, Boulrice, Telling & Trombley, PC*

JACK L. CONROY, CPA

*Certified Public Accountants*

MICHAEL L. BOULRICE, CPA

THOMAS R. TELLING, CPA

LEO P. TROMBLEY, CPA

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Beekmantown Central School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Beekmantown Central School District's management. Our responsibility is to express an opinion on Beekmantown Central School District's compliance based on our audit.

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. Our audit does not provide a legal determination of Beekmantown Central School District's compliance with those requirements.

In our opinion, Beekmantown Central School District complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 08-2.

To the Board of Education  
Beekmantown Central School District

### Internal Control Over Compliance

The management of Beekmantown Central School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Beekmantown Central School District's internal control over compliance with requirements that could have a direct and material effect on a major program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 the 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 would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 08-2 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

Beekmantown Central School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Beekmantown Central School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, Beekmantown Central Board of Education and federal awarding agencies and pass-through agencies and is not intended to be used by anyone other than these specified parties.

*Conroy, Boulrice, Telling & Trombley, P.C.*

Conroy, Boulrice, Telling & Trombley, PC  
August 28, 2008

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

---

**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?	_____ <u>X</u> yes	_____ no

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	IDEA - Part B, Section 611
84.173A	IDEA - Part B, Section 619
84.173A	CPSE Administration

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, 2008**

**SECTION II – FINANCIAL STATEMENTS**

**Significant Deficiency**

**08-1 Excess Fund Balance**

Condition: The District's undesignated general fund balance was 14.5% 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 undesignated general fund balance was 10.5%, or \$3,811,709, 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: Management has discussed the issue with the Board of Education and may fund some reserves to decrease the fund balance accordingly.

**SECTION III – MAJOR FEDERAL AWARDS**

**Significant Deficiency**

**08-2 Section 619 Grant**

Condition: A Section 619 Grant expenditure was required to be utilized for 3-5 **year olds**. The expenditure was actually used for a teacher-aid for a 15:1:1 classroom for **grades 3, 4 & 5**.

Criteria: The Section 619 Grant is for 3-5 year old children.

Effect: An internal control weakness exists whereby the District was not aware of the requirements of the Section 619 Grant resulting in inappropriate expenditure.

Recommendation: Policies and procedures should be in place so that the requirements of the grants are followed

Corrective Action: A Director of Special Services was hired that is familiar with the requirements of the various grant programs. Current grants have been reviewed and verified to ensure no inappropriate expenditures exist. Policies and Procedures will be reviewed for possible updates and revisions.



CBTT

*Conroy, Boulrice, Telling & Trombley, PC*

JACK L. CONROY, CPA

MICHAEL L. BOULRICE, CPA

*Certified Public Accountants*

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 of the Extraclassroom Activity Funds of the Beekmantown Central School District as of June 30, 2008, and the related statement of receipts, disbursements and ending balances – cash basis for the year then ended. These financial statements are the responsibility of the Beekmantown Central School District's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of the Extraclassroom Activity Funds of the Beekmantown Central School District as of June 30, 2008, and its receipts, disbursements and ending balances for the year then ended, on the cash basis of accounting.

*Conroy, Boulrice, Telling & Trombley, P.C.*

Conroy, Boulrice, Telling & Trombley, PC  
August 28, 2008

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

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

**June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	<u>\$ 109,793</u>	<u>\$ 116,466</u>
<b>Total Assets</b>	<u><u>\$ 109,793</u></u>	<u><u>\$ 116,466</u></u>
<b>LIABILITIES</b>		
Sales Tax Payable	\$ 350	\$ 582
<b>FUND BALANCE</b>		
Extraclassroom Activity	<u>109,443</u>	<u>115,884</u>
<b>Total Fund Balance</b>	<u><u>\$ 109,793</u></u>	<u><u>\$ 116,466</u></u>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**EXTRACLASROOM ACTIVITY FUNDS  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND ENDING FUND BALANCE - CASH BASIS  
Year Ended June 30, 2008 and 2007**

Activity	Balance 06/30/07	Receipts	Disbursements	Balance 06/30/08
Class of 2007	\$ 1,398	\$ 3	\$ 1,401	\$ -
Class of 2008	7,341	13,810	19,429	1,722
Class of 2009	16,804	20,749	25,765	11,788
Class of 2010	11,176	5,597	3,215	13,558
Class of 2011	6,170	12,759	7,939	10,990
Class of 2012	4,065	6,639	5,575	5,129
Class of 2013	3,311	3,178	1,977	4,512
Class of 2014	-	12,994	9,411	3,583
Library Club	940	469	119	1,290
S.A.D.D.	1,263	980	1,417	826
Student Council	40,880	61,630	65,974	36,536
M.S. Student Council	5,102	3,253	5,258	3,097
Varsity Club	1,005	20,155	19,796	1,364
Yearbook Club	6,636	19,893	19,761	6,768
M.S. Drama Club	1,585	2,228	1,218	2,595
Outdoor Adventure Club	1,069	582	173	1,478
National Honor Society	3,861	89	3,353	597
Foreign Language Club	-	500.00	475	25
Middle School Yearbook	1,032	6,863	6,533	1,362
H.S. Drama Club	2,193	4,177	4,270	2,100
BCS Fitness Club	-	2,487	2,398	89
BCS Fitness Center	42	83.00	104.00	21
Community Service Club	11	1,918	1,916	13
Total	<u>\$ 115,884</u>	<u>\$ 201,036</u>	<u>\$ 207,477</u>	<u>\$ 109,443</u>

## **BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

### **EXTRACLASSROOM ACTIVITY FUNDS NOTES TO FINANCIAL STATEMENTS**

---

#### **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.