

HASTINGS-ON-HUDSON UNION FREE
SCHOOL DISTRICT, NEW YORK

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2009

WITH INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

To the Board of Education of the
Hastings-on-Hudson Union Free School District, New York:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Hastings-on-Hudson Union Free School District, New York as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Hastings-on-Hudson Union Free School District, New York as of June 30, 2009 and the respective changes in financial position, thereof, and the respective budgetary comparison for the General and Special Aid funds 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 September 28, 2009 on our consideration of the Hastings-on-Hudson Union Free School District, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. 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.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted principally of inquiries 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.

As described in Note 3 to the basic financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 45, *"Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions"* as of and for the year ended June 30, 2009.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hastings-on-Hudson Union Free School District, New York's basic financial statements. The accompanying financial information listed as combining and individual fund financial statements and schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Hastings-on-Hudson Union Free School District, New York. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

O'Connor Davies Munns & Dobbins, LLP
Bennett Kielson Storch DeSantis Division
_____, 2009

**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 of the
Hastings-on-Hudson Union Free School District, New York:

We have audited the financial statements of the Hastings-on-Hudson Union Free School District, New York as of and for the year ended June 30, 2009, and have issued our report thereon dated _____, 2009. 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 the Hastings-on-Hudson Union Free School District, New York's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hastings-on-Hudson Union Free School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Hastings-on-Hudson Union Free School District's internal control over financial reporting.

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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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 entity's internal control.

Our consideration of 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hastings-on-Hudson Union Free School District, New York'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the Hastings-on-Hudson Union Free School District, New York in a separate letter.

This report is intended solely for the information and use of the Board of Education, management 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. However, this report is a matter of public record and its distribution is not limited.

O'Connor Davies Munns & Dobbins, LLP
Bennett Kielson Storch DeSantis Division

_____, 2009

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

STATEMENT OF NET ASSETS

JUNE 30, 2009

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 8,337,450
Investments	22,040
Receivables:	
Accounts	126,209
State and Federal aid	877,067
Due from other governments	92,275
Inventories	3,016
Capital assets (net of accumulated depreciation):	
Land	115,000
Land improvements	271,231
Buildings and improvements	8,845,808
Machinery and equipment	182,587
Total Assets	<u>18,872,683</u>
LIABILITIES	
Accounts payable	272,010
Accrued liabilities	495,073
Unearned revenues	33,438
Due to other governments	5,031
Due to retirement systems	1,643,229
Accrued interest payable	141,955
Non-Current Liabilities:	
Due within one year:	
Bonds payable - Judgments and claims	140,000
Bonds payable - Capital construction	1,025,000
Compensated absences	12,279
Due in more than one year:	
Bonds payable - Judgments and claims	340,000
Bonds payable - Capital construction	7,380,000
Compensated absences	110,508
Other post employment benefit obligations payable	2,081,300
Total Liabilities	<u>13,679,823</u>
NET ASSETS	
Invested in capital assets, net of related debt	1,009,626
Restricted for:	
Capital projects	561,362
Debt service	471,697
Tax certiorari	2,459,733
Special purposes	136,785
Unrestricted	553,657
Total Net Assets	<u>\$ 5,192,860</u>

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

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General support	\$ 5,240,621	\$ 213,294	\$ 18,528	\$ -	\$ (5,008,799)
Instruction	33,285,976	569,523	649,982	-	(32,066,471)
Pupil transportation	1,544,325	-	-	-	(1,544,325)
Cost of food sales	357,530	359,564	29,463	-	31,497
Other	58,897	-	69,517	-	10,620
Interest	471,177	-	-	12,356	(458,821)
Total Governmental Activities	<u>\$ 40,958,526</u>	<u>\$ 1,142,381</u>	<u>\$ 767,490</u>	<u>\$ 12,356</u>	<u>(39,036,299)</u>
General Revenues:					
Real property taxes					28,888,568
Other tax items -					
School tax relief reimbursement					5,861,527
Non-property taxes -					
Non-property tax distribution from County					401,171
Unrestricted use of money and property					207,730
Sale of property and compensation for loss					37,749
Unrestricted State aid					4,692,741
Miscellaneous					135,193
Total General Revenues					<u>40,224,679</u>
Change in Net Assets					1,188,380
Net Assets - Beginning of Year					<u>4,004,480</u>
Net Assets - Ending					<u>\$ 5,192,860</u>

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

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Equivalents	\$ 7,036,121	\$ 961,495	\$ 339,834	\$ 8,337,450
Investments	3,310	-	18,730	22,040
Receivables:				
Accounts	122,860	-	3,349	126,209
State and Federal aid	395,249	-	481,818	877,067
Due from other governments	92,275	-	-	92,275
Due from other funds	426,026	-	437,800	863,826
Inventories	-	-	3,016	3,016
Total Assets	<u>\$ 8,075,841</u>	<u>\$ 961,495</u>	<u>\$ 1,284,547</u>	<u>\$ 10,321,883</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 197,659	\$ 2,227	\$ 72,124	\$ 272,010
Accrued liabilities	495,073	-	-	495,073
Deferred revenues	4,463	-	28,975	33,438
Due to other funds	-	397,906	465,920	863,826
Due to other governments	-	-	5,031	5,031
Due to retirement systems	1,643,229	-	-	1,643,229
Total Liabilities	<u>2,340,424</u>	<u>400,133</u>	<u>572,050</u>	<u>3,312,607</u>
Fund Balances:				
Reserved for encumbrances	151,128	-	-	151,128
Reserved for debt service	19,563	-	177,134	196,697
Reserved for tax certiorari	2,459,733	-	-	2,459,733
Reserved for inventories	-	-	3,016	3,016
Reserved for trusts	-	-	136,785	136,785
Unreserved, reported in:				
General Fund	3,104,993	-	-	3,104,993
Special Revenue Funds	-	-	120,562	120,562
Debt Service Fund	-	-	275,000	275,000
Capital Projects Fund	-	561,362	-	561,362
Total Fund Balances	<u>5,735,417</u>	<u>561,362</u>	<u>712,497</u>	<u>7,009,276</u>
Total Liabilities and Fund Balances	<u>\$ 8,075,841</u>	<u>\$ 961,495</u>	<u>\$ 1,284,547</u>	<u>\$ 10,321,883</u>

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

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT - WIDE STATEMENT OF NET ASSETS
JUNE 30, 2009

Fund Balances - Total Governmental Funds	\$ 7,009,276
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	9,414,626
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Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable	(8,885,000)
Compensated absences	(122,787)
Accrued interest payable	(141,955)
Other post employment benefit obligations payable	(2,081,300)

	(11,231,042)
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Net Assets of Governmental Activities	\$ 5,192,860
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The notes to the financial statements are an integral part of this statement.

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2009

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Real property taxes	\$ 28,888,568	\$ -	\$ -	\$ 28,888,568
Other tax items	5,861,527	-	-	5,861,527
Non-property taxes	401,171	-	-	401,171
Charges for services	569,523	-	-	569,523
Use of money and property	439,746	-	12,938	452,684
Sale of property and compensation for loss	37,749	-	-	37,749
State aid	4,829,976	-	164,709	4,994,685
Federal aid	41,875	-	335,195	377,070
Food sales	-	-	357,551	357,551
Miscellaneous	135,193	-	71,184	206,377
Total Revenues	<u>41,205,328</u>	<u>-</u>	<u>941,577</u>	<u>42,146,905</u>
EXPENDITURES				
Current:				
General support	5,039,024	-	-	5,039,024
Instruction	23,903,656	-	512,048	24,415,704
Pupil transportation	1,544,325	-	-	1,544,325
Employee benefits	7,531,903	-	-	7,531,903
Cost of food sales	-	-	353,265	353,265
Other	-	-	58,897	58,897
Debt service:				
Principal	-	-	1,320,000	1,320,000
Interest	132,375	-	361,201	493,576
Capital outlay	-	285,958	-	285,958
Total Expenditures	<u>38,151,283</u>	<u>285,958</u>	<u>2,605,411</u>	<u>41,042,652</u>
Excess (Deficiency) of Rev- enues Over Expenditures	<u>3,054,045</u>	<u>(285,958)</u>	<u>(1,663,834)</u>	<u>1,104,253</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	95,800	1,722,379	1,818,179
Transfers out	<u>(1,818,179)</u>	<u>-</u>	<u>-</u>	<u>(1,818,179)</u>
Total Other Financing Sources (Uses)	<u>(1,818,179)</u>	<u>95,800</u>	<u>1,722,379</u>	<u>-</u>
Net Change in Fund Balances	1,235,866	(190,158)	58,545	1,104,253
Fund Balances - Beginning of Year	<u>4,499,551</u>	<u>751,520</u>	<u>653,952</u>	<u>5,905,023</u>
Fund Balances - End of Year	<u>\$ 5,735,417</u>	<u>\$ 561,362</u>	<u>\$ 712,497</u>	<u>\$ 7,009,276</u>

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

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

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

Net Change in Fund Balances - Total Governmental Funds	\$ 1,104,253
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period. This amount is less than the capital outlay since capital outlay includes amounts that are under the capitalization threshold and, therefore, were not capitalized.	
Capital outlay expenditures	127,657
Depreciation expense	<u>(620,060)</u>
	<u>(492,403)</u>
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Principal paid on bonds	<u>1,320,000</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Claims	1,200,000
Compensated absences	115,431
Accrued interest	22,399
Other post employment benefit obligations payable	<u>(2,081,300)</u>
	<u>(743,470)</u>
Change in Net Assets of Governmental Activities	<u>\$ 1,188,380</u>

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

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCES - BUDGET AND ACTUAL

GENERAL FUND

YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 28,890,993	\$ 28,890,993	\$ 28,888,568	\$ (2,425)
Other tax items	5,861,527	5,861,527	5,861,527	-
Non-property taxes	300,000	300,000	401,171	101,171
Charges for services	300,000	300,000	569,523	269,523
Use of money and property	365,000	365,000	439,746	74,746
Sale of property and compensation for loss	-	-	37,749	37,749
State aid	4,533,902	4,533,902	4,829,976	296,074
Federal aid	40,000	40,000	41,875	1,875
Miscellaneous	142,000	142,000	135,193	(6,807)
Total Revenues	<u>40,433,422</u>	<u>40,433,422</u>	<u>41,205,328</u>	<u>771,906</u>
EXPENDITURES				
Current:				
General support	4,063,762	5,063,670	5,039,024	24,646
Instruction	25,507,160	25,591,734	23,903,656	1,688,078
Pupil transportation	1,596,625	1,708,875	1,544,325	164,550
Employee benefits	8,640,895	8,217,662	7,531,903	685,759
Debt service - Interest	160,000	160,000	132,375	27,625
Total Expenditures	<u>39,968,442</u>	<u>40,741,941</u>	<u>38,151,283</u>	<u>2,590,658</u>
Excess of Revenues Over Expenditures	<u>464,980</u>	<u>(308,519)</u>	<u>3,054,045</u>	<u>3,362,564</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	400,000	400,000	-	(400,000)
Transfers out	(1,827,002)	(1,838,768)	(1,818,179)	20,589
Total Other Financing Uses	<u>(1,427,002)</u>	<u>(1,438,768)</u>	<u>(1,818,179)</u>	<u>(379,411)</u>
Net Change in Fund Balance	(962,022)	(1,747,287)	1,235,866	2,983,153
Fund Balance - Beginning of Year	<u>962,022</u>	<u>1,747,287</u>	<u>4,499,551</u>	<u>2,752,264</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,735,417</u>	<u>\$ 5,735,417</u>

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

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

STATEMENT OF ASSETS AND LIABILITIES

FIDUCIARY FUND

JUNE 30, 2009

	<u>Agency</u>
ASSETS	
Cash and Equivalents	\$ 193,608
Accounts Receivable	<u>1,079</u>
 Total Assets	 <u><u>\$ 194,687</u></u>
 LIABILITIES	
Accounts Payable	\$ 29,313
Deposits	17,343
Student Activity Funds	<u>148,031</u>
 Total Liabilities	 <u><u>\$ 194,687</u></u>

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies

The Hastings-on-Hudson Union Free School District, New York, ("School District") as presently constituted, was established in 1903 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

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

A. Financial Reporting Entity

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

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

The School District participates in the Southern Westchester Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating district's governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined by Education Law. Copies of BOCES' financial statement can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

The School District also contracts with BOCES for computer hardware and maintenance. This contract qualifies as a capital lease in accordance with the provisions of Financial Accounting Standards Board Statement No. 13. BOCES, however, has not separately determined the cost for hardware and maintenance and neither BOCES nor the School District has recorded these transactions in accordance with FASB No. 13.

Note 1 - Summary of Significant Accounting Policies (Continued)

B. District-Wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all non-fiduciary activities of the School District government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Assets presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements.

C. Fund Financial Statements

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

Fund Categories

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

Note 1 - Summary of Significant Accounting Policies (Continued)

General Fund - The General Fund constitutes the primary operating fund of the School District in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Capital Projects Fund - The Capital Projects Fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities.

The School District also reports the following non-major governmental funds:

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes. The special revenue funds of the School District are as follows:

Special Aid Fund - The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal, State or local funds.

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast, lunch and milk programs of the School District.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with the terms of a trust agreement.

Debt Service Fund - The Debt Service Fund is provided to account for the accumulation of resources to be used for the redemption of principal and interest on long-term debt.

- b. Fiduciary Funds (Not Included in District-wide Statements) - Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. Among the activities included in the Agency Fund are the student activity funds. The Agency Fund is also utilized to account for payroll tax withholdings that are payable to other jurisdictions.

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities and Net Assets or Fund Balances

Deposits, Investments and Risk Disclosure

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

The School District's investment policies are governed by State statutes. The School District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions.

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2009.

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

Investment Pool - The School District participates in a cooperative investment pool established pursuant to General Municipal Law that meets the definition of a 2a7-like pool. The sponsoring agency of the pool is another governmental unit, which acting through the fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. The pool is authorized to invest in various securities issued by the United States and its agencies. The amount reported represents the amortized cost of the cooperative shares and is considered to approximate fair value. Additional information concerning the Cooperative is presented in the annual report of the Cooperative Liquid Assets Securities System (CLASS), which may be obtained from MBIA Municipal Investors Service Corp., 113 King Street, Armonk, NY 10504.

CLASS is rated AAA/V1+ by Fitch Ratings and is registered with the Securities and Exchange Commission. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable in September and January. The town which is included in the levy is responsible for the billing and collection of the taxes. The town guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

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

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2009, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of food and supplies and are recorded at cost on a first-in, first-out basis or in the case of surplus food, at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by a reservation of fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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

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

Land is not depreciated. Property, plant and equipment of the School District are depreciated using the straight line method over the following estimated useful lives.

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

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

Unearned/Deferred Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In district-wide financial statements, unearned revenues consist of revenue received in advance and/or revenue from grants received before the eligibility requirements have been met.

Deferred revenues in fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported deferred revenues of \$4,463 within the General Fund for tuition received in advance, \$9,180 for Federal aid received in advance in the Special Aid Fund and \$19,795 for

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

monies received in advance for school lunch in the school lunch fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide Statement of Net Assets as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

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

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

Net Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets on the Statement of Net Assets include, invested in capital assets, net of related debt, restricted for capital projects, tax certiorari, debt service and special purposes. The balance is classified as unrestricted.

Fund Balances - Reserves and Designations - Portions of fund balance are segregated for future use and are therefore not available for future appropriation or expenditure. Amounts reserved for encumbrances, inventories, tax certiorari, debt service and trusts represent portions of fund balance which are required to be segregated in accordance with State law or generally accepted accounting principles. Designation of unreserved fund balances in governmental funds indicates the utilization of these resources in the ensuing year's budget or tentative plans for future use.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General and Capital Projects funds. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

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

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the voters reject the budget, the Board of Education may resubmit the budget to the voters only once in revised form or as originally issued. The Board may also elect to adopt a contingent budget without voter approval. The contingent budget includes all expenditures needed to provide the minimum services legally required. Total spending under a contingency budget cannot increase by more than 4% or 120% of the Consumer Price Index, whichever is lower. In addition, the administrative budget segment, exclusive of the capital component, may not comprise a greater percentage of the budget than the lesser of either (1) the comparable percentage of the prior year's budget or (2) the comparable percentage of the last defeated budget.
- f) Formal budgetary integration is employed during the year as a management control device for General, Special Aid and Debt Service funds.
- g) Budgets for General, Special Aid and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the School Lunch or Special Purpose funds.

NOTES TO FINANCIAL STATEMENTS (Continued)

JUNE 30, 2009

Note 2 - Stewardship, Compliance and Accountability (Continued)

- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in General, Special Aid and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Property Tax Limitation

The School District is not limited as to the maximum amount of real property taxes, which may be raised within the School District.

C. Limitation on Unreserved Fund Balance

The School District is limited to the amount of unreserved fund balance that can be retained. New York State law limits the unreserved fund balance to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

Note 3 - Detailed Notes on All Funds**A. Due From/To Other Funds**

The composition of interfund balances at June 30, 2009 is as follows:

Fund	Due From	Due To
General	\$ 426,026	\$ -
Capital	-	397,906
Non-Major Governmental	437,800	465,920
	<u>\$ 863,826</u>	<u>\$ 863,826</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

Note 3 - Detailed Notes on All Funds (Continued)
B. Capital Assets

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

Class	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Capital Assets, not being depreciated:				
Land	\$ 115,000			\$ 115,000
Construction in progress	198,216	-	198,216	-
	<u>\$ 313,216</u>	<u>\$ -</u>	<u>\$ 198,216</u>	<u>\$ 115,000</u>
Capital Assets, being depreciated:				
Land Improvements	\$ 761,709	\$ 35,325	\$ -	\$ 797,034
Buildings and Improvements	19,678,875	163,564	-	19,842,439
Machinery and Equipment	608,106	126,984	7,025	728,065
Total Capital Assets, being Depreciated	<u>21,048,690</u>	<u>325,873</u>	<u>7,025</u>	<u>21,367,538</u>
Less accumulated depreciation for:				
Land Improvements	487,178	38,625	-	525,803
Buildings and Improvements	10,455,084	541,547	-	10,996,631
Machinery and Equipment	512,615	39,888	7,025	545,478
Total Accumulated Depreciation	<u>11,454,877</u>	<u>620,060</u>	<u>7,025</u>	<u>12,067,912</u>
Total Capital Assets, being depreciated, net	<u>\$ 9,593,813</u>	<u>\$ (294,187)</u>	<u>\$ -</u>	<u>\$ 9,299,626</u>
Governmental Activities				
Capital Assets, net	<u>\$ 9,907,029</u>	<u>\$ (294,187)</u>	<u>\$ 198,216</u>	<u>\$ 9,414,626</u>

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

General Government Support	\$ 7,223
Instruction	608,572
Cost of Food Sales	<u>4,265</u>
Total Depreciation Expense	<u>\$ 620,060</u>

C. Pension Plans

The Hastings-on-Hudson Union Free School District, New York participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS") ("Systems"). These Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

Note 3 - Detailed Notes on All Funds (Continued)

are governed by Education Law and the New York State Retirement and Social Security Law. The Systems issue publicly available financial reports that include financial statements and required supplementary information for the Systems. These reports may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12224 and the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Funding Policy - The Systems are non-contributory except for employees who joined after July 27, 1976 and have less than ten years of service, who contribute 3% of their salary. Contributions to ERS are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions to ERS consist of a life insurance portion (GTLI) and regular pension contributions. Pursuant to Article 11 of Education Law, contributions are established annually for TRS by the New York State Teachers' Retirement Board. Contribution rates for the plans' year's ending in 2009 are as follows:

ERS		TRS	
Tier/Plan	Rate	Tiers	Rate
1 75I	10.8%	1-4	7.63%
3 A14	8.1		
4 A15	8.1		

Contributions made or accrued to the Systems for the current and two preceding years were as follows:

	ERS	TRS
2009	\$ 283,688	\$ 1,348,404
2008	305,099	1,432,371
2007	329,367	1,372,967

The ERS and TRS contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current year ERS and TRS contribution was charged to the General Fund.

D. Accrued Liabilities

Accrued liabilities as of June 30, 2009 were as follows:

	General Fund
Payroll and Employee Benefits	\$ 25,410
Judgments and Claims	469,663
	<u>\$ 495,073</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

Note 3 - Detailed Notes on All Funds (Continued)
E. Short-Term Non-Capital Borrowings

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

	Balance July 1, 2008	New Issues	Redemptions	Balance June 30, 2009
Tax Anticipation Note	\$ -	\$ 4,500,000	\$ 4,500,000	\$ -

The tax anticipation note of \$4,500,000 was issued in July 2008 and redeemed on June 24, 2009, with interest at 3.0%. Interest expenditures/expenses of \$132,375 were recorded in the fund financial statements in the General Fund and in the district-wide financial statements.

F. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2009:

	Balance July 1, 2008	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2009	Due Within One-Year
Bonds Payable	\$ 10,205,000	\$ -	\$ 1,320,000	\$ 8,885,000	\$ 1,165,000
Other Non-current Liabilities -					
Claims Payable	1,200,000	-	1,200,000	-	-
Compensated Absences	238,218	23,822	139,253	122,787	12,279
Other Post Employment Benefit Obligations Payable	-	3,267,900	1,186,600	2,081,300	-
Total Non-Current Liabilities	1,438,218	3,291,722	2,525,853	2,204,087	12,279
Total Long-Term Liabilities	\$ 11,643,218	\$ 3,291,722	\$ 3,845,853	\$ 11,089,087	\$ 1,177,279

Each governmental fund's liability for compensated absences is liquidated by the respective fund. The School District's indebtedness for bonds is satisfied by the Debt Service Fund, which is funded primarily by the General Fund.

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2009

Note 3 - Detailed Notes on All Funds (Continued)**Bonds Payable**

Bonds payable at June 30, 2009 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2009
School District Renovations	1995	\$ 3,972,000	July 2013	5.20 - 5.40 %	\$ 1,535,000
Tax Certiorari Refunds	1996	550,000	June 2011	5.30 - 5.60	105,000
Tax Certiorari Refunds	1997	1,050,000	December 2012	4.70 - 4.90	375,000
School District Renovations	2003	9,925,000	July 2016	3.00 - 3.50	6,870,000
					<u>\$ 8,885,000</u>

Interest expenditures of \$361,201 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$338,802 was recorded in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of June 30, 2009, including interest payments of \$1,229,794 are as follows:

Year Ending June 30,	Principal	Interest
2010	\$ 1,165,000	\$ 310,522
2011	1,215,000	264,406
2012	1,210,000	216,034
2013	1,265,000	168,542
2014	1,215,000	120,793
2015-2017	<u>2,815,000</u>	<u>149,497</u>
	<u>\$ 8,885,000</u>	<u>\$ 1,229,794</u>

The above general obligation bonds are direct obligations of the School District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the School District.

NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2009

Note 3 - Detailed Notes on All Funds (Continued)**Compensated Absences**

The School District is obligated to compensate employees for accrued vacation upon separation of service in accordance with applicable collective bargaining agreements. The School District is not required to compensate employees for accumulated sick leave. The value of the compensated absences has been reflected in the district-wide financial statements.

G. Revenues and Expenditures**Interfund Transfers**

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

Transfers Out:	Transfers In				Total
	General	Special Aid	Debt Service	Capital Projects	
General	\$ -	\$ 41,176	\$ 1,681,202	\$ 95,800	\$ 1,818,178

Transfers are used to 1) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due, 2) move amounts earmarked in the operating funds to fulfill commitments for the Special Aid Fund and 3) move funds from the operating funds to the Capital Projects Fund to fund capital projects.

H. Other Post Employment Benefit Obligations

The District provides certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the District may vary according to length of service. The cost of providing post-employment health care benefits is shared between the District and the retired employee. 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 retiree health care benefits is recognized as an expenditure as claims are paid within the government funds.

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution, (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. GASB Statement 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the annual required contribution (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

NOTES TO FINANCIAL STATEMENTS (Continued)

JUNE 30, 2009

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The District is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis.

The assumed rate increase in postretirement benefits is as follows:

<u>Valuation Year Beginning 10/1</u>	<u>Medical Inflation Rate</u>	<u>Medicare Part B Inflation Rate</u>
2008	8.70%	3.75%
2009	8.20%	5.00%
2010	6.50%	5.00%
2011-2012	5.90%	5.00%
2013-2016	5.80%	5.00%
2017-2020	5.70%	5.00%
2021-2024	5.60%	5.00%
2025-2029	5.50%	5.00%
2030-2031	5.40%	5.00%
2032	5.30%	5.00%
2033	5.20%	5.00%
2034-2035	5.10%	5.00%
2036-2038	5.00%	5.00%
2039-2042	4.90%	4.90%
2043-2047	4.80%	4.80%
2048-2054	4.70%	4.70%
2055-2063	4.60%	4.60%
2064-2074	4.50%	4.50%
2075	4.30%	4.30%
2076-2077	4.20%	4.20%
2078-2088	4.10%	4.10%
2089 & thereafter	4.00%	4.00%

The amortization basis is the fixed dollar method with an closed group amortization approach. The unit credit method was used to determine the actuarial value of the assets of the OPEB plan, however, the District currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the unit credit method.

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009**Note 3 - Detailed Notes on All Funds (Continued)**

The number of participants as of June 30, 2009 was as follows:

Active Employees	257
Retired Employees	<u>184</u>
Total	<u><u>441</u></u>

Amortization Component:

Actuarial Accrued Liability as of July 1, 2008	\$ 36,196,900
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u><u>\$ 36,196,900</u></u>
Funded ratio	0.00%
Covered payroll (active plan members)	<u>\$ 21,475,929</u>
UAAL as a percentage of covered payroll	<u><u>168.55%</u></u>
Annual Required Contribution	\$ 3,267,900
Contributions Made	<u>(1,186,600)</u>
Increase in Net OPEB Obligation	2,081,300
Net OPEB Obligation - beginning of year	<u>-</u>
Net OPEB Obligation - end of year	<u><u>\$ 2,081,300</u></u>

I. Net Assets

The components of net assets are detailed below:

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

Restricted for Capital Projects - the component of net assets that reports the amounts restricted for capital projects, less unexpended bond proceeds and unrestricted interest earnings.

Restricted for Debt Service - the component of net assets that reports the difference between assets and liabilities of the Debt Service Fund and other assets with constraints placed on their use by Local Finance Law.

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2009

Note 3 - Detailed Notes on All Funds (Continued)

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

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

Unrestricted - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

J. Fund Balances

Certain elements of reserved fund balance are described above. Those additional elements which are not reflected in the statement of net assets but are reported in the governmental funds balance sheet are described below. The unreserved components of fund balance are also detailed below.

Reserved

Encumbrances outstanding have been reserved as it is the School District's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

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

The Reserve for Trusts has been established to set aside funds in accordance with the terms of the grants.

Unreserved - Designated for Subsequent Year's Expenditures

Designations of fund balance are not legally required segregations but represent intended use for a specific purpose. The School District's designations are detailed below.

Designated for Subsequent Year's Expenditures - At June 30, 2009, the Board of Education has designated that \$1,400,000 of the fund balance of the General Fund and \$275,000 of the fund balance of the Debt Service Fund be appropriated for the ensuing year's budget.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The District is involved in a lawsuit arising from the normal conduct of its affairs. Legal counsel is unable to provide the likelihood of an unfavorable outcome or the District's potential exposure, if any, at this time.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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

B. Contingencies

The School District participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the School District's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

The School District is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid to the School District which may be disallowed cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

C. Risk Management

The School District and other school districts have formed a reciprocal insurance company to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote. The Company is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimum capital contribution.

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million per occurrence. The School District maintains liability coverage for school board members up to \$1 million. The School District also maintains an excess catastrophe liability policy with coverage up to \$25 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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

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

Note 5 - Subsequent Events

The School District, in July 2009, issued a tax anticipation note in the amount of \$4.5 million. The note matures on October 9, 2009 with interest at 1.0%.

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were issued, which date is _____.

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 7,035,821	\$ 5,695,048
Petty cash	300	300
	<u>7,036,121</u>	<u>5,695,348</u>
Investments	<u>3,310</u>	<u>3,283</u>
Receivables:		
Accounts	122,860	64,763
State and Federal aid	395,249	353,311
Due from other governments	92,275	126,105
Due from other funds	<u>426,026</u>	<u>228,673</u>
	<u>1,036,410</u>	<u>772,852</u>
Total Assets	<u>\$ 8,075,841</u>	<u>\$ 6,471,483</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 197,659	\$ 224,851
Accrued liabilities	495,073	17,640
Deferred revenues	4,463	10,000
Due to other funds	-	3,374
Due to retirement systems	<u>1,643,229</u>	<u>1,716,067</u>
Total Liabilities	<u>2,340,424</u>	<u>1,971,932</u>
Fund Balance:		
Reserved for encumbrances	151,128	162,022
Reserved for debt service	19,563	19,369
Reserved for tax certiorari	2,459,733	1,852,823
Unreserved:		
Designated for subsequent year's expenditures	1,400,000	800,000
Undesignated	<u>1,704,993</u>	<u>1,665,337</u>
Total Fund Balance	<u>5,735,417</u>	<u>4,499,551</u>
Total Liabilities and Fund Balance	<u>\$ 8,075,841</u>	<u>\$ 6,471,483</u>

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED JUNE 30, 2009 AND 2008

	2009				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Encumbr- ances	
Revenues:					
Real property taxes	\$ 28,890,993	\$ 28,890,993	\$ 28,888,568	\$	\$ (2,425)
Other tax items	5,861,527	5,861,527	5,861,527		-
Non-property taxes	300,000	300,000	401,171		101,171
Charges for services	300,000	300,000	569,523		269,523
Use of money and property	365,000	365,000	439,746		74,746
Sale of property and compensation for loss	-	-	37,749		37,749
State aid	4,533,902	4,533,902	4,829,976		296,074
Federal aid	40,000	40,000	41,875		1,875
Miscellaneous	142,000	142,000	135,193		(6,807)
Total Revenues	40,433,422	40,433,422	41,205,328		771,906
Expenditures:					
Current:					
General support:					
Board of education	37,514	45,536	40,680	-	4,856
Central administration	354,456	363,032	342,174	-	20,858
Finance	561,892	537,192	481,732	18,411	37,049
Staff	316,083	343,012	257,315	10,023	75,674
Central services	2,396,496	2,430,953	2,179,511	36,563	214,879
Special items	397,321	1,343,945	1,737,612	-	(393,667)
Total General Support	4,063,762	5,063,670	5,039,024	64,997	(40,351)
Instruction:					
Instruction, administration and improvement	1,432,601	1,453,274	1,365,670	43	87,561
Teaching - Regular school	13,765,662	13,894,484	13,396,129	27,937	470,418
Programs for children with handicapping conditions	6,346,332	6,189,270	5,443,115	28,846	717,309
Occupational education	133,030	53,555	44,422	-	9,133
Instructional media	1,343,774	1,401,630	1,326,346	21,952	53,332
Pupil services	2,485,761	2,599,521	2,327,974	7,353	264,194
Total Instruction	25,507,160	25,591,734	23,903,656	86,131	1,601,947
Pupil transportation	1,596,625	1,708,875	1,544,325	-	164,550
Employee benefits	8,640,895	8,217,662	7,531,903	-	685,759
Debt service - Interest	160,000	160,000	132,375	-	27,625
Total Expenditures	39,968,442	40,741,941	38,151,283	151,128	2,439,530
Excess of Revenues Over Expenditures	464,980	(308,519)	3,054,045	(151,128)	3,211,436
Other Financing Sources (Uses):					
Transfers in	400,000	400,000	-	-	(400,000)
Transfers out	(1,827,002)	(1,838,768)	(1,818,179)	-	20,589
Total Other Financing Uses	(1,427,002)	(1,438,768)	(1,818,179)	-	(379,411)
Net Change in Fund Balance	(962,022)	(1,747,287)	1,235,866	\$ (151,128)	\$ 2,832,025
Fund Balance - Beginning of Year	962,022	1,747,287	4,499,551		
Fund Balance - End of Year	\$ -	\$ -	\$ 5,735,417		

2008				
Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
\$ 26,877,962	\$ 26,877,962	\$ 26,869,890	\$	\$ (8,072)
6,098,709	6,098,709	6,098,709		-
280,000	280,000	421,100		141,100
297,000	297,000	413,710		116,710
365,000	365,000	712,898		347,898
-	-	15,615		15,615
4,383,902	4,383,902	4,441,112		57,210
30,000	30,000	26,392		(3,608)
75,000	75,000	245,380		170,380
<u>38,407,573</u>	<u>38,407,573</u>	<u>39,244,806</u>		<u>837,233</u>
36,929	36,929	30,334	-	6,595
336,702	373,834	367,308	83	6,443
543,586	500,246	483,103	8,715	8,428
206,954	244,156	221,040	10,000	13,116
2,411,521	2,506,911	2,307,625	64,427	134,859
392,518	751,806	866,730	-	(114,924)
<u>3,928,210</u>	<u>4,413,882</u>	<u>4,276,140</u>	<u>83,225</u>	<u>54,517</u>
1,308,588	1,353,973	1,336,037	412	17,524
13,550,098	13,357,927	12,947,246	38,435	372,246
5,731,848	5,720,947	5,166,689	34,752	519,506
125,500	125,500	96,505	-	28,995
1,167,287	1,270,765	1,165,223	210	105,332
2,335,273	2,353,446	2,175,675	4,358	173,413
<u>24,218,594</u>	<u>24,182,558</u>	<u>22,887,375</u>	<u>78,167</u>	<u>1,217,016</u>
1,518,824	1,712,270	1,458,683	630	252,957
8,286,575	7,623,493	7,253,836	-	369,657
160,000	180,000	169,987	-	10,013
<u>38,112,203</u>	<u>38,112,203</u>	<u>36,046,021</u>	<u>162,022</u>	<u>1,904,160</u>
<u>295,370</u>	<u>295,370</u>	<u>3,198,785</u>	<u>(162,022)</u>	<u>2,741,393</u>
400,000	400,000	-	-	(400,000)
(1,817,533)	(1,817,533)	(1,799,539)	-	17,994
(1,417,533)	(1,417,533)	(1,799,539)	-	(382,006)
(1,122,163)	(1,122,163)	1,399,246	\$ (162,022)	\$ 2,359,387
<u>1,122,163</u>	<u>1,122,163</u>	<u>3,100,305</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,499,551</u>		

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 28,890,993	\$ 28,890,993	\$ 28,888,568	\$ (2,425)
OTHER TAX ITEMS				
School tax relief reimbursement	5,861,527	5,861,527	5,861,527	-
NON-PROPERTY TAXES				
Non-property tax distribution from County	300,000	300,000	401,171	101,171
CHARGES FOR SERVICES				
Day school tuition	200,000	200,000	436,977	236,977
Other student fees and charges	25,000	25,000	37,705	12,705
Health services for other districts	75,000	75,000	94,841	19,841
USE OF MONEY AND PROPERTY	300,000	300,000	569,523	269,523
Earnings on investments	180,000	180,000	226,452	46,452
Rental of real property	185,000	185,000	213,294	28,294
	365,000	365,000	439,746	74,746
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Other	-	-	37,749	37,749

STATE AID

Basic formula	3,869,148	3,869,148	3,255,298	(613,850)
BOCES	545,902	545,902	608,079	62,177
Lottery	-	-	829,364	829,364
Textbooks	118,852	118,852	100,016	(18,836)
Computer software	-	-	20,292	20,292
Library aid	-	-	10,262	10,262

FEDERAL AID

	4,533,902	4,533,902	4,829,976	296,074
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Medical assistance

	40,000	40,000	41,875	1,875
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MISCELLANEOUS

Refund from BOCES	-	-	115,082	115,082
Refund of prior year's expenditures	-	-	17,340	17,340
Other	142,000	142,000	2,771	(139,229)

TOTAL REVENUES

	142,000	142,000	135,193	(6,807)
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OTHER FINANCING SOURCES

	40,433,422	40,433,422	41,205,328	771,906
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Transfers in -

Debt Service Fund	400,000	400,000	-	(400,000)
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TOTAL REVENUES AND OTHER FINANCING SOURCES

	\$ 40,833,422	\$ 40,833,422	\$ 41,205,328	\$ 371,906
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HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 19,656	\$ 19,649	\$ 16,004	\$ -	\$ 3,645
District clerk	17,858	25,887	24,676	-	1,211
District meeting	-	-	-	-	-
Total Board of Education	37,514	45,536	40,680	-	4,856
CENTRAL ADMINISTRATION					
Chief school administrator	354,456	363,032	342,174	-	20,858
FINANCE					
Business administration	503,358	478,117	439,499	5,194	33,424
Accounting and auditing	54,075	54,075	37,233	13,217	3,625
Treasurer	4,459	5,000	5,000	-	-
Total Finance	561,892	537,192	481,732	18,411	37,049
STAFF					
Legal	181,200	176,700	105,966	9,741	60,993
Personnel	48,296	77,562	76,857	282	423
Public information and services	86,587	88,750	74,492	-	14,258
Total Staff	316,083	343,012	257,315	10,023	75,674

CENTRAL SERVICES

Operation of plant	1,938,184	1,981,806	1,765,898	35,613	180,295
Maintenance of plant	458,312	449,147	413,613	950	34,584

Total Central Services

	2,396,496	2,430,953	2,179,511	36,563	214,879
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SPECIAL ITEMS

Unallocated insurance	177,881	173,795	173,795	-	-
Assessments on school property	46,350	46,350	42,978	-	3,372
Refunds of real property taxes	30,000	980,710	1,377,749	-	(397,039)
Administrative charge - BOCES	143,090	143,090	143,090	-	-

Total Special Items

	397,321	1,343,945	1,737,612	-	(393,667)
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Total General Support

	4,063,762	5,063,670	5,039,024	64,997	(40,351)
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INSTRUCTION

INSTRUCTION, ADMINISTRATION AND IMPROVEMENT

Curriculum development and supervision
Supervision - Regular school

	185,996	195,421	164,488	43	30,890
	1,246,605	1,257,853	1,201,182	-	56,671

Total Instruction, Administration
and Improvement

	1,432,601	1,453,274	1,365,670	43	87,561
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TEACHING - REGULAR SCHOOL

	13,765,662	13,894,484	13,396,129	27,937	470,418
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PROGRAMS FOR CHILDREN WITH
HANDICAPPING CONDITIONS

Programs for students with disabilities

	6,346,332	6,189,270	5,443,115	28,846	717,309
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OCCUPATIONAL EDUCATION

	133,030	53,555	44,422	-	9,133
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(Continued)

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)

YEAR ENDED JUNE 30, 2009

	Original Budget	\$	Final Budget	\$	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
INSTRUCTION (Continued)							
INSTRUCTIONAL MEDIA							
School library and audiovisual Computer assisted instruction	\$ 479,799 863,975	\$	409,429 992,201	\$	373,975 952,371	\$ 2,471 19,481	\$ 32,983 20,349
Total Instructional Media	1,343,774		1,401,630		1,326,346	21,952	53,332
PUPIL SERVICES							
Guidance - Regular school	900,222		912,174		835,948	44	76,182
Health services - Regular school	257,468		266,198		262,649	-	3,549
Psychological services - Regular school	421,974		513,751		487,297	-	26,454
Co-curricular activities - Regular school	387,500		387,500		272,113	-	115,387
Interscholastic athletics - Regular school	518,597		519,898		469,967	7,309	42,622
Total Pupil Services	2,485,761		2,599,521		2,327,974	7,353	264,194
Total Instruction	25,507,160		25,591,734		23,903,656	86,131	1,601,947
PUPIL TRANSPORTATION							
District transportation services	19,073		19,073		18,159	-	914
Contract transportation	1,572,722		1,684,972		1,526,166	-	158,806
Public transportation	4,830		4,830		-	-	4,830
Total Pupil Transportation	1,596,625		1,708,875		1,544,325	-	164,550

EMPLOYEE BENEFITS

State retirement	377,646	327,646	283,688	-	43,958
Teachers' retirement	1,698,035	1,698,035	1,348,404	-	349,631
Social security	1,631,355	1,631,355	1,571,801	-	59,554
Workers' compensation	112,743	112,743	112,743	-	-
Life insurance	10,000	10,000	7,930	-	2,070
Unemployment insurance	13,390	18,437	18,437	-	-
Hospital, medical and dental insurance	4,487,845	4,125,565	3,897,026	-	228,539
Union welfare benefits	309,881	293,881	291,874	-	2,007

Total Employee Benefits

	8,640,895	8,217,662	7,531,903	-	685,759
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DEBT SERVICE

Interest -					
Tax anticipation note	160,000	160,000	132,375	-	27,625

TOTAL EXPENDITURES

	39,968,442	40,741,941	38,151,283	151,128	2,439,530
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OTHER FINANCING USES**Transfers out:**

Special Aid Fund	50,000	61,766	41,177	-	20,589
Debt Service Fund	1,681,202	1,681,202	1,681,202	-	-
Capital Projects Fund	95,800	95,800	95,800	-	-

TOTAL OTHER FINANCING USES

	1,827,002	1,838,768	1,818,179	-	20,589
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TOTAL EXPENDITURES AND OTHER FINANCING USES

	\$ 41,795,444	\$ 42,580,709	\$ 39,969,462	\$ 151,128	\$ 2,460,119
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HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash - Demand deposits	<u>\$ 961,495</u>	<u>\$ 1,329,467</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 2,227	\$ 172,755
Retainages payable	-	19,450
Due to other funds	<u>397,906</u>	<u>385,742</u>
Total Liabilities	<u>400,133</u>	<u>577,947</u>
Fund Balance:		
Unreserved and undesignated	<u>561,362</u>	<u>751,520</u>
Total Liabilities and Fund Balance	<u>\$ 961,495</u>	<u>\$ 1,329,467</u>

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Revenues	\$ -	\$ -
Expenditures - Capital outlay	<u>285,958</u>	<u>276,955</u>
Deficiency of Revenues Over Expenditures	(285,958)	(276,955)
Other Financing Sources - Transfers in	<u>95,800</u>	<u>81,400</u>
Net Change in Fund Balance	(190,158)	(195,555)
Fund Balance - Beginning of Year	<u>751,520</u>	<u>947,075</u>
Fund Balance - End of Year	<u><u>\$ 561,362</u></u>	<u><u>\$ 751,520</u></u>

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

CAPITAL PROJECTS FUND

PROJECT - LENGTH SCHEDULE

INCEPTION OF PROJECT THROUGH JUNE 30, 2009

Project	Authori- zation	Expenditures and Transfers To Date			Unexpended Balance
		Prior Years	Current Year	Totals	
District-Wide Improvements - 2001/02	\$ 10,539,888	\$ 10,501,448	\$ -	\$ 10,501,448	\$ 38,440
District-Wide Improvements - 2002/03	43,000	42,945	-	42,945	55
District-Wide Improvements - 2003/04	29,000	28,962	-	28,962	38
District-Wide Improvements - 2004/05	39,700	39,413	-	39,413	287
District-Wide Improvements - 2005/06	47,000	46,744	-	46,744	256
District-Wide Improvements - 2006/07	10,000	9,970	-	9,970	30
District-Wide Improvements - 2007/08	81,400	78,739	1,750	80,489	911
District-Wide Improvements - 2008/09	95,800	-	86,008	86,008	9,792
Excel	907,969	198,216	198,200	396,416	511,553
Totals	<u>\$ 11,793,757</u>	<u>\$ 10,946,437</u>	<u>\$ 285,958</u>	<u>\$ 11,232,395</u>	<u>\$ 561,362</u>

Proceeds of Obligations	Methods of Financing			Fund Balance at June 30, 2009
	State Aid	Interfund Transfers	Totals	
\$ 9,925,000	\$ 89,888	\$ 525,000	\$ 10,539,888	\$ 38,440
-	-	43,000	43,000	55
-	-	29,000	29,000	38
-	-	39,700	39,700	287
-	-	47,000	47,000	256
-	-	10,000	10,000	30
-	-	81,400	81,400	911
-	-	95,800	95,800	9,792
-	-	907,969	907,969	511,553
<u>\$ 9,925,000</u>	<u>\$ 89,888</u>	<u>\$ 1,778,869</u>	<u>\$ 11,793,757</u>	<u>\$ 561,362</u>

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2009

(With Comparative Totals for June 30, 2008)

	Special Aid	School Lunch	Special Purpose	Debt Service
<u>ASSETS</u>				
Cash - Demand deposits	\$ 1,142	\$ 205,479	\$ 133,213	\$ -
Investments	-	-	-	18,730
Receivables:				
Accounts	-	3,349	-	-
State and Federal aid	475,267	6,551	-	-
Due from other funds	-	824	3,572	433,404
	475,267	10,724	3,572	433,404
Inventories	-	3,016	-	-
Total Assets	\$ 476,409	\$ 219,219	\$ 136,785	\$ 452,134
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 1,309	\$ 70,815	\$ -	\$ -
Deferred revenues	9,180	19,795	-	-
Due to other funds	465,920	-	-	-
Due to other governments	-	5,031	-	-
Total Liabilities	476,409	95,641	-	-
Fund Balances:				
Reserved for debt service	-	-	-	177,134
Reserved for inventories	-	3,016	-	-
Reserved for trusts	-	-	136,785	-
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	275,000
Undesignated	-	120,562	-	-
Total Fund Balances	-	123,578	136,785	452,134
Total Liabilities and Fund Balances	\$ 476,409	\$ 219,219	\$ 136,785	\$ 452,134

Total Non-Major Governmental Funds	
2009	2008
<u>\$ 339,834</u>	<u>\$ 368,707</u>
<u>18,730</u>	<u>18,730</u>
3,349	5,883
481,818	175,324
<u>437,800</u>	<u>427,856</u>
<u>922,967</u>	<u>609,063</u>
<u>3,016</u>	<u>716</u>
<u>\$ 1,284,547</u>	<u>\$ 997,216</u>

\$ 72,124	\$ 58,808
28,975	14,327
465,920	267,413
<u>5,031</u>	<u>2,716</u>
<u>572,050</u>	<u>343,264</u>

177,134	39,971
3,016	716
136,785	126,165

275,000	400,000
<u>120,562</u>	<u>87,100</u>

<u>712,497</u>	<u>653,952</u>
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<u>\$ 1,284,547</u>	<u>\$ 997,216</u>
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HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	Special Aid	School Lunch	Special Purpose	Debt Service
Revenues:				
Use of money and property	\$ -	\$ 430	\$ 346	\$ 12,162
State aid	164,709	-	-	-
Federal aid	306,162	29,033	-	-
Food sales	-	357,551	-	-
Miscellaneous	-	2,013	69,171	-
Total Revenues	470,871	389,027	69,517	12,162
Expenditures:				
Current:				
Instruction	512,048	-	-	-
Cost of food sales	-	353,265	-	-
Other	-	-	58,897	-
Debt service:				
Principal	-	-	-	1,320,000
Interest	-	-	-	361,201
Total Expenditures	512,048	353,265	58,897	1,681,201
Deficiency of Revenues Over Expenditures	(41,177)	35,762	10,620	(1,669,039)
Other Financing Sources - Transfers in	41,177	-	-	1,681,202
Net Change in Fund Balances	-	35,762	10,620	12,163
Fund Balances - Beginning of Year	-	87,816	126,165	439,971
Fund Balances - End of Year	\$ -	\$ 123,578	\$ 136,785	\$ 452,134

Total Non-Major Governmental Funds	
2009	2008
\$ 12,938	\$ 18,092
164,709	175,623
335,195	263,331
357,551	386,753
71,184	94,862
<u>941,577</u>	<u>938,661</u>
512,048	459,942
353,265	402,949
58,897	101,628
1,320,000	1,270,000
361,201	416,133
<u>2,605,411</u>	<u>2,650,652</u>
(1,663,834)	(1,711,991)
<u>1,722,379</u>	<u>1,718,139</u>
58,545	6,148
<u>653,952</u>	<u>647,804</u>
<u>\$ 712,497</u>	<u>\$ 653,952</u>

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

SPECIAL AID FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 1,142	\$ 106,749
State and Federal Aid Receivable	<u>475,267</u>	<u>172,683</u>
Total Assets	<u>\$ 476,409</u>	<u>\$ 279,432</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,309	\$ 1,909
Deferred Revenues	9,180	10,110
Due to Other Funds	<u>465,920</u>	<u>267,413</u>
Total Liabilities	<u>\$ 476,409</u>	<u>\$ 279,432</u>

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

SPECIAL AID FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEARS ENDED JUNE 30, 2009 AND 2008

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State aid	\$ 155,886	\$ 155,886	\$ 164,709	\$ 8,823
Federal aid	468,374	468,374	306,162	(162,212)
Total Revenues	624,260	624,260	470,871	(153,389)
Expenditure -				
Current -				
Instruction	674,260	686,026	512,048	173,978
Deficiency of Revenues Over Expenditures	(50,000)	(61,766)	(41,177)	20,589
Other Financing Sources -				
Transfers in	50,000	61,766	41,177	(20,589)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

2008			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 110,030	\$ 110,030	\$ 175,623	\$ 65,593
374,061	374,061	252,313	(121,748)
484,091	484,091	427,936	(56,155)
534,091	534,091	459,942	74,149
(50,000)	(50,000)	(32,006)	17,994
50,000	50,000	32,006	(17,994)
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

SCHOOL LUNCH FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 205,479	\$ 139,365
Receivables:		
Accounts	3,349	5,883
State and Federal aid	6,551	2,641
Due from other funds	824	3,043
	<u>10,724</u>	<u>11,567</u>
Inventories	<u>3,016</u>	<u>716</u>
Total Assets	<u>\$ 219,219</u>	<u>\$ 151,648</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 70,815	\$ 56,899
Deferred revenues	19,795	4,217
Due to other governments	5,031	2,716
Total Liabilities	<u>95,641</u>	<u>63,832</u>
Fund Balance:		
Reserved for inventories	3,016	716
Unreserved and undesignated	<u>120,562</u>	<u>87,100</u>
Total Fund Balance	<u>123,578</u>	<u>87,816</u>
Total Liabilities and Fund Balance	<u>\$ 219,219</u>	<u>\$ 151,648</u>

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

SCHOOL LUNCH FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Revenues:		
Use of money and property	\$ 430	\$ 471
Federal aid	29,033	11,018
Food sales	357,551	386,753
Miscellaneous	2,013	-
Total Revenues	389,027	398,242
Expenditures -		
Current - Cost of food sales	353,265	402,949
Excess (Deficiency) of Revenues Over Expenditures	35,762	(4,707)
Fund Balance - Beginning of Year	87,816	92,523
Fund Balance - End of Year	\$ 123,578	\$ 87,816

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 133,213	\$ 122,593
Due from Other Funds	<u>3,572</u>	<u>3,572</u>
Total Assets	<u>\$ 136,785</u>	<u>\$ 126,165</u>
<u>FUND BALANCE</u>		
Reserved for Trusts	<u>\$ 136,785</u>	<u>\$ 126,165</u>

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Use of money and property	\$ 346	\$ 1,390
Miscellaneous	<u>69,171</u>	<u>94,862</u>
Total Revenues	69,517	96,252
Expenditures - Current - Other	<u>58,897</u>	<u>101,628</u>
Excess (Deficiency) of Revenues Over Expenditures	10,620	(5,376)
Fund Balance - Beginning of Year	<u>126,165</u>	<u>131,541</u>
Fund Balance - End of Year	<u>\$ 136,785</u>	<u>\$ 126,165</u>

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 18,730	\$ 18,730
Due from Other Funds	<u>433,404</u>	<u>421,241</u>
Total Assets	<u>\$ 452,134</u>	<u>\$ 439,971</u>
<u>FUND BALANCE</u>		
Reserved for Debt Service	177,134	39,971
Unreserved - Designated for subsequent year's expenditures	<u>275,000</u>	<u>400,000</u>
Total Fund Balance	<u>\$ 452,134</u>	<u>\$ 439,971</u>

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

DEBT SERVICE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEARS ENDED JUNE 30, 2009 AND 2008

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues - Use of money and property	\$ -	\$ -	\$ 12,162	\$ 12,162
Expenditures -				
Debt Service -				
Serial bonds -				
Principal	1,320,000	1,320,000	1,320,000	-
Interest - Serial Bonds	361,201	361,201	361,201	-
Total Expenditures	1,681,201	1,681,201	1,681,201	-
Deficiency of Revenues Over Expenditures	(1,681,201)	(1,681,201)	(1,669,039)	12,162
Other Financing Sources (Uses):				
Transfers in	1,681,201	1,681,201	1,681,202	1
Transfers out	(400,000)	(400,000)	-	400,000
Total Other Financing Sources	1,281,201	1,281,201	1,681,202	400,001
Net Change in Fund Balance	(400,000)	(400,000)	12,163	412,163
Fund Balance - Beginning of Year	400,000	400,000	439,971	39,971
Fund Balance - End of Year	\$ -	\$ -	\$ 452,134	\$ 452,134

2008			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 16,231	\$ 16,231
1,270,000	1,270,000	1,270,000	-
416,133	416,133	416,133	-
1,686,133	1,686,133	1,686,133	-
(1,686,133)	(1,686,133)	(1,669,902)	16,231
1,686,133 (400,000)	1,686,133 (400,000)	1,686,133 -	- 400,000
1,286,133	1,286,133	1,686,133	400,000
(400,000)	(400,000)	16,231	416,231
400,000	400,000	423,740	23,740
\$ -	\$ -	\$ 439,971	\$ 439,971

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

GENERAL FUND

ANALYSIS OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

YEAR ENDED JUNE 30, 2009

Adopted Budget	\$ 41,633,422
Additions - Encumbrances	<u>162,022</u>
Original Budget	41,795,444
Budget Amendments	<u>785,265</u>
Final Budget	<u><u>\$ 42,580,709</u></u>

GENERAL FUND

ANALYSIS OF USE OF FUND BALANCE

AS OF THE BEGINNING OF THE YEAR ENDED JUNE 30, 2009

Unreserved Fund Balance - Beginning of Year	\$ 2,465,337
Less - Appropriated Fund Balance Used for Levy of Taxes	<u>800,000</u>
Undesignated Fund Balance	<u><u>\$ 1,665,337</u></u>

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

GENERAL FUND

SCHEDULE OF CERTAIN REVENUES AND EXPENDITURES COMPARED
TO ST-3 DATA

YEAR ENDED JUNE 30, 2009

	<u>Account Code</u>	<u>Amount Per ST-3</u>	<u>Audited Amount</u>
REVENUES			
Real Property Taxes	A -1001	\$	\$ 28,888,568
Non-Property Taxes	AT-1199		401,171
State Aid	AT-3999		4,829,976
Federal Aid	AT-4999		41,875
Total Revenues and Other Financing Sources	AT-5999		41,205,328
EXPENDITURES			
General Support	AT-1999		5,039,024
Pupil Transportation	AT-5599		1,544,325
Debt Service - Principal	AT-9798.6	-	-
Debt Service - Interest	AT-9798.7		132,375
Total Expenditures and Other Financing Uses	AT-9999	\$	\$ 39,969,462

(1) Rounding difference

HASTINGS-ON-HUDSON UNION FREE SCHOOL DISTRICT, NEW YORK

SCHEDULE OF INVESTED IN
CAPITAL ASSETS, NET OF RELATED DEBT
YEAR ENDED JUNE 30, 2009

Capital Assets, net	\$ 9,414,626
Less - Bonds payable - Capital construction	<u>(8,405,000)</u>
Invested in Capital Assets, net of Related Debt	<u>\$ 1,009,626</u>