

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2008

WITH INDEPENDENT AUDITORS' REPORT

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CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

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INDEPENDENT AUDITORS' REPORT

To the Board of Education of the
Chappaqua Central 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 Chappaqua Central School District, New York as of and for the year ended June 30, 2008, 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 such opinion. An audit also 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 Chappaqua Central School District, New York as of June 30, 2008 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.

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.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2008 on our consideration of the Chappaqua Central 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chappaqua Central 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 Chappaqua Central 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 whole.

Bennett Kjelson Storch DeSantis

**The Government Services Division of
O'Connor Davies Munns & Dobbins, LLP
August 27, 2008**



O'Connor Davies Munns & Dobbins, LLP
ACCOUNTANTS AND CONSULTANTS

**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
Chappaqua Central School District, New York:

We have audited the basic financial statements of the Chappaqua Central School District, New York as of and for the year ended June 30, 2008, and have issued our report thereon dated August 27, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Chappaqua Central 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 Chappaqua Central School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Chappaqua Central 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in 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.

Bennett Kielson Storch DeSantis Division

One Barker Avenue, White Plains, New York 10601 914.421.5600 tel 914.421.5099 fax www.odmd.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Chappaqua Central 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 management of the Chappaqua Central 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.

Bennett Kielson Storch DeSantis

**The Government Services Division of
O'Connor Davies Munns & Dobbins, LLP**
August 27, 2008

**Chappaqua Central School District, New York
Management's Discussion and Analysis (MD&A)
June 30, 2008**

Introduction

Our discussion and analysis of the Chappaqua Central School District, New York's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2008. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. It should be read in conjunction with the basic financial statements to enhance the understanding of the School District's financial performance, which immediately follows this section.

Financial Highlights

Key financial highlights for fiscal year 2007-08 are as follows:

- The new New York State Law limits the amount of unreserved fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year the unreserved fund balance of the General Fund is \$5,193,885 comprised of \$900,000 that is designated for the 2008-09 budget and \$4,293,885 undesignated. The undesignated fund balance of the General Fund is 3.99% of the ensuing year's budget which falls within the 4% statutory limit. This amount is available for spending at the discretion of the School District.
- The School District received an additional \$2,646,117 in revenues over the proposed budget. The key factor for this increase was revenues from State Aid and investment income.
- The School District's governmental funds financial statement reports a combined ending fund balance of \$18,431,340, an increase of \$5,217,457 from the prior year. This increase is mainly due to the allocation of funds for Reserved for Encumbrances, Tax Certiorari, and Employee Benefit Accrued Liabilities, and Unrestricted Fund Balance.
- On the district-wide financial statements, the assets of the School District exceeded liabilities at the close of its most recent fiscal year by \$69,876,638. Of this amount, the unrestricted portion is \$6,157,481. The School District's total net assets increased by \$5,320,125 for the year ended June 30, 2008.

Overview of the Financial Statements

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

District-Wide Financial Statements

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

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

Fund Financial Statements

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the District-wide financial statements. However, unlike the District-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

- Because the focus of governmental funds is narrower than that of the District-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the District-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- The School District maintains six individual governmental funds; General Fund, Capital Projects Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund and Debt Service Fund. For this reporting purpose, School Lunch Fund, Special Purpose Fund and Debt Service Fund are combined into "Other Governmental Funds" Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for each fund, since the School District has elected to report them as major funds.
- The School District adopts an annual budget for its General Fund. Budgets are developed for the Special Aid Fund, and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund and the Special Aid Fund within the basic financial statements to demonstrate compliance with the respective budgets.
- The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity, which accounts for assets held by the School District on behalf of others. Fiduciary funds are not reflected in the District-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

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

Notes to the Financial Statements

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

District-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the School District's financial position. In the case of the Chappaqua Central School District, New York, assets exceeded liabilities by \$69,876,638 at the close of the current fiscal year, which is an increase of \$5,320,125 over last year.

Net Assets

	June 30,	
	2008	2007
Current Assets	\$ 23,840,649	\$ 18,575,892
Capital Assets, net	110,774,906	113,310,052
Total Assets	134,615,555	131,885,944
Current Liabilities	6,238,615	6,234,068
Long-Term Liabilities	58,500,302	61,095,363
Total Liabilities	64,738,917	67,329,431
Net Assets:		
Invested in Capital Assets, Net of Related Debt	55,711,097	55,575,618
Restricted for:		
Capital Projects	2,812,337	2,828,000
Debt Service	458,509	442,772
Tax Certiorari	3,925,228	1,603,634
Property Loss	58,792	58,208
Insurance	209,377	108,210
Liability Claims	217,675	115,924
Unemployment Benefits	150,000	104,168
Repairs	135,249	132,609
Special Purpose	40,893	42,054
Unrestricted	6,157,481	3,545,316
Total Net Assets	\$ 69,876,638	\$ 64,556,513

By far, the largest component of the School District's net assets (80%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions constitute \$8,008,060 (11%) of net assets, which include a restriction for capital projects of \$2,812,337 and tax certiorari of \$3,925,228. The remaining balance is unrestricted net assets, which is \$6,157,481 (9%),

will be used to finance from future operations.

Changes in Net Assets

	June 30,	
	2008	2007
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,343,951	\$ 1,991,306
Operating Grants and Contributions	1,687,989	1,947,918
Capital Grants and Contributions	15,737	31,232
Total Program Revenues	<u>4,047,677</u>	<u>3,970,456</u>
General Revenues:		
Real Property Taxes	84,047,853	80,266,623
Other Tax Items	8,044,127	7,913,662
Non-Property Taxes	810,790	760,960
Unrestricted Use of Money and Property	1,911,108	1,757,016
Unrestricted State Aid	7,358,853	6,101,004
Miscellaneous	334,376	462,344
Total General Revenues	<u>102,507,107</u>	<u>97,261,609</u>
Total Revenues	<u>106,554,784</u>	<u>101,232,065</u>
Program Expenses		
General Support	14,987,261	14,160,527
Instruction	74,078,223	70,802,805
Pupil Transportation	7,528,418	6,829,534
Community Services	21,158	20,492
Cost of Food Sales	1,911,605	1,704,716
Other	5,159	2,200
Interest	2,702,835	2,845,093
Total Expenses	<u>101,234,659</u>	<u>96,365,367</u>
Change in Net Assets	5,320,125	4,866,698
Net Assets - Beginning	<u>64,556,513</u>	<u>59,689,815</u>
Net Assets - Ending	<u>\$ 69,876,638</u>	<u>\$ 64,556,513</u>

Governmental activities from operations increased the School District's net assets by \$5,320,125, thereby improving the School District's financial condition. As indicated on the following graphs, the School District relies upon real property taxes and other tax items (STAR) as its primary revenue sources.

The major changes from 2006-07 to 2007-08 are as follow:

Revenues:

The School District's general revenues increased by \$5,245,498. The primary elements of this increase were:

- Real property taxes increased by \$3,781,230, due to a higher tax levy.
- Unrestricted use of money and property increased by \$154,092, due to higher income from investments.
- Unrestricted State Aid increased by \$1,257,849, due primarily to increase of State Aid and reimbursement of prior years' expenditures.

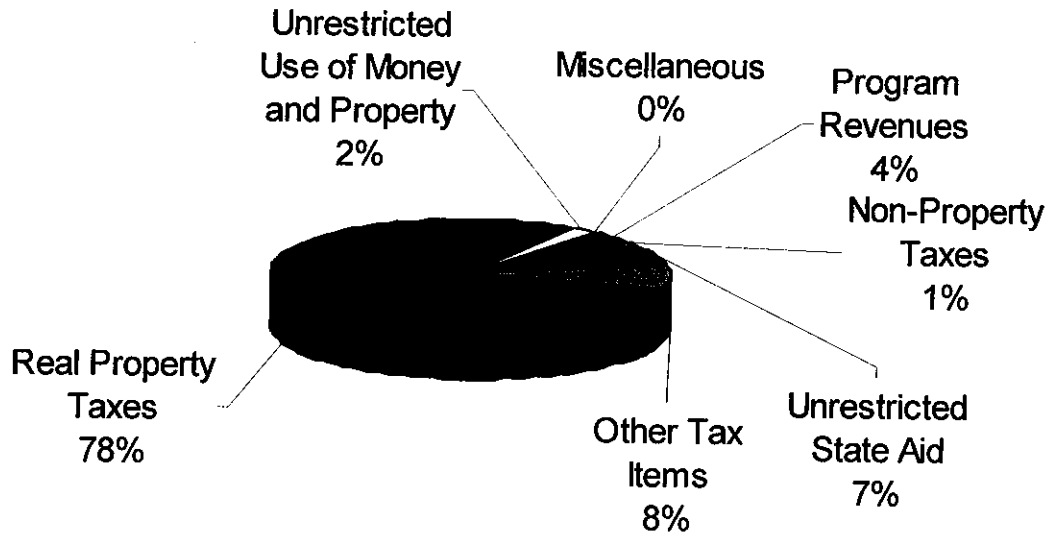
Expenses:

Program expense increased by \$4,869,292. They include:

- Instruction program expenses increased by \$3,275,418. The primary reason for the increase is due to contractual salary obligations of the collective bargaining agreements and increases in employee benefit costs for retirement and health benefits.
- General support cost increased by \$826,734. Increases are attributable to higher cost of operation and maintenance of plants, i.e., higher energy costs and repair works.
- Pupil Transportation costs increased by \$698,884. This increase is due to higher contractual costs and fuel costs.

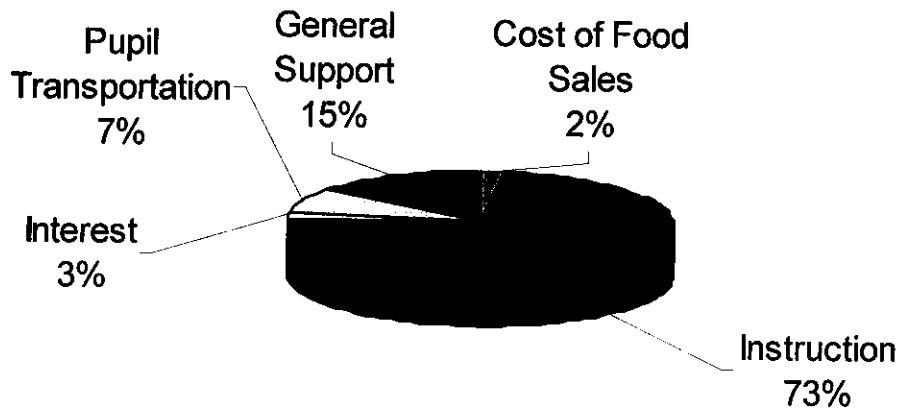
Sources of Revenue for Fiscal Year 2008

Governmental Activities



Expenses for Fiscal Year 2008

Governmental Activities



Financial Analysis of the School District's Funds

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

Governmental Funds

The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the School District's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the School District's governmental funds reported combined fund balances of \$18,431,340 an increase of \$5,217,457 from the prior year. As previously stated the increases were due to increase to the Reserve for Encumbrances, Tax Certiorari, and Employee Benefit Accrued Liabilities, and an increase to the Unrestricted Fund Balance.

The School District's General Fund fund balance increased by \$5,217,688 during the current fiscal year. Increases in the Reserve for Tax Certiorari and Unrestricted Fund Balance accounted for the majority of this increase.

General Fund revenues exceeded the final budget by \$2,646,117. The single largest positive variance was in the State Aid category, in which the positive variance was \$1,490,707. This variance results from an increase in State Aid. The Use of Money and Property category reflected a positive variance of \$751,975. This variance arises from the higher than expected earnings from investments.

General Fund expenditures for 2007-08 were \$2,812,762 less than the final budget, after the \$1,901,944 of encumbrances.

General Fund Budgetary Highlights

The difference between the original expenditure budget and the final amended budget was \$128,790. These budget modifications include \$88,598 for FEMA funded repair works and gifts from PTA and various organizations.

Capital Assets

At June 30, 2008 the School District had \$110,774,906 net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below.

Class	June 30,	
	2008	2007
Land	\$ 2,052,700	\$ 2,052,700
Buildings and Improvements	107,027,591	110,516,284
Machinery and Equipment	1,678,952	741,068
Construction-in-Progress	15,663	-
 Total Capital Assets, net of accumulated depreciation	 <u>\$ 110,774,906</u>	 <u>\$ 113,310,052</u>

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

Long-Term Debt

At June 30, 2008, the School District had \$58,500,302 in general obligation debt and other long-term liabilities outstanding, as follows:

	June 30,	
	2008	2007
Bonds Payable	\$ 55,235,433	\$ 57,915,541
Compensated Absences	3,264,869	3,179,822
 Total	 <u>\$ 58,500,302</u>	 <u>\$ 61,095,363</u>

During the year, the School District redeemed \$2,720,000 of serial bonds.

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

Summary

Overall, the financial position of the Chappaqua Central School District was strengthened during the 2007-08 school year. The District's net assets increased by \$5,320,125 due to a decrease of \$2,590,514 in its liabilities and an increase of \$2,729,611 in its assets.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Chappaqua Central School District
Attn: John L. Chow
Assistant Superintendent for Business
PO Box 21
Chappaqua, New York 10514
Tel: (914)238-7221
E-mail: jochow@ccsd.ws

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

STATEMENT OF NET ASSETS

JUNE 30, 2008

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 22,358,581
Receivables:	
Accounts	272,108
State and Federal aid	1,165,193
Inventories	6,835
Deferred charges	37,932
Capital assets (net of accumulated depreciation):	
Land	2,052,700
Buildings and improvements	107,027,591
Machinery and equipment	1,678,952
Construction-in-progress	15,663
Total Assets	134,615,555
LIABILITIES	
Accounts payable	284,184
Accrued liabilities	243,924
Due to retirement systems	4,688,199
Unearned revenues	155,070
Accrued interest payable	867,238
Non-current liabilities:	
Due within one year:	
Bonds payable	2,820,000
Compensated absences	326,487
Due in more than one year:	
Bonds payable	52,415,433
Compensated absences	2,938,382
Total Liabilities	64,738,917
NET ASSETS	
Invested in capital assets, net of related debt	55,711,097
Restricted for:	
Capital projects	2,812,337
Debt service	458,509
Tax certiorari	3,925,228
Property loss	58,792
Insurance	209,377
Liability claims	217,675
Unemployment benefits	150,000
Repairs	135,249
Special purposes	40,893
Unrestricted	6,157,481
Total Net Assets	\$ 69,876,638

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

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CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

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	\$ 14,987,261	\$ 224,737	\$ 58,362	\$ -	\$ (14,704,162)
Instruction	74,078,223	407,830	1,447,880	-	(72,222,513)
Pupil transportation	7,528,418	-	-	-	(7,528,418)
Community services	21,158	-	-	-	(21,158)
Cost of food sales	1,911,605	1,711,384	181,417	-	(18,804)
Other	5,159	-	330	-	(4,829)
Interest	2,702,835	-	-	15,737	(2,687,098)
Total Governmental Activities	\$ 101,234,659	\$ 2,343,951	\$ 1,687,989	\$ 15,737	(97,186,982)
General Revenues:					
Real property taxes					84,047,853
Other tax items -					
School tax relief reimbursement					8,044,127
Non-property taxes -					
Non-property tax distribution from County					810,790
Unrestricted use of money and property					1,911,108
Unrestricted State aid					7,358,853
Miscellaneous					334,376
Total General Revenues					102,507,107
Change in Net Assets					5,320,125
Net Assets - Beginning					64,556,513
Net Assets - Ending					\$ 69,876,638

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

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General	Special Aid	Capital Projects
ASSETS			
Cash and Equivalents	\$ 19,054,497	\$ 18,238	\$ 2,634,203
Receivables:			
Accounts	272,108	-	-
State and Federal aid	527,062	624,339	-
Due from other funds	586,658	563,122	199,429
Inventories	-	-	-
Total Assets	\$ 20,440,325	\$ 1,205,699	\$ 2,833,632
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 228,856	\$ 55,328	\$ -
Accrued liabilities	243,924	-	-
Due to other funds	268,883	1,149,780	4,981
Due to retirement systems	4,688,199	-	-
Deferred revenues	96,903	591	-
Total Liabilities	5,526,765	1,205,699	4,981
Fund Balances:			
Reserved for encumbrances	1,901,944	-	-
Reserved for inventories	-	-	-
Reserved for debt service	-	-	-
Reserved for tax certiorari	3,925,228	-	-
Reserved for unemployment benefits	150,000	-	-
Reserved for property loss	58,792	-	-
Reserved for insurance	209,377	-	-
Reserved for liability claims	217,675	-	-
Reserved for employee benefit accrued liability	3,121,410	-	-
Reserved for repairs	135,249	-	-
Reserved for trusts	-	-	-
Unreserved, reported in:			
General Fund	5,193,885	-	-
Special Revenue Funds	-	-	-
Capital Projects Fund	-	-	2,828,651
Total Fund Balances	14,913,560	-	2,828,651
Total Liabilities and Fund Balances	\$ 20,440,325	\$ 1,205,699	\$ 2,833,632

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

Other Governmental Funds	Total Governmental Funds
\$ 651,643	\$ 22,358,581
-	272,108
13,792	1,165,193
74,458	1,423,667
6,835	6,835
<u>\$ 746,728</u>	<u>\$ 25,226,384</u>
\$ -	\$ 284,184
-	243,924
23	1,423,667
-	4,688,199
<u>57,576</u>	<u>155,070</u>
<u>57,599</u>	<u>6,795,044</u>
-	1,901,944
6,835	6,835
458,509	458,509
-	3,925,228
-	150,000
-	58,792
-	209,377
-	217,675
-	3,121,410
-	135,249
40,893	40,893
-	5,193,885
182,892	182,892
-	2,828,651
<u>689,129</u>	<u>18,431,340</u>
<u>\$ 746,728</u>	<u>\$ 25,226,384</u>

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CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT - WIDE STATEMENT OF NET ASSETS
JUNE 30, 2008

Fund Balances - Total Governmental Funds	\$ 18,431,340
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	110,774,906
Government funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
Deferred charges	37,932
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(55,235,433)
Compensated absences	(3,264,869)
Accrued interest payable	(867,238)
	(59,367,540)
Net Assets of Governmental Activities	\$ 69,876,638

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

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 84,047,853	\$ -	\$ -
Other tax items	8,044,127	-	-
Non-property taxes	810,790	-	-
Charges for services	407,830	-	-
Use of money and property	2,021,975	-	-
State aid	7,943,690	(72,108)	-
Federal aid	41,388	853,572	-
Food sales	-	-	-
Miscellaneous	546,799	-	-
Total Revenues	103,864,452	781,464	-
EXPENDITURES			
Current:			
General support	11,604,396	-	-
Instruction	56,493,134	1,467,340	-
Pupil transportation	5,653,018	-	-
Community services	21,158	-	-
Employee benefits	18,754,003	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service:			
Principal	-	-	-
Interest	279,620	-	-
Capital outlay	-	-	15,663
Total Expenditures	92,805,329	1,467,340	15,663
Excess (Deficiency) of Revenues Over Expenditures	11,059,123	(685,876)	(15,663)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	685,876	-
Transfers out	(5,841,435)	-	-
Total Other Financing Sources (Uses)	(5,841,435)	685,876	-
Net Change in Fund Balances	5,217,688	-	(15,663)
Fund Balances - Beginning of Year	9,695,872	-	2,844,314
Fund Balances - End of Year	\$ 14,913,560	\$ -	\$ 2,828,651

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

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 84,047,853
-	8,044,127
-	810,790
-	407,830
31,259	2,053,234
18,623	7,890,205
147,602	1,042,562
1,711,384	1,711,384
-	546,799
<u>1,908,868</u>	<u>106,554,784</u>
-	11,604,396
-	57,960,474
-	5,653,018
-	21,158
-	18,754,003
1,891,945	1,891,945
1,491	1,491
2,720,000	2,720,000
2,435,559	2,715,179
-	15,663
<u>7,048,995</u>	<u>101,337,327</u>
<u>(5,140,127)</u>	<u>5,217,457</u>
5,155,559	5,841,435
-	<u>(5,841,435)</u>
<u>5,155,559</u>	<u>-</u>
15,432	5,217,457
<u>673,697</u>	<u>13,213,883</u>
<u>\$ 689,129</u>	<u>\$ 18,431,340</u>

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CHAPPAQUA CENTRAL 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, 2008

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

Net Change in Fund Balances - Total Governmental Funds	\$ 5,217,457
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.	
Capital outlay expenditures	193,751
Depreciation expense	(2,728,897)
	<u>(2,535,146)</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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Principal paid on bonds	2,720,000
Amortization of issuance costs and loss on refunding bonds	(49,375)
	<u>2,670,625</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.	
Compensated absences	(85,047)
Accrued interest	52,236
	<u>(32,811)</u>
Change in Net Assets of Governmental Activities	<u>\$ 5,320,125</u>

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

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
GENERAL AND SPECIAL AID FUNDS
YEAR ENDED JUNE 30, 2008

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 84,048,407	\$ 84,047,496	\$ 84,047,853	\$ 357
Other tax items	8,012,549	8,013,460	8,044,127	30,667
Non-property taxes	750,000	750,000	810,790	60,790
Charges for services	354,691	354,691	407,830	53,139
Use of money and property	1,270,000	1,270,000	2,021,975	751,975
State aid	6,428,898	6,452,983	7,943,690	1,490,707
Federal aid	-	64,514	41,388	(23,126)
Miscellaneous	225,000	265,191	546,799	281,608
Total Revenues	101,089,545	101,218,335	103,864,452	2,646,117
EXPENDITURES				
Current:				
General support	12,245,958	12,383,559	11,604,396	779,163
Instruction	58,573,332	57,530,320	56,493,134	1,037,186
Pupil transportation	5,456,953	5,653,018	5,653,018	-
Community services	21,158	21,158	21,158	-
Employee benefits	21,339,720	21,652,360	18,754,003	2,898,357
Debt service -				
Interest	350,000	279,620	279,620	-
Total Expenditures	97,987,121	97,520,035	92,805,329	4,714,706
Excess (Deficiency) of Revenues Over Expenditures	3,102,424	3,698,300	11,059,123	7,360,823
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(5,245,559)	(5,841,435)	(5,841,435)	-
Total Other Financing Sources (Uses)	(5,245,559)	(5,841,435)	(5,841,435)	-
Net Change in Fund Balances	(2,143,135)	(2,143,135)	5,217,688	7,360,823
Fund Balances - Beginning of Year	2,143,135	2,143,135	9,695,872	7,552,737
Fund Balances - End of Year	\$ -	\$ -	\$ 14,913,560	\$ 14,913,560

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

Special Aid Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
523,768	(72,108)	(72,108)	-
887,633	1,016,570	853,572	(162,998)
-	-	-	-
1,411,401	944,462	781,464	(162,998)
-	-	-	-
1,501,401	1,630,338	1,467,340	162,998
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,501,401	1,630,338	1,467,340	162,998
(90,000)	(685,876)	(685,876)	-
90,000	685,876	685,876	-
-	-	-	-
90,000	685,876	685,876	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

STATEMENT OF ASSETS AND LIABILITIES

FIDUCIARY FUND

JUNE 30, 2008

	<u>Agency</u>
ASSETS	
Cash and Equivalents	<u>\$ 378,020</u>
LIABILITIES	
Accounts Payable	\$ 43,242
Employee Payroll Deductions	253,447
Student Activity Funds	<u>81,331</u>
Total Liabilities	<u>\$ 378,020</u>

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 1 - Summary of Significant Accounting Policies

The Chappaqua Central School District, New York, as presently constituted, was established in 1905 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, and finance and plant maintenance support the primary function.

The accounting policies of the Chappaqua Central School District, New York 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 Chappaqua Central 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 Putnam-Northern 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 the ratio which the component school district's value of taxable properties in effect at the time of adoption bears to the total full value of taxable properties of all component school districts within BOCES as defined by Education Law. Copies of BOCES' financial statement can be requested from Putnam-Northern Westchester BOCES, 200 BOCES Drive, Yorktown Heights, New York 10598.

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 ("FASB") 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. The School District is not able to determine the effect of these transactions on its financial statements.

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 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 and fiduciary funds, even though the latter is excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, 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.

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2008

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.

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

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

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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, repurchase agreements and obligations of New York State or its political subdivisions.

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

The School District utilizes a pooled investment concept for all governmental funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2008.

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

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 Towns of New Castle and Mount Pleasant which are included in the levy are responsible for the billing and collection of the taxes. The towns guarantee the full payment of the School District warrant and assume 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.

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, 2008, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Advances From/To Other Funds - Advances from/to other funds represents loans to other funds which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by a fund balance reserve in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

Inventories - Inventories in the School Lunch Fund consist 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 received. 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.

Deferred Charges - Deferred charges in the district-wide financial statements represent the unamortized portion of the costs of issuance of the bonds. These costs are being amortized over the term of the respective bond issue.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

JUNE 30, 2008

Note 1 - Summary of Significant Accounting Policies (Continued)

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 and construction-in-progress are 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 grants received before the eligibility requirements have been met.

Deferred revenues in the 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 \$96,903 in the General Fund for Federal and State Aid received in advance, \$591 in the Special Aid Fund for Federal aid received in advance, and \$57,576 in the School Lunch Fund for advance payments. 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 or sick 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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. 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 special purposes, debt service, unemployment benefits, property loss, insurance, liability claims, tax certiorari, repairs and capital projects. 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, trusts, debt service, unemployment benefits, property loss, insurance, liability claims, tax certiorari, employee benefit accrued liability, repairs, advances, and long-term receivables 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 Special Aid funds. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets 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 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.
- 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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.

D. Budgetary Compliance

The School District, during the 2007-08 fiscal year, amended the budget of the General Fund – Transfer Out – Special Aid Fund category by \$595,876, without voter approval. The statutes require that such an amendment requires voter approval.

E. Capital Projects Fund Deficits

These deficits result from expenditures exceeding current financing. These deficits will be eliminated with the receipt or issuance of subsequent authorized financing. These projects also reflect overexpenditures of similar amounts. The capital projects listed below had deficits at June 30, 2008:

1999-00 Funding	\$	31,014
2002-03 Funding		86,364

F. Future Application of Accounting Standards

Retiree health care costs have traditionally been accounted for and financed on a pay-as-you go basis. Each year's budget has included an appropriation for the current year's cost of retiree health care. GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions ("OPEB"), requires that retiree health care costs be treated on an accrual basis, on the School District's "district-wide" financial statements. Presently, New York State has not established a vehicle to fund this liability. Recently, the New York State Comptroller announced legislation to authorize the creation of trust funds to help State and local governments plan for the costs of OPEB.

The School District's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC") of the employer, which is an actuarially determined amount. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retiree's medical insurance. As result, reporting of expenses and liabilities will no longer be recognized under the "pay-as-you-go" approach. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the 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, 2008

Note 2 - Stewardship, Compliance and Accountability (Continued)

The District has not yet determined the impact of GASB Statement No. 45 on the financial statements. GASB Statement No. 45 is effective for the School District's fiscal year ending June 30, 2009.

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

The balances reflected as due from/to other funds at June 30, 2008 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 586,658	\$ 268,883
Special Aid	563,122	1,149,780
Capital Projects	199,429	4,981
Non-Major Governmental	<u>74,458</u>	<u>23</u>
	<u>\$ 1,423,667</u>	<u>\$ 1,423,667</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.

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2008**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, 2007	Reclassifications	Restated Balance @ 7/1/2007	Additions	Deletions	Balance June 30, 2008
Capital Assets, not being depreciated:						
Land	\$ 2,052,700	\$ -	\$ 2,052,700	\$ -	\$ -	\$ 2,052,700
Construction in progress	-	-	-	15,663	-	15,663
	<u>\$ 2,052,700</u>	<u>\$ -</u>	<u>\$ 2,052,700</u>	<u>\$ 15,663</u>	<u>\$ -</u>	<u>\$ 2,068,363</u>
Capital Assets, being depreciated:						
Buildings and Improvements	\$ 135,451,302	\$ (934,223)	134,517,079	23,450	\$ -	\$ 134,540,529
Machinery and Equipment	2,179,424	934,223	3,113,647	196,007	41,369	3,268,285
	<u>137,630,726</u>	<u>-</u>	<u>137,630,726</u>	<u>219,457</u>	<u>41,369</u>	<u>137,808,814</u>
Total Capital Assets, being depreciated						
Less Accumulated Depreciation for:						
Buildings and Improvements	24,935,018	-	24,935,018	2,577,920	-	27,512,938
Machinery and Equipment	1,438,356	-	1,438,356	191,782	41,369	1,588,769
	<u>26,373,374</u>	<u>-</u>	<u>26,373,374</u>	<u>2,769,702</u>	<u>41,369</u>	<u>29,101,707</u>
Total Accumulated Depreciation						
Total Capital Assets, being depreciated, net	<u>\$ 111,257,352</u>	<u>\$ -</u>	<u>\$ 111,257,352</u>	<u>\$ (2,550,245)</u>	<u>\$ -</u>	<u>\$ 108,707,107</u>
Capital Assets, net	<u>\$ 113,310,052</u>	<u>\$ -</u>	<u>\$ 113,310,052</u>	<u>\$ (2,550,245)</u>	<u>\$ -</u>	<u>\$ 110,759,807</u>

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

General Support	\$ 151,214
Instruction	2,598,828
Cost of Food Sales	<u>19,660</u>
Total Depreciation Expense	<u>\$ 2,769,702</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2008 were as follows:

	General Fund
Payroll and employee benefits	<u>\$ 243,924</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

JUNE 30, 2008

Note 3 - Detailed Notes on All Funds (Continued)**D. Pension Plans**

The Chappaqua Central 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 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 Employees' 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, actuarial contributions are established annually for TRS by the New York State Teachers' Retirement Board. Contribution rates for the plans' year's ending in 2008 are as follows:

ERS		TRS	
Tier/Plan	Rate	Tiers	Rate
1 75I	12.0%	1-4	8.73%
2 75I	11.1		
3 A14	8.9		
4 A15	8.9		

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

	ERS	TRS
2008	\$ 688,116	\$ 3,930,974
2007	815,391	3,721,516
2006	679,137	3,349,360

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 contributions were charged to the General Fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

JUNE 30, 2008

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.

	<u>Balance July 1, 2007</u>	<u>New Issues</u>	<u>Redemptions</u>	<u>Balance June 30, 2008</u>
Tax Anticipation Note	\$ -	\$ 8,000,000	\$ 8,000,000	\$ -

The \$8,000,000 tax anticipation note was issued on July 19, 2007 and redeemed on June 30, 2008, with interest at 3.69%.

Interest expenditures of \$279,620 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, 2008:

	<u>Balance July 1, 2007</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance June 30, 2008</u>	<u>Due Within One-Year</u>
Bonds Payable	\$ 58,115,000	\$ -	\$ 2,720,000	\$ 55,395,000	\$ 2,820,000
Less - Deferred amounts on refunding	<u>(199,459)</u>	<u>-</u>	<u>(39,892)</u>	<u>(159,567)</u>	<u>-</u>
	57,915,541	-	2,680,108	55,235,433	2,820,000
Other Non-current Liabilities - Compensated Absences	<u>3,179,822</u>	<u>403,029</u>	<u>(317,982)</u>	<u>3,264,869</u>	<u>326,487</u>
Total Long-Term Liabilities	<u>\$ 61,095,363</u>	<u>\$ 403,029</u>	<u>\$ 2,362,126</u>	<u>\$ 58,500,302</u>	<u>\$ 3,146,487</u>

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, 2008

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

Bonds payable at June 30, 2008 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2008
Building Renovations	2002	\$ 1,750,000	September 2018	3.5 - 4.30 %	\$ 1,340,000
Building Renovations	2002	32,720,000	September 2030	3.5 - 4.70	30,075,000
Building Renovations	2003	23,955,000	January 2033	4.0 - 4.50	20,570,000
Building Renovations	2002	5,010,000	October 2011	2.25 - 3.25	3,410,000
					<u>\$ 55,395,000</u>

Interest expenditures of \$2,435,599 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$2,423,215 was recorded in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of June 30, 2008 including interest payments of \$27,038,172 are as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 2,820,000	\$ 2,344,534	\$ 5,164,534
2010	2,920,000	2,247,815	5,167,815
2011	3,025,000	2,145,031	5,170,031
2012	2,665,000	2,041,421	4,706,421
2013	2,220,000	1,945,346	4,165,346
2014-2018	12,600,000	8,216,303	20,816,303
2019-2023	14,845,000	5,243,506	20,088,506
2024-2028	8,295,000	2,422,168	10,717,168
2029-2031	6,005,000	432,048	6,437,048
	<u>\$ 55,395,000</u>	<u>\$ 27,038,172</u>	<u>\$ 82,433,172</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, 2008

Note 3 - Detailed Notes on All Funds (Continued)**Prior Year's Defeasance**

In prior years, the School District defeased certain bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. At June 30, 2008, \$3,375,000 of bonds outstanding are considered defeased.

Compensated Absences

Pursuant to collective bargaining agreements, upon separation of service, the School District is required to compensate administrators, clerical staff and custodians for unused vacation time. For all other employees, vacation time is generally taken in the year earned. 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.

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Total</u>
	<u>Special Aid</u>	<u>Debt Service</u>	
General	<u>\$ 685,876</u>	<u>\$ 5,155,559</u>	<u>\$ 5,841,435</u>

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 Special Aid Fund expenditures.

Post-Employment Health Care Benefits

In addition to providing pension benefits, the School 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 School District may vary according to length of service. The cost of providing post-employment health care benefits is shared between the School District and the retired employee. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the School District. The cost of retiree health care benefits is recognized as an expenditure/expense as claims are paid. During the year, \$2,701,584 was paid on behalf of 356 retirees and this amount has been recorded as an expenditure and expense.

Note 3 - Detailed Notes on All Funds (Continued)

H. 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, exclusive of 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 with constraints placed on their use by Local Finance Law.

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 Property Loss - the component of net assets that has been established to set aside funds for the deductible provisions of the School District's insurance policies in accordance with Section 6n of General Municipal Law.

Restricted for Insurance - the component of net assets that has been established to set aside funds to repair assets funded by insurance recoveries pursuant to Educational Law.

Restricted for Liability Claims - the component of net assets that has been established to set aside funds for liability claims incurred pursuant to Education Law.

Restricted for Unemployment Benefits - the component of net assets that has been established to set aside funds to be used for a specific purpose in accordance with Section 6m of the General Municipal Law of the State of New York.

Restricted for Repairs - the component of net assets that has been established in accordance with Education Law to provide funds for the repairs to capital improvements and equipment.

Restricted for Special Purposes - the component of net assets that reports the difference between assets and liabilities 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".

NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2008

Note 3 - Detailed Notes on All Funds (Continued)

I. 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 the 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 Employee Benefit Accrued Liability has been established to set aside funds to be used for a specific purpose in accordance with Section 6p of the General Municipal Law of the State of New York.

Unreserved - Designations

General Fund - Designations of fund balance are not legally required segregations but represent intended use for a specific purpose. At June 30, 2008, the Board of Education has designated that \$900,000 of the fund balance of the General Fund be appropriated for the ensuing year's budget.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The parents of certain students filed requests for impartial hearings seeking reimbursement tuition for a private unilateral placement at private schools for the 2004-05, 2005-06, 2006-07 and 2007-08 school years. The various cases are in the middle of the hearing process. Counsel has expressed no opinion on the outcomes. However, in the event of a negative outcome, the aggregate tuition costs and attorney's fees would not be greater than approximately \$600,000.

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.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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 may 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 minimal 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. The School District maintains liability coverage for school board members up to \$1 million. The School District also maintains an umbrella 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.

The School District and neighboring school districts in Northern Westchester and Putnam Counties participate in the Westchester-Putnam 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 participants' experience rating. The School District has transferred all related risk to the Plan.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The School District and neighboring school districts in Northern Westchester and Putnam Counties participate in the Northern Westchester – Putnam School Cooperative Medical Expense Benefit Plan. The Plan operates under an agreement dated February 17, 1987. The purposes of the Plan are to provide for the efficient and economical evaluation, processing, administration and payment of claims against Plan members for medical expenses through self-insurance and to provide for centralized administration, funding and disbursements for such services. The governance of the Plan rests in the Board of Trustees, which shall consist of five Trustees selected by the Plan members. A majority of the total number of Trustees shall be required to take any actions. The billings are based upon coverages provided each participant's employees. The School District has transferred all related risk to the Plan.

Note 5 - Subsequent Events

The School District, on July 17, 2008, issued an \$8,000,000 note in anticipation of 2008-09 property taxes. The note matures on June 30, 2009 and bears interest at a rate of 3.00%.

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CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 19,053,797	\$ 15,637,977
Petty cash	700	700
	<u>19,054,497</u>	<u>15,638,677</u>
Receivables:		
Accounts	272,108	223,328
State and Federal aid	527,062	723,919
Due from other funds	586,658	745,302
Advances to other funds	-	310,226
	<u>1,385,828</u>	<u>2,002,775</u>
Total Assets	<u>\$ 20,440,325</u>	<u>\$ 17,641,452</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 228,856	\$ 285,296
Accrued liabilities	243,924	347,217
Deferred revenue	96,903	
Due to other funds	268,883	2,880,709
Due to retirement systems	4,688,199	4,432,358
Total Liabilities	<u>5,526,765</u>	<u>7,945,580</u>
Fund Balance:		
Reserved for advances	-	310,226
Reserved for encumbrances	1,901,944	1,243,135
Reserved for employee benefit accrued liability	3,121,410	2,434,725
Reserved for unemployment benefits	150,000	104,168
Reserved for property loss	58,792	58,208
Reserved for insurance	209,377	108,210
Reserved for liability claims	217,675	115,924
Reserved for tax certiorari	3,925,228	1,603,634
Reserved for repairs	135,249	132,609
Unreserved:		
Designated for subsequent year's expenditures	900,000	900,000
Undesignated	4,293,885	2,685,033
Total Fund Balance	<u>14,913,560</u>	<u>9,695,872</u>
Total Liabilities and Fund Balance	<u>\$ 20,440,325</u>	<u>\$ 17,641,452</u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED JUNE 30, 2008 AND 2007

	2008				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Encumbrances	
Revenues:					
Real property taxes	\$ 84,048,407	\$ 84,047,496	\$ 84,047,853	\$	\$ 357
Other tax items	8,012,549	8,013,460	8,044,127		30,667
Non-property taxes	750,000	750,000	810,790		60,790
Charges for services	354,691	354,691	407,830		53,139
Use of money and property	1,270,000	1,270,000	2,021,975		751,975
State aid	6,428,898	6,452,983	7,943,690		1,490,707
Federal aid	-	64,514	41,388		(23,126)
Miscellaneous	225,000	265,191	546,799		281,608
Total Revenues	101,089,545	101,218,335	103,864,452		2,646,117
Expenditures:					
Current:					
General support:					
Board of education	62,678	40,268	39,793	475	-
Central administration	349,025	337,573	336,923	650	-
Finance	1,084,530	969,042	964,467	4,575	-
Staff	642,384	570,925	570,925	-	-
Central services	8,733,642	9,180,766	8,411,904	768,862	-
Special items	1,373,699	1,284,985	1,280,384	4,601	-
Total General Support	12,245,958	12,383,559	11,604,396	779,163	-
Instruction:					
Instruction, administration and improvement	5,450,030	5,336,584	5,312,373	24,211	-
Teaching - Regular school	33,466,212	32,547,478	32,083,823	463,655	-
Programs for children with handicapping conditions	11,159,706	11,123,661	10,994,939	128,722	-
Teaching - Special schools	311,565	300,934	300,934	-	-
Instructional media	3,849,801	4,029,139	3,661,746	367,392	1
Pupil services	4,336,018	4,192,524	4,139,319	53,196	9
Total Instruction	58,573,332	57,530,320	56,493,134	1,037,176	10
Pupil transportation	5,456,953	5,653,018	5,653,018	-	-
Community services	21,158	21,158	21,158	-	-
Employee benefits	21,339,720	21,652,360	18,754,003	85,605	2,812,752
Debt service - Interest	350,000	279,620	279,620	-	-
Total Expenditures	97,987,121	97,520,035	92,805,329	1,901,944	2,812,762
Excess of Revenues Over Expenditures	3,102,424	3,698,300	11,059,123	(1,901,944)	5,458,879
Other Financing Uses -					
Transfers out	(5,245,559)	(5,841,435)	(5,841,435)	-	-
Net Change in Fund Balance	(2,143,135)	(2,143,135)	5,217,688	\$ (1,901,944)	\$ 5,458,879
Fund Balance - Beginning of Year	2,143,135	2,143,135	9,695,872		
Fund Balance - End of Year	\$ -	\$ -	\$ 14,913,560		

2007				
Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
\$ 80,266,623	\$ 80,266,623	\$ 80,266,623	\$	\$ -
7,913,662	7,913,662	7,913,662		-
750,000	750,000	760,960		10,960
299,191	299,191	397,476		98,285
775,100	775,100	1,809,874		1,034,774
6,129,637	6,129,637	6,387,635		257,998
-	-	62,015		62,015
85,000	163,557	639,678		476,121
96,219,213	96,297,770	98,237,923		1,940,153
68,113	46,390	45,812	578	-
336,967	320,265	317,175	3,090	-
1,031,469	906,237	875,573	30,664	-
681,593	577,752	571,659	6,093	-
8,239,359	8,244,201	7,753,121	491,079	1
1,205,160	1,322,995	1,317,545	5,450	-
11,562,661	11,417,840	10,880,885	536,954	1
5,123,440	5,129,679	5,083,172	46,507	-
32,052,055	31,011,006	30,591,255	419,751	-
10,312,701	10,336,923	10,294,325	42,598	-
292,229	303,497	303,497	-	-
3,687,459	3,731,529	3,564,078	167,451	-
3,990,813	3,870,165	3,844,911	25,254	-
55,458,697	54,382,799	53,681,238	701,561	-
5,213,338	5,190,478	5,190,428	-	50
21,249	20,492	20,492	-	-
20,052,856	21,436,403	17,681,831	4,620	3,749,952
300,000	285,142	284,671	-	471
92,608,801	92,733,154	87,739,545	1,243,135	3,750,474
3,610,412	3,564,616	10,498,378	(1,243,135)	5,690,627
(5,227,294)	(8,059,505)	(8,059,505)	-	-
(1,616,882)	(4,494,889)	2,438,873	\$ (1,243,135)	\$ 5,690,627
1,616,882	4,494,889	7,256,999		
\$ -	\$ -	\$ 9,695,872		

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 84,048,407	\$ 84,047,496	\$ 84,047,853	\$ 357
OTHER TAX ITEMS				
School tax relief reimbursement	8,012,549	8,013,460	8,044,127	30,667
NON-PROPERTY TAXES				
Non-property tax distribution from County	750,000	750,000	810,790	60,790
CHARGES FOR SERVICES				
Day school tuition	40,000	40,000	43,506	3,506
Continuing education tuition	225,000	225,000	270,865	45,865
Other student fees and charges	89,691	89,691	93,459	3,768
	354,691	354,691	407,830	53,139
USE OF MONEY AND PROPERTY				
Earnings on investments	1,250,000	1,250,000	1,969,470	719,470
Rental of real property	20,000	20,000	52,505	32,505
	1,270,000	1,270,000	2,021,975	751,975

STATE AID

Basic formula	5,478,805	5,478,805	6,993,141	1,514,336
BOCES	616,607	616,607	365,712	(250,895)
Textbooks	233,000	233,000	186,624	(46,376)
Computer software	73,000	73,000	63,531	(9,469)
Library aid	27,486	27,486	26,506	(980)
State Emergency Management Agency	-	24,085	-	(24,085)
Other	-	-	308,176	308,176
	<u>6,428,898</u>	<u>6,452,983</u>	<u>7,943,690</u>	<u>1,490,707</u>

FEDERAL AID

Medical assistance	-	-	41,388	41,388
Federal Emergency Management Agency	-	64,514	-	(64,514)
	<u>-</u>	<u>64,514</u>	<u>41,388</u>	<u>(23,126)</u>

MISCELLANEOUS

Refund of prior year's expenditures	80,000	80,000	95,228	15,228
Refund of BOCES aided services	-	-	108,096	108,096
Recreation	-	-	23,907	23,907
Cultural arts	-	-	148,325	148,325
Gifts and donations	-	40,191	40,191	-
Other	145,000	145,000	131,052	(13,948)
	<u>225,000</u>	<u>265,191</u>	<u>546,799</u>	<u>281,608</u>

TOTAL REVENUES

	<u>\$ 101,089,545</u>	<u>\$ 101,218,335</u>	<u>\$ 103,864,452</u>	<u>\$ 2,646,117</u>
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CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 27,178	\$ 15,839	\$ 15,430	\$ 409	\$ -
District clerk	31,000	21,040	20,974	66	-
District meeting	4,500	3,389	3,389	-	-
Total Board of Education	62,678	40,268	39,793	475	-
CENTRAL ADMINISTRATION					
Chief school administrator	349,025	337,573	336,923	650	-
FINANCE					
Business administration	961,550	898,367	893,792	4,575	-
Accounting and auditing	122,980	70,675	70,675	-	-
Total Finance	1,084,530	969,042	964,467	4,575	-
STAFF					
Legal	214,921	215,940	215,940	-	-
Personnel	359,963	322,508	322,508	-	-
Public information and services	67,500	32,477	32,477	-	-
Total Staff	642,384	570,925	570,925	-	-

CENTRAL SERVICES				
Operation of plant	6,262,957	6,609,116	6,472,286	136,830
Maintenance of plant	2,470,685	2,571,650	1,939,618	632,032
Total Central Services	8,733,642	9,180,766	8,411,904	768,862
SPECIAL ITEMS				
Unallocated insurance	350,000	319,946	319,946	-
Judgments and claims	106,450	66,319	66,319	-
School association dues	26,000	24,601	24,601	-
Assessments on school property	50,000	101,033	101,033	-
Refunds of real property taxes	50,000	3,493	3,493	-
Administrative charge - BOCES	791,249	769,593	764,992	4,601
Total Special Items	1,373,699	1,284,985	1,280,384	4,601
Total General Support	12,245,958	12,383,559	11,604,396	779,163

INSTRUCTION

INSTRUCTION, ADMINISTRATION AND IMPROVEMENT

Curriculum development and supervision	704,975	694,690	692,510	2,180
Supervision - Regular school	4,682,169	4,562,319	4,543,599	18,720
Supervision - Special schools	37,500	36,956	36,956	-
Research, planning and evaluation	25,386	42,619	39,308	3,311
Total Instruction, Administration and Improvement	5,450,030	5,336,584	5,312,373	24,211
TEACHING - REGULAR SCHOOL	33,466,212	32,547,478	32,083,823	463,655
PROGRAMS FOR CHILDREN WITH HANDICAPPING CONDITIONS				
Programs for students with disabilities	11,159,706	11,123,661	10,994,939	128,722
TEACHING - SPECIAL SCHOOLS	311,565	300,934	300,934	-

(Continued)

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
INSTRUCTION (Continued)					
INSTRUCTIONAL MEDIA					
School library and audiovisual	\$ 1,449,404	\$ 1,419,319	\$ 1,403,292	\$ 16,027	\$ -
Computer assisted instruction	2,400,397	2,609,820	2,258,454	351,365	1
Total Instructional Media	3,849,801	4,029,139	3,661,746	367,392	1
PUPIL SERVICES					
Attendance - Regular school	33,341	32,545	32,545	-	-
Guidance - Regular school	2,010,650	1,926,003	1,905,613	20,390	-
Health services - Regular school	580,185	580,285	579,547	730	8
Psychological services - Regular school	291,597	291,515	291,515	-	-
Co-curricular activities - Regular school	352,327	327,836	327,836	-	-
Interscholastic athletics - Regular school	1,067,918	1,034,340	1,002,263	32,076	1
Total Pupil Services	4,336,018	4,192,524	4,139,319	53,196	9
Total Instruction	58,573,332	57,530,320	56,493,134	1,037,176	10
PUPIL TRANSPORTATION					
Contract and public carrier transportation	5,456,953	5,653,018	5,653,018	-	-
COMMUNITY SERVICES					
Census	21,158	21,158	21,158	-	-

EMPLOYEE BENEFITS

State retirement	1,142,000	688,116	688,116	-
Teachers' retirement	4,020,000	3,930,974	3,930,974	-
Social security	4,175,400	3,817,651	3,817,651	-
Hospital and medical insurance	10,495,400	9,006,958	9,006,958	-
Dental and vision insurance	125,200	118,731	118,731	-
Workers' compensation	350,000	320,930	320,930	-
Unemployment benefits	45,000	25,300	25,300	-
Disability insurance	18,500	17,808	17,808	-
Life insurance	36,000	36,285	36,285	-
Union welfare benefits	777,600	753,525	753,525	-
Other benefits	154,620	2,936,082	37,725	85,605
				<u>2,812,752</u>
Total Employee Benefits	<u>21,339,720</u>	<u>21,652,360</u>	<u>18,754,003</u>	<u>85,605</u>
				<u>2,812,752</u>

DEBT SERVICE

Interest -				
Tax anticipation note	350,000	279,620	279,620	-
TOTAL EXPENDITURES	<u>97,987,121</u>	<u>97,520,035</u>	<u>92,805,329</u>	<u>1,901,944</u>
				<u>2,812,762</u>

OTHER FINANCING USES

Transfers out:				
Special Aid Fund	90,000	685,876	685,876	-
Debt Service Fund	5,155,559	5,155,559	5,155,559	-
TOTAL OTHER FINANCING USES	<u>5,245,559</u>	<u>5,841,435</u>	<u>5,841,435</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 103,232,680</u>	<u>\$ 103,361,470</u>	<u>\$ 98,646,764</u>	<u>\$ 1,901,944</u>
				<u>\$ 2,812,762</u>

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CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SPECIAL AID FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 18,238	\$ 1,326
State and Federal Aid Receivable	624,339	1,249,015
Due from Other Funds	563,122	55,413
	<u>563,122</u>	<u>55,413</u>
Total Assets	<u>\$ 1,205,699</u>	<u>\$ 1,305,754</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 55,328	\$ 124,227
Due to other funds	1,149,780	800,715
Advances from other funds	-	310,226
Deferred revenues	591	70,586
	<u>591</u>	<u>70,586</u>
Total Liabilities	<u>1,205,699</u>	<u>1,305,754</u>
Fund Balance (Deficit):		
Reserved for long-term receivable	-	310,226
Unreserved and undesignated	-	(310,226)
	<u>-</u>	<u>-</u>
Total Fund Balance	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 1,205,699</u>	<u>\$ 1,305,754</u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SPECIAL AID FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEARS ENDED JUNE 30, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State aid	\$ 523,768	\$ (72,108)	\$ (72,108)	\$ -
Federal aid	887,633	1,016,570	853,572	(162,998)
Total Revenues	1,411,401	944,462	781,464	(162,998)
Expenditures -				
Current -				
Instruction	1,501,401	1,630,338	1,467,340	162,998
Deficiency of Revenues Over Expenditures	(90,000)	(685,876)	(685,876)	-
Other Financing Sources -				
Transfers in	90,000	685,876	685,876	-
Net Change in Fund Balance	-	-	-	-
Fund Balance -				
Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

2007

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 376,846	\$ 376,846	\$ 376,846	\$ -
1,038,037	1,044,367	887,448	(156,919)
1,414,883	1,421,213	1,264,294	(156,919)
1,504,883	1,515,424	1,358,505	156,919
(90,000)	(94,211)	(94,211)	-
90,000	94,211	94,211	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 2,634,203	\$ 32,094
Due from Other Funds	<u>199,429</u>	<u>2,828,000</u>
Total Assets	<u>\$ 2,833,632</u>	<u>\$ 2,860,094</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities -		
Due to other funds	\$ 4,981	\$ 15,780
Fund Balance -		
Unreserved and undesignated	<u>2,828,651</u>	<u>2,844,314</u>
Total Liabilities and Fund Balance	<u>\$ 2,833,632</u>	<u>\$ 2,860,094</u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Revenues	\$ -	\$ -
Expenditures - Capital outlay	<u>15,663</u>	<u>273,529</u>
Deficiency of Revenues Over Expenditures	(15,663)	(273,529)
Other Financing Sources - Transfers in	<u>-</u>	<u>2,828,000</u>
Net Change in Fund Balance	(15,663)	2,554,471
Fund Balance - Beginning of Year	<u>2,844,314</u>	<u>289,843</u>
Fund Balance - End of Year	<u>\$ 2,828,651</u>	<u>\$ 2,844,314</u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

CAPITAL PROJECTS FUND

PROJECT-LENGTH SCHEDULE

INCEPTION OF PROJECT THROUGH JUNE 30, 2008

PROJECT	Authorization	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
Reconstruction of School District Buildings	\$ 56,779,000	\$ 56,541,308	\$ -	\$ 56,541,308
1999-00 Funding	277,934	308,948	-	308,948
2002-03 Funding	399,500	485,864	-	485,864
Replacement of High School Bleachers	700,000	-	15,663	15,663
Improvements to School District Buildings	2,128,000	-	-	-
Totals	<u>\$ 60,284,434</u>	<u>\$ 57,336,120</u>	<u>\$ 15,663</u>	<u>\$ 57,351,783</u>

Unexpended Balance	Methods of Financing			Fund Balance (Deficit) at June 30, 2008
	Proceeds of Obligations	Other	Total	
\$ 237,692	\$ 56,675,000	\$ -	\$ 56,675,000	\$ 133,692
(31,014)	-	277,934	277,934	(31,014)
(86,364)	-	399,500	399,500	(86,364)
684,337	-	700,000	700,000	684,337
2,128,000	-	2,128,000	2,128,000	2,128,000
<u>\$ 2,932,651</u>	<u>\$ 56,675,000</u>	<u>\$ 3,505,434</u>	<u>\$ 60,180,434</u>	<u>\$ 2,828,651</u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008
 (With Comparative Totals for 2007)

	School Lunch	Special Purpose	Debt Service
<u>ASSETS</u>			
Cash:			
Demand deposits	\$ 151,618	\$ 40,893	\$ 458,532
Petty cash	600	-	-
	<u>152,218</u>	<u>40,893</u>	<u>458,532</u>
Receivables:			
State and Federal aid	13,792	-	-
Due from other funds	74,458	-	-
	<u>88,250</u>	<u>-</u>	<u>-</u>
Inventories	<u>6,835</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 247,303</u>	<u>\$ 40,893</u>	<u>\$ 458,532</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to other funds	\$ -	\$ -	\$ 23
Deferred revenues	57,576	-	-
Total Liabilities	<u>57,576</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Reserved for inventories	6,835	-	-
Reserved for debt service	-	-	458,509
Reserved for trusts	-	40,893	-
Unreserved and undesignated	182,892	-	-
Total Fund Balances	<u>189,727</u>	<u>40,893</u>	<u>458,509</u>
Total Liabilities and Fund Balances	<u>\$ 247,303</u>	<u>\$ 40,893</u>	<u>\$ 458,509</u>

Total Non-Major Governmental Funds	
2008	2007
\$ 651,043	\$ 641,001
600	600
651,643	641,601
13,792	4,551
74,458	68,489
88,250	73,040
6,835	13,966
\$ 746,728	\$ 728,607

\$ 23	\$ -
57,576	54,910
57,576	54,910

6,835	13,966
458,509	442,772
40,893	42,054
182,892	174,905
689,129	673,697
\$ 746,705	\$ 728,607

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008
(With Comparative Totals for 2007)

	School Lunch	Special Purpose	Debt Service
Revenues:			
Use of money and property	\$ 15,192	\$ 330	\$ 15,737
State aid	18,623	-	-
Federal aid	147,602	-	-
Food sales	1,711,384	-	-
Total Revenues	1,892,801	330	15,737
Expenditures:			
Current:			
Cost of food sales	1,891,945	-	-
Other	-	1,491	-
Debt service:			
Principal	-	-	2,720,000
Interest	-	-	2,435,559
Total Expenditures	1,891,945	1,491	5,155,559
Excess (Deficiency) of Revenues Over Expenditures	856	(1,161)	(5,139,822)
Other Financing Sources - Transfers in	-	-	5,155,559
Net Change in Fund Balances	856	(1,161)	15,737
Fund Balances - Beginning of Year	188,871	42,054	442,772
Fund Balances - End of Year	\$ 189,727	\$ 40,893	\$ 458,509

Total Non-Major Governmental Funds	
2008	2007
\$ 31,259	\$ 44,081
18,623	18,142
147,602	137,620
1,711,384	1,530,005
<u>1,908,868</u>	<u>1,729,848</u>
1,891,945	1,685,056
1,491	2,200
2,720,000	2,610,000
<u>2,435,559</u>	<u>2,527,294</u>
<u>7,048,995</u>	<u>6,824,550</u>
(5,140,127)	(5,094,702)
<u>5,155,559</u>	<u>5,137,294</u>
15,432	42,592
<u>673,697</u>	<u>631,105</u>
<u>\$ 689,129</u>	<u>\$ 673,697</u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SCHOOL LUNCH FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 151,618	\$ 171,955
Petty Cash	600	600
	<u>152,218</u>	<u>172,555</u>
Receivables:		
State and Federal aid	13,792	4,551
Due from Other Funds	74,458	52,709
	<u>88,250</u>	<u>57,260</u>
Inventories	<u>6,835</u>	<u>13,966</u>
Total Assets	<u>\$ 247,303</u>	<u>\$ 243,781</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities - Deferred revenues	<u>\$ 57,576</u>	<u>\$ 54,910</u>
Fund Balance:		
Reserved for inventories	6,835	13,966
Unreserved and undesignated	182,892	174,905
Total Fund Balance	<u>189,727</u>	<u>188,871</u>
Total Liabilities and Fund Balance	<u>\$ 247,303</u>	<u>\$ 243,781</u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SCHOOL LUNCH FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
Revenues:		
Use of money and property	\$ 15,192	\$ 10,967
State aid	18,623	18,142
Federal aid	147,602	137,620
Food sales	<u>1,711,384</u>	<u>1,530,005</u>
Total Revenues	1,892,801	1,696,734
Expenditures -		
Current -		
Cost of food sales	<u>1,891,945</u>	<u>1,685,056</u>
Excess of Revenues Over Expenditures	856	11,678
Fund Balance - Beginning of Year	<u>188,871</u>	<u>177,193</u>
Fund Balance - End of Year	<u>\$ 189,727</u>	<u>\$ 188,871</u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash - Demand deposits	<u>\$ 40,893</u>	<u>\$ 42,054</u>
<u>FUND BALANCE</u>		
Reserved for Trusts	<u>\$ 40,893</u>	<u>\$ 42,054</u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Revenues -		
Use of money and property	\$ 330	\$ 1,882
Expenditures - Current - Other	<u>1,491</u>	<u>2,200</u>
Deficiency of Revenues Over Expenditures	(1,161)	(318)
Fund Balance - Beginning of Year	<u>42,054</u>	<u>42,372</u>
Fund Balance - End of Year	<u>\$ 40,893</u>	<u>\$ 42,054</u>

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CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

DEBT SERVICE FUND
 COMPARATIVE BALANCE SHEET
 JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash - Demand Deposits	\$ 458,532	\$ 426,992
Due from Other Funds	<u>-</u>	<u>15,780</u>
Total Assets	<u>\$ 458,532</u>	<u>\$ 442,772</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities - Due to Other Funds	\$ 23	\$ -
Fund Balance -		
Reserved for debt service	<u>458,509</u>	<u>442,772</u>
Total Liabilities and Fund Balance	<u>\$ 458,532</u>	<u>\$ 442,772</u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

DEBT SERVICE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEARS ENDED JUNE 30, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues - Use of money and property	\$ -	\$ -	\$ 15,737	\$ 15,737
Expenditures -				
Debt Service -				
Serial bonds:				
Principal	2,720,000	2,720,000	2,720,000	-
Interest	2,435,559	2,435,559	2,435,559	-
Total Expenditures	5,155,559	5,155,559	5,155,559	-
Deficiency of Revenues Over Expenditures	(5,155,559)	(5,155,559)	(5,139,822)	15,737
Other Financing Sources -				
Transfers in	5,155,559	5,155,559	5,155,559	-
Net Change in Fund Balance	-	-	15,737	15,737
Fund Balance - Beginning of Year	-	-	442,772	442,772
Fund Balance - End of Year	\$ -	\$ -	\$ 458,509	\$ 458,509

2007			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 31,232	\$ 31,232
2,610,000	2,610,000	2,610,000	-
2,577,294	2,577,294	2,527,294	50,000
5,187,294	5,187,294	5,137,294	50,000
(5,187,294)	(5,187,294)	(5,106,062)	81,232
5,137,294	5,137,294	5,137,294	-
(50,000)	(50,000)	31,232	81,232
50,000	50,000	411,540	361,540
\$ -	\$ -	\$ 442,772	\$ 442,772

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

To the Board of Education of the
Chappaqua Central School District, New York:

Compliance

We have audited the compliance of the Chappaqua Central School District, New York with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Chappaqua Central School District, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Chappaqua Central School District, New York's management. Our responsibility is to express an opinion on the Chappaqua Central School District, New York's, compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Chappaqua Central School District, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Chappaqua Central School District, New York's compliance with those requirements.

In our opinion, Chappaqua Central School District, New York complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Chappaqua Central School District, New York is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Chappaqua Central School District, New York's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose

of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Chappaqua Central School District, New York's internal control over compliance.

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

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the Board of Education, management, 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.

Bennett Kielson Storch DeSantis

**The Government Services Division of
O'Connor Davies Munns & Dobbins, LLP
September 5, 2008**

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Agriculture</u>		
Indirect Programs - Passed through New York State Department of Education:		
Food Distribution	10.550	\$ 97,053
School Breakfast Program	10.553	1,887
National School Lunch Program	10.555	48,662
Total U.S. Department of Agriculture		<u>147,602</u>
<u>U.S. Department of Education</u>		
Indirect Programs - Passed through New York State Department of Education:		
Chapter I Programs - Local Educational Agencies	84.010	90,570
Special Education - State Grants	84.027	598,149
Special Education - Preschool Grants	84.173	31,620
Drug Free Schools and Communities - State Grants	84.186	19,644
Improving Teacher Quality - State Grant	84.367	108,157
Educaiton Technology State Grants	84.318	2,137
State Grants for Innovative Programs	84.298	3,295
Total U.S. Department of Education		<u>853,572</u>
Total		<u>\$ 1,001,174</u>

(1) Catalog of Federal Domestic Assistance number.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2008

NOTE A - SUMMARY OF ACCOUNTING POLICIES

1. *General*

The accompanying Schedule of Expenditures of Federal Awards presents all activity of all federal award programs for the year ended June 30, 2008. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the Schedule.

2. *Basis of Accounting*

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

3. *Relationship to Financial Statements*

The District's fund financial statements are presented using the modified accrual basis of accounting.

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weaknesses?

___ Yes ___ X No

___ Yes ___ X None reported

Noncompliance material to financial statements noted?

___ Yes ___ X No

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?

___ Yes ___ X No

___ Yes ___ X None reported

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

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

___ Yes ___ X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027
84.173

Special Education Cluster:
Special Education - State Grants
Special Education - Preschool Grants

Dollar threshold used to distinguish

between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

___ X Yes ___ No

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2008

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2008

None

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CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

GENERAL FUND

ANALYSIS OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

YEAR ENDED JUNE 30, 2008

Adopted Budget	\$ 101,989,545
Additions - Encumbrances	<u>1,243,135</u>
Original Budget	103,232,680
Budget Amendments	<u>128,790</u>
Final Budget	<u><u>\$ 103,361,470</u></u>

GENERAL FUND

ANALYSIS OF USE OF FUND BALANCE

AS OF THE BEGINNING OF THE YEAR ENDED JUNE 30, 2008

Unreserved Fund Balance - Beginning of Year	\$ 3,585,033
Less - Appropriated Fund Balance Used for Levy of Taxes	<u>900,000</u>
Undesignated Fund Balance	<u><u>\$ 2,685,033</u></u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

GENERAL FUND

SCHEDULE OF CERTAIN REVENUES AND EXPENDITURES COMPARED

TO ST-3 DATA

YEAR ENDED JUNE 30, 2008

	<u>Account Code</u>	<u>Amount Per ST-3</u>	<u>Audited Amount</u>
REVENUES			
Real Property Taxes	A -1001	\$ 84,047,853	\$ 84,047,853
Non-Property Taxes	AT-1199	810,790	810,790
State Aid	AT-3999	7,943,690	7,943,690
Federal Aid	AT-4999	41,388	41,388
Total Revenues	AT-5999	103,864,452	103,864,452
EXPENDITURES			
General Support	AT-1999	11,604,396	11,604,396
Pupil Transportation	AT-5599	5,653,018	5,653,018
Debt Service - Principal	AT-9798.6	-	-
Debt Service - Interest	AT-9798.7	279,620	279,620
Total Expenditures and Other Financing Uses	AT-9999	\$ 98,646,764	\$ 98,646,764

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK, NEW YORK

SCHEDULE OF INVESTED IN
CAPITAL ASSETS, NET OF RELATED DEBT
YEAR ENDED JUNE 30, 2008

Capital Assets, net		\$ 110,774,906
Less:		
Bonds Payable	(55,395,000)	
Unamortized Portion of Premium	<u>(24,633)</u>	(55,419,633)
Plus:		
Unexpended Bond Proceeds	133,692	
Unamortized Portion of Issuance Costs	37,932	
Unamortized Portion of Loss	<u>184,200</u>	<u>355,824</u>
Invested in Capital Assets, net of Related Debt		<u>\$ 55,711,097</u>