

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2010

WITH INDEPENDENT AUDITORS' REPORT



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# CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

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

## 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, 2010, 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 School 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, 2010 and the respective changes in financial position, thereof, and the respective budgetary comparison for the General and Special Aid funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2010 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.

**Bennett Kielson Storch DeSantis Division**

One Barker Avenue, White Plains, New York 10601 914.421.5600 tel 914.421.5099 fax [www.odmd.com](http://www.odmd.com)

Management's Discussion and Analysis and the Schedule of Funding Progress – Other Post Employment Benefits are not required parts of the basic financial statements, but are 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.

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. The accompanying schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by OBM Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not also a required part of the basic financial statements of the Chappaqua Central School District.

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.

*O'Connor Davies Munns & Dobbins, LLP*

**O'Connor Davies Munns & Dobbins, LLP**

September 23, 2010

**Chappaqua Central School District, New York  
Management's Discussion and Analysis (MD&A)  
June 30, 2010**

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**Introduction**

This discussion and analysis of the Chappaqua Central School District's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2010. 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 which immediately follow this section.

**Financial Highlights**

In April 2009, the Board of Education adopted a budget that reflected a zero increase from the prior year's budget. In May 2009, voters approved the proposed budget and the financial statements presented in this document are the result of that action.

Key financial highlights for fiscal year 2009-10 are as follows:

- 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 \$6,805,650 comprised of \$2,430,000 that is designated for the 2010-11 budget, and \$4,375,650 undesignated. The undesignated fund balance of the General Fund is 3.99% of the 2010-11 budget which falls within the 4% statutory limit. This amount is available for spending at the discretion of the School District.
- The School District's governmental funds financial statement reports a combined ending fund balance of \$20,443,148, an increase of \$1,094,841 from the prior year. Fund balance for the General Fund increased by \$1,292,074, from \$18,028,635 to \$19,320,709. This increase is mainly due to the allocation of funds for the Employee Benefit Accrued Liability Reserve, Retirement Contribution Reserve, and Unrestricted Fund Balance, but the district also saw a decrease in Tax Certiorari Reserve. Of the year end fund balance \$19,320,709, \$1,132,778 will be appropriated for the 2010-11 Employee Retirement Fund – NYS ERS, \$232,361 will be appropriated for Debt Service, and \$2,430,000 has been designated for subsequent year's budget. Fund balance for the Capital Projects decreased by \$206,793. This is due to the completion of the EXCEL Project during the 2009-10 school year.
- On the district-wide financial statements, the assets of the School District exceeded liabilities at the close of the fiscal year by \$69,157,828. Of this amount, the unrestricted

portion is \$824,919 which represents a decrease of \$2,917,885. The School District's total net assets decreased by \$435,771, inclusive of a prior period adjustment of \$1,031,691, for the year ended June 30, 2010. During 2009-10, the district recorded the value of a piece of land (\$125,000) and the net value of the Chappaqua School District Library (\$906,691). Both were unrecorded prior to this year's statements. Even with these additions, the total net assets still saw a decrease of \$435,771. This is due to a requirement to record "other post employment benefit obligations" (GASB 45) as a liability in the amount of \$7,144,172 which represents an increase of \$2,943,433.

## **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.

Chappaqua Central School District completed its valuation of costs for the post employment benefits valuation in accordance with Government Accounting Standards Board ("GASB") Statements No. 43 and 45 for the fiscal year July 1, 2009 to June 30, 2010 based on the input of qualified actuaries. The opinion formed by such actuaries and

the underlying actuarial methods, considerations and analyses conform to the appropriate Standards of Practice and Guidelines of the Actuarial Standards Board. We believe that the assumptions used for the valuation and the reporting of results are consistent with assumptions, benefits and provisions for similar school districts in the County of Westchester, the State of New York and nationally. The actuarial report also includes results under various other scenarios based on different assumptions for key factors such as healthcare cost inflation, future retirees contribution rates and discount rates, which by their nature are estimates and subject to change. A change in one or more of these factors could have a significant effect on the valuation of the unfunded accrued liability and the difference could be material.

For the full GASB 45 report, please visit the District website at:  
[http://www.ccsd.ws/files/filesystem/GASB4345 20090701-20100630.pdf](http://www.ccsd.ws/files/filesystem/GASB4345%20090701-20100630.pdf)

### **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, assets exceeded liabilities by \$69,157,828 at the close of the current fiscal year.

## Net Assets

	<u>2009-10</u>	<u>2008-09</u>
Current Assets	\$ 25,306,568	\$ 24,088,563
Capital Assets, net	<u>109,868,116</u>	<u>111,103,069</u>
 Total Assets	 <u>135,174,684</u>	 <u>135,191,632</u>
 Current Liabilities	 5,662,354	 5,565,337
Long-term Liabilities	<u>60,354,502</u>	<u>60,032,696</u>
 Total Liabilities	 <u>66,016,856</u>	 <u>65,598,033</u>
 Net Assets:		
Invested in Capital Assets, Net of Related Debt	60,311,865	58,676,193
Restricted for:		
Capital Projects	237,195	561,366
Debt Service	599,008	597,915
Tax Certiorari	3,327,083	4,425,486
Unemployment Benefits	150,469	150,402
Property Loss	59,027	58,993
Insurance	210,081	209,980
Liability Claims	218,379	218,278
Repairs	136,860	136,724
Retirement Contributions	2,796,706	767,639
Special Purpose	45,562	47,819
School Lunch	240,674	-
Unrestricted	<u>824,919</u>	<u>3,742,804</u>
 Total Net Assets	 <u>\$ 69,157,828</u>	 <u>\$ 69,593,599</u>

By far, the largest component of the School District's net assets (87%) 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 \$8,021,044 (12%) of net assets, which include restriction for retirement contributions of \$2,796,706 and tax certiorari of \$3,327,083. The remaining balance is unrestricted net assets, which is \$824,919 (1%), will be used to finance future operations.

### Changes in Net Assets

	<u>2009-10</u>	<u>2008-09</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,389,446	\$ 2,442,747
Operating Grants and Contributions	2,625,377	2,229,329
Capital Grants and Contributions	<u>1,093</u>	<u>5,714</u>
Total Program Revenues	<u>5,015,916</u>	<u>4,677,790</u>
General Revenues:		
Real Property Taxes	88,993,755	88,261,677
Other Tax Items	6,916,726	7,561,075
Non-Property Taxes	715,141	771,106
Unrestricted Use of Money and Property	323,595	607,424
Unrestricted State Aid	5,997,902	7,944,399
Unrestricted Federal Aid	1,011,832	-
Miscellaneous	<u>535,156</u>	<u>774,582</u>
Total General Revenues	<u>104,494,107</u>	<u>105,920,263</u>
Total Revenues	<u>109,510,023</u>	<u>110,598,053</u>
Program Expenses:		
General Support	15,974,078	15,405,506
Instruction	84,714,261	85,077,929
Pupil Transportation	5,860,560	5,670,815
Community Services	17,850	19,634
Cost of Food Sales	1,902,517	1,965,360
Other	2,809	4,374
Interest	<u>2,505,410</u>	<u>2,737,474</u>
Total Expenses	<u>110,977,485</u>	<u>110,881,092</u>
Change in Net Assets	<u>(1,467,462)</u>	<u>(283,039)</u>
Net Assets - Beginning, as Reported	69,593,599	69,876,638
Prior Period Adjustment	<u>1,031,691</u>	<u>-</u>
Net Assets - Beginning, as Restated	<u>70,625,290</u>	<u>69,876,638</u>
Net Assets - Ending	<u>\$ 69,157,828</u>	<u>\$ 69,593,599</u>

Governmental activities from operations decreased the School District's net assets by \$435,771 which represents approximately 0.4% of total net assets. Thus, the District maintains a similar financial condition as the prior year. 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 2008-09 to 2009-10 are as follow:

#### Revenues:

The School District's total program revenues increased by \$338,126, general revenues decreased by \$1,426,156, and therefore, the total revenues decreased by \$1,088,030. The primary elements of this decrease were:

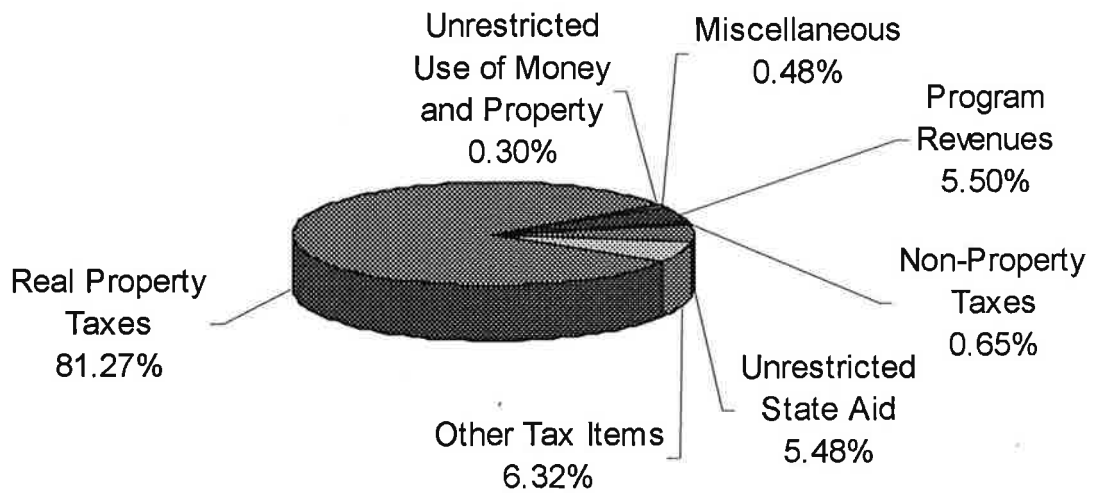
- Unrestricted State Aid decreased by \$1,946,497, due to a cut in state funding to school districts.
- Unrestricted Federal Aid increased by \$1,011,832, due to the stimulus funds that the District received.
- STAR (School Tax Relief Program) decreased by \$644,349, due to a lower funding from the State.
- Due to the adopted budget representing a zero budget increase over the prior year, Real Property Taxes increased by only \$732,078.

#### Expenses:

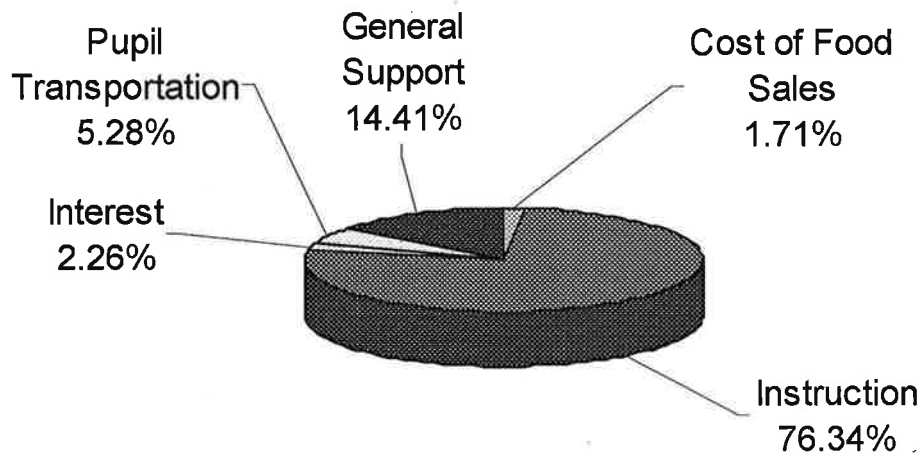
The School District's general expenses increased by \$96,393. The highlights were:

- The District's general fund expenditures were flat because of the zero budget increase.
- All categories, General Support, Instruction, Pupil Transportation, Community Services, Cost of Food Sales, Other and Interest, all showed a small variance when compared to the prior year

### Revenues for Fiscal Year 2009-10 Governmental Activities



### Expenses for Fiscal Year 2009-10 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 \$20,443,148, an increase of \$1,094,841 from the prior year. As previously stated, the increases were due to the transfer of \$3,300,000 to the General Fund from the Tax Certiorari Reserve Fund and subsequent designation of \$2,200,000 to the Tax Certiorari Reserve Fund, resulting in a net increase of \$1,100,000 to the General Fund fund balance.

The School District's fund balance for the General Fund increased \$1,292,074, from \$18,028,635 to \$19,320,709 during the current fiscal year. Of the year end fund balance \$19,320,709, however, \$1,132,778 will be appropriated for the 2010-11 Employee Retirement Fund – NYS ERS, \$232,361 will be appropriated for Debt Service, and \$2,430,000 has been designated for subsequent year's budget.

General Fund revenues exceeded the final budget by \$784,380. The largest positive variance of \$1,050,570 was in the Federal Aid and the largest negative variance of \$694,746 was in State Aid. The reason for these variances was because State Aid was cut and in its place the District received Federal funds from the American Recovery and Reinvestment Act (stimulus funds). The Use of Money and Property category reflected a negative variance of \$95,179. This variance arose from the lower than expected earnings from investments.

General Fund expenditures for 2009-10 were \$2,850,283 less than the final budget, after the deduction of \$2,095,204 for encumbrances.

For the General Fund, the total revenues exceeded total expenditures by \$1,292,074, excluding encumbrances.

Capital Projects Fund showed a fund balance of \$237,195. The Other Governmental Funds showed a combined fund balance of \$885,244, consisting of \$4,671 for Inventories Reserve, \$599,008 for Debt Service Reserve, \$45,562 for Trusts Reserve and \$236,003 for Capital Project Fund Reserves. As stated earlier some of these funds will be designated in 2010-11 for operational use.

## General Fund Budgetary Highlights

The difference between the original expenditure budget and the final amended budget was \$159,716. These budget modifications are mainly gifts from PTA and various organizations and a Federal COPS (Community Oriented Policing Services) Grant in the amount of \$121,525.

## Budgetary and Fund Balance Analysis

Opening Unreserved – Undesignated Fund Balance	\$4,293,885
Revenues over Budget	\$ 784,380
Expenditures and Encumbrances under Budget	\$2,850,283
Net Transfers to/from Reserves	(\$1,122,898)
<u>Appropriated for 2010-11 Budget</u>	<u>(\$2,430,000)</u>
Closing Unreserved – Undesignated Fund Balance	\$4,375,650

## Capital Assets

At the end of June 30, 2010 the School District had \$109,868,116 net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below.

<u>Class</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Land	\$ 2,177,700	\$ 2,052,700
Buildings and Improvements	105,833,929	107,323,107
Machinery and Equipment	1,856,487	1,715,162
Construction-in-Progress	<u>-</u>	<u>12,100</u>
 Total Capital Assets, Net of Accumulated Depreciation	 <u>\$ 109,868,116</u>	 <u>\$111,103,069</u>

More detailed information about the School District's capital assets is presented in the notes to the financial statements (Note 3, B - Capital Assets).



### **Long-Term Liabilities**

At the end of June 30, 2010, the School District had \$49,655,000 in general obligation debt and other long-term liabilities outstanding, as follows:

	<u>2009-10</u>	<u>2008-09</u>
Bonds Payable	\$ 49,575,217	\$ 52,455,325
Compensated Absences	3,635,113	3,376,632
Other Post Employment Benefit Obligations Payable	<u>7,144,172</u>	<u>4,200,739</u>
Total	<u>\$ 60,354,502</u>	<u>\$ 60,032,696</u>

During the year, the School District redeemed \$2,920,000 of serial bonds, but added \$2,943,433 of liabilities to other post employment benefits, and therefore the Long-Term Liabilities increased by \$321,806.

More detailed information about the School District's long-term liabilities is presented in the notes to the financial statements (Note 3, F- Long-Term Liabilities).

### **Summary**

Overall, the financial position of the Chappaqua Central School District for year ended June 2010 is similar to the prior fiscal year. The District's net assets decreased by \$435,771 (0.4%) due to the requirement to record other post employment benefit obligations (GASB 45) of \$7,144,172.

### **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

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## CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

## STATEMENT OF NET ASSETS

JUNE 30, 2010

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 22,817,149
Receivables:	
Accounts	122,657
State and Federal aid	2,321,875
Prepaid expenses	21,250
Inventories	4,671
Deferred charges	18,966
Capital assets (net of accumulated depreciation):	
Land	2,177,700
Buildings and improvements	105,833,929
Machinery and equipment	1,856,487
<b>Total Assets</b>	<b>135,174,684</b>
<b>LIABILITIES</b>	
Accounts payable	172,514
Accrued liabilities	293,035
Retainages payable	51,595
Due to retirement systems	3,794,380
Due to other governments	457,137
Unearned revenues	75,793
Accrued interest payable	817,900
Non-current liabilities:	
Due within one year:	
Bonds payable	3,025,000
Compensated absences	363,511
Due in more than one year:	
Bonds payable	46,550,217
Compensated absences	3,271,602
Other post employment benefit obligations payable	7,144,172
<b>Total Liabilities</b>	<b>66,016,856</b>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	60,311,865
Restricted for:	
Capital projects	237,195
Debt service	599,008
Tax certiorari	3,327,083
Unemployment benefits	150,469
Property loss	59,027
Insurance	210,081
Liability claims	218,379
Repairs	136,860
Retirement contributions	2,796,706
Special purposes	45,562
School lunch	240,674
Unrestricted	824,919
<b>Total Net Assets</b>	<b>\$ 69,157,828</b>

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, 2010

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	\$ 15,974,078	\$ 87,684	\$ 135,067	\$ -	\$ (15,751,327)
Instruction	84,714,261	361,166	2,332,152	-	(82,020,943)
Pupil transportation	5,860,560	-	-	-	(5,860,560)
Community services	17,850	180,761	-	-	162,911
Cost of food sales	1,902,517	1,759,835	158,115	-	15,433
Other	2,809	-	43	-	(2,766)
Interest	2,505,410	-	-	1,093	(2,504,317)
Total Governmental Activities	<u>\$ 110,977,485</u>	<u>\$ 2,389,446</u>	<u>\$ 2,625,377</u>	<u>\$ 1,093</u>	<u>(105,961,569)</u>
General Revenues:					
Real property taxes					88,993,755
Other tax items -					
School tax relief reimbursement					6,916,726
Non-property taxes -					
Non-property tax distribution from County					715,141
Unrestricted use of money and property					323,595
Unrestricted State aid					5,997,902
Unrestricted Federal aid					1,011,832
Miscellaneous					535,156
Total General Revenues					<u>104,494,107</u>
Change in Net Assets					<u>(1,467,462)</u>
Net Assets - Beginning, as reported					69,593,599
Prior Period Adjustment					<u>1,031,691</u>
Net Assets - Beginning, as restated					<u>70,625,290</u>
Net Assets - Ending					<u>\$ 69,157,828</u>

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, 2010

	General	Special Aid	Capital Projects
<b>ASSETS</b>			
Cash and Equivalents	\$ 21,583,728	\$ 6,156	\$ 288,830
Receivables:			
Accounts	122,657	-	-
State and Federal aid	1,341,106	969,245	-
Due from other funds	973,424	-	-
Prepaid expenditures	21,250	-	-
Inventories	-	-	-
<b>Total Assets</b>	<b>\$ 24,042,165</b>	<b>\$ 975,401</b>	<b>\$ 288,830</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 172,514	\$ -	\$ -
Accrued liabilities	293,035	-	-
Retainages payable	-	-	51,595
Due to other funds	-	973,384	40
Due to retirement systems	3,794,380	-	-
Due to other governments	457,137	-	-
Deferred revenues	4,390	2,017	-
<b>Total Liabilities</b>	<b>4,721,456</b>	<b>975,401</b>	<b>51,635</b>
Fund Balances:			
Reserved for encumbrances	2,095,204	-	-
Reserved for prepaid expenditures	21,250	-	-
Reserved for inventories	-	-	-
Reserved for debt service	-	-	-
Reserved for tax certiorari	3,327,083	-	-
Reserved for unemployment benefits	150,469	-	-
Reserved for property loss	59,027	-	-
Reserved for insurance	210,081	-	-
Reserved for liability claims	218,379	-	-
Reserved for employee benefit accrued liability	3,500,000	-	-
Reserved for repairs	136,860	-	-
Reserved for retirement contributions	2,796,706	-	-
Reserved for trusts	-	-	-
Unreserved, reported in:			
General Fund	6,805,650	-	-
Special Revenue Funds	-	-	-
Capital Projects Fund	-	-	237,195
<b>Total Fund Balances</b>	<b>19,320,709</b>	<b>-</b>	<b>237,195</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 24,042,165</b>	<b>\$ 975,401</b>	<b>\$ 288,830</b>

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

Other Governmental Funds	Total Governmental Funds
\$ 938,435	\$ 22,817,149
-	122,657
11,524	2,321,875
-	973,424
-	21,250
4,671	4,671
<u>\$ 954,630</u>	<u>\$ 26,261,026</u>

\$ -	\$ 172,514
-	293,035
-	51,595
-	973,424
-	3,794,380
-	457,137
69,386	75,793
<u>69,386</u>	<u>5,817,878</u>

-	2,095,204
-	21,250
4,671	4,671
599,008	599,008
-	3,327,083
-	150,469
-	59,027
-	210,081
-	218,379
-	3,500,000
-	136,860
-	2,796,706
45,562	45,562
-	6,805,650
236,003	236,003
-	237,195
<u>885,244</u>	<u>20,443,148</u>
<u>\$ 954,630</u>	<u>\$ 26,261,026</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, 2010

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Fund Balances - Total Governmental Funds	<u>\$ 20,443,148</u>
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Amounts Reported for Governmental Activities in the Statement of Net  
Assets are Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>109,868,116</u>
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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	<u>18,966</u>
--	---------------

Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(817,900)
Bonds payable	(49,575,217)
Compensated absences	(3,635,113)
Other post employment benefit obligations payable	<u>(7,144,172)</u>
	<u>(61,172,402)</u>

Net Assets of Governmental Activities	<u><u>\$ 69,157,828</u></u>
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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, 2010

	General	Special Aid	Capital Projects
<b>REVENUES</b>			
Real property taxes	\$ 88,993,755	\$ -	\$ -
Other tax items	6,916,726	-	-
Non-property taxes	715,141	-	-
Charges for services	541,927	-	-
Use of money and property	424,821	-	-
State aid	6,561,609	430,279	-
Federal aid	1,172,095	1,299,428	-
Food sales	-	-	-
Miscellaneous	535,156	-	-
Total Revenues	105,861,230	1,729,707	-
<b>EXPENDITURES</b>			
Current:			
General support	13,672,975	-	-
Instruction	59,483,048	1,837,277	-
Pupil transportation	5,841,931	-	-
Community services	17,850	-	-
Employee benefits	19,907,256	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service:			
Principal	-	-	-
Interest	253,333	-	-
Capital outlay	-	-	324,171
Total Expenditures	99,176,393	1,837,277	324,171
Excess (Deficiency) of Revenues Over Expenditures	6,684,837	(107,570)	(324,171)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	107,570	117,378
Transfers out	(5,392,763)	-	-
Total Other Financing Sources (Uses)	(5,392,763)	107,570	117,378
Net Change in Fund Balances	1,292,074	-	(206,793)
Fund Balances - Beginning of Year	18,028,635	-	443,988
Fund Balances - End of Year	\$ 19,320,709	\$ -	\$ 237,195

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

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 88,993,755
-	6,916,726
-	715,141
-	541,927
20,052	444,873
15,635	7,007,523
123,564	2,595,087
1,759,835	1,759,835
-	535,156
1,919,086	109,510,023
-	13,672,975
-	61,320,325
-	5,841,931
-	17,850
-	19,907,256
1,907,226	1,907,226
2,300	2,300
2,920,000	2,920,000
2,247,815	2,501,148
-	324,171
7,077,341	108,415,182
(5,158,255)	1,094,841
5,167,815	5,392,763
-	(5,392,763)
5,167,815	-
9,560	1,094,841
875,684	19,348,307
\$ 885,244	\$ 20,443,148

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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, 2010

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

Net Change in Fund Balances - Total Governmental Funds	\$ 1,094,841
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	712,466
Depreciation expense	(2,979,110)
	<u>(2,266,644)</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	2,920,000
Amortization of issuance costs, premiums and loss on refunding bonds	(49,375)
	<u>2,870,625</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.	
Accrued interest	35,630
Compensated absences	(258,481)
Other post employment benefit obligations	(2,943,433)
	<u>(3,166,284)</u>
Change in Net Assets of Governmental Activities	\$ <u>(1,467,462)</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, 2010

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 88,992,362	\$ 88,992,362	\$ 88,993,755	\$ 1,393
Other tax items	6,916,726	6,916,726	6,916,726	-
Non-property taxes	700,000	700,000	715,141	15,141
Charges for services	306,691	306,691	541,927	235,236
Use of money and property	520,000	520,000	424,821	(95,179)
State aid	7,256,355	7,256,355	6,561,609	(694,746)
Federal aid	-	121,525	1,172,095	1,050,570
Miscellaneous	225,000	263,191	535,156	271,965
Total Revenues	104,917,134	105,076,850	105,861,230	784,380
<b>EXPENDITURES</b>				
Current:				
General support	13,987,695	15,118,460	13,672,975	1,445,485
Instruction	62,403,620	61,870,856	59,483,048	2,387,808
Pupil transportation	6,115,110	6,161,502	5,841,931	319,571
Community services	17,988	17,988	17,850	138
Employee benefits	21,135,321	20,672,311	19,907,256	765,055
Debt service -				
Interest	275,000	253,333	253,333	-
Total Expenditures	103,934,734	104,094,450	99,176,393	4,918,057
Excess (Deficiency) of Revenues Over Expenditures	982,400	982,400	6,684,837	5,702,437
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(5,420,193)	(5,420,193)	(5,392,763)	27,430
Total Other Financing Sources (Uses)	(5,420,193)	(5,420,193)	(5,392,763)	27,430
Net Change in Fund Balances	(4,437,793)	(4,437,793)	1,292,074	5,729,867
Fund Balances - Beginning of Year	4,437,793	4,437,793	18,028,635	13,590,842
Fund Balances - End of Year	\$ -	\$ -	\$ 19,320,709	\$ 19,320,709

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)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
430,279	430,279	430,279	-
1,378,276	1,378,276	1,299,428	(78,848)
-	-	-	-
1,808,555	1,808,555	1,729,707	(78,848)
-	-	-	-
1,943,555	1,943,555	1,837,277	106,278
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,943,555	1,943,555	1,837,277	106,278
(135,000)	(135,000)	(107,570)	27,430
135,000	135,000	107,570	(27,430)
-	-	-	-
135,000	135,000	107,570	(27,430)
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

STATEMENT OF ASSETS AND LIABILITIES  
FIDUCIARY FUND  
JUNE 30, 2010

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and Equivalents	\$ 426,729
Accounts Receivable	<u>2,232</u>
Total Assets	<u><u>\$ 428,961</u></u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 22,354
Employee Payroll Deductions	293,120
Deposits Payable	28,149
Student Activity Funds	<u>85,338</u>
Total Liabilities	<u><u>\$ 428,961</u></u>

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



**Note 1 - Summary of Significant Accounting Policies**

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

**A. Financial Reporting Entity**

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

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

The School District participates in the 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.

**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 pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

**Fund Categories**

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other post employment benefit obligations 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, and accordingly, the School District's policy provides for no credit risk on investments.

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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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.

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, 2010.

The School District was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit 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, 2010, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

**Prepaid Expense/Expenditures** - Prepaid expenses/expenditures consists of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by a reservation of fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**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 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 \$4,390 in the General Fund for fees received in advance, \$2,017 in the Special Aid Fund for Federal aid received in advance, and \$69,386 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.

**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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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.

**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.

**Net Assets** - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets on the Statement of Net Assets include, invested in capital assets, net of related debt, restricted for capital projects, debt service, tax certiorari, unemployment benefits, property loss, insurance, liability claims, repairs, retirement contributions, special purposes and school lunch. 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 prepaid expenditures, encumbrances, inventories, debt service, tax certiorari, unemployment benefits, property loss, insurance, liability claims, employee benefit accrued liability, repairs, retirement contributions 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 1 - Summary of Significant Accounting Policies (Continued)**

**H. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 23, 2010.

**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 and Special Aid funds.
- g) Budgets for General and Special Aid 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, Special Purpose or Debt Service 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.



**Note 2 - Stewardship, Compliance and Accountability (Continued)**

- i) Appropriations in General and Special Aid funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

**B. Property Tax Limitation**

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

**C. Limitation on Unreserved Fund Balance**

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

**D. Prior Period Adjustment**

A prior period adjustment in the amount of \$1,031,691 was recorded to adjust for the inclusion of additional capital assets. As a result, an increase to net assets reported as of July 1, 2009 was required. The components of this adjustment are detailed in Note 3B.

**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, 2010 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 973,424	\$ -
Special Aid	-	973,384
Capital Projects	-	40
	<u>\$ 973,424</u>	<u>\$ 973,424</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.

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)

JUNE 30, 2010

**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, 2009 as reported	Prior Period Adjustment	Balance July 1, 2009 as restated	Additions	Deletions	Balance June 30, 2010
Capital Assets, not being depreciated:						
Land	\$ 2,052,700	\$ 125,000	\$ 2,177,700	\$ -	\$ -	\$ 2,177,700
Construction in progress	12,100	-	12,100	-	12,100	-
	<u>\$ 2,064,800</u>	<u>\$ 125,000</u>	<u>\$ 2,189,800</u>	<u>\$ -</u>	<u>\$ 12,100</u>	<u>\$ 2,177,700</u>
Capital Assets, being depreciated:						
Buildings and Improvements	\$ 137,488,637	\$ 2,310,042	\$ 139,798,679	368,850	\$ -	\$ 140,167,529
Machinery and Equipment	3,469,975	-	3,469,975	355,716	17,501	3,808,190
	<u>140,958,612</u>	<u>2,310,042</u>	<u>143,268,654</u>	<u>724,566</u>	<u>17,501</u>	<u>143,975,719</u>
Less Accumulated Depreciation for:						
Buildings and Improvements	30,165,530	1,403,351	31,568,881	2,764,719	-	34,333,600
Machinery and Equipment	1,754,813	-	1,754,813	214,391	17,501	1,951,703
	<u>31,920,343</u>	<u>1,403,351</u>	<u>33,323,694</u>	<u>2,979,110</u>	<u>17,501</u>	<u>36,285,303</u>
Total Capital Assets, being depreciated, net	<u>\$ 109,038,269</u>	<u>\$ 906,691</u>	<u>\$ 109,944,960</u>	<u>\$ (2,254,544)</u>	<u>\$ -</u>	<u>\$ 107,690,416</u>
Capital Assets, net	<u>\$ 111,103,069</u>	<u>\$ 1,031,691</u>	<u>\$ 112,134,760</u>	<u>\$ (2,254,544)</u>	<u>\$ 12,100</u>	<u>\$ 109,868,116</u>

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

General Support	\$ 156,380
Instruction	2,771,017
Cost of Food Sales	18,629
Transportation	<u>33,084</u>
Total Depreciation Expense	<u>\$ 2,979,110</u>

**C. Accrued Liabilities**

Accrued liabilities at June 30, 2010 were as follows:

	General Fund
Other	\$ 190,648
Payroll and employee benefits	<u>102,387</u>
	<u>\$ 293,035</u>

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2010

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

The School District 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 in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who also contribute 3% of their salary without regard to their years of service. 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 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 2010 are as follows:

ERS		TRS	
Tier/Plan	Rate	Tiers	Rate
1 75I	9.3%	1-4	6.19%
2 75I	8.7		
3 A14	7.1		
4 A15	7.1		

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

	ERS	TRS
2010	\$ 720,576	\$ 2,979,208
2009	658,524	3,483,901
2008	688,116	3,930,974

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, 2010**Note 3 - Detailed Notes on All Funds (Continued)****E. Short-Term Non-Capital Borrowings**

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

	Balance July 1, 2009	New Issues	Redemptions	Balance June 30, 2010
Tax Anticipation Note	\$ -	\$ 8,000,000	\$ 8,000,000	\$ -

The \$8,000,000 tax anticipation note was issued on July 15, 2009 and redeemed on June 30, 2010, with interest at 2.0%.

Interest expenditures of \$253,333 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, 2010:

	Balance July 1, 2009	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2010	Due Within One-Year
Bonds Payable	\$ 52,575,000	\$ -	\$ 2,920,000	\$ 49,655,000	\$ 3,025,000
Less - Deferred amounts on refunding	(119,675)	-	(39,892)	(79,783)	-
	<u>52,455,325</u>	<u>-</u>	<u>2,880,108</u>	<u>49,575,217</u>	<u>3,025,000</u>
Other Non-current Liabilities - Compensated Absences	3,376,632	596,144	337,663	3,635,113	363,511
Other Post Employment Benefit Obligations	<u>4,200,739</u>	<u>6,389,163</u>	<u>3,445,730</u>	<u>7,144,172</u>	<u>-</u>
Total Other Non- current Liabilities	<u>7,577,371</u>	<u>6,985,307</u>	<u>3,783,393</u>	<u>10,779,285</u>	<u>363,511</u>
Total Long-Term Liabilities	<u>\$ 60,032,696</u>	<u>\$ 6,985,307</u>	<u>\$ 6,663,501</u>	<u>\$ 60,354,502</u>	<u>\$ 3,388,511</u>

Each governmental fund's liability for compensated absences and other post employment benefit obligations is liquidated by the respective funds. 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, 2010

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

Bonds payable at June 30, 2010 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2010
Building Renovations	2002	\$ 1,750,000	September 2018	3.625 - 4.30 %	\$ 1,135,000
Building Renovations	2002	32,720,000	September 2030	3.5 - 4.70	28,560,000
Building Renovations	2003	23,955,000	January 2023	4.0 - 4.50	18,440,000
Building Renovations	2002	5,010,000	October 2011	3.0 - 3.25	1,520,000
					<u>\$ 49,655,000</u>

Interest expenditures of \$2,247,815 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$2,252,077 was recorded in the district-wide financial statements.

**Payments to Maturity**

The annual requirements to amortize all outstanding bonded debt as of June 30, 2010 including interest payments of \$22,445,824 are as follows:

Year Ending June 30,	Principal	Interest	Total
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	2,315,000	1,851,940	4,166,940
2015	2,410,000	1,751,978	4,161,978
2016-2020	13,540,000	7,098,003	20,638,003
2021-2025	12,265,000	3,958,292	16,223,292
2026-2030	9,120,000	1,604,580	10,724,580
2031	2,095,000	49,233	2,144,233
	<u>\$ 49,655,000</u>	<u>\$ 22,445,824</u>	<u>\$ 72,100,824</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.

**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, 2010, \$1,540,000 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.

**Other Post Employment Benefit Obligations**

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit plan. 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.

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

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

NOTES TO FINANCIAL STATEMENTS (Continued)  
 JUNE 30, 2010

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

The assumptions used for the valuation and the reporting of results are consistent with the assumptions, benefits and provisions for similar organizations in the County of Westchester, the State of New York and nationally. A change in key assumptions such as estimates for healthcare cost inflation, future retiree's contribution rates and discount rates could have a significant effect on the valuation of the unfunded accrued liability. Estimates, by their nature, are based on judgment and available information. The application of these assumptions requires the exercise of judgment as to future uncertainties. As a result, actual results could differ (materially) from those estimates.

The School District is required to accrue on the government-wide financial statements the amounts necessary to finance the Plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rates of increase in postretirement benefits are as follows:

The assumed rates of increase in post retirement benefits are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Medical</u>
2011	9.00 %
2012	8.00
2013	7.00
2014	6.00
2015+	5.00

The amortization basis is the level percentage of payroll method with an open amortization approach with 28 years remaining in the amortization period. The actuarial assumptions included a 6.0% investment rate of return and a 4% annual payroll growth rate. The School District currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the projected unit credit cost method.

The number of participants as of June 30, 2010 was as follows:

Active Employees	656
Retired Employees	<u>343</u>
	<u>999</u>

NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 2010

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

Amortization Component:	
Actuarial Accrued Liability as of July 1, 2009	\$ 87,768,536
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 87,768,536</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 57,075,478</u>
UAAL as a Percentage of Covered Payroll	<u>153.78%</u>
Annual Required Contribution	\$ 6,902,915
Interest on Net OPEB Obligation	252,044
Adjustment to Annual Required Contribution	<u>(765,796)</u>
Annual OPEB Cost	6,389,163
Contributions Made	<u>(3,445,730)</u>
Increase in Net OPEB Obligation	2,943,433
Net OPEB Obligation - Beginning of year	<u>4,200,739</u>
Net OPEB Obligation - End of year	<u>\$ 7,144,172</u>

The School District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and preceding year is as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$ 6,389,163	53.93 %	\$ 7,144,172
2009	7,671,558	45.24	4,200,739

The School District first implemented the provisions of GASB Statement No. 45 for the fiscal year ended June 30, 2009.

**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.



NOTES TO FINANCIAL STATEMENTS (Continued)  
 JUNE 30, 2010

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

<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	
General Fund	<u>\$ 107,570</u>	<u>\$ 117,378</u>	<u>\$ 5,167,815</u>	<u>\$ 5,392,763</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.

**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.

*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 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 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 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.

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

*Restricted for Retirement Contributions* - the component of net assets that has been established in accordance with General Municipal Law section 6r to provide funds for the purpose of paying retirement contributions to the New York State Local Employees Retirement System (ERS).

*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.

*Restricted for School Lunch* - the component of net assets that reports the difference between assets and liabilities in the School Lunch Fund.

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

**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.

The Reserve for Prepaid Expenditures has been provided to account for tuition payments made in advance. This reserve indicates that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

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, 2010, the Board of Education has designated that \$2,430,000 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**

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

**B. Contingencies**

The School District participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the School District's compliance with applicable grant requirements 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.

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

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.

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.

**D. Leases**

The School District leases office facilities and equipment under noncancelable operating leases. The total cost for these leases was \$546,038 for the year ended June 30, 2010. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 334,117
2012	260,651
2013	153,170
2014	<u>66,246</u>
	<u>\$ 814,184</u>

**Note 5 - Subsequent Events**

The School District, on July 15, 2010, issued an \$8,000,000 note in anticipation of 2010-11 property taxes. The note matures on June 30, 2011 and bears interest at a rate of 2.0%.

CHAPPAQUA CENTRAL SCHOOL DISTRICT

SCHEDULE OF FUNDING PROGRESS  
OTHER POST EMPLOYMENT BENEFITS  
LAST THREE FISCAL YEARS

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
July 1, 2009	\$ -	\$ 92,868,117	\$ 92,868,117	- %	\$ 55,286,448	167.98 %
July 1, 2010	-	87,768,536	87,768,536	-	57,075,478	153.78

Note - The School District first implemented the provisions of Governmental Accounting Standards Board Statement No. 45 for the fiscal year ended June 30, 2009.

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## CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

GENERAL FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2010 AND 2009

	2010	2009
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 21,583,028	\$ 19,583,012
Petty cash	700	700
	<u>21,583,728</u>	<u>19,583,712</u>
Receivables:		
Accounts	122,657	83,498
State and Federal aid	1,341,106	2,178,364
Due from other funds	973,424	796,558
	<u>2,437,187</u>	<u>3,058,420</u>
Prepaid Expenditures	<u>21,250</u>	<u>-</u>
Total Assets	<u>\$ 24,042,165</u>	<u>\$ 22,642,132</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 172,514	\$ 45,168
Accrued liabilities	293,035	218,993
Due to retirement systems	3,794,380	4,285,693
Due to other governments	457,137	52,542
Deferred revenues	4,390	11,101
Total Liabilities	<u>4,721,456</u>	<u>4,613,497</u>
Fund Balance:		
Reserved for encumbrances	2,095,204	2,007,793
Reserved for prepaid expenditures	21,250	-
Reserved for tax certiorari	3,327,083	4,425,486
Reserved for unemployment benefits	150,469	150,402
Reserved for property loss	59,027	58,993
Reserved for insurance	210,081	209,980
Reserved for liability claims	218,379	218,278
Reserved for employee benefit accrued liability	3,500,000	3,329,455
Reserved for repairs	136,860	136,724
Reserved for retirement contributions	2,796,706	767,639
Unreserved:		
Designated for subsequent year's expenditures	2,430,000	2,430,000
Undesignated	4,375,650	4,293,885
Total Fund Balance	<u>19,320,709</u>	<u>18,028,635</u>
Total Liabilities and Fund Balance	<u>\$ 24,042,165</u>	<u>\$ 22,642,132</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, 2010 AND 2009

	2010				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Encumbr- ances	
Revenues:					
Real property taxes	\$ 88,992,362	\$ 88,992,362	\$ 88,993,755	\$	\$ 1,393
Other tax items	6,916,726	6,916,726	6,916,726		-
Non-property taxes	700,000	700,000	715,141		15,141
Charges for services	306,691	306,691	541,927		235,236
Use of money and property	520,000	520,000	424,821		(95,179)
State aid	7,256,355	7,256,355	6,561,609		(694,746)
Federal aid	-	121,525	1,172,095		1,050,570
Miscellaneous	225,000	263,191	535,156		271,965
Total Revenues	104,917,134	105,076,850	105,861,230		784,380
Expenditures:					
Current:					
General support:					
Board of education	59,151	59,151	42,676	19	16,456
Central administration	366,847	373,844	355,977	-	17,867
Finance	1,043,120	1,181,216	1,099,541	29,302	52,373
Staff	686,666	697,866	612,120	49,243	36,503
Central services	10,400,911	10,704,131	9,572,234	979,832	152,065
Special items	1,431,000	2,102,252	1,990,427	-	111,825
Total General Support	13,987,695	15,118,460	13,672,975	1,058,396	387,089
Instruction:					
Instruction, administration and improvement	5,594,512	5,458,268	5,379,160	29,758	49,350
Teaching - Regular school	37,144,813	36,446,009	35,275,378	294,156	876,475
Programs for children with handicapping conditions	10,665,901	10,966,521	10,145,187	575,550	245,784
Teaching - Special schools	259,000	259,000	216,993	-	42,007
Instructional media	3,431,914	3,559,807	3,409,567	103,755	46,485
Pupil services	5,307,480	5,181,251	5,056,763	27,022	97,466
Total Instruction	62,403,620	61,870,856	59,483,048	1,030,241	1,357,567
Pupil transportation	6,115,110	6,161,502	5,841,931	6,567	313,004
Community services	17,988	17,988	17,850	-	138
Employee benefits	21,135,321	20,672,311	19,907,256	-	765,055
Debt service - Interest	275,000	253,333	253,333	-	-
Total Expenditures	103,934,734	104,094,450	99,176,393	2,095,204	2,822,853
Excess of Revenues Over Expenditures	982,400	982,400	6,684,837	(2,095,204)	3,607,233
Other Financing Uses - Transfers out	(5,420,193)	(5,420,193)	(5,392,763)	-	27,430
Net Change in Fund Balance	(4,437,793)	(4,437,793)	1,292,074	\$ (2,095,204)	\$ 3,634,663
Fund Balance - Beginning of Year	4,437,793	4,437,793	18,028,635		
Fund Balance - End of Year	\$ -	\$ -	\$ 19,320,709		



2009				
Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
\$ 95,824,257	\$ 88,263,527	\$ 88,261,677	\$	\$ (1,850)
-	7,560,730	7,561,075		345
750,000	750,000	771,106		21,106
314,691	314,691	596,656		281,965
1,270,000	1,270,000	669,754		(600,246)
8,063,186	8,063,186	8,438,118		374,932
-	-	115,648		115,648
225,000	286,596	836,178		549,582
106,447,134	106,508,730	107,250,212		741,482
62,732	38,522	38,252	270	-
360,178	350,913	350,413	500	-
1,111,666	1,117,406	1,111,901	5,505	-
687,946	628,988	600,602	28,386	-
9,736,799	10,339,025	9,059,632	1,279,393	-
1,426,601	2,130,076	2,130,076	-	-
13,385,922	14,604,930	13,290,876	1,314,054	-
5,697,659	5,561,811	5,552,718	9,092	1
35,090,428	35,478,924	35,234,040	244,884	-
11,737,379	10,096,012	9,841,597	254,414	1
290,000	256,985	256,985	-	-
4,288,140	4,154,220	3,995,320	109,228	49,672
4,599,008	5,175,410	5,147,045	28,365	-
61,702,614	60,723,362	60,027,705	645,983	49,674
5,908,424	5,665,154	5,639,336	25,818	-
22,322	19,634	19,634	-	-
22,214,587	22,216,445	19,076,437	21,938	3,118,070
300,000	366,756	366,756	-	-
103,533,869	103,596,281	98,420,744	2,007,793	3,167,744
2,913,265	2,912,449	8,829,468	(2,007,793)	3,909,226
(5,715,209)	(5,714,393)	(5,714,393)	-	-
(2,801,944)	(2,801,944)	3,115,075	\$ (2,007,793)	\$ 3,909,226
2,801,944	2,801,944	14,913,560		
\$ -	\$ -	\$ 18,028,635		

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

GENERAL FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 88,992,362	\$ 88,992,362	\$ 88,993,755	\$ 1,393
OTHER TAX ITEMS				
School tax relief reimbursement	6,916,726	6,916,726	6,916,726	-
NON-PROPERTY TAXES				
Non-property tax distribution from County	700,000	700,000	715,141	15,141
CHARGES FOR SERVICES				
Day school tuition	-	-	24,745	24,745
Continuing education tuition	225,000	225,000	241,682	16,682
Recreation	-	-	22,055	22,055
Cultural arts	-	-	158,706	158,706
Other student fees and charges	81,691	81,691	94,739	13,048
	306,691	306,691	541,927	235,236
USE OF MONEY AND PROPERTY				
Earnings on investments	500,000	500,000	337,137	(162,863)
Rental of real property	20,000	20,000	87,684	67,684
	520,000	520,000	424,821	(95,179)

## STATE AID

Basic formula	5,926,348	5,926,348	4,944,307	(982,041)
BOCES	670,000	670,000	739,620	69,620
Textbooks	253,271	253,271	188,960	(64,311)
Lottery	261,000	261,000	204,120	(56,880)
Computer software	64,024	64,024	67,797	3,773
Library aid	26,712	26,712	26,731	19
Tuition aided handicapped	-	-	280,219	280,219
Tax limitation aid	55,000	55,000	109,855	54,855
	<u>7,256,355</u>	<u>7,256,355</u>	<u>6,561,609</u>	<u>(694,746)</u>
FEDERAL AID				

Medical assistance	-	-	38,738	38,738
ARRA stabilization	-	-	1,011,832	1,011,832
COPS grant	-	121,525	121,525	-
	<u>-</u>	<u>121,525</u>	<u>1,172,095</u>	<u>1,050,570</u>

## MISCELLANEOUS

Refund of prior year's expenditures	80,000	80,000	112,147	32,147
Refund of BOCES aided services	-	-	123,161	123,161
Gifts and donations	-	38,191	38,191	-
Other	145,000	145,000	261,657	116,657
	<u>225,000</u>	<u>263,191</u>	<u>535,156</u>	<u>271,965</u>
TOTAL REVENUES	<u>\$ 104,917,134</u>	<u>\$ 105,076,850</u>	<u>\$ 105,861,230</u>	<u>\$ 784,380</u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
<b>GENERAL SUPPORT</b>					
<b>BOARD OF EDUCATION</b>					
Board of education	\$ 19,270	\$ 19,270	\$ 15,778	\$ 19	\$ 3,473
District clerk	31,881	31,881	24,765	-	7,116
District meeting	8,000	8,000	2,133	-	5,867
Total Board of Education	59,151	59,151	42,676	19	16,456
<b>CENTRAL ADMINISTRATION</b>					
Chief school administrator	366,847	373,844	355,977	-	17,867
<b>FINANCE</b>					
Business administration	939,758	1,060,853	1,004,860	10,575	45,418
Accounting and auditing	103,362	120,363	94,681	18,727	6,955
Total Finance	1,043,120	1,181,216	1,099,541	29,302	52,373
<b>STAFF</b>					
Legal	253,386	284,086	237,635	46,377	74
Personnel	373,780	363,280	335,659	2,866	24,755
Public information and services	59,500	50,500	38,826	-	11,674
Total Staff	686,666	697,866	612,120	49,243	36,503

## CENTRAL SERVICES

Operation of plant	8,338,389	6,962,001	6,671,014	162,128	128,859
Maintenance of plant	2,062,522	3,742,130	2,901,220	817,704	23,206
Total Central Services	10,400,911	10,704,131	9,572,234	979,832	152,065

## SPECIAL ITEMS

Unallocated insurance	385,000	368,714	284,226	-	84,488
Judgments and claims	101,000	109,044	108,044	-	1,000
School association dues	26,000	26,000	24,692	-	1,308
Assessments on school property	105,000	101,956	83,157	-	18,799
Refunds of real property taxes	50,000	549,798	549,798	-	-
Metropolitan commuter transportation mobility tax	-	182,740	182,740	-	-
Administrative charge - BOCES	764,000	764,000	757,770	-	6,230
Total Special Items	1,431,000	2,102,252	1,990,427	-	111,825
Total General Support	13,987,695	15,118,460	13,672,975	1,058,396	387,089

## INSTRUCTION

### INSTRUCTION, ADMINISTRATION AND IMPROVEMENT

Curriculum development and supervision	718,733	702,344	693,428	2,300	6,616
Supervision - Regular school	4,821,893	4,714,038	4,644,799	27,458	41,781
Supervision - Special schools	29,886	29,886	29,459	-	427
Research, planning and evaluation	24,000	12,000	11,474	-	526

### Total Instruction, Administration and Improvement

	5,594,512	5,458,268	5,379,160	29,758	49,350
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### TEACHING - REGULAR SCHOOL

	37,144,813	36,446,009	35,275,378	294,156	876,475
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### PROGRAMS FOR CHILDREN WITH HANDICAPPING CONDITIONS

Programs for students with disabilities	10,665,901	10,966,521	10,145,187	575,550	245,784
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### TEACHING - SPECIAL SCHOOLS

	259,000	259,000	216,993	-	42,007
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(Continued)

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)  
YEAR ENDED JUNE 30, 2010

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
<b>INSTRUCTION (Continued)</b>					
INSTRUCTIONAL MEDIA					
School library and audiovisual	\$ 1,379,048	\$ 1,399,714	\$ 1,388,086	\$ 7,583	\$ 4,045
Computer assisted instruction	2,052,866	2,160,093	2,021,481	96,172	42,440
Total Instructional Media	3,431,914	3,559,807	3,409,567	103,755	46,485
PUPIL SERVICES					
Attendance - Regular school	37,409	37,409	36,938	-	471
Guidance - Regular school	2,039,679	1,956,302	1,928,195	1,800	26,307
Health services - Regular school	654,699	653,584	641,514	-	12,070
Psychological services - Regular school	1,181,792	1,098,516	1,098,191	-	325
Co-curricular activities - Regular school	386,296	395,471	352,982	2,795	39,694
Interscholastic athletics - Regular school	1,007,605	1,039,969	998,943	22,427	18,599
Total Pupil Services	5,307,480	5,181,251	5,056,763	27,022	97,466
Total Instruction	62,403,620	61,870,856	59,483,048	1,030,241	1,357,567
PUPIL TRANSPORTATION					
Contract and public carrier transportation	6,115,110	6,161,502	5,841,931	6,567	313,004
COMMUNITY SERVICES					
Census	17,988	17,988	17,850	-	138

**EMPLOYEE BENEFITS**

State retirement	683,000	749,000	720,576	-	28,424
Teachers' retirement	3,084,000	2,999,000	2,979,208	-	19,792
Social security	4,414,000	4,223,000	4,056,172	-	166,828
Hospital and medical insurance	11,260,253	10,990,408	10,607,841	-	382,567
Dental and vision insurance	116,600	116,600	104,590	-	12,010
Workers' compensation benefits	300,000	300,000	297,017	-	2,983
Unemployment benefits	288,000	141,000	123,113	-	17,887
Disability insurance	20,000	20,000	19,962	-	38
Life insurance	38,000	38,000	31,307	-	6,693
Union welfare benefits	791,418	818,315	796,115	-	22,200
Other benefits	140,050	276,988	171,355	-	105,633
Total Employee Benefits	21,135,321	20,672,311	19,907,256	-	765,055

**DEBT SERVICE**

Interest -					
Tax anticipation note	275,000	253,333	253,333	-	-
TOTAL EXPENDITURES	103,934,734	104,094,450	99,176,393	2,095,204	2,822,853

**OTHER FINANCING USES**

Transfers out:					
Special Aid Fund	135,000	135,000	107,570	-	27,430
Capital Projects Fund	117,378	117,378	117,378	-	-
Debt Service Fund	5,167,815	5,167,815	5,167,815	-	-
TOTAL OTHER FINANCING USES	5,420,193	5,420,193	5,392,763	-	27,430
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 109,354,927	\$ 109,514,643	\$ 104,569,156	\$ 2,095,204	\$ 2,850,283

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CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SPECIAL AID FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash - Demand deposits	\$ 6,156	\$ 15,810
State and Federal Aid Receivable	<u>969,245</u>	<u>781,019</u>
Total Assets	<u>\$ 975,401</u>	<u>\$ 796,829</u>
<u>LIABILITIES</u>		
Due to Other Funds	\$ 973,384	\$ 796,529
Deferred Revenues	<u>2,017</u>	<u>300</u>
Total Liabilities	<u>\$ 975,401</u>	<u>\$ 796,829</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, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State aid	\$ 430,279	\$ 430,279	\$ 430,279	\$ -
Federal aid	1,378,276	1,378,276	1,299,428	(78,848)
Total Revenues	1,808,555	1,808,555	1,729,707	(78,848)
Expenditures -				
Current -				
Instruction	1,943,555	1,943,555	1,837,277	106,278
Deficiency of Revenues Over Expenditures	(135,000)	(135,000)	(107,570)	27,430
Other Financing Sources -				
Transfers in	135,000	135,000	107,570	(27,430)
Net Change in Fund Balance	-	-	-	-
Fund Balance -				
Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 476,738	\$ 476,738	\$ 476,738	\$ -
962,642	965,443	869,022	(96,421)
1,439,380	1,442,181	1,345,760	(96,421)
1,559,380	1,561,365	1,464,944	96,421
(120,000)	(119,184)	(119,184)	-
120,000	119,184	119,184	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash - Demand deposits	<u>\$ 288,830</u>	<u>\$ 613,595</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Retainages payable	\$ 51,595	\$ 52,200
Due to other funds	<u>40</u>	<u>117,407</u>
Total Liabilities	51,635	169,607
Fund Balance -		
Unreserved and undesignated	<u>237,195</u>	<u>443,988</u>
Total Liabilities and Fund Balance	<u>\$ 288,830</u>	<u>\$ 613,595</u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

CAPITAL PROJECTS FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Revenues	\$ -	\$ -
Expenditures - Capital outlay	324,171	2,681,646
Deficiency of Revenues Over Expenditures	(324,171)	(2,681,646)
Other Financing Sources (Uses):		
Transfers in	117,378	430,675
Transfers out	-	(133,692)
Total Other Financing Sources	117,378	296,983
Net Change in Fund Balance	(206,793)	(2,384,663)
Fund Balance - Beginning of Year	443,988	2,828,651
Fund Balance - End of Year	\$ 237,195	\$ 443,988

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

CAPITAL PROJECTS FUND

PROJECT-LENGTH SCHEDULE

INCEPTION OF PROJECT THROUGH JUNE 30, 2010

PROJECT	Authorization	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
Replacement of High School Bleachers	\$ 700,000	\$ 476,699	\$ -	\$ 476,699
Improvements to School District Buildings	<u>2,558,675</u>	<u>2,220,610</u>	<u>324,171</u>	<u>2,544,781</u>
Totals	<u>\$ 3,258,675</u>	<u>\$ 2,697,309</u>	<u>\$ 324,171</u>	<u>\$ 3,021,480</u>

Unexpended Balance	Method of Financing  Other	Fund Balance at June 30, 2010
\$ 223,301	\$ 700,000	\$ 223,301
<u>13,894</u>	<u>2,558,675</u>	<u>13,894</u>
<u><u>\$ 237,195</u></u>	<u><u>\$ 3,258,675</u></u>	<u><u>\$ 237,195</u></u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2010

(With Comparative Totals for 2009)

	School Lunch	Special Purpose	Debt Service
<b>ASSETS</b>			
Cash:			
Demand deposits	\$ 293,265	\$ 45,562	\$ 599,008
Petty cash	600	-	-
	<u>293,865</u>	<u>45,562</u>	<u>599,008</u>
Receivables:			
State and Federal aid	11,524	-	-
Due from other funds	-	-	-
	<u>11,524</u>	<u>-</u>	<u>-</u>
Inventories	<u>4,671</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 310,060</u>	<u>\$ 45,562</u>	<u>\$ 599,008</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities -			
Deferred revenues	<u>\$ 69,386</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:			
Reserved for inventories	4,671	-	-
Reserved for debt service	-	-	599,008
Reserved for trusts	-	45,562	-
Unreserved and undesignated	<u>236,003</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>240,674</u>	<u>45,562</u>	<u>599,008</u>
Total Liabilities and Fund Balances	<u>\$ 310,060</u>	<u>\$ 45,562</u>	<u>\$ 599,008</u>



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Total Non-Major  
Governmental Funds

---

2010

2009

\$ 937,835	\$ 788,758
600	600

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938,435	789,358
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11,524	8,553
-	117,378

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11,524	125,931
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4,671	6,205
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\$ 954,630	\$ 921,494
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\$ 69,386	\$ 45,810
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4,671	6,205
599,008	597,915
45,562	47,819
236,003	223,745

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885,244	875,684
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\$ 954,630	\$ 921,494
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CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2010  
(With Comparative Totals for 2009)

	School Lunch	Special Purpose	Debt Service
Revenues:			
Use of money and property	\$ 18,916	\$ 43	\$ 1,093
State aid	15,635	-	-
Federal aid	123,564	-	-
Food sales	1,759,835	-	-
Miscellaneous	-	-	-
Total Revenues	<u>1,917,950</u>	<u>43</u>	<u>1,093</u>
Expenditures:			
Current:			
Cost of food sales	1,907,226	-	-
Other	-	2,300	-
Debt service:			
Principal	-	-	2,920,000
Interest	-	-	2,247,815
Total Expenditures	<u>1,907,226</u>	<u>2,300</u>	<u>5,167,815</u>
Excess (Deficiency) of Revenues Over Expenditures	10,724	(2,257)	(5,166,722)
Other Financing Sources - Transfers in	-	-	5,167,815
Net Change in Fund Balances	10,724	(2,257)	1,093
Fund Balances - Beginning of Year	<u>229,950</u>	<u>47,819</u>	<u>597,915</u>
Fund Balances - End of Year	<u>\$ 240,674</u>	<u>\$ 45,562</u>	<u>\$ 599,008</u>

Total Non-Major Governmental Funds	
2010	2009
\$ 20,052	\$ 24,747
15,635	15,786
123,564	140,458
1,759,835	1,797,303
-	23,787
1,919,086	2,002,081
1,907,226	1,945,946
2,300	3,272
2,920,000	2,820,000
2,247,815	2,344,534
7,077,341	7,113,752
(5,158,255)	(5,111,671)
5,167,815	5,298,226
9,560	186,555
875,684	689,129
\$ 885,244	\$ 875,684

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SCHOOL LUNCH FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 293,265	\$ 260,402
Petty cash	600	600
	<u>293,865</u>	<u>261,002</u>
State and Federal Aid Receivable	11,524	8,553
Inventories	<u>4,671</u>	<u>6,205</u>
Total Assets	<u>\$ 310,060</u>	<u>\$ 275,760</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities - Deferred revenues	<u>\$ 69,386</u>	<u>\$ 45,810</u>
Fund Balance:		
Reserved for inventories	4,671	6,205
Unreserved and undesignated	<u>236,003</u>	<u>223,745</u>
Total Fund Balance	<u>240,674</u>	<u>229,950</u>
Total Liabilities and Fund Balance	<u>\$ 310,060</u>	<u>\$ 275,760</u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SCHOOL LUNCH FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE

YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Revenues:		
Use of money and property	\$ 18,916	\$ 18,825
State aid	15,635	15,786
Federal aid	123,564	140,458
Food sales	1,759,835	1,797,303
Miscellaneous	-	13,797
Total Revenues	1,917,950	1,986,169
Expenditures -		
Current -		
Cost of food sales	1,907,226	1,945,946
Excess of Revenues Over Expenditures	10,724	40,223
Fund Balance - Beginning of Year	229,950	189,727
Fund Balance - End of Year	\$ 240,674	\$ 229,950

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SPECIAL PURPOSE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2010 AND 2009

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	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash - Demand deposits	<u>\$ 45,562</u>	<u>\$ 47,819</u>
 <u>FUND BALANCE</u>		
Reserved for Trusts	<u>\$ 45,562</u>	<u>\$ 47,819</u>

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SPECIAL PURPOSE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Revenues:		
Use of money and property	\$ 43	\$ 208
Miscellaneous	-	9,990
Total Revenues	43	10,198
Expenditures - Current - Other	2,300	3,272
Excess (Deficiency) of Revenues Over Expenditures	(2,257)	6,926
Fund Balance - Beginning of Year	47,819	40,893
Fund Balance - End of Year	\$ 45,562	\$ 47,819

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CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

DEBT SERVICE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash - Demand Deposits	\$ 599,008	\$ 480,537
Due from Other Funds	<u>-</u>	<u>117,378</u>
	<u>\$ 599,008</u>	<u>\$ 597,915</u>
<u>FUND BALANCE</u>		
Reserved for Debt Service	<u>\$ 599,008</u>	<u>\$ 597,915</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, 2010 AND 2009

	2010			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues - Use of money and property	\$ -	\$ -	\$ 1,093	\$ 1,093
Expenditures -				
Debt Service -				
Serial bonds:				
Principal	2,920,000	2,920,000	2,920,000	-
Interest	2,247,815	2,247,815	2,247,815	-
Total Expenditures	5,167,815	5,167,815	5,167,815	-
Deficiency of Revenues Over Expenditures	(5,167,815)	(5,167,815)	(5,166,722)	1,093
Other Financing Sources -				
Transfers in	5,167,815	5,167,815	5,167,815	-
Net Change in Fund Balance	-	-	1,093	1,093
Fund Balance - Beginning of Year	-	-	597,915	597,915
Fund Balance - End of Year	\$ -	\$ -	\$ 599,008	\$ 599,008

2009			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 5,714	\$ 5,714
2,820,000	2,820,000	2,820,000	-
2,344,534	2,344,534	2,344,534	-
5,164,534	5,164,534	5,164,534	-
(5,164,534)	(5,164,534)	(5,158,820)	5,714
5,164,534	5,164,534	5,298,226	133,692
-	-	139,406	139,406
-	-	458,509	458,509
\$ -	\$ -	\$ 597,915	\$ 597,915

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

GENERAL FUND

ANALYSIS OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

YEAR ENDED JUNE 30, 2010

Adopted Budget	\$ 107,347,134
Additions - Encumbrances	<u>2,007,793</u>
Original Budget	109,354,927
Budget Amendments	<u>159,716</u>
Final Budget	<u><u>\$ 109,514,643</u></u>

GENERAL FUND

ANALYSIS OF USE OF FUND BALANCE

AS OF THE BEGINNING OF THE YEAR ENDED JUNE 30, 2010

Unreserved Fund Balance - Beginning of Year	\$ 6,723,885
Less - Appropriated Fund Balance Used for Levy of Taxes	<u>2,430,000</u>
Undesignated Fund Balance	<u><u>\$ 4,293,885</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, 2010

	<u>Account Code</u>	<u>Amount Per ST-3</u>	<u>Audited Amount</u>
<b>REVENUES</b>			
Real Property Taxes	A -1001	\$ 88,993,755	\$ 88,993,755
Non-Property Taxes	AT-1199	715,141	715,141
State Aid	AT-3999	6,561,609	6,561,609
Federal Aid	AT-4999	1,172,095	1,172,095
Total Revenues	AT-5999	105,861,230	105,861,230
<b>EXPENDITURES</b>			
General Support	AT-1999	13,672,975	13,672,975
Pupil Transportation	AT-5599	5,841,931	5,841,931
Debt Service - Principal	AT-9798.6	-	-
Debt Service - Interest	AT-9798.7	253,333	253,333
Total Expenditures and Other Financing Uses	AT-9999	\$ 104,569,156	\$ 104,569,156

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SCHEDULE OF INVESTED IN  
CAPITAL ASSETS, NET OF RELATED DEBT  
YEAR ENDED JUNE 30, 2010

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Capital Assets, net		\$ 109,868,116
Less:		
Bonds Payable	(49,655,000)	
Unamortized Portion of Premium	<u>(12,315)</u>	(49,667,315)
Plus:		
Unamortized Portion of Issuance Costs	18,966	
Unamortized Portion of Loss	<u>92,098</u>	<u>111,064</u>
Invested in Capital Assets, net of Related Debt		<u>\$ 60,311,865</u>



**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 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, 2010, and have issued our report thereon dated September 23, 2010. 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, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a significant deficiency, or combination of significant deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Chappaqua Central School District, New York's financial statements will not be prevented, or detected and corrected on a timely basis.

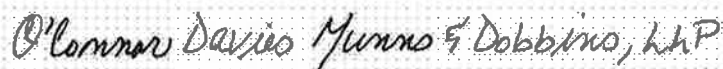
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### 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.

A handwritten signature in dark ink, reading "O'Connor Davies Munns & Dobbins, LLP". The signature is written in a cursive, flowing style.

**O'Connor Davies Munns & Dobbins, LLP**

September 23, 2010





**REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON  
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 could have a direct and material effect on each of the Chappaqua Central School District, New York major federal programs for the year ended June 30, 2010. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

**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 *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 and use of the Board of Education, management, others within the entity 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.

A handwritten signature in black ink that reads "O'Connor Davies Munns & Dobbins, LLP". The signature is written in a cursive, flowing style.

O'Connor Davies Munns & Dobbins, LLP  
September 23, 2010

## CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2010

<b>Federal Grantor Program Title</b>	<b>Federal CFDA Number (1)</b>	<b>Non ARRA (2)</b>	<b>ARRA (2)</b>	<b>Federal Program Expenditures</b>
<b><u>U.S. Department of Agriculture</u></b>				
<b>Indirect Programs - Passed through New York State</b>				
<b>Department of Education:</b>				
<i>Child Nutrition Cluster:</i>				
School Breakfast Program	10.553	\$ 1,646		\$ 1,646
National School Lunch Program (NSLP) - Commodities	10.555	44,240		44,240
National School Lunch Program (NSLP) - Cash	10.555	77,678		77,678
				<u>123,564</u>
Total U.S. Department of Agriculture				<u>123,564</u>
<b><u>U.S. Department of Education</u></b>				
<b>Indirect Programs - Passed through New York State</b>				
<b>Department of Education:</b>				
<i>Special Education Cluster (IDEA):</i>				
Special Education - Grants to States (IDEA, Part B)	84.027	732,440		732,440
Special Education - Preschool Grants (IDEA Preschool)	84.173	17,679		17,679
Special Education - Grants to States (Idea, Part B), Recovery Act (ARRA)	84.391		428,237	428,237
Special Education - Preschool Grants (Idea Preschool), Recovery Act (ARRA)	84.392		19,752	19,752
				<u>1,198,108</u>
Safe and Drug-Free Schools and Communities State Grants	84.186	9,298		9,298
Improving Teacher Quality State Grants	84.367	92,023		92,023
<i>State Fiscal Stabilization Fund:</i>				
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund) (ARRA)	84.394		1,011,832	1,011,832
Total U.S. Department of Education				<u>2,311,261</u>
<b><u>U.S. Department of Justice</u></b>				
COPS	16.710	121,525		121,525
Total		<u>\$ 1,096,529</u>	<u>\$ 1,459,821</u>	<u>\$ 2,556,350</u>

(1) Catalog of Federal Domestic Assistance number.

(2) American Recovery and Reinvestment Act

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2010

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**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, 2010. 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 School 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, 2010

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**Section I-Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting {*unqualified, qualified, adverse, or disclaimer*}:

Internal control over financial reporting:

- Material weakness(es) identified ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported
- Noncompliance material to financial statements noted? ☐ yes ☒ no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs {*unqualified, qualified, adverse, or disclaimer*}:

Unqualified

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

☐ yes ☒ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027

Special Education Cluster (IDEA):

84.173

Special Education - Grants to States (IDEA, Part B)

84.391

Special Education - Preschool Grants (IDEA Preschool)

Special Education - Grants to States (IDEA, Part B), Recovery Act (ARRA)

84.392

Special Education - Preschool Grants (IDEA Preschool), Recovery Act (ARRA)

84.394

State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act (Education Stabilization Fund) (ARRA)

CHAPPAQUA CENTRAL SCHOOL DISTRICT, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Concluded)  
YEAR ENDED JUNE 30, 2010

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Dollar threshold used to distinguish

between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

X  Yes   No

**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, 2010

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None