

Chappaqua Central School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2014

Chappaqua Central School District, New York

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Independent Auditors' Report

**The Board of Education of the
Chappaqua Central School District, New York**

Report on the Financial Statements

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 ("School District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2014, 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 accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

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Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133 Audits of State, Local Governments and Non-Profit Organizations are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2014 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
August 12, 2014

Chappaqua Central School District, New York

Management's Discussion and Analysis ("MD&A")

June 30, 2014

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 fiscal year ended June 30, 2014. 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

Key financial highlights for fiscal year 2013-14 are as follows:

- New York State Law limits the amount of unassigned (formerly known as 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 unassigned fund balance of the General Fund is \$4,664,107. The unassigned fund balance of the General Fund is 3.99% of the 2014-15 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 \$19,505,924, a decrease of \$3,966,083 from the prior year. Fund balance for the General Fund decreased by \$1,179,780, from \$20,127,165 to \$18,947,385. However, \$2,350,000 of the fund balance from the General Fund has been assigned (appropriated) for the subsequent year's budget to reduce the tax levy increase.
- On the district-wide financial statements, the assets and deferred outflows of resources of the School District exceeded liabilities (net position) at the close of the fiscal year by \$66,021,986. The District's total net position decreased by \$731,898 for the year ended June 30, 2014. The decrease is due to: 1) the increase of "other post employment benefits obligations (OPEB)" (GASB 45), and 2) the growth of liabilities outpaced the growth of assets.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The 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 position presents information on all of the School District's assets, liabilities and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 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 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 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 District maintains five individual governmental funds; General Fund, Special Aid Fund, Capital Projects Fund, School Lunch Fund and Special Purpose Fund. For this reporting purpose, the School Lunch Fund and Special Purpose Fund are combined into "Non-Major 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 the General, Special Aid and Capital Projects funds, since the District has elected to report them as major funds.
- The District adopts an annual budget for its General Fund. Budgets are developed for the Special Aid 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.

- Fiduciary Funds are used to account for assets held by the School District in an agency capacity: 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.

The Chappaqua Central School District completed its valuation of costs for post employment benefits valuation in accordance with Government Accounting Standards Board (GASB) Statements No. 43 & 45 for the fiscal year July 1, 2013 to June 30, 2014 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 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. More detailed information about the District's "Other Post Employment Benefit Obligations" is presented in the notes to the financial statements (Note 3, F - Long-Term Liabilities – Other Post Employment Benefit Obligations).

For the full GASB 45 report, please visit the District website at:
http://www.ccsd.ws/files/filesystem/GASB4345_20130701-20140630.pdf

District-Wide Financial Analysis

Net position may serve over time as a useful indicator of the District's financial position. In the case of the Chappaqua Central School District, assets and deferred outflows of resources exceeded liabilities ("Net Position") by \$66,021,986 at the close of the current fiscal year.

Net Position

	<u>2013-14</u>	<u>2012-13*</u>
Current Assets	\$ 29,902,446	\$ 31,898,167
Capital Assets, net	<u>113,236,346</u>	<u>112,342,826</u>
Total Assets	<u>143,138,792</u>	<u>142,306,609</u>
Deferred Outflows of Resources	<u>1,817,149</u>	<u>1,934,384</u>
Current Liabilities	10,751,362	8,535,727
Long-term Liabilities	<u>68,182,593</u>	<u>68,951,382</u>
Total Liabilities	<u>78,933,955</u>	<u>77,487,109</u>
Net Position		
Net Investment in Capital Assets	62,809,057	62,083,824
Restricted		
Capital Projects	25,001	3,857
Tax Certiorari	4,630,905	4,629,914
Unemployment Benefits	150,629	150,597
Property Loss	59,090	59,077
Insurance	210,305	210,260
Liability Claims	218,611	218,564
Repairs	137,234	137,159
Retirement Contributions	2,010,941	3,510,190
Special Purpose	35,054	39,302
School Lunch	448,794	272,245
Unrestricted	<u>(4,713,635)</u>	<u>(4,561,105)</u>
Total Net Position	<u>\$ 66,021,986</u>	<u>\$ 66,753,884</u>

*Restated for the effects of GASB Statement No. 65

By far, the largest component of the District's net assets (95%) 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. For the 2013-14 school year, District budgeted \$2,335,000 in its General Fund to pay off the scheduled capital debt principal payment.

Those assets subject to external restrictions constitute \$7,926,564 of net position (\$66,021,986), which includes restriction for retirement contributions of \$2,010,941 and tax certiorari of \$4,630,905. Unrestricted position is a negative \$4,713,635 in part due to the OPEB accrual. Restricted and unrestricted assets combined represents 5% of the net position.

Changes in Net Position

	<u>2013-14</u>	<u>2012-13</u>
REVENUES		
Program Revenues		
Charges for Services	\$ 2,761,251	\$ 2,583,892
Operating Grants and Contributions	2,865,117	2,974,516
Capital Grants and Contributions	<u>25,000</u>	<u>129,228</u>
Total Program Revenues	<u>5,651,368</u>	<u>5,687,636</u>
General Revenues		
Real Property Taxes	97,187,644	95,027,907
Other Tax Items (STAR)	5,923,399	6,009,093
Non-Property Taxes	823,216	778,564
Unrestricted Use of Money and Property	116,745	143,911
Unrestricted State Aid	6,801,704	5,883,627
Miscellaneous	<u>707,005</u>	<u>408,522</u>
Total General Revenues	<u>111,559,713</u>	<u>108,251,624</u>
Total Revenues	<u>117,211,081</u>	<u>113,939,260</u>
PROGRAM EXPENSES		
General Support	16,794,272	16,598,751
Instruction	91,060,604	89,764,752
Pupil Transportation	6,246,896	5,904,388
Community Services	19,864	18,977
Cost of Food Sales	1,926,884	1,950,906
Other	4,255	795
Interest	<u>1,890,204</u>	<u>1,548,656</u>
Total Expenses	<u>117,942,979</u>	<u>115,787,225</u>
Change in Net Position	(731,898)	(1,847,965)
Net Position - Beginning	<u>66,753,884</u>	<u>68,601,849</u>
Net Position - Ending	<u>\$ 66,021,986</u>	<u>\$ 66,753,884</u>

The District's net position decreased by \$731,898, which represents approximately 1.1% of the total net position. The District saw a decrease of total assets in the amount of \$1,102,201 and an increase of total liabilities in the amount of \$1,446,846. The District maintains a fairly similar financial condition to the previous year. As presented in the following graphs, the District relies upon real property taxes and other tax items (STAR) as its primary revenue sources (87.97%, a slight decrease from prior year's 88.67%).

The major changes from 2012-13 to 2013-14 are as follows:

Revenues:

The District's total program revenues saw a slight decrease, general revenues increased by \$3,308,089 and the total revenues increased by \$3,271,821. The primary elements of this increase were:

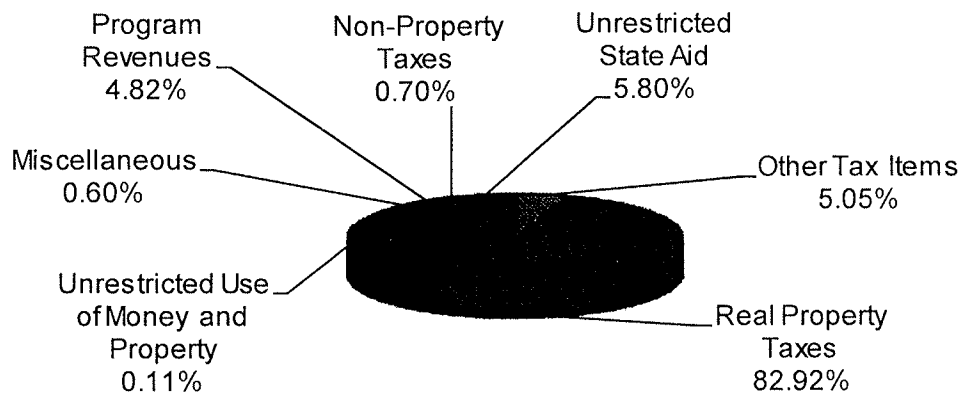
- Unrestricted State Aid increased by \$918,077.
- Other Tax Items - STAR (School Tax Relief Program) decreased by \$85,694.
- Real Property Taxes (excluding STAR) increased by \$2,159,737, or 2.27%, which made up for the largest increase.

Expenses:

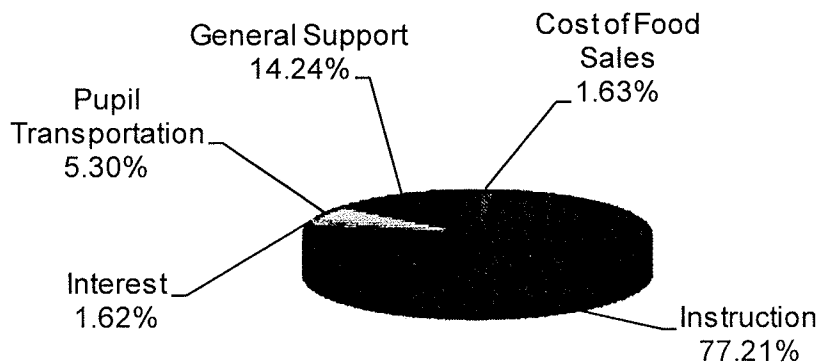
The District's program expenses increased by \$2,155,754. The highlights were:

- General Support saw an increase of \$195,521. If it had not been for a budget appropriation of \$933,895 from the Tax Certiorari Reserve Fund to pay for a settlement and an increase in the BOCES Administrative charges of \$376,904 during the 2012-13 school year, the 2013-14 increase would have been much greater. During 2013-14, four items impacted the General Support expenditures: 1) District made its first of three BOCES Capital Project installment payments of \$446,036, 2) District saw an increase of \$232,069 for Judgments and Claims, 3) District's energy costs increased by \$476,937, and 4) District spent \$111,503 for security guards for the first time.
- Instruction saw an increase of \$1,295,852 which reflected increases in salaries and benefits (pension contributions and health insurance premiums).
- Pupil Transportation showed an increase of \$342,508 when compared to the prior year, Special Education transportation and bus monitors accounted for approximately \$250,000 of this increase.

Revenues for Fiscal Year 2013-14 Governmental Activities



Expenses for Fiscal Year 2013-14 Governmental Activities



Financial Analysis of the School District's Funds

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

Governmental Funds

The focus of the 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, unassigned 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 District's governmental funds reported combined fund balances of \$19,505,924, a decrease of \$3,966,083 from the prior year. This large decrease was made up by a decrease of \$1,179,780 in general fund and a decrease of \$2,958,604 in capital projects fund. \$2,350,000 of the general fund balance has been assigned (appropriated) for the 2014-15 budget to reduce the tax levy.

The District's fund balance for the General Fund decreased \$1,179,780, from \$20,127,165 to \$18,947,385 during the current fiscal year.

General Fund revenues exceeded the final budget by \$1,308,889. The two largest positive variances were: \$783,417 for State Aid and \$191,507 for Charges for Services, of which \$159,621 came from Cultural Arts.

General Fund expenditures for 2013-14 were \$481,301 less than the final budget, after the deduction of \$1,265,726 for encumbrances. Positive variances were shown in the following areas: Instruction: \$1,317,005, and Employee Benefits: \$340,902.

General Fund Budgetary Highlights

The original expenditure budget and the final amended budget showed a variance of \$282,930 vs. last year's \$1,198,115 (as indicated in last year's financial statements that were mainly due to the budget appropriation of \$933,895 from the Tax Certiorari Reserve Fund to pay for a settlement). The budget modifications were mainly made up from gifts, \$200,000 of which came from Chappaqua School Foundation as its contribution to the construction of the Greeley iLab.

Fund Balance Analysis

Fund balance of the General Fund is made up of four categories and they are illustrated below:

	<u>June 30, 2014</u>
Non-spendable	\$ 26,845
Restricted	10,640,707
Assigned	3,615,726
Unassigned	<u>4,664,107</u>
 Total	 <u>\$ 18,947,385</u>

By far the largest category of fund balance is in "Restricted" and these funds were established and set aside for very specific purposes. The "Assigned" fund balance consists of two parts: \$1,265,726 is reserved for encumbrances (purchases on order) - commitments made by the District for goods or services, and \$2,350,000 is assigned for subsequent year's expenditures (a reduction from the designation for the 2013-14 budget). The remainder of \$4,664,107 is "Unassigned" fund balance and as we previously mentioned this is the amount that is available for spending at the discretion of the District. At the end of the day, fund balance is an indicator of the financial strength of a school district.

The actual amount of fund balance in each reserve category is presented in Note 3.I - Fund Balances.

Capital Assets

At the end of June 30, 2014 the District had \$113,236,346 net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below:

Class	June 30, 2014	June 30, 2013
Land	\$ 2,177,700	\$ 2,177,700
Construction in Progress	12,538,946	9,592,998
Buildings and Improvements	96,669,800	98,799,352
Machinery and Equipment	<u>1,849,900</u>	<u>1,772,776</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 113,236,346</u>	<u>\$ 112,342,826</u>

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

Long-Term Liabilities

As of June 30, 2014, the District had \$37,870,000 in general obligation debt and other long-term liabilities outstanding, as follows:

	2013-14	2012-13
Bonds Payable	\$ 40,662,912	\$ 43,178,099
Energy Performance Contract Debt	10,782,978	11,448,896
Installment Purchase Debt	848,238	857,308
Compensated Absences	3,894,055	3,789,600
Other Post Employment Benefit Obligations Payable	<u>11,994,410</u>	<u>11,611,863</u>
Total	<u>\$ 68,182,593</u>	<u>\$ 70,885,766</u>

Long-term liabilities are made up of five figures: bonds payable, energy performance contract debt, installment purchase debt, compensated absences and other post employment benefit obligations. Bonds payable saw a decrease of \$2,335,000. The District is paying down its bonded debt and did not issue any additional such debt. Compensated absences saw an increase of \$104,455. Other post employment benefit obligations saw an increase of \$382,547. This is the sixth year that a public entity is required to record such obligations (the full amount is being amortized over 30 years).

The net impact of the above-mentioned factors decreased the District's long-term liabilities by \$2,703,173.

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

Summary

The Chappaqua Central School District is financially solid. Overall, the financial position of the District for year ended June 30, 2014 is fairly similar to the prior fiscal year. The District's net position decreased by \$731,898 (1.1%) because of the requirement to record other post employment benefit obligations (GASB 45) of \$11,994,410 which represents an increase of \$328,547 over school year 2012-13, and the decrease of overall general fund balance of \$1,179,780.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the 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) 238-7200 X1006
E-mail: jochow@ccsd.ws

Chappaqua Central School District, New YorkStatement of Net Position
June 30, 2014

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 27,507,020
Restricted cash	49,690
Receivables	
Accounts	17,786
State and Federal aid	2,291,868
Prepaid expenses	26,845
Inventories	9,237
Capital assets	
Not being depreciated	14,716,646
Being depreciated, net	98,519,700
Total Assets	143,138,792
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding bonds	1,817,149
LIABILITIES	
Accounts payable	120,718
Accrued liabilities	1,046,153
Due to retirement systems	8,906,260
Due to other governments	201,710
Unearned revenues	121,681
Accrued interest payable	354,840
Non-current liabilities	
Due within one year	3,782,767
Due in more than one year	64,399,826
Total Liabilities	78,933,955
NET POSITION	
Net investment in capital assets	62,809,057
Restricted	
Capital projects	25,001
Tax certiorari	4,630,905
Unemployment benefits	150,629
Property loss	59,090
Insurance	210,305
Liability claims	218,611
Repairs	137,234
Retirement contributions	2,010,941
Special purposes	35,054
School lunch	448,794
Unrestricted	(4,713,635)
Total Net Position	\$ 66,021,986

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, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 16,794,272	\$ 154,956	\$ 1,954	\$ -	\$ (16,637,362)
Instruction	91,060,604	648,198	2,721,339	25,000	(87,666,067)
Pupil transportation	6,246,896	-	-	-	(6,246,896)
Community services	19,864	-	-	-	(19,864)
Cost of food sales	1,926,884	1,958,097	141,817	-	173,030
Other	4,255	-	7	-	(4,248)
Interest	1,890,204	-	-	-	(1,890,204)
Total Governmental Activities	\$ 117,942,979	\$ 2,761,251	\$ 2,865,117	\$ 25,000	(112,291,611)
General revenues					
Real property taxes					97,187,644
Other tax items					
School tax relief reimbursement					5,923,399
Non-property taxes					
Non-property tax distribution from County					823,216
Unrestricted use of money and property					116,745
Unrestricted State aid					6,801,704
Miscellaneous					707,005
Total General Revenues					111,559,713
Change in Net Position					(731,898)
Net Position - Beginning					66,753,884
Net Position - Ending					\$ 66,021,986

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, 2014

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 26,811,941	\$ 137,769	\$ 25,001
Restricted cash	-	-	49,690
Receivables			
Accounts	89	-	-
State and Federal aid	776,340	1,505,902	-
Due from other funds	1,643,671	-	-
Prepaid expenditures	26,845	-	-
Inventories	-	-	-
Total Assets	<u>\$ 29,258,886</u>	<u>\$ 1,643,671</u>	<u>\$ 74,691</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 120,718	\$ -	\$ -
Accrued liabilities	1,046,153	-	-
Due to other funds	-	1,643,671	-
Due to retirement systems	8,906,260	-	-
Due to other governments	201,710	-	-
Unearned revenues	36,660	-	-
Total Liabilities	<u>10,311,501</u>	<u>1,643,671</u>	<u>-</u>
Fund balances			
Nonspendable	26,845	-	-
Restricted	10,640,707	-	74,691
Assigned	3,615,726	-	-
Unassigned	4,664,107	-	-
Total Fund Balances	<u>18,947,385</u>	<u>-</u>	<u>74,691</u>
Total Liabilities and Fund Balances	<u>\$ 29,258,886</u>	<u>\$ 1,643,671</u>	<u>\$ 74,691</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 532,309	\$ 27,507,020
-	49,690
17,697	17,786
9,626	2,291,868
-	1,643,671
-	26,845
9,237	9,237
<u>\$ 568,869</u>	<u>\$ 31,546,117</u>

\$ -	\$ 120,718
-	1,046,153
-	1,643,671
-	8,906,260
-	201,710
85,021	121,681
<u>85,021</u>	<u>12,040,193</u>

9,237	36,082
35,054	10,750,452
439,557	4,055,283
-	4,664,107
<u>483,848</u>	<u>19,505,924</u>
<u>\$ 568,869</u>	<u>\$ 31,546,117</u>

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Chappaqua Central School District, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2014

Fund Balances - Total Governmental Funds	\$ 19,505,924
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	113,236,346
Government funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Deferred amounts on refunding bonds	1,817,149
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(354,840)
Bonds payable	(40,662,912)
Compensated absences	(3,894,055)
Other post employment benefit obligations payable	(11,994,410)
Energy performance contract debt payable	(10,782,978)
Installment purchase debt payable	(848,238)
	(68,537,433)
Net Position of Governmental Activities	\$ 66,021,986

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, 2014

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 97,187,644	\$ -	\$ -
Other tax items	5,923,399	-	-
Non-property taxes	823,216	-	-
Charges for services	648,198	-	-
Use of money and property	273,655	-	-
State aid	7,783,821	597,893	-
Federal aid	40,039	818,360	-
Food sales	-	-	-
Miscellaneous	989,935	-	25,000
Total Revenues	113,669,907	1,416,253	25,000
EXPENDITURES			
Current			
General support	14,071,497	-	-
Instruction	62,680,476	1,565,726	-
Pupil transportation	6,251,372	-	-
Community services	19,864	-	-
Employee benefits	26,293,295	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	3,218,205	-	-
Interest	1,969,362	-	-
Capital outlay	-	-	3,387,964
Total Expenditures	114,504,071	1,565,726	3,387,964
Excess (Deficiency) of Revenues Over Expenditures	(834,164)	(149,473)	(3,362,964)
OTHER FINANCING SOURCES (USES)			
Installment purchase debt issued	-	-	208,217
Transfers in	3,857	149,473	200,000
Transfers out	(349,473)	-	(3,857)
Total Other Financing Sources (Uses)	(345,616)	149,473	404,360
Net Change in Fund Balances	(1,179,780)	-	(2,958,604)
FUND BALANCES			
Beginning of Year	20,127,165	-	3,033,295
End of Year	\$ 18,947,385	\$ -	\$ 74,691

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 97,187,644
-	5,923,399
-	823,216
-	648,198
490	274,145
11,951	8,393,665
129,383	987,782
1,868,854	1,868,854
89,243	1,104,178
<u>2,099,921</u>	<u>117,211,081</u>
-	14,071,497
-	64,246,202
-	6,251,372
-	19,864
-	26,293,295
1,923,365	1,923,365
4,255	4,255
-	3,218,205
-	1,969,362
-	3,387,964
<u>1,927,620</u>	<u>121,385,381</u>
<u>172,301</u>	<u>(4,174,300)</u>
-	208,217
-	353,330
-	(353,330)
-	208,217
172,301	(3,966,083)
<u>311,547</u>	<u>23,472,007</u>
<u>\$ 483,848</u>	<u>\$ 19,505,924</u>

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Chappaqua Central School District, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2014

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (3,966,083)</u>
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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 capital outlays exceeded depreciation expense in the current period.

Capital outlay expenditures	3,909,751
Depreciation expense	<u>(3,016,231)</u>
	<u>893,520</u>

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Installment purchase debt issued	(208,217)
Principal paid on serial bonds	2,335,000
Principal paid on installment purchase debt	217,287
Principal paid on energy performance contract	665,918
Amortization of loss on refunding bonds and issuance premium	<u>(198,527)</u>
	<u>2,811,461</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	16,206
Compensated absences	(104,455)
Other post employment benefit obligations	<u>(382,547)</u>
	<u>(470,796)</u>

Change in Net Position of Governmental Activities	<u><u>\$ (731,898)</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 - Budget and Actual
General and Special Aid Funds
Year Ended June 30, 2014

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 97,189,256	\$ 97,189,256	\$ 97,187,644	\$ (1,612)
Other tax items	5,921,737	5,921,737	5,923,399	1,662
Non-property taxes	755,000	755,000	823,216	68,216
Charges for services	456,691	456,691	648,198	191,507
Use of money and property	285,000	285,000	273,655	(11,345)
State aid	7,000,404	7,000,404	7,783,821	783,417
Federal aid	-	-	40,039	40,039
Miscellaneous	470,000	752,930	989,935	237,005
Total Revenues	112,078,088	112,361,018	113,669,907	1,308,889
EXPENDITURES				
Current				
General support	12,322,972	15,222,478	14,071,497	1,150,981
Instruction	64,613,608	63,171,179	62,680,476	490,703
Pupil transportation	6,403,831	6,295,635	6,251,372	44,263
Community services	18,977	19,864	19,864	-
Employee benefits	27,328,294	26,354,375	26,293,295	61,080
Debt service				
Principal	3,221,304	3,218,205	3,218,205	-
Interest	2,028,655	1,969,362	1,969,362	-
Total Expenditures	115,937,641	116,251,098	114,504,071	1,747,027
Deficiency of Revenues Over Expenditures	(3,859,553)	(3,890,080)	(834,164)	3,055,916
OTHER FINANCING SOURCES (USES)				
Transfers in	3,857	3,857	3,857	-
Transfers out	(380,000)	(349,473)	(349,473)	-
Total Other Financing Sources (Uses)	(376,143)	(345,616)	(345,616)	-
Net Change in Fund Balances	(4,235,696)	(4,235,696)	(1,179,780)	3,055,916
FUND BALANCES				
Beginning of Year	4,235,696	4,235,696	20,127,165	15,891,469
End of Year	\$ -	\$ -	\$ 18,947,385	\$ 18,947,385

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)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
567,366	597,893	597,893	-
883,780	883,211	818,360	(64,851)
-	-	-	-
1,451,146	1,481,104	1,416,253	(64,851)
-	-	-	-
1,631,146	1,630,577	1,565,726	64,851
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,631,146	1,630,577	1,565,726	64,851
(180,000)	(149,473)	(149,473)	-
180,000	149,473	149,473	-
-	-	-	-
180,000	149,473	149,473	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Chappaqua Central School District, New York

Statement of Assets and Liabilities

Fiduciary Fund

June 30, 2014

	<u>Agency</u>
ASSETS	
Cash and equivalents	<u>\$ 486,835</u>
LIABILITIES	
Accounts payable	\$ 89
Employee payroll deductions	384,700
Deposits payable	28,096
Student activity funds	<u>73,950</u>
 Total Liabilities	 <u>\$ 486,835</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, 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.

B. District-Wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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 explain 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.

General Fund - The General Fund constitutes the primary operating fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted, committed or

Note 1 - Summary of Significant Accounting Policies (Continued)

assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is as follows -

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

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

The School District also reported the following non-major governmental funds.

Special Revenue Funds:

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

- b. Fiduciary Funds (Not Included in District-Wide Statements) - The 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 statements.

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 but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

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

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, 2014.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted Cash - Restricted cash in the Capital Projects Fund consists of funds held by a financial institution. These funds are to be used for the District Wide Energy Improvements project.

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 expenses/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, 2014, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consist of health insurance 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 will benefit such periods. Reported amounts are equally offset by nonspendable 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.

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 nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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.

Unearned 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 unearned revenues of \$36,660 in the General Fund for fees received in advance and \$85,021 in the School Lunch Fund for meal cards purchased in advance. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The School District reported deferred outflows of resources of \$1,817,149 for a deferred loss on refunding bonds in the district-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 Position. Bond premiums and discounts 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 expended as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs,

Note 1 - Summary of Significant Accounting Policies (Continued)

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 position 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 Position - Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its 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 position on the Statement of Net Position includes, net investment in capital assets, restricted for capital projects, tax certiorari, unemployment benefits, property loss, insurance, liability claims, repairs, retirement contributions, school lunch and special purposes. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York or Education Law.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Education is the highest level of decision making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the School District removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Education.

Note 1 - Summary of Significant Accounting Policies (Continued)

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education or the Assistant Superintendent for Business to assign amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

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 assigned 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, deferred outflows of resources, liabilities and deferred inflows of resources 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.

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 August 12, 2014.

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 original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- 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 or Special Purpose funds.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in General 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

B. Limitation on Fund Balance

The School District is limited to the amount of committed, assigned and unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount to 4% of the ensuing year's budget.

C. Property Tax Limitation

The School District is not limited as to the maximum amount of real property taxes which may be raised. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This law applies to all local governments, including school districts.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a school district in a particular year, beginning with the 2012-2013 fiscal year. It expires on June 16, 2016.

Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of two percent or the annual increase in the consumer price index. Certain adjustments would be permitted as defined by Section 1220 of the Real Property Tax Law. A school district could exceed the tax levy limitation only if the budget is approved by at least 60% of the vote. There are certain exemptions to the tax levy limitation, such as expenditures made on account of certain tort settlements and certain increases in the actuarial contribution rates of the various public employee retirement systems.

D. Application of Accounting Standards

For the year ended June 30, 2014, the School District implemented GASB Statement No. 65, *"Items Previously Reported as Assets and Liabilities"* ("GASB Statement No. 65"). This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows/inflows of resources, certain items that were previously reported as assets and liabilities. This statement also recognizes as outflows of resources (expenses or expenditures) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities.

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, 2014 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,643,671	\$ -
Special Aid	-	1,643,671
	<u>\$ 1,643,671</u>	<u>\$ 1,643,671</u>

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

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.

B. Capital Assets

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

Class	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital Assets, not being depreciated				
Land	\$ 2,177,700	\$ -	\$ -	\$ 2,177,700
Construction-in-progress	9,592,998	2,979,748	33,800	12,538,946
Total Capital Assets, not being depreciated	<u>\$ 11,770,698</u>	<u>\$ 2,979,748</u>	<u>\$ 33,800</u>	<u>\$ 14,716,646</u>
Capital Assets, being depreciated				
Buildings and Improvements	\$ 141,356,317	\$ 647,024	\$ -	\$ 142,003,341
Machinery and Equipment	4,469,499	316,779	48,735	4,737,543
Total Capital Assets, being depreciated	<u>145,825,816</u>	<u>963,803</u>	<u>48,735</u>	<u>146,740,884</u>
Less Accumulated Depreciation for				
Buildings and Improvements	42,556,965	2,776,576	-	45,333,541
Machinery and Equipment	2,696,723	239,655	48,735	2,887,643
Total Accumulated Depreciation	<u>45,253,688</u>	<u>3,016,231</u>	<u>48,735</u>	<u>48,221,184</u>
Total Capital Assets, being depreciated, net	<u>\$ 100,572,128</u>	<u>\$ (2,052,428)</u>	<u>\$ -</u>	<u>\$ 98,519,700</u>
Capital Assets, net	<u>\$ 112,342,826</u>	<u>\$ 927,320</u>	<u>\$ 33,800</u>	<u>\$ 113,236,346</u>

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

General Support	\$ 276,355
Instruction	2,720,988
Cost of Food Sales	<u>18,888</u>
Total Depreciation Expense	<u>\$ 3,016,231</u>

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

C. Accrued Liabilities

Accrued liabilities at June 30, 2014 were as follows:

	General Fund
Other	\$ 859,764
Payroll and employee benefits	186,389
	<u>\$ 1,046,153</u>

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, employees in tier 5 who also contribute 3% of their salary for ERS and 3.5% for TRS without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to 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 2014 are as follows:

ERS		TRS	
Tier/Plan	Rate	Tiers	Rate
2 75I	26.3%	1-4	16.25%
3 A14	21.1		
4 A15	21.1		
5 A15	17.0		
6 A15	11.5		

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

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

	ERS	TRS
2014	\$ 1,756,725	\$ 8,096,237
2013	1,696,073	5,903,048
2012	1,315,644	5,358,728

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.

E. Short-Term Non-Capital Borrowings

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

	Balance July 01, 2013	New Issues	Redemptions	Balance June 30, 2014
Tax Anticipation Note	\$ -	\$ 8,000,000	\$ 8,000,000	\$ -

The tax anticipation note was issued on July 24, 2013 and matured on June 27, 2014, with interest at 1.0%.

Interest expense/expenditures of \$74,000 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, 2014:

	Balance July 01, 2013	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2014	Due Within One-Year
Bonds Payable	\$ 40,205,000	\$ -	\$ 2,335,000	\$ 37,870,000	\$ 2,420,000
Plus - Unamortized premium on bonds	2,973,099	-	180,187	2,792,912	-
	43,178,099	-	2,515,187	40,662,912	2,420,000
Other Non-current Liabilities -					
Energy performance contract debt payable	11,448,896	-	665,918	10,782,978	682,369
Installment purchase debt payable	857,308	208,217	217,287	848,238	291,398
Compensated Absences	3,789,600	482,455	378,000	3,894,055	389,000
Other Post Employment Benefit Obligations	11,611,863	4,768,621	4,386,074	11,994,410	-
Total Other Non- current Liabilities	27,707,667	5,459,293	5,647,279	27,519,681	1,362,767
Total Long-Term Liabilities	\$ 70,885,766	\$ 5,459,293	\$ 8,162,466	\$ 68,182,593	\$ 3,782,767

Note 3 - Detailed Notes on All Funds (Continued)

Each governmental fund's liability for bonds payable, energy performance contract debt payable, installment purchase debt payable, compensated absences and other post employment benefit obligations is liquidated by the General Fund.

Bonds Payable

Bonds payable at June 30, 2014 is comprised of the following issue -

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2014
Refunding Bonds	2011	\$ 43,070,000	January, 2030	2.0-5.0 %	<u>\$ 37,870,000.</u>

Interest expenditures of \$1,593,456 were recorded in the fund financial statements in the General Fund. Interest expense of \$1,509,100 was recorded in the district-wide financial statements.

Energy Performance Contract Debt Payable

The School District, in September 2011, entered into a \$6,010,000 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The terms of the contract provide for repayment over fifteen years, with bi-annual installments of \$241,014 through December 2027. Payments include interest at 2.84%. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the lease payment terms.

In September 2012, the School District entered into a \$5,752,450 agreement for Phase II of the energy performance enhancement. The terms of Phase II provide for repayment over 15 years, with bi-annual installments of \$231,016 through December 2027. Payments include interest at 2.09%.

The aggregate balance due at June 30, 2014 was \$10,782,978. Interest expenditures of \$278,141 were recorded in the fund financial statements in the General Fund. Interest expense of \$283,339 was recorded in the district-wide financial statements.

Installment Purchase Debt

The School District, in a prior year, entered into a lease agreement to finance the costs of certain computer equipment. The terms of this agreement provided for the repayment of a principal amount of \$358,956 in average annual installments of \$95,012 through June, 2015, including interest at 3.85%.

The School District, in a prior year entered into two lease agreements to finance the costs of additional computer equipment and telephones. The terms of the computer lease agreement provided for repayment of a principal amount of \$193,590 in annual installments of \$50,858 through

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

June, 2016, including interest at 3.41%. The terms of the telephone lease agreement provided for repayment of a principal amount of \$590,120 in an annual installment of \$63,591 in fiscal year June, 2014 and annual installments of \$126,969 through June, 2018 and an installment of \$21,162 in June 2019.

The School District, in the current year, entered into a lease agreement to finance the costs of certain computer equipment. The terms of this agreement provided for the repayment of a principal amount of \$208,217 in average annual installments of \$44,596 through June, 2018, including interest at 3.5%.

Interest expenditures/expense of \$23,765 was recorded in the fund financial statements in the General Fund and in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded, energy performance contract debt and installment purchase debt as of June 30, 2014 including interest payments of \$12,815,972 are as follows:

Year Ending June 30,	Serial Bonds		Energy Performance Contract Debt		Installment Purchase Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 2,420,000	\$ 1,500,056	\$ 682,369	\$ 261,690	\$ 291,398	\$ 26,160	\$ 3,393,767	\$ 1,787,906
2016	2,545,000	1,379,056	699,236	244,823	206,284	16,140	3,450,520	1,640,019
2017	2,645,000	1,277,256	716,529	227,530	162,139	9,427	3,523,668	1,514,213
2018	2,785,000	1,145,006	734,261	209,798	167,336	4,229	3,686,597	1,359,033
2019	2,730,000	1,033,606	752,441	191,618	21,081	80	3,503,522	1,225,304
2020-2024	13,720,000	3,280,206	4,051,456	668,839	-	-	17,771,456	3,949,045
2025-2029	9,030,000	1,143,031	3,146,686	157,521	-	-	12,176,686	1,300,552
2030-2031	1,995,000	39,900	-	-	-	-	1,995,000	39,900
	<u>\$ 37,870,000</u>	<u>\$ 10,798,117</u>	<u>\$ 10,782,978</u>	<u>\$ 1,961,819</u>	<u>\$ 848,238</u>	<u>\$ 56,036</u>	<u>\$ 49,501,216</u>	<u>\$ 12,815,972</u>

The above general obligation bonds, energy performance contract debt and installment purchase debt 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

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

Note 3 - Detailed Notes on All Funds (Continued)

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.

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>
2015	7.00 %
2016	6.00
2017	5.00
2018+	4.00

The amortization basis is the level percentage of payroll method with an open amortization approach with 25 years remaining in the amortization period. The actuarial assumptions included a 5.0% discount 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 actuarial assumed investment rate of return ("discount rate") of 5% used by the School District's actuary, Aquarius Capital, for purposes of GASB Statement No. 45 reflects the actuary's

Note 3 - Detailed Notes on All Funds (Continued)

view as to the most common discount rate used by school districts in Putnam/Northern Westchester Health Benefits Consortium. Actual results could differ from this estimate and the differences could be material.

The Unfunded Actuarial Accrued Liability ("UAAL") and the Net OPEB Obligation reflected above are very sensitive to changes in the discount rate and other estimates inherent in the calculations. Currently, the School District is not permitted to set aside assets for the purposes of paying post employment benefits. If the School District were able to set aside assets for these purposes, the current investment rates of return would likely be less than 5% based on the nature of the investments in which the School District's is permitted to invest.

Aquarius Capital provided two scenarios of the impact of reducing the discount rate from 5% to 4% to 3%. If the discount rate is reduced from 5% to 4%, the unfunded accrued liability as of July 1, 2013 would increase from \$97.3 million to \$113.5 million, or an increase of \$16.2 million, and the Net OPEB Obligation would increase by \$1.6 million as of June 30, 2014. If the discount rate is reduced from 5% to 3%, the unfunded accrued liability as of July 1, 2013 would increase from \$97.3 million to \$134.6 million, or an increase of \$37.3 million, and the Net OPEB Obligation would increase by \$3.9 million as of June 30, 2014. The following table summarizes the actuarial impact of the changes described above:

Assumed Discount Rate	UAAL (in millions)	Change From Current UAAL (in millions)	Change From Current Net OPEB Obligation (in millions)
5% (Current)	\$ 97.3	N/A	N/A
4%	113.5	\$ 16.2	\$ 1.6
3%	134.6	37.3	3.9

The number of participants as of June 30, 2014 was as follows:

Active Employees	607
Retired Employees	369
	<u>976</u>

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of July 1, 2013	\$ 97,392,041
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 97,392,041</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 59,714,432</u>
UAAL as a Percentage of Covered Payroll	<u>163.10%</u>
Annual Required Contribution	\$ 5,392,556
Interest on Net OPEB Obligation	580,593
Adjustment to Annual Required Contribution	<u>(1,204,528)</u>
Annual OPEB Cost	4,768,621
Contributions Made	<u>(4,386,074)</u>
Increase in Net OPEB Obligation	382,547
Net OPEB Obligation - Beginning of year	<u>11,611,863</u>
Net OPEB Obligation - End of year	<u>\$ 11,994,410</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 two preceding years are 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>
2014	\$ 4,768,621	91.98 %	\$ 11,994,410
2013	5,274,586	82.81	11,611,863
2012	5,364,425	69.31	10,705,305

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

Note 3 - Detailed Notes on All Funds (Continued)**G. Revenues and Expenditures****Interfund Transfers**

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

Transfers Out	Transfer In			Total
	General Fund	Special Aid Fund	Capital Projects Fund	
General Fund	\$ -	\$ 149,473	\$ 200,000	\$ 349,473
Capital Projects Fund	3,857	-	-	3,857
	<u>\$ 3,857</u>	<u>\$ 149,473</u>	<u>\$ 200,000</u>	<u>\$ 353,330</u>

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Special Aid and Capital Projects funds expenditures and to transfer available resources from the Capital Projects Fund to the General Fund.

H. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position 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 position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds.

Restricted for Tax Certiorari - the component of net position 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 position 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 position that has been established in accordance with Education Law to set aside funds for the deductible provisions of the School District's insurance policies.

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2014					2013				
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total		General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	
Nonspendable										
Inventories	\$ -	\$ -	\$ 9,237	\$ 9,237		\$ -	\$ -	\$ 10,760	\$ 10,760	
Prepaid expenditures	26,845	-	-	26,845		24,865	-	-	24,865	
Total Nonspendable	26,845	-	9,237	36,082		24,865	-	10,760	35,625	
Restricted										
Tax certiorari	4,630,905	-	-	4,630,905		4,629,914	-	-	4,629,914	
Unemployment benefits	150,629	-	-	150,629		150,597	-	-	150,597	
Property loss	59,090	-	-	59,090		59,077	-	-	59,077	
Insurance	210,305	-	-	210,305		210,260	-	-	210,260	
Liability claims	218,611	-	-	218,611		218,564	-	-	218,564	
Employee benefit accrued liability	3,222,992	-	-	3,222,992		3,357,723	-	-	3,357,723	
Repairs	137,234	-	-	137,234		137,159	-	-	137,159	
Retirement contributions	2,010,941	-	-	2,010,941		2,510,190	-	-	2,510,190	
Capital projects	-	74,691	-	74,691		-	3,033,295	-	3,033,295	
Special purposes	-	-	35,054	35,054		-	-	39,302	39,302	
Total Restricted	10,640,707	74,691	35,054	10,750,452		11,273,484	3,033,295	39,302	14,346,081	
Assigned										
Purchases on order										
General government support	867,765	-	-	867,765		763,982	-	-	763,982	
Instruction	353,698	-	-	353,698		725,571	-	-	725,571	
Transportation	44,263	-	-	44,263		-	-	-	-	
	1,265,726	-	-	1,265,726		1,489,553	-	-	1,489,553	
Subsequent year's expenditures from:										
Retirement contribution restriction	500,000	-	-	500,000		1,000,000	-	-	1,000,000	
School lunch fund	-	-	439,557	439,557		-	-	261,485	261,485	
Unassigned fund balance	1,850,000	-	-	1,850,000		1,746,143	-	-	1,746,143	
	2,350,000	-	439,557	2,789,557		2,746,143	-	261,485	3,007,628	
Total Assigned	3,615,726	-	439,557	4,055,283		4,235,696	-	261,485	4,497,181	
Unassigned	4,664,107	-	-	4,664,107		4,593,120	-	-	4,593,120	
Total Fund Balances	\$ 18,947,385	\$ 74,691	\$ 483,848	\$ 19,505,924		\$ 20,127,165	\$ 3,033,295	\$ 311,547	\$ 23,472,007	

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

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

Prepaid Expenditures have been provided to account for certain payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to Section 6r of General Municipal Law of the State of New York to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

Purchases on order are assigned and represent 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.

Subsequent year's expenditures represent that at June 30, 2014, the Board of Education has assigned the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or committed.

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.

At the end of June 30, 2014, the School District is involved in three tuition reimbursement matters in which the parents of the students have requested an impartial hearing seeking tuition reimbursement at private schools. Of these three cases, in one case the impartial hearing denied the tuition reimbursement and the parents have appealed to the State Review Officer and in another case the District prevailed at the impartial hearing office and at the State Review Officer ("SRO") levels. The parents appealed the SRO decision to the federal district court. If the parents are successful, the School District could be obligated for tuition reimbursement and the parents' attorneys. The total amount of this obligation is currently unknown. These cases are presently being defended aggressively.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

B. Contingencies

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

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

C. Risk Management

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

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

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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

D. Leases

The School District leases office facilities and equipment under noncancelable operating leases. The total cost for these leases was \$143,074 for the year ended June 30, 2014. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 102,022
2016	78,366
2017	49,007
2018	<u>42,620</u>
	<u>\$ 272,015</u>

Note 5 - Subsequent Events

The School District, on July 24, 2014, issued an \$4,500,000 note in anticipation of 2014-15 property taxes. The note matures on June 30, 2015 and bears interest at a rate of 1.25%.

Chappaqua Central School District, New York

Required Supplementary Information - 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, 2011	\$ -	\$ 94,904,664	\$ 94,904,664	- %	57,761,388	164.30 %
July 1, 2012	-	98,935,337	98,935,337	-	59,071,254	167.48
July 1, 2013	-	97,392,041	97,392,041	-	59,714,432	163.10

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Chappaqua Central School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2014	2013
ASSETS		
Cash and equivalents	\$ 26,811,941	\$ 25,839,625
Receivables		
Accounts	89	77,594
State and Federal aid	776,340	785,787
Due from other funds	1,643,671	1,488,307
	2,420,100	2,351,688
Prepaid expenditures	26,845	24,865
Total Assets	\$ 29,258,886	\$ 28,216,178
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 120,718	\$ 110,530
Accrued liabilities	1,046,153	990,402
Due to other funds	-	22,766
Due to retirement systems	8,906,260	6,721,491
Due to other governments	201,710	198,870
Unearned revenues	36,660	44,954
Total Liabilities	10,311,501	8,089,013
Fund balance		
Nonspendable	26,845	24,865
Restricted	10,640,707	11,273,484
Assigned	3,615,726	4,235,696
Unassigned	4,664,107	4,593,120
Total Fund Balance	18,947,385	20,127,165
Total Liabilities and Fund Balance	\$ 29,258,886	\$ 28,216,178

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,

	2014				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Encumbr- ances	
REVENUES					
Real property taxes	\$ 97,189,256	\$ 97,189,256	\$ 97,187,644	\$	\$ (1,612)
Other tax items	5,921,737	5,921,737	5,923,399		1,662
Non-property taxes	755,000	755,000	823,216		68,216
Charges for services	456,691	456,691	648,198		191,507
Use of money and property	285,000	285,000	273,655		(11,345)
State aid	7,000,404	7,000,404	7,783,821		783,417
Federal aid	-	-	40,039		40,039
Miscellaneous	470,000	752,930	989,935		237,005
Total Revenues	112,078,088	112,361,018	113,669,907		1,308,889
EXPENDITURES					
Current					
General support					
Board of education	57,555	53,555	47,102	635	5,818
Central administration	361,654	377,869	372,107	140	5,622
Finance	1,190,594	1,507,140	1,302,706	133,723	70,711
Staff	771,622	797,213	698,722	62,612	35,879
Central services	8,316,047	10,007,309	9,353,091	639,155	15,063
Special items	1,625,500	2,479,392	2,297,769	31,500	150,123
Total General Support	12,322,972	15,222,478	14,071,497	867,765	283,216
Instruction					
Instruction, administration and improvement	4,507,414	4,529,236	4,457,903	17,946	53,387
Teaching - Regular school	38,881,747	38,187,669	37,967,213	216,866	3,590
Programs for children with handicapping conditions	12,350,365	11,474,756	11,377,080	79,617	18,059
Teaching - Special schools	260,000	288,644	286,820	-	1,824
Instructional media	2,902,804	2,981,240	2,952,167	19,018	10,055
Pupil services	5,711,278	5,709,634	5,639,293	20,251	50,090
Total Instruction	64,613,608	63,171,179	62,680,476	353,698	137,005
Pupil transportation	6,403,831	6,295,635	6,251,372	44,263	-
Community services	18,977	19,864	19,864	-	-
Employee benefits	27,328,294	26,354,375	26,293,295	-	61,080
Debt service					
Principal	3,221,304	3,218,205	3,218,205	-	-
Interest	2,028,655	1,969,362	1,969,362	-	-
Total Expenditures	115,937,641	116,251,098	114,504,071	1,265,726	481,301
Deficiency of Revenues Over Expenditures	(3,859,553)	(3,890,080)	(834,164)	(1,265,726)	1,790,190
OTHER FINANCING SOURCES (USES)					
Transfers in	3,857	3,857	3,857	-	-
Transfers out	(380,000)	(349,473)	(349,473)	-	-
Total Other Financing Uses	(376,143)	(345,616)	(345,616)	-	-
Net Change in Fund Balance	(4,235,696)	(4,235,696)	(1,179,780)	\$ (1,265,726)	\$ 1,790,190
FUND BALANCE					
Beginning of Year	4,235,696	4,235,696	20,127,165		
End of Year	\$ -	\$ -	\$ 18,947,385		

2013				
Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
\$ 95,027,908	\$ 95,027,908	\$ 95,027,907	\$	\$ (1)
6,004,226	6,004,226	6,009,093		4,867
752,500	752,500	778,564		26,064
454,191	454,191	644,799		190,608
325,000	325,000	244,477		(80,523)
6,199,063	6,199,063	7,072,730		873,667
-	-	106,686		106,686
440,000	507,611	476,133		(31,478)
109,202,888	109,270,499	110,360,389		1,089,890
56,261	57,761	46,712	-	11,049
354,904	353,904	351,708	-	2,196
1,056,507	1,225,527	1,113,648	95,616	16,263
755,507	824,792	729,678	72,683	22,431
8,749,178	9,633,378	9,014,536	561,183	57,659
1,565,000	2,509,536	2,465,456	34,500	9,580
12,537,357	14,604,898	13,721,738	763,982	119,178
4,921,753	4,943,603	4,915,631	16,417	11,555
38,096,444	37,846,480	36,976,883	564,365	305,232
12,910,331	12,922,251	12,162,090	13,780	746,381
260,000	260,000	253,709	-	6,291
2,810,685	2,856,114	2,779,938	75,482	694
5,689,595	5,724,365	5,562,663	55,527	106,175
64,688,808	64,552,813	62,650,914	725,571	1,176,328
6,279,522	6,076,976	5,887,685	-	189,291
18,977	18,977	18,977	-	-
24,823,520	24,514,817	23,929,840	-	584,977
2,803,554	2,795,102	2,774,267	-	20,835
2,296,574	2,031,454	2,009,220	-	22,234
113,448,312	114,595,037	110,992,641	1,489,553	2,112,843
(4,245,424)	(5,324,538)	(632,252)	(1,489,553)	3,202,733
-	-	-	-	-
(260,000)	(311,390)	(311,390)	-	-
(260,000)	(311,390)	(311,390)	-	-
(4,505,424)	(5,635,928)	(943,642)	\$ (1,489,553)	\$ 3,202,733
4,505,424	5,635,928	21,070,807		
\$ -	\$ -	\$ 20,127,165		

Chappaqua Central School District, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 97,189,256	\$ 97,189,256	\$ 97,187,644	\$ (1,612)
OTHER TAX ITEMS	5,921,737	5,921,737	5,923,399	1,662
School tax relief reimbursement				
NON-PROPERTY TAXES	755,000	755,000	823,216	68,216
Non-property tax distribution from County				
CHARGES FOR SERVICES	260,000	260,000	319,595	59,595
Continuing education tuition	-	-	159,621	159,621
Cultural arts	196,691	196,691	168,982	(27,709)
Other student fees and charges				
USE OF MONEY AND PROPERTY	456,691	456,691	648,198	191,507
Earnings on investments	150,000	150,000	118,699	(31,301)
Rental of real property	135,000	135,000	153,978	18,978
Commissions	-	-	978	978
	285,000	285,000	273,655	(11,345)

STATE AID				
Basic formula	5,564,749	5,564,749	5,539,292	(25,457)
BOCES	580,000	580,000	898,158	318,158
Textbooks	180,800	180,800	175,755	(5,045)
Lottery	258,500	258,500	364,254	105,754
Computer software aid	66,000	66,000	67,610	1,610
Library aid	25,800	25,800	24,943	(857)
Tuition aided handicapped	-	-	265,400	265,400
Homeless aid	324,555	324,555	448,409	123,854
	<u>7,000,404</u>	<u>7,000,404</u>	<u>7,783,821</u>	<u>783,417</u>
FEDERAL AID				
Medical assistance	-	-	40,039	40,039
MISCELLANEOUS				
Refund of prior year's expenditures	220,000	220,000	459,213	239,213
Refund of BOCES aided services	-	-	41,053	41,053
Gifts and donations	-	282,930	282,930	-
Other	250,000	250,000	206,739	(43,261)
	<u>470,000</u>	<u>752,930</u>	<u>989,935</u>	<u>237,005</u>
TOTAL REVENUES	112,078,088	112,361,018	113,669,907	1,308,889
OTHER FINANCING SOURCES				
Transfers in				
Capital Projects Fund	<u>3,857</u>	<u>3,857</u>	<u>3,857</u>	<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ <u>112,081,945</u>	\$ <u>112,364,875</u>	\$ <u>113,673,764</u>	\$ <u>1,308,889</u>

Chappaqua Central School District, New York

General Fund

**Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 17,000	\$ 12,000	\$ 7,390	\$ 635	\$ 3,975
District clerk	29,778	29,778	28,756	-	1,022
District meeting	10,777	11,777	10,956	-	821
Total Board of Education	57,555	53,555	47,102	635	5,818
CENTRAL ADMINISTRATION					
Chief school administrator	361,654	377,869	372,107	140	5,622
FINANCE					
Business administration	1,068,318	1,384,864	1,206,130	122,962	55,772
Accounting and auditing	122,276	122,276	96,576	10,761	14,939
Total Finance	1,190,594	1,507,140	1,302,706	133,723	70,711
STAFF					
Legal	341,201	341,201	266,003	54,472	20,726
Personnel	369,783	391,288	379,845	8,140	3,303
Public information and services	60,638	64,724	52,874	-	11,850
Total Staff	771,622	797,213	698,722	62,612	35,879

CENTRAL SERVICES				
Operation of plant	5,829,046	6,893,532	6,726,615	166,917
Maintenance of plant	2,487,001	3,113,777	2,626,476	472,238
				<u>15,063</u>
Total Central Services	8,316,047	10,007,309	9,353,091	639,155
				<u>15,063</u>
SPECIAL ITEMS				
Unallocated insurance	400,000	400,000	390,169	-
Judgments and claims	204,500	503,380	471,209	31,500
School association dues	25,000	20,000	19,929	-
Assessments on school property	68,000	68,000	62,589	-
Refunds of real property taxes	100,000	221,118	86,979	-
Administrative charge - BOCES	828,000	1,266,894	1,266,894	-
				<u>150,123</u>
Total Special Items	1,625,500	2,479,392	2,297,769	31,500
				<u>283,216</u>
Total General Support	12,322,972	15,222,478	14,071,497	867,765
INSTRUCTION				
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT				
Curriculum development and supervision	866,627	916,386	908,426	7,610
Supervision - Regular school	3,622,787	3,595,800	3,532,954	9,809
Research, planning and evaluation	18,000	17,050	16,523	527
				<u>350</u>
				<u>53,037</u>
				<u>-</u>
Total Instruction, Administration and Improvement	4,507,414	4,529,236	4,457,903	17,946
				<u>53,387</u>
TEACHING - REGULAR SCHOOL	38,881,747	38,187,669	37,967,213	216,866
				<u>3,590</u>
PROGRAMS FOR CHILDREN WITH HANDICAPPING CONDITIONS				
Programs for students with disabilities	12,350,365	11,474,756	11,377,080	79,617
				<u>18,059</u>
TEACHING - SPECIAL SCHOOLS	260,000	288,644	286,820	-
				<u>1,824</u>

(Continued)

Chappaqua Central School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
INSTRUCTION (Continued)					
INSTRUCTIONAL MEDIA					
School library and audiovisual	\$ 1,293,010	\$ 1,291,563	\$ 1,280,249	\$ 2,752	\$ 8,562
Computer assisted instruction	1,609,794	1,689,677	1,671,918	16,266	1,493
Total Instructional Media	2,902,804	2,981,240	2,952,167	19,018	10,055
PUPIL SERVICES					
Attendance - Regular school	42,274	42,274	42,258	-	16
Guidance - Regular school	2,241,842	2,256,731	2,254,195	1,461	1,075
Health services - Regular school	730,815	718,846	704,291	248	14,307
Psychological services - Regular school	1,140,592	1,142,021	1,142,021	-	-
Co-curricular activities - Regular school	387,449	373,348	359,187	-	14,161
Interscholastic athletics - Regular school	1,168,306	1,176,414	1,137,341	18,542	20,531
Total Pupil Services	5,711,278	5,709,634	5,639,293	20,251	50,090
Total Instruction	64,613,608	63,171,179	62,680,476	353,698	137,005
PUPIL TRANSPORTATION					
Contract and public carrier transportation	6,403,831	6,295,635	6,251,372	44,263	-
COMMUNITY SERVICES					
Census	18,977	19,864	19,864	-	-

EMPLOYEE BENEFITS				
State retirement	1,913,300	1,824,733	1,756,725	-
Teachers' retirement	8,100,000	8,125,659	8,096,237	-
Social security	4,201,600	4,117,692	4,113,303	-
Hospital and medical insurance	11,564,860	10,909,625	10,909,400	-
Dental and vision insurance	109,500	90,616	90,614	-
Workers' compensation benefits	314,300	340,288	326,025	-
Unemployment benefits	261,184	57,958	57,046	-
Disability insurance	20,000	20,000	17,493	-
Life insurance	20,000	20,324	18,240	-
Total Employee Benefits	27,328,294	26,354,375	26,293,295	61,080
DEBT SERVICE				
Principal				
Serial bonds	2,335,000	2,335,000	2,335,000	-
Energy performance contract debt	665,918	665,918	665,918	-
Installment purchase debt	220,386	217,287	217,287	-
Interest	3,221,304	3,218,205	3,218,205	-
Serial bonds	1,625,514	1,593,456	1,593,456	-
Energy performance contract	278,141	278,141	278,141	-
Installment purchase debt	-	23,765	23,765	-
Tax anticipation note	125,000	74,000	74,000	-
	2,028,655	1,969,362	1,969,362	-
TOTAL EXPENDITURES	115,937,641	116,251,098	114,504,071	481,301
OTHER FINANCING USES				
Transfers out				
Special Aid Fund	180,000	149,473	149,473	-
Capital Projects Fund	200,000	200,000	200,000	-
TOTAL OTHER FINANCING USES	380,000	349,473	349,473	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 116,317,641	\$ 116,600,571	\$ 114,853,544	\$ 481,301

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Chappaqua Central School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	2014	2013
ASSETS		
Cash and equivalents	\$ 137,769	\$ 210
State and Federal aid receivable	<u>1,505,902</u>	<u>1,511,604</u>
Total Assets	<u>\$ 1,643,671</u>	<u>\$ 1,511,814</u>
LIABILITIES		
Accrued liabilities	\$ -	\$ 23,465
Due to other funds	1,643,671	1,488,307
Unearned revenues	<u>-</u>	<u>42</u>
Total Liabilities	<u>\$ 1,643,671</u>	<u>\$ 1,511,814</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,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 567,366	\$ 597,893	\$ 597,893	\$ -
Federal aid	883,780	883,211	818,360	(64,851)
Total Revenues	1,451,146	1,481,104	1,416,253	(64,851)
EXPENDITURES				
Current				
Instruction	1,631,146	1,630,577	1,565,726	64,851
Deficiency of Revenues Over Expenditures	(180,000)	(149,473)	(149,473)	-
OTHER FINANCING SOURCES				
Transfers in	180,000	149,473	149,473	-
Net Change in Fund Balance	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 640,000	\$ 588,610	\$ 588,610	\$ -
922,340	922,340	874,552	(47,788)
1,562,340	1,510,950	1,463,162	(47,788)
1,722,340	1,722,340	1,674,552	47,788
(160,000)	(211,390)	(211,390)	-
160,000	211,390	211,390	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Chappaqua Central School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 25,001	\$ 3,857
Restricted cash	<u>49,690</u>	<u>3,029,438</u>
Total Assets	<u>\$ 74,691</u>	<u>\$ 3,033,295</u>
FUND BALANCE		
Restricted	<u>\$ 74,691</u>	<u>\$ 3,033,295</u>

Chappaqua Central School District, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years Ended June 30,

	<u>2014</u>	<u>2013</u>
REVENUES		
Miscellaneous	\$ 25,000	\$ 129,228
EXPENDITURES		
Capital outlay	<u>3,387,964</u>	<u>6,603,679</u>
Deficiency of Revenues Over Expenditures	<u>(3,362,964)</u>	<u>(6,474,451)</u>
OTHER FINANCING SOURCES (USES)		
Energy performance contract debt issued	-	5,752,450
Installment purchase debt issued	208,217	783,710
Transfers in	200,000	100,000
Transfers out	<u>(3,857)</u>	<u>-</u>
Total Other Financing Sources	<u>404,360</u>	<u>6,636,160</u>
Net Change in Fund Balance	(2,958,604)	161,709
FUND BALANCE		
Beginning of Year	<u>3,033,295</u>	<u>2,871,586</u>
End of Year	<u>\$ 74,691</u>	<u>\$ 3,033,295</u>

Chappaqua Central School District, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through June 30, 2014

PROJECT	Authorization	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
Westorcharde Elementary School Buildings	\$ 100,000	\$ 96,143	\$ 3,857	\$ 100,000	\$ -
Energy Performance Contract - Phase I	6,278,404	6,270,514	7,890	6,278,404	-
Energy Performance Contract - Phase II	5,752,450	2,730,903	2,971,857	5,702,760	49,690
Horace Greely High School Turf and Roof	332,818	307,817	-	307,817	25,001
Installment Purchase Debt - Computers	208,217	-	208,217	208,217	-
Westorcharde Roof and Grafflin Roof	200,000	-	200,000	200,000	-
Totals	<u>\$ 12,871,889</u>	<u>\$ 9,405,377</u>	<u>\$ 3,391,821</u>	<u>\$ 12,797,198</u>	<u>\$ 74,691</u>

Methods of Financing				Fund Balance at June 30, 2014
Proceeds of Obligations	Transfers	Miscellaneous	Totals	
\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -
6,278,404	-	-	6,278,404	-
5,752,450	-	-	5,752,450	49,690
-	100,000	232,818	332,818	25,001
208,217	-	-	208,217	-
-	200,000	-	200,000	-
<u>\$ 12,239,071</u>	<u>\$ 400,000</u>	<u>\$ 232,818</u>	<u>\$ 12,871,889</u>	<u>\$ 74,691</u>

Chappaqua Central School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014
(With Comparative Totals for 2013)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds	
			2014	2013
ASSETS				
Cash and equivalents	\$ 497,255	\$ 35,054	\$ 532,309	\$ 335,029
Receivables				
Accounts	17,697	-	17,697	8,340
State and Federal aid	9,626	-	9,626	9,579
Due from other funds	-	-	-	22,766
	27,323	-	27,323	40,685
Inventories	9,237	-	9,237	10,760
Total Assets	<u>\$ 533,815</u>	<u>\$ 35,054</u>	<u>\$ 568,869</u>	<u>\$ 386,474</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Unearned revenues	\$ 85,021	\$ -	\$ 85,021	\$ 74,927
Fund balances				
Nonspendable	9,237	-	9,237	10,760
Restricted	-	35,054	35,054	39,302
Assigned	439,557	-	439,557	261,485
Total Fund Balances	448,794	35,054	483,848	311,547
Total Liabilities and Fund Balances	<u>\$ 533,815</u>	<u>\$ 35,054</u>	<u>\$ 568,869</u>	<u>\$ 386,474</u>

Chappaqua Central School District, New YorkCombining Statement of Revenues, Expenditures and Changes
in Fund Balances

Non-Major Governmental Funds

Year Ended June 30, 2014

(With Comparative Totals for 2013)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds	
			2014	2013
REVENUES				
Use of money and property	\$ 483	\$ 7	\$ 490	\$ 382
State aid	11,951	-	11,951	12,111
Federal aid	129,383	-	129,383	132,806
Food sales	1,868,854	-	1,868,854	1,790,311
Miscellaneous	89,243	-	89,243	50,871
Total Revenues	2,099,914	7	2,099,921	1,986,481
EXPENDITURES				
Current				
Cost of food sales	1,923,365	-	1,923,365	1,982,920
Other	-	4,255	4,255	2,399
Total Expenditures	1,923,365	4,255	1,927,620	1,985,319
Excess (Deficiency) of Revenues Over Expenditures	176,549	(4,248)	172,301	1,162
FUND BALANCES				
Beginning of Year	272,245	39,302	311,547	310,385
End of Year	\$ 448,794	\$ 35,054	\$ 483,848	\$ 311,547

Chappaqua Central School District, New YorkSchool Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	<u>\$ 497,255</u>	<u>\$ 295,727</u>
Receivables		
Accounts	17,697	8,340
State and Federal aid	9,626	9,579
Due from other funds	<u>-</u>	<u>22,766</u>
	<u>27,323</u>	<u>40,685</u>
Inventories	<u>9,237</u>	<u>10,760</u>
Total Assets	<u><u>\$ 533,815</u></u>	<u><u>\$ 347,172</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Unearned revenues	<u>\$ 85,021</u>	<u>\$ 74,927</u>
Fund balance		
Nonspendable	9,237	10,760
Assigned	<u>439,557</u>	<u>261,485</u>
Total Fund Balance	<u>448,794</u>	<u>272,245</u>
Total Liabilities and Fund Balance	<u><u>\$ 533,815</u></u>	<u><u>\$ 347,172</u></u>

Chappaqua Central School District, New York

School Lunch Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	2014	2013
REVENUES		
Use of money and property	\$ 483	\$ 373
State aid	11,951	12,111
Federal aid	129,383	132,806
Food sales	1,868,854	1,790,311
Miscellaneous	89,243	50,871
Total Revenues	2,099,914	1,986,472
EXPENDITURES		
Current		
Cost of food sales	1,923,365	1,982,920
Excess of Revenues Over Expenditures	176,549	3,552
FUND BALANCE		
Beginning of Year	272,245	268,693
End of Year	\$ 448,794	\$ 272,245

Chappaqua Central School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	<u>\$ 35,054</u>	<u>\$ 39,302</u>
 FUND BALANCE		
Restricted	<u>\$ 35,054</u>	<u>\$ 39,302</u>

Chappaqua Central School District, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2014</u>	<u>2013</u>
REVENUES		
Use of money and property	\$ 7	\$ 9
EXPENDITURES		
Current		
Other	<u>4,255</u>	<u>2,399</u>
Deficiency of Revenues Over Expenditures	(4,248)	(2,390)
FUND BALANCE		
Beginning of Year	<u>39,302</u>	<u>41,692</u>
End of Year	<u>\$ 35,054</u>	<u>\$ 39,302</u>

Chappaqua Central School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget Year Ended June 30, 2014

Adopted Budget		\$ 114,828,088
Additions		
Encumbrances		<u>1,489,553</u>
Original Budget		116,317,641
Budget Amendments		<u>282,930</u>
Final Budget		<u><u>\$ 116,600,571</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation Year Ended June 30, 2014

2014-15 Expenditure Budget		<u>\$ 116,856,988</u>
----------------------------	--	-----------------------

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

Unrestricted fund balance		
Assigned fund balance	\$ 3,615,726	
Unassigned fund balance	<u>4,664,107</u>	
Total Unrestricted Fund Balance		<u>8,279,833</u>

Less

Appropriated for subsequent year's budget	2,350,000	
Encumbrances	<u>1,265,726</u>	

Total Adjustments	<u>3,615,726</u>	
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General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law

\$ 4,664,107

Actual Percentage	<u><u>3.99%</u></u>
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Chappaqua Central School District, New YorkSchedule of Net Investment In Capital Assets
Year Ended June 30, 2014

Capital Assets, net		\$ 113,236,346
Less		
Bonds Payable	(37,870,000)	
Energy Performance Contract Debt Payable	(10,782,978)	
Installment Purchase Debt Payable	(848,238)	
Unamortized Portion of Premium	<u>(2,792,912)</u>	(52,294,128)
Plus		
Unexpended Debt	49,690	
Unamortized Portion of Loss on Refunding	<u>1,817,149</u>	<u>1,866,839</u>
Net Investment in Capital Assets		<u>\$ 62,809,057</u>

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**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**

Independent Auditors' Report

**The Board of Education of the
Chappaqua Central School District, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Chappaqua Central School District, New York ("School District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated August 12, 2014.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the School District in a separate letter.

Purpose of this Report

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

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

August 12, 2014

**Report on Compliance For Each Major Federal Program and
Report on Internal Control Over Compliance**

Independent Auditors' Report

**The Board of Education of the
Chappaqua Central School District, New York**

Report on Compliance for Each Major Federal Program

We have audited the Chappaqua Central School District, New York's ("School District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2014. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about School District'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

O'CONNOR DAVIES, LLP

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Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District'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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

August 12, 2014

Chappaqua Central School District, New YorkSchedule of Expenditures of Federal Awards
Year Ended June 30, 2014

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Agriculture</u>		
Indirect Programs - Passed through New York State Department of Education		
<i>Child Nutrition Cluster</i>		
National School Lunch Program (NSLP) - Commodities	10.555	\$ 45,168
National School Lunch Program (NSLP) - Cash	10.555	84,215
Total U.S. Department of Agriculture		129,383
<u>U.S. Department of Education</u>		
Indirect Programs - Passed through New York State Department of Education		
<i>Special Education Cluster (IDEA)</i>		
Special Education - Grants to States (IDEA, Part B)	84.027A	665,251
Special Education - Preschool Grants (IDEA Preschool)	84.173A	19,148
		684,399
Improving Teacher Quality State Grants	84.367A	98,411
Title I Grants to Local Educational Agencies	84.010A	35,550
Total U.S. Department of Education		818,360
Total		\$ 947,743

(1) Catalog of Federal Domestic Assistance number.

The accompanying notes are an integral part of this schedule.

Chappaqua Central School District, New York

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Chappaqua Central School District, New York ("School District") under programs of the federal government for the year ended June 30, 2014. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, which establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments.

Chappaqua Central School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
____ Yes X None reported

Noncompliance material to financial statements noted?

____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
____ Yes X None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

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

____ Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027
84.173

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

Dollar threshold used to distinguish between Type A and Type B programs:
Auditee qualified as low-risk auditee?

\$300,000
 X Yes ____ No

Chappaqua Central School District, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended June 30, 2014

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, 2014

None

