

Chappaqua Central School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2022

Chappaqua Central School District, New York

Table of Contents

| | <u>Page No.</u> |
|---|-----------------|
| Independent Auditors' Report | 1 |
| Management's Discussion and Analysis | 4 |
| Basic Financial Statements | |
| District-Wide Financial Statements | |
| Statement of Net Position | 14 |
| Statement of Activities | 15 |
| Fund Financial Statements | |
| Balance Sheet - Governmental Funds | 16 |
| Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position | 18 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 19 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 21 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund | 22 |
| Fiduciary Fund | |
| Statement of Changes in Fiduciary Net Position | 23 |
| Notes to Financial Statements | 24 |
| Required Supplementary Information | |
| Other Postemployment Benefits | |
| Schedule of Changes in the School District's Total OPEB Liability and Related Ratios | 53 |
| New York State Teachers' Retirement System | |
| Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) | 54 |
| Schedule of Contributions | 54 |
| New York State and Local Employees' Retirement System | |
| Schedule of the School District's Proportionate Share of the Net Pension Liability | 55 |
| Schedule of Contributions | 55 |
| Combining and Individual Fund Financial Statements and Schedules | |
| Major Governmental Funds | |
| General Fund | |
| Comparative Balance Sheet | 56 |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 57 |
| Schedule of Revenues Compared to Budget | 59 |
| Schedule of Expenditures and Other Financing Uses Compared to Budget | 61 |
| Special Aid Fund | |
| Comparative Balance Sheet | 65 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 66 |
| Capital Projects Fund | |
| Comparative Balance Sheet | 67 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 68 |
| Project-Length Schedule | 69 |

Chappaqua Central School District, New York

Table of Contents (Concluded)

| | <u>Page No.</u> |
|---|-----------------|
| Non-Major Governmental Funds | |
| Combining Balance Sheet | 71 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 72 |
| School Lunch Fund | |
| Comparative Balance Sheet | 73 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 74 |
| Special Purpose Fund | |
| Comparative Balance Sheet | 75 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 76 |
| Supplementary Information | |
| Analysis of Change from Adopted Budget to Final Budget | 77 |
| Section 1318 of Real Property Tax Law Limit Calculation | 77 |
| Schedule of Net Investment in Capital Assets | 78 |
| Federal Programs | |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 79 |
| Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance | 81 |
| Schedule of Expenditures of Federal Awards | 84 |
| Notes to Schedule of Expenditures of Federal Awards | 85 |
| Schedule of Findings and Questioned Costs | 86 |
| Summary Schedule of Prior Audit Findings | 88 |

Independent Auditors' Report

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

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Chappaqua Central School District, New York ("School District") as of and for the year ended June 30, 2022, 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.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Our audit for the year ended June 30, 2022 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 the schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2022 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 combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

We also previously audited, 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, the basic financial statements of the School District as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated September 24, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022 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 solely 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 effectiveness of the School District's 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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 30, 2022

Chappaqua Central School District, New York

Management's Discussion and Analysis ("MD&A") June 30, 2022

Introduction

This discussion and analysis of the Chappaqua Central School District's ("District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole. It should be read in conjunction with the financial statements which immediately follow this section.

Financial Highlights

Key financial highlights for fiscal year 2021-22 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 \$4,071,170. The unassigned fund balance of the General Fund is 3.04% of the 2022-23 budget which is under the 4% statutory limit. This amount is available for spending at the discretion of the District.
- The District's overall fund balance decreased from \$24,623,946 to \$18,497,732, a decrease of \$6,126,214. There remains \$1,595,767 in the restricted reserve for capital projects at the end of June 30, 2022.
- The District's General Fund balance decreased by \$3,330,893 from \$19,727,663 to \$16,396,770. The unassigned fund balance accounts for \$905,138 of the decrease.
- On the district-wide financial statements, the liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources of the District (net position) at the close of the fiscal year by \$96,910,339. The negative net position is due to the GASB Statement No. 75 required reporting of the Other Postemployment Benefits ("OPEB") liability. The financial condition of the district is similar to prior years. This liability is for reporting and disclosure purposes only and school districts are prohibited from funding this liability.

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 District's finances, in a manner similar to a private-sector business.

- The statement of net position presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows 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 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 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 major funds of the District's General, Special Aid and Capital Projects 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 within the basic financial statements to demonstrate compliance with the respective budget.

- Fiduciary Funds are used to account for assets held by the District in an agency capacity: assets held by the District on behalf of others. The District maintains a Custodial Fund to record the pass through of taxes to the Chappaqua Public Library. This fund was created in 2020-21 as a result of GASB Statement No.84. Fiduciary funds are not reflected in the District-wide financial statements because the resources of these funds are not available to support the 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 other post employment benefit obligations in accordance with Government Accounting Standards Board ("GASB") Statements No. 75 for the fiscal year July 1, 2021 to June 30, 2022 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 3D - Long-Term Liabilities – Other Post Employment Benefit Liability).

For the full GASB Statement No. 75 report, please visit the District website at:

[https://www.chappaquaschools.org/uploaded/CCSD/Departments/Business Office/Financial Legal/GASB75_Year_Ending_6-30-2022.pdf](https://www.chappaquaschools.org/uploaded/CCSD/Departments/Business%20Office/Financial%20Legal/GASB75_Year_Ending_6-30-2022.pdf)

District-Wide Financial Analysis

Net position may serve over time as a useful indicator of the District's financial position. For illustrative purposes, the District's actuary consultant prepared a detailed report regarding this matter illustrated the comparison and cited the primary drivers of the liability increase from year to year.

Net Position

| | June 30, | |
|---------------------------------------|-----------------|-----------------|
| | 2022 | 2021 |
| ASSETS | | |
| Current Assets | \$ 32,572,429 | \$ 36,088,739 |
| Net Pension Assets | 56,986,496 | - |
| Capital Assets, net | 145,649,321 | 144,939,785 |
| Total Assets | 235,208,246 | 181,028,524 |
| DEFERRED OUTFLOWS OF RESOURCES | 69,637,477 | 75,444,185 |
| LIABILITIES | | |
| Current Liabilities | 14,404,515 | 11,861,692 |
| Long-term Liabilities | 301,122,429 | 325,209,737 |
| Total Liabilities | 315,526,944 | 337,071,429 |
| DEFERRED INFLOWS OF RESOURCES | 86,229,118 | 12,233,293 |
| NET POSITION | | |
| Net Investment in Capital Assets | 86,570,236 | 80,634,308 |
| Restricted | | |
| Capital Projects | 746,547 | 1,396,981 |
| Future Capital Projects | 923,019 | 920,717 |
| Tax Certiorari | 2,113,510 | 2,723,405 |
| Tax Reduction | 4,717 | 4,705 |
| Property Loss | 59,542 | 59,394 |
| Insurance | 212,176 | 211,647 |
| Liability Claims | 220,555 | 220,005 |
| Repairs | 139,050 | 138,703 |
| Retirement Contributions | 1,474,845 | 1,471,167 |
| Debt Service | 896,816 | 893,033 |
| Special Purpose | 194,675 | 151,147 |
| Unrestricted | (190,466,027) | (181,657,225) |
| Total Net Position | \$ (96,910,339) | \$ (92,832,013) |

By far, the largest component of the District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the 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 2021-22 school year, the District budgeted \$4,670,000 in its General Fund to pay off the scheduled capital debt principal and \$1,812,669 to pay for interest payments.

The District's Capital Assets increased from \$144,939,785 to \$145,649,321 due to the completion of the District's 2016 Capital Bond Projects, net of accumulated depreciation on remaining assets.

The Long-term Liabilities decreased from \$325,209,737 to \$301,122,429, a decrease of \$24,087,308. Primarily due to changes in assumptions and other inputs used for calculation of the OPEB Liability which decreased by \$9,120,503, a decrease of the Pension Liability of \$8,606,922, and Debt and EPC Lease payments of \$5,691,992. The discount rate for OPEB Liability calculations, which is based on an average of three 20 year bond indices, was increased from 2.1% to 3.77%.

Those assets subject to external restrictions constitute \$6,985,452 of net position, which includes Restriction for Future Capital Projects of \$923,019, Retirement Contributions of \$1,474,845, and Tax Certiorari of \$2,113,510.

Changes in Net Position

| | June 30, | |
|---|-----------------|-----------------|
| | 2022 | 2021 |
| REVENUES | | |
| Program Revenues | | |
| Charges for Services | \$ 1,176,377 | \$ 486,193 |
| Operating Grants and Contributions | 4,750,668 | 5,115,209 |
| Capital Grants and Contributions | 5,771 | 1,812 |
| Total Program Revenues | 5,932,816 | 5,603,214 |
| General Revenues | | |
| Real Property Taxes | 111,320,732 | 108,775,590 |
| Other Tax Items (STAR) | 2,613,344 | 2,887,640 |
| Non-Property Taxes | 1,568,558 | 1,382,320 |
| Unrestricted Use of Money and Property | 27,985 | 63,033 |
| Unrestricted State Aid | 8,619,563 | 7,976,584 |
| Miscellaneous | 688,629 | 1,274,641 |
| Total General Revenues | 124,838,811 | 122,359,808 |
| Total Revenues | 130,771,627 | 127,963,022 |
| EXPENSES | | |
| General Support | 18,701,123 | 18,078,270 |
| Instruction | 106,113,014 | 115,487,999 |
| Pupil Transportation | 6,534,641 | 6,638,011 |
| Community Services | 23,213 | 23,202 |
| Cost of Food Sales | 1,852,611 | 638,880 |
| Other | 24,239 | 95,605 |
| Interest | 1,601,112 | 1,810,265 |
| Total Expenses | 134,849,953 | 142,772,232 |
| Change in Net Position | (4,078,326) | (14,809,210) |
| Net Position - Beginning | (92,832,013) | (78,126,972) |
| Cumulative change in accounting principle | - | 104,169 |
| Net Position - Beginning, as restated | (92,832,013) | (78,022,803) |
| Ending | \$ (96,910,339) | \$ (92,832,013) |

The District's net position decreased by \$4,078,326, from a negative \$92,832,013 to a negative \$96,910,339. The District maintains a 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 (87.12%, a slight decrease from prior year's 87.27%).

The major changes from 2020-21 to 2021-2022 are as follows:

Revenues:

The District's total program revenues saw an increase of \$329,602, general revenues increased by \$2,479,003, and the total revenues increased by \$2,808,605. The primary elements of these changes were:

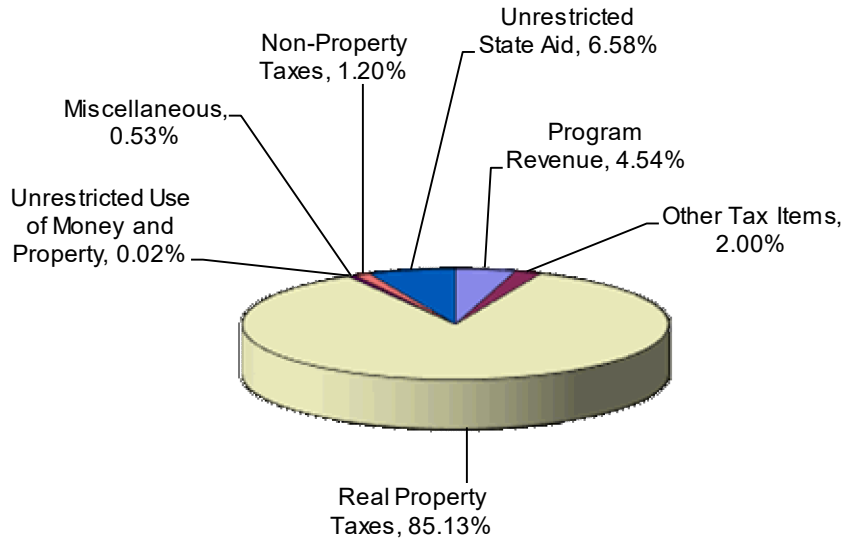
- For the Program Revenues category, Charges for services increased by \$690,184, while Operating Grants and Contributions decreased by \$364,541.
- Real Property Taxes (excluding STAR) increased by \$2,545,142.
- Other Tax Items (STAR) saw a decrease of \$274,296. All new buyers who qualify for the STAR program are no longer able to have STAR deducted from their taxes but rather must file with the State for rebates. Also, those taxpayers whose taxable income is over \$250,000 but less than \$500,000 must also file for rebates.
- Unrestricted State Aid increased by \$642,979.

Expenses:

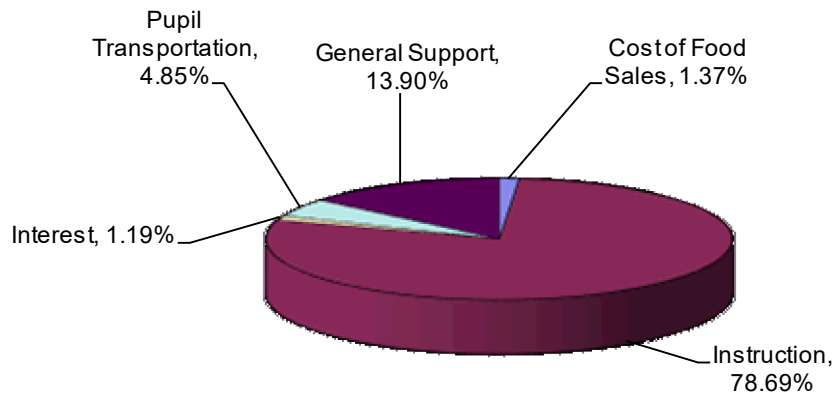
The District's expenses decreased by \$7,922,279. The highlights were:

- General Support saw an increase of \$622,853. This increase was driven by one-time tax certiorari refund payments.
- Instruction decreased by \$9,374,985 which was primarily due to the allocation of the OPEB and Pension Liability adjustments.
- Pupil Transportation Costs decreased by \$103,370 due to the elimination of mid-day runs. These runs were used in the 2020-2021 school year to accommodate social distancing due to COVID-19.
- Cost of Food Sales saw an increase of \$1,213,731 as free meals were provided to all students district-wide.
- Other expenditure items remain relatively stable.

Revenues for Fiscal Year 2021-22 Governmental Activities



Expenses for Fiscal Year 2021-22 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 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 \$18,497,732, a decrease of \$6,126,214 from prior year's \$24,623,946. These two numbers are not comparable and therefore a fair comparison cannot be made.

The District's fund balance for the General Fund decreased by \$3,330,893, from \$19,727,663 in 2020-21 to \$16,396,770 for the current fiscal year. This decrease was driven primarily by a reduction in Reserve for Encumbrances of \$1,262,226, one-time Tax Certiorari payments of \$615,165, a reduction of Prepaid Expenses of \$265,074 and appropriation from the Employee Benefits Accrued Liability Reserve in the amount of \$257,044. The Assigned Fund Balance for the subsequent year of \$3,500,000 came from the Unassigned Fund Balance.

For fiscal year 2021-2022, the General Fund final revenue budget exceeded actual revenues by \$161,538. The largest variance was a negative variance of \$288,194 in the Use of Money & Property category.

General Fund expenditures and other financing uses for 2021-22 were \$3,122,028 less than the final budget, after the deduction of \$896,787 for encumbrances. Positive variances (spent less than budgeted amount) were shown in the following areas: Instruction \$1,677,331, Operations & Maintenance \$355,767, Pupil Transportation \$355,340, and Employee Benefits \$424,703.

General Fund Budgetary Highlights

The original expenditure budget and the final amended budget showed an increase of \$1,524,282. The modifications were driven by additional appropriations for emergency facility repairs of \$395,374, and \$250,000 for the purchase of additional desks needed for COVID-19 social distancing for students returning to school full time, in-person. The District also used reserves for compensated absences, and tax certiorari, of \$257,044 and \$609,895 respectively.

Fund Balance Analysis

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

| <u>Fund Balance</u> | <u>June 30, 2022</u> |
|---------------------|---------------------------------|
| Non-spendable | \$ - |
| Restricted | 7,928,813 |
| Assigned | 4,396,787 |
| Unassigned | <u>4,071,170</u> |
| Total | <u><u>\$ 16,396,770</u></u> |

By far the largest category of fund balance is in "Restricted" and these funds, \$7,928,813 in total, were established and set aside for very specific purposes. The "Assigned" fund balance consists of two parts: \$896,787 (vs. last year's \$2,159,013) is for encumbrances (purchases on order) - commitments made by the District for goods or services, and \$3,500,000 is assigned for subsequent year's expenditures. The remainder of \$4,071,170 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 3G - Fund Balances.

Capital Assets

At the end of June 30, 2022, the District had \$145,649,321 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, | |
|--|-----------------------|-----------------------|
| | 2022 | 2021 |
| Land | \$ 2,177,700 | \$ 2,177,700 |
| Construction in Progress | 36,112,862 | 32,401,843 |
| Buildings and Improvements | 102,802,993 | 106,085,034 |
| Machinery and Equipment | 4,555,766 | 4,275,208 |
| Total Capital Assets, Net of Accumulated Depreciation | <u>\$ 145,649,321</u> | <u>\$ 144,939,785</u> |

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

Long-Term Liabilities

As of June 30, 2022, the District had \$52,989,124 in general obligation debt and other long-term liabilities outstanding, as follows:

| | June 30, | |
|---|-----------------------|-----------------------|
| | 2022 | 2021 |
| General Obligations Bonds Payable Plus Unamortized Premium | \$ 52,989,124 | \$ 58,131,247 |
| Other Non-Current Liabilities - Net Pension Liability | - | 8,606,922 |
| Energy Performance Contract Debt | 7,189,084 | 8,211,076 |
| Compensated Absences | 3,834,184 | 4,029,952 |
| Other Post Employment Benefit Obligations | 237,110,037 | 246,230,540 |
| Total | <u>\$ 301,122,429</u> | <u>\$ 325,209,737</u> |

Long-term liabilities are made up of five figures: general obligation bonds payable, energy performance contract debt, compensated absences, net pension liability and other post employment benefit liability. Bonds payable plus unamortized interest on bonds saw a decrease of \$5,142,123. Additionally, the Net Pension Liability has become a Net Pension Asset resulting in a decrease of \$8,606,922.

Other post employment benefit obligations saw a decrease in the amount of \$9,120,503 (the implementation of GASB Statement No. 75 happened during the 2017-18 fiscal year). This decrease was mainly due to realigning the discount rate from 2.1% to 3.77% which is consistent with discount rates in the market today and with the prescribed discount rate under GASB Statement No.75.

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

Summary

The Chappaqua Central School District is financially solid. Overall, the financial position of the District for year ended June 30, 2022 is fairly similar to the prior fiscal year and remains strong.

Requests for Information

This financial report is designed to provide a comprehensive 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: Andrew B. Lennon
Assistant Superintendent for Business
PO Box 21
Chappaqua, New York 10514
Tel: (914)238-7200 X 1006
E-mail: anlennon@chappaquaschools.org

Chappaqua Central School District, New York

Statement of Net Position

June 30, 2022

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Cash and equivalents | \$ 29,661,535 |
| Investments | 501,768 |
| Receivables | |
| Accounts | 299,278 |
| State and Federal aid | 2,105,713 |
| Inventories | 4,135 |
| Net Pension Asset - ERS | 2,217,650 |
| Net Pension Asset - TRS | 54,768,846 |
| Capital assets | |
| Not being depreciated | 38,290,562 |
| Being depreciated, net | 107,358,759 |
| Total Assets | 235,208,246 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred charge on refunding bonds | 1,099,123 |
| Pension related | 37,735,744 |
| OPEB related | 30,802,610 |
| Total Deferred Outflows of Resources | 69,637,477 |
| LIABILITIES | |
| Accounts payable | 4,139,179 |
| Deposits payable | 170,935 |
| Accrued liabilities | 1,088,035 |
| Employee payroll deductions | 9,046 |
| Due to retirement systems | 6,461,945 |
| Due to other governments | 1,464,909 |
| Unearned revenues | 740,648 |
| Accrued interest payable | 329,818 |
| Non-current liabilities | |
| Due within one year | 6,269,603 |
| Due in more than one year | 294,852,826 |
| Total Liabilities | 315,526,944 |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension related | 69,067,267 |
| OPEB related | 17,161,851 |
| Total Inflows of Resources | 86,229,118 |
| NET POSITION | |
| Net investment in capital assets | 86,570,236 |
| Restricted | |
| Capital projects | 746,547 |
| Future capital projects | 923,019 |
| Tax certiorari | 2,113,510 |
| Tax reduction | 4,717 |
| Property loss | 59,542 |
| Insurance | 212,176 |
| Liability claims | 220,555 |
| Repairs | 139,050 |
| Retirement contributions | 1,474,845 |
| Debt service | 896,816 |
| Special purpose | 194,675 |
| Unrestricted | (190,466,027) |
| Total Net Position | \$ (96,910,339) |

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

Chappaqua Central School District, New York

Statement of Activities
Year Ended June 30, 2022

| 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 | \$ 18,701,123 | \$ 89,046 | \$ 15,235 | \$ - | \$ (18,596,842) |
| Instruction | 106,113,014 | 337,495 | 3,278,952 | 1,231 | (102,495,336) |
| Pupil transportation | 6,534,641 | - | - | - | (6,534,641) |
| Community services | 23,213 | - | - | - | (23,213) |
| Cost of food sales | 1,852,611 | 749,836 | 1,388,714 | - | 285,939 |
| Other | 24,239 | - | 67,767 | - | 43,528 |
| Interest | 1,601,112 | - | - | 4,540 | (1,596,572) |
| Total Governmental Activities | <u>\$ 134,849,953</u> | <u>\$ 1,176,377</u> | <u>\$ 4,750,668</u> | <u>\$ 5,771</u> | <u>(128,917,137)</u> |
| General revenues | | | | | |
| Real property taxes | | | | | 111,320,732 |
| Other tax items | | | | | |
| School tax relief reimbursement | | | | | 2,613,344 |
| Non-property taxes | | | | | |
| Non-property tax distribution from County | | | | | 1,568,558 |
| Unrestricted use of money and property | | | | | 27,985 |
| Unrestricted State aid | | | | | 8,619,563 |
| Miscellaneous | | | | | 688,629 |
| Total General Revenues | | | | | <u>124,838,811</u> |
| Change in Net Position | | | | | (4,078,326) |
| Net Position - Beginning | | | | | <u>(92,832,013)</u> |
| Net Position - Ending | | | | | <u>\$ (96,910,339)</u> |

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

Chappaqua Central School District, New York

Balance Sheet
Governmental Funds
June 30, 2022

| | General | Special Aid | Capital Projects |
|--------------------------------------|----------------------|-------------------|---------------------|
| ASSETS | | | |
| Cash and equivalents | \$ 28,541,963 | \$ 27,581 | \$ 710,240 |
| Investments | 200,748 | - | 301,020 |
| Receivables | | | |
| Accounts | 229,805 | 65,478 | - |
| State and Federal aid | 1,141,701 | 541,748 | 1,231 |
| Due from other funds | 630,045 | - | 1,280,006 |
| Inventories | - | - | - |
| Total Assets | <u>\$ 30,744,262</u> | <u>\$ 634,807</u> | <u>\$ 2,292,497</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable | \$ 3,298,802 | \$ 5,847 | \$ 696,730 |
| Deposits payable | - | - | - |
| Accrued liabilities | 1,088,035 | - | - |
| Employee payroll deductions | 9,046 | - | - |
| Due to other funds | 1,391,403 | 628,960 | - |
| Due to retirement systems | 6,461,945 | - | - |
| Due to other governments | 1,464,909 | - | - |
| Unearned revenues | 633,352 | - | - |
| Total Liabilities | <u>14,347,492</u> | <u>634,807</u> | <u>696,730</u> |
| Fund balances | | | |
| Nonspendable | - | - | - |
| Restricted | 7,928,813 | - | 1,595,767 |
| Assigned | 4,396,787 | - | - |
| Unassigned | 4,071,170 | - | - |
| Total Fund Balances | <u>16,396,770</u> | <u>-</u> | <u>1,595,767</u> |
| Total Liabilities and Fund Balances | <u>\$ 30,744,262</u> | <u>\$ 634,807</u> | <u>\$ 2,292,497</u> |

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

| Non-Major Governmental | Total Governmental Funds |
|---------------------------|--------------------------------|
| \$ 381,751 | \$ 29,661,535 |
| - | 501,768 |
| 3,995 | 299,278 |
| 421,033 | 2,105,713 |
| 111,397 | 2,021,448 |
| 4,135 | 4,135 |
| <u>\$ 922,311</u> | <u>\$ 34,593,877</u> |
| | |
| \$ 137,800 | \$ 4,139,179 |
| 170,935 | 170,935 |
| - | 1,088,035 |
| - | 9,046 |
| 1,085 | 2,021,448 |
| - | 6,461,945 |
| - | 1,464,909 |
| 107,296 | 740,648 |
| <u>417,116</u> | <u>16,096,145</u> |
| | |
| 4,135 | 4,135 |
| 194,675 | 9,719,255 |
| 306,385 | 4,703,172 |
| - | 4,071,170 |
| <u>505,195</u> | <u>18,497,732</u> |
| <u>\$ 922,311</u> | <u>\$ 34,593,877</u> |

Chappaqua Central School District, New York

Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position June 30, 2022

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

| | |
|--|-------------------------------|
| Total Fund Balances - Governmental Funds | \$ 18,497,732 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | |
| Capital assets - non-depreciable | 38,290,562 |
| Capital assets - depreciable | 184,888,242 |
| Accumulated depreciation | <u>(77,529,483)</u> |
| | 145,649,321 |
| Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position. | |
| Deferred outflows - pension related | 37,735,744 |
| Deferred outflows - OPEB related | 30,802,610 |
| Deferred inflows - pension related | (69,067,267) |
| Deferred inflows - OPEB related | <u>(17,161,851)</u> |
| | <u>(17,690,764)</u> |
| Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds. | |
| Net pension asset - ERS | 2,217,650 |
| Net pension asset - TRS | <u>54,768,846</u> |
| | 56,986,496 |
| Long-term liabilities that are not due and payable in the current period are not reported in the funds. | |
| Accrued interest payable | (329,818) |
| General obligation bonds payable | (49,209,987) |
| Energy performance contract debt payable | (7,189,084) |
| Compensated absences | (3,834,184) |
| Total OPEB liability | <u>(237,110,037)</u> |
| | <u>(297,673,110)</u> |
| Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities | |
| Deferred amount on refunding | 1,099,123 |
| Premium on general obligation bonds | <u>(3,779,137)</u> |
| | <u>(2,680,014)</u> |
| Net Position of Governmental Activities | \$ <u><u>(96,910,339)</u></u> |

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

Chappaqua Central School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2022

| | General | Special Aid | Capital Projects |
|--|----------------|----------------|---------------------|
| REVENUES | | | |
| Real property taxes | \$ 111,320,732 | \$ - | \$ - |
| Other tax items | 2,613,344 | - | - |
| Non-property taxes | 1,568,558 | - | - |
| Charges for services | 337,495 | - | - |
| Use of money and property | 136,806 | - | - |
| State aid | 10,226,716 | 456,042 | 1,231 |
| Federal aid | 9,453 | 975,470 | - |
| Food sales | - | - | - |
| Miscellaneous | 544,681 | 149,780 | 225,000 |
| Total Revenues | 126,757,785 | 1,581,292 | 226,231 |
| EXPENDITURES | | | |
| Current | | | |
| General support | 17,595,930 | - | - |
| Instruction | 70,374,515 | 1,695,302 | - |
| Pupil transportation | 6,534,641 | - | - |
| Community services | 23,213 | - | - |
| Employee benefits | 27,398,779 | - | - |
| Cost of food sales | - | - | - |
| Other | - | - | - |
| Debt service | | | |
| Principal | 5,691,992 | - | - |
| Interest | 1,995,598 | - | - |
| Refunding bond issuance costs | - | - | - |
| Capital outlay | - | - | 3,711,019 |
| Total Expenditures | 129,614,668 | 1,695,302 | 3,711,019 |
| Deficiency of Revenues Over Expenditures | (2,856,883) | (114,010) | (3,484,788) |
| OTHER FINANCING SOURCES (USES) | | | |
| Refunding bonds issued | - | - | - |
| Issuance premium | - | - | - |
| Payment to refunding bond escrow agent | - | - | - |
| Transfers in | - | 114,010 | 360,000 |
| Transfers out | (474,010) | - | - |
| Total Other Financing Sources (Uses) | (474,010) | 114,010 | 360,000 |
| Net Change in Fund Balances | (3,330,893) | - | (3,124,788) |
| FUND BALANCES | | | |
| Beginning of Year | 19,727,663 | - | 4,720,555 |
| End of Year | \$ 16,396,770 | \$ - | \$ 1,595,767 |

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

| Non-Major Governmental | Total Governmental Funds |
|---------------------------|--------------------------------|
| \$ - | \$ 111,320,732 |
| - | 2,613,344 |
| - | 1,568,558 |
| - | 337,495 |
| - | 136,806 |
| 18,084 | 10,702,073 |
| 1,370,630 | 2,355,553 |
| 749,836 | 749,836 |
| 67,767 | 987,228 |
| 2,206,317 | 130,771,625 |
| - | 17,595,930 |
| - | 72,069,817 |
| - | 6,534,641 |
| - | 23,213 |
| - | 27,398,779 |
| 1,852,611 | 1,852,611 |
| 24,239 | 24,239 |
| - | 5,691,992 |
| - | 1,995,598 |
| - | - |
| - | 3,711,019 |
| 1,876,850 | 136,897,839 |
| 329,467 | (6,126,214) |
| - | - |
| - | - |
| - | - |
| - | 474,010 |
| - | (474,010) |
| - | - |
| 329,467 | (6,126,214) |
| 175,728 | 24,623,946 |
| \$ 505,195 | \$ 18,497,732 |

Chappaqua Central School District, New York

Statement of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
General Fund
Year Ended June 30, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|-----------------|----------------|-------------------------------|
| REVENUES | | | | |
| Real property taxes | | | | |
| Other tax items | \$ 113,934,076 | \$ 111,320,732 | \$ 111,320,732 | \$ - |
| Non-property taxes | - | 2,613,344 | 2,613,344 | - |
| Charges for services | 1,325,000 | 1,325,000 | 1,568,558 | 243,558 |
| Use of money and property | 408,055 | 408,055 | 337,495 | (70,560) |
| State aid | 425,000 | 425,000 | 136,806 | (288,194) |
| Federal aid | 10,175,192 | 10,175,192 | 10,226,716 | 51,524 |
| Miscellaneous | - | - | 9,453 | 9,453 |
| | 650,000 | 652,000 | 544,681 | (107,319) |
| Total Revenues | 126,917,323 | 126,919,323 | 126,757,785 | (161,538) |
| EXPENDITURES | | | | |
| Current | | | | |
| General support | 16,534,934 | 18,719,410 | 17,595,930 | 1,123,480 |
| Instruction | 71,757,097 | 72,449,462 | 70,374,515 | 2,074,947 |
| Pupil transportation | 7,081,010 | 6,921,351 | 6,534,641 | 386,710 |
| Community services | 23,202 | 23,213 | 23,213 | - |
| Employee benefits | 28,257,351 | 27,823,482 | 27,398,779 | 424,703 |
| Debt service | | | | |
| Principal | 6,460,009 | 5,700,967 | 5,691,992 | 8,975 |
| Interest | 1,995,598 | 1,995,598 | 1,995,598 | - |
| Total Expenditures | 132,109,201 | 133,633,483 | 129,614,668 | 4,018,815 |
| Excess (Deficiency) of Revenues Over Expenditures | (5,191,878) | (6,714,160) | (2,856,883) | 3,857,277 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (510,000) | (510,000) | (474,010) | 35,990 |
| Net Change in Fund Balances | (5,701,878) | (7,224,160) | (3,330,893) | 3,893,267 |
| FUND BALANCES | | | | |
| Beginning of Year | 5,701,878 | 7,224,160 | 19,727,663 | 12,503,503 |
| End of Year | \$ - | \$ - | \$ 16,396,770 | \$ 16,396,770 |

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

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, 2022

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

| | |
|--|------------------------------|
| Net Change in Fund Balances - Total Governmental Funds | <u>\$ (6,126,214)</u> |
| 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. | |
| Capital outlay expenditures | 5,126,221 |
| Depreciation expense | <u>(4,330,715)</u> |
| | <u>795,506</u> |
| The net effect of various miscellaneous transactions involving capital assets is to decrease net position. | |
| Loss on disposal of assets | <u>(85,968)</u> |
| Bond 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. | |
| Principal paid on general obligation bonds | 4,670,000 |
| Principal paid on energy performance contract debt | <u>1,021,992</u> |
| | <u>5,691,992</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 | 67,081 |
| Changes in pension liabilities and related deferred outflows and inflows of resources | 9,526,496 |
| Compensated absences | 195,768 |
| Changes in OPEB liabilities and related deferred outflows and inflows of resources | (14,470,392) |
| Amortization of loss on refunding bonds and issuance premium | <u>327,405</u> |
| | <u>(4,353,642)</u> |
| Change in Net Position of Governmental Activities | <u><u>\$ (4,078,326)</u></u> |

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

Chappaqua Central School District, New York

Fiduciary Fund
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2022

| | <u>Custodial Fund</u> |
|----------------------------------|---------------------------|
| ADDITIONS | |
| Miscellaneous | \$ 3,331,139 |
| DEDUCTIONS | |
| Payments to organizations | <u>3,331,139</u> |
| Change in Fiduciary Net Position | <u><u>\$ -</u></u> |

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

Note 1 - Summary of Significant Accounting Policies

The Chappaqua Central School District, New York ("School District"), as presently constituted, was established in 1905 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to 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 School District's significant accounting policies are described below:

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.

While separate district-wide and fund financial statements are presented, they are interrelated. 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 fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Revenue Funds - Special revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with State or Federal funds. The major revenues of this fund are State and Federal aid.

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 grantor or contributor stipulations. Among the activities included in the Special Purpose Fund are the extraclassroom activity funds.

- b. Fiduciary Funds (Not Included in District-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the School District on behalf of others. The Custodial Fund is used to account for taxes collected for the Chappaqua Public Library.

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*, as is the Fiduciary Fund. 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 when they have been earned and 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

Note 1 - Summary of Significant Accounting Policies (Continued)

liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. 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, net pension liabilities and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally 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

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

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.

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.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Note 1 - Summary of Significant Accounting Policies (Continued)

The School District participates in the New York Liquid Assets Fund ("NYLAF"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. The sponsoring agency of the pool is another governmental unit, which acting through the fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. NYLAF has designated RBC Global Asset Management, Inc. as its registered investment advisor.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amounts represent the amortized cost of the cooperative shares and are considered to approximate fair value. The School District's position in the pool is equal to the value of the pool shares.

Additional information concerning the NYLAF is presented in the annual report, which may be obtained from the Governing Board c/o PMA Financial Network, 2135 City Gate Lane, 7th Floor, Naperville, IL 60563.

NYLAF is rated AAAM by Standard and Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. NYLAF invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

Custodial Credit Risk - 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, *"Deposit and Investment Risk Disclosures – an amendment of GASB Statement No.3"*, 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, 2022.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

Note 1 - Summary of Significant Accounting Policies (Continued)

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, New York and Mount Pleasant, New York 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, 2022, 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 acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the 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 have been satisfied. In the 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 \$633,352 in the General Fund for fees received in advance, and \$107,296 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 includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets 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 includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets 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 amounts on refunding bonds results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt.

The School District has also reported deferred outflows of resources and deferred inflows of resources in relation to its pension liabilities and deferred outflows of resources in relation to its other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3D.

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 expensed as incurred.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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 Pension Liability (Asset) - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68"*.

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the School District provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*.

Net Position - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset 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. Restricted net position for the School District includes restricted for capital projects, future capital projects, tax certiorari, tax reduction, property loss, insurance, liability claims, repairs, retirement contributions, debt service, and special purposes.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 the General Municipal Law or the Education Law of the State of New York.

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.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or the Assistant Superintendent for Business for 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 funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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 unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Fund. Encumbrances outstanding at year-end are generally 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 September 30, 2022.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the 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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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 the General fund.
- g) The Budget for the General fund is 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 Special Aid, School Lunch and Special Purpose funds since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- 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 the General fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. 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

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to its enactment, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of 4% of the prior year's budget or 120% of the consumer price index ("CPI").

Note 2 - Stewardship, Compliance and Accountability (Continued)

Under the Tax Levy Limitation Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

D. New Accounting Pronouncement

GASB Statement No. 87, "Leases", established a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. This statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of GASB Statement No. 87 are effective for the School District's fiscal year ended June 30, 2022. The School District has completed its evaluation of the financial impact of GASB Statement No. 87 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

Note 3 - Detailed Notes on All Funds**A. Interfund Receivables/Payables**

The composition of interfund balances at June 30, 2022 is as follows:

| <u>Fund</u> | <u>Due From</u> | <u>Due To</u> |
|------------------------|---------------------|---------------------|
| General | \$ 630,045 | \$ 1,391,403 |
| Special Aid | - | 628,960 |
| Capital Projects | 1,280,006 | - |
| Non-Major Governmental | 111,397 | 1,085 |
| | <u>\$ 2,021,448</u> | <u>\$ 2,021,448</u> |

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2022

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, 2021, As Restated | Additions | Deletions | Balance June 30, 2022 |
|---|---|-----------------------|------------------|--------------------------|
| Capital Assets, not being depreciated: | | | | |
| Land | \$ 2,177,700 | \$ - | \$ - | \$ 2,177,700 |
| Construction-in-progress | 32,401,843 | 3,711,019 | - | 36,112,862 |
| Total Capital Assets, not being depreciated | <u>\$ 34,579,543</u> | <u>\$ 3,711,019</u> | <u>\$ -</u> | <u>\$ 38,290,562</u> |
| Capital Assets, being depreciated: | | | | |
| Land Improvements | \$ 6,928,579 | \$ - | \$ - | \$ 6,928,579 |
| Buildings and Improvements | 167,250,773 | 755,096 | 31,304 | 167,974,565 |
| Machinery and Equipment | 10,339,487 | 660,106 | 1,014,495 | 9,985,098 |
| Total Capital Assets, being depreciated | <u>184,518,839</u> | <u>1,415,202</u> | <u>1,045,799</u> | <u>184,888,242</u> |
| Less Accumulated Depreciation for: | | | | |
| Land Improvements | 2,844,011 | 588,767 | - | 3,432,778 |
| Buildings and Improvements | 65,250,307 | 3,423,879 | 6,813 | 68,667,373 |
| Machinery and Equipment | 6,064,279 | 318,069 | 953,016 | 5,429,332 |
| Total Accumulated Depreciation | <u>74,158,597</u> | <u>4,330,715</u> | <u>959,829</u> | <u>77,529,483</u> |
| Total Capital Assets, being depreciated, net | <u>\$ 110,360,242</u> | <u>\$ (2,915,513)</u> | <u>\$ 85,970</u> | <u>\$ 107,358,759</u> |
| Capital Assets, net | <u>\$ 144,939,785</u> | <u>\$ 795,506</u> | <u>\$ 85,970</u> | <u>\$ 145,649,321</u> |

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

| | |
|----------------------------|---------------------|
| General Support | \$ 617,123 |
| Instruction | <u>3,713,592</u> |
| Total Depreciation Expense | <u>\$ 4,330,715</u> |

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)**C. Accrued Liabilities**

Accrued liabilities at June 30, 2022 were as follows:

| | General Fund |
|-------------------------------|---------------------|
| Other | \$ 761,800 |
| Payroll and employee benefits | 326,235 |
| | <u>\$ 1,088,035</u> |

D. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2022:

| | Balance July 1, 2021 | New Issues/ Additions | Maturities and/or Payments | Balance June 30, 2022 | Due Within One-Year |
|---|----------------------------|--------------------------|----------------------------------|-----------------------------|---------------------------|
| General Obligation Bonds Payable | \$ 53,879,987 | \$ - | \$ 4,670,000 | \$ 49,209,987 | \$ 4,840,000 |
| Plus - Unamortized premium on bonds | 4,251,260 | - | 472,123 | 3,779,137 | - |
| | 58,131,247 | - | 5,142,123 | 52,989,124 | 4,840,000 |
| Energy Performance Contract Debt Payable | 8,211,076 | - | 1,021,992 | 7,189,084 | 1,046,203 |
| Other Non-current Liabilities: | | | | | |
| Compensated Absences | 4,029,952 | 207,232 | 403,000 | 3,834,184 | 383,400 |
| Net Pension Liability - ERS | 26,365 | - | 26,365 | - | - |
| Net Pension Liability - TRS | 8,580,557 | - | 8,580,557 | - | - |
| Other Postemployment Benefit Liability | 246,230,540 | (2,680,894) | 6,439,609 | 237,110,037 | - |
| Total Other Non- current Liabilities | 258,867,414 | (2,473,662) | 15,449,531 | 240,944,221 | 383,400 |
| Total Long-Term Liabilities | <u>\$ 325,209,737</u> | <u>\$ (2,473,662)</u> | <u>\$ 21,613,646</u> | <u>\$ 301,122,429</u> | <u>\$ 6,269,603</u> |

The School District's indebtedness for general obligation bonds, energy performance contract debt payable, compensated absences, net pension liability and other postemployment benefit obligations is liquidated by the General Fund.

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2022 is comprised of the following issues:

| Purpose | Year of Issue | Original Issue Amount | Final Maturity | Interest Rates | Amount Outstanding at June 30, 2022 |
|----------------------------|---------------|-----------------------|----------------|----------------|-------------------------------------|
| District-wide Improvements | 2018 | \$ 26,500,000 | June, 2039 | 3.0 % | \$ 21,965,000 |
| District-wide Improvements | 2018 | 16,000,000 | June, 2038 | 2.250-3.0 | 13,410,000 |
| School District Refunding | 2019 | 19,295,000 | January, 2030 | 4.0-5.0 | 13,834,987 |
| | | | | | <u>\$ 49,209,987</u> |

Interest expenditures of \$1,812,669 were recorded in the fund financial statements in the General Fund. Interest expense of \$1,481,848 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%.

In August 2016, the School District entered into a \$3,383,396 agreement to further upgrade to energy saving equipment. The terms of this contract provide for repayment over 15 years with bi-annual installments of \$130,431 through June 2032. Payments include interest at 1.9296%.

The aggregate balance due at June 30, 2022 was \$7,189,084. Interest expenditures of \$182,929 were recorded in the fund financial statements in the General Fund. Interest expense of \$183,932 was recorded in the district-wide financial statements.

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all outstanding bonded and energy performance contract debt as of June 30, 2022 including interest payments of \$12,463,158 are as follows:

| Year Ending June 30, | General Obligation Bonds | | Energy Performance Contract Debt | | Total | |
|-------------------------|-----------------------------|----------------------|-------------------------------------|-------------------|----------------------|----------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2023 | \$ 4,840,000 | \$ 1,621,794 | \$ 1,046,203 | \$ 158,718 | \$ 5,886,203 | \$ 1,780,512 |
| 2024 | 3,360,000 | 1,423,431 | 1,071,004 | 133,917 | 4,431,004 | 1,557,348 |
| 2025 | 3,450,000 | 1,314,231 | 1,096,410 | 108,511 | 4,546,410 | 1,422,742 |
| 2026 | 3,380,000 | 1,201,919 | 1,122,435 | 82,485 | 4,502,435 | 1,284,404 |
| 2027 | 3,500,000 | 1,076,294 | 1,149,097 | 55,824 | 4,649,097 | 1,132,118 |
| 2028-2032 | 15,850,000 | 3,556,131 | 1,703,935 | 72,403 | 17,553,935 | 3,628,534 |
| 2033-2037 | 11,380,000 | 1,516,950 | - | - | 11,380,000 | 1,516,950 |
| 2038-2039 | 3,449,987 | 140,550 | - | - | 3,449,987 | 140,550 |
| | <u>\$ 49,209,987</u> | <u>\$ 11,851,300</u> | <u>\$ 7,189,084</u> | <u>\$ 611,858</u> | <u>\$ 56,399,071</u> | <u>\$ 12,463,158</u> |

The above general obligation bonds and energy performance contract debt are direct borrowings 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.

Legal Debt Margin

The School District is subject to legal limitations on the amount of debt that it may issue. The School District's legal debt margin is 10% of the most recent full valuation of taxable real property.

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.

Pension Plans

New York State and Local Retirement System and Teachers' Retirement System

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The School District also participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2022 are as follows:

| | <u>Tier/Plan</u> | <u>Rate</u> |
|-----|------------------|-------------|
| ERS | 2 75I | 23.1 % |
| | 3 A14 | 18.3 |
| | 4 A15 | 18.3 |
| | 5 A15 | 15.3 |
| | 6 A15 | 10.7 |
| TRS | 1-6 | 9.8% |

At June 30, 2022, the School District reported the following for its proportionate share of the net pension liability for ERS and TRS:

| | <u>ERS</u> | <u>TRS</u> |
|---|----------------|-----------------|
| Measurement date | March 31, 2022 | June 30, 2021 |
| Net pension asset | \$ (2,217,650) | \$ (54,768,846) |
| School Districts' proportion of the net pension asset | 0.0308700 % | 0.316052 % |
| Change in proportion since the prior measurement date | 0.0006096 % | 0.005530 % |

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The net pension asset was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS and the total pension liability used to calculate the net pension asset were determined by actuarial valuations as of those dates. The School District's proportion of the net pension asset for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension asset for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2022, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$(2,569,278) (\$471,394 for ERS and \$(3,040,672) for TRS). Pension expenditures of \$1,539,609 were recorded in the fund financial statements and were charged to the General Fund for ERS and \$5,417,609 was charged to the General Fund for TRS.

At June 30, 2022, the School District reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | ERS | | TRS | |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 167,946 | \$ 217,835 | \$ 7,549,304 | \$ 284,548 |
| Changes of assumptions | 3,701,010 | 62,450 | 18,014,618 | 3,190,124 |
| Net difference between projected and actual earnings on pension plan investments | - | 7,261,876 | - | 57,321,264 |
| Changes in proportion and differences between School District contributions and proportionate share of contributions | 1,202,649 | 394,240 | 638,272 | 334,930 |
| School District contributions subsequent to the measurement date | 336,015 | - | 6,125,930 | - |
| | <u>\$ 5,407,620</u> | <u>\$ 7,936,401</u> | <u>\$ 32,328,124</u> | <u>\$ 61,130,866</u> |
| | Total | | | |
| | Deferred Outflows of Resources | Deferred Inflows of Resources | | |
| Differences between expected and actual experience | \$ 7,717,250 | \$ 502,383 | | |
| Changes of assumptions | 21,715,628 | 3,252,574 | | |
| Net difference between projected and actual earnings on pension plan investments | - | 64,583,140 | | |
| Changes in proportion and differences between School District contributions and proportionate share of contributions | 1,840,921 | 729,170 | | |
| School District contributions subsequent to the measurement date | 6,461,945 | - | | |
| | <u>\$ 37,735,744</u> | <u>\$ 69,067,267</u> | | |

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

\$336,015 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the plan's year ended March 31, 2023. The \$6,125,930 reported as deferred outflows of resources related to TRS will be recognized as a decrease of the net pension asset in the plan's year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

| <u>Year Ended</u> | <u>March 31,</u> <u>ERS</u> | <u>June 30,</u> <u>TRS</u> |
|-------------------|--------------------------------|-------------------------------|
| 2023 | \$ (257,306) | \$ (6,882,722) |
| 2024 | (583,006) | (8,180,013) |
| 2025 | (1,720,835) | (10,430,187) |
| 2026 | (303,650) | (13,837,573) |
| 2027 | - | 2,597,248 |
| Thereafter | - | 1,804,575 |
| | <u>\$ (2,864,796)</u> | <u>\$ (34,928,672)</u> |

The total pension liability for the ERS and TRS measurement dates were determined by using actuarial valuation dates as noted below, with update procedures used to roll forward the total pension liabilities to those measurement dates. Significant actuarial assumptions used in the valuations were as follows:

| | <u>ERS</u> | <u>TRS</u> |
|----------------------------|----------------|---------------|
| Measurement Date | March 31, 2022 | June 30, 2021 |
| Actuarial valuation date | April 1, 2021 | June 30, 2020 |
| Investment rate of return | 5.9% * | 6.95% * |
| Salary scale | 4.4% | 1.95%-5.18% |
| Inflation rate | 2.7% | 2.4% |
| Cost of living adjustments | 1.4% | 1.3% |

*Compounded annually, net of pension plan investment expenses, including inflation.

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

Note 3 - Detailed Notes on All Funds (Continued)

For ERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

| Asset Type | ERS March 31, 2022 | | TRS June 30, 2021 | |
|----------------------------------|-----------------------|---|----------------------|---|
| | Target Allocation | Long-Term Expected Real Rate of Return | Target Allocation | Long-Term Expected Real Rate of Return |
| Domestic Equity | 32 % | 3.30 % | 33 % | 6.8 % |
| International Equity | 15 | 5.85 | 16 | 7.6 |
| Private Equity | 10 | 6.50 | 8 | 10.0 |
| Real Estate | 9 | 5.00 | 11 | 6.5 |
| Domestic Fixed Income Securities | - | - | 16 | 1.3 |
| Global Bonds | - | - | 2 | 0.8 |
| High Yield Bonds | - | - | 1 | 3.8 |
| Global Equities | - | - | 4 | 7.1 |
| Private Debt | - | - | 1 | 5.9 |
| Real Estate Debt | - | - | 7 | 3.3 |
| Opportunistic/ARS Portfolio | 3 | 4.10 | - | - |
| Credit | 4 | 3.78 | - | - |
| Real Assets | 3 | 5.80 | - | - |
| Fixed Income | 23 | 0.00 | - | - |
| Cash | 1 | (1.00) | 1 | (0.20) |
| | <u>100 %</u> | | <u>100 %</u> | |

The real rate of return is net of the long-term inflation assumption of 2.7% for ERS and 2.4% for TRS.

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for ERS and 5.95% for TRS) or 1 percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

| | 1% Decrease (4.9%) | Current Discount Rate (5.9%) | 1% Increase (6.9%) |
|---|---------------------------|------------------------------------|---------------------------|
| School District's proportionate share of the ERS net pension liability (asset) | <u>\$ 5,708,208</u> | <u>\$ (2,217,650)</u> | <u>\$ (8,847,248)</u> |
| | 1% Decrease (5.95%) | Current Assumption (6.95%) | 1% Increase (7.95%) |
| School District's proportionate share of the TRS net pension asset | <u>\$ (5,747,192)</u> | <u>\$ (54,768,846)</u> | <u>\$ (95,967,989)</u> |

The components of the collective net pension asset as of the March 31, 2022 ERS measurement date and the June 30, 2021 TRS measurement date were as follows:

| | ERS | TRS |
|--|---------------------------|----------------------------|
| Total pension liability | \$ 223,874,888,000 | \$ 130,819,415,417 |
| Fiduciary net position | <u>232,049,473,000</u> | <u>148,148,457,363</u> |
| Employers' net pension liability | <u>\$ (8,174,585,000)</u> | <u>\$ (17,329,041,946)</u> |
| Fiduciary net position as a percentage of total pension liability | <u>103.65%</u> | <u>113.25%</u> |

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2022 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2022 represent

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2022 were \$336,015 to ERS and \$6,724,294 to TRS, (including employee contributions of \$598,364).

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Postemployment Benefit Liability ("OPEB")

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit OPEB 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 postemployment health care benefits is shared between the School District and the retired employee as noted below. 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At June 30, 2021, the following employees were covered by the benefit terms:

| | |
|---|--------------|
| Inactive employees currently receiving benefit payments | 388 |
| Active employees | 648 |
| | <u>1,036</u> |

The School District's total OPEB liability of \$237,110,037 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|--|
| Salary increases | 3.0%, average, including inflation |
| Discount rate | 3.77% |
| Healthcare cost trend rates | 7.0% for 2023, decreasing 0.5% per year to an ultimate rate of 4.0% for 2035 and later years |
| Retirees' share of benefit-related costs | Varies from 5% to 22%, depending on applicable retirement year and bargaining unit |

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate was based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years).

Mortality rates were based on the sex-distinct and job category specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees, healthy retirees and contingent survivors adjusted for mortality improvements with Scale MP-2021 mortality improvement scale on a generational basis.

The School District's change in the total OPEB liability for the year ended June 30, 2022 is as follows:

| | |
|--|------------------------------|
| Total OPEB Liability - Beginning of Year | \$ 246,230,540 |
| Service cost | 6,049,375 |
| Interest | 9,161,505 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | - |
| Changes in assumptions or other inputs | (17,891,774) |
| Benefit payments | <u>(6,439,609)</u> |
| Total OPEB Liability - End of Year | <u><u>\$ 237,110,037</u></u> |

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77%) or 1 percentage point higher (4.77%) than the current discount rate:

| | 1% Decrease (2.77%) | Current Discount Rate (3.77%) | 1% Increase (4.77%) |
|----------------------|---------------------------|-------------------------------------|---------------------------|
| Total OPEB Liability | <u>\$ 281,229,595</u> | <u>\$ 237,110,037</u> | <u>\$ 202,545,575</u> |

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.0%) or 1 percentage point higher (8.0% decreasing to 5.0%) than the current healthcare cost trend rates:

| | 1% Decrease (6.0% decreasing to 3.0%) | Current Healthcare Cost Trend Rates (7.0% decreasing to 4.0%) | 1% Increase (8.0% decreasing to 5.0%) |
|----------------------|--|--|--|
| Total OPEB Liability | <u>\$ 199,378,944</u> | <u>\$ 237,110,037</u> | <u>\$ 286,344,977</u> |

For the year ended June 30, 2022, the School District recognized OPEB expense of \$14,470,392 in the district-wide financial statements. At June 30, 2021, the School District reported deferred

Chappaqua Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Changes of assumptions or other inputs | \$ 30,802,610 | \$ 17,161,851 |
| Differences between expected and actual experience | - | - |
| | <u>\$ 30,802,610</u> | <u>\$ 17,161,851</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended June 30, | |
|------------------------|----------------------|
| 2023 | \$ 5,699,121 |
| 2024 | 5,699,121 |
| 2025 | 6,612,143 |
| 2026 | 742,307 |
| 2027 | (2,555,968) |
| Thereafter | <u>(2,555,965)</u> |
| | <u>\$ 13,640,759</u> |

E. 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.

| | Transfer In | |
|---------------|---------------------|-----------------------------|
| | Special Aid Fund | Capital Projects Fund |
| Transfers Out | | Total |
| General Fund | <u>\$ 114,010</u> | <u>\$ 360,000</u> |
| | | <u>\$ 474,010</u> |

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Special Aid and Capital Projects funds expenditures.

Note 3 - Detailed Notes on All Funds (Continued)

F. 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 and unrestricted interest earning.

Restricted for Future Capital Projects - the component of net position that has been established in accordance with General Municipal Law of the State of New York to set aside funds to be used for future capital projects

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

Restricted for Tax Reduction - the component of net position that has been established in accordance with Education Law of the State of New York to provide for the reduction of school district property taxes.

Restricted for Property Loss - the component of net position that has been established in accordance with Education Law of the State of New York 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 General Municipal Law of the State of New York.

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

Restricted for Repairs - the component of net position that has been established in accordance with General Municipal Law of the State of New York 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 of the State of New York Section 6r to provide funds for the purpose of paying retirement contributions to the New York State Local Employees' Retirement System.

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

Restricted for Special Purposes - the component of net position that has been established to set aside funds to be used for extraclassroom activities and other purposes with constraints placed on their use by either external parties and or statute.

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, 2022

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

| | 2022 | | | | 2021 | | | |
|---|---------------|-----------------------|------------------------------|---------------|---------------|-----------------------|------------------------------|---------------|
| | General Fund | Capital Projects Fund | Non-Major Governmental Funds | Total | General Fund | Capital Projects Fund | Non-Major Governmental Funds | Total |
| Nonspendable: | | | | | | | | |
| Inventories | \$ - | \$ - | \$ 4,135 | \$ 4,135 | \$ - | \$ - | \$ 13,082 | \$ 13,082 |
| Prepaid expenditures | - | - | - | - | 265,074 | - | - | 265,074 |
| Total Nonspendable | - | - | 4,135 | 4,135 | 265,074 | - | 13,082 | 278,156 |
| Restricted: | | | | | | | | |
| Tax certiorari | 2,113,510 | - | - | 2,113,510 | 2,723,405 | - | - | 2,723,405 |
| Tax reduction | 4,717 | - | - | 4,717 | 4,705 | - | - | 4,705 |
| Property loss | 59,542 | - | - | 59,542 | 59,394 | - | - | 59,394 |
| Insurance | 212,176 | - | - | 212,176 | 211,647 | - | - | 211,647 |
| Liability claims | 220,555 | - | - | 220,555 | 220,005 | - | - | 220,005 |
| Employee benefit accrued liability | 1,884,583 | - | - | 1,884,583 | 2,141,627 | - | - | 2,141,627 |
| Repairs | 139,050 | - | - | 139,050 | 138,703 | - | - | 138,703 |
| ERS retirement contributions | 1,474,845 | - | - | 1,474,845 | 1,471,167 | - | - | 1,471,167 |
| ERS retirement contributions - for subsequent year's expenditures | - | - | - | - | - | - | - | - |
| Debt service | 896,816 | - | - | 896,816 | 893,033 | - | - | 893,033 |
| Capital projects | - | 1,595,767 | - | 1,595,767 | - | 4,720,555 | - | 4,720,555 |
| Future capital projects | 923,019 | - | - | 923,019 | 920,717 | - | - | 920,717 |
| Special purposes - extraclassroom activities | - | - | 143,273 | 143,273 | - | - | 96,845 | 96,845 |
| Special purposes - other | - | - | 51,402 | 51,402 | - | - | 54,302 | 54,302 |
| Total Restricted | 7,928,813 | 1,595,767 | 194,675 | 9,719,255 | 8,784,403 | 4,720,555 | 151,147 | 13,656,105 |
| Assigned: | | | | | | | | |
| Purchases on order: | | | | | | | | |
| General government support | 467,801 | - | - | 467,801 | 1,457,503 | - | - | 1,457,503 |
| Instruction | 397,616 | - | - | 397,616 | 679,160 | - | - | 679,160 |
| Pupil transportation | 31,370 | - | - | 31,370 | 22,350 | - | - | 22,350 |
| Employee benefits | - | - | - | - | - | - | - | - |
| | 896,787 | - | - | 896,787 | 2,159,013 | - | - | 2,159,013 |
| For subsequent year's expenditures - | | | | | | | | |
| General Fund | 3,500,000 | - | - | 3,500,000 | 3,542,865 | - | - | 3,542,865 |
| School Lunch Fund | - | - | 306,385 | 306,385 | - | - | 11,499 | 11,499 |
| | 3,500,000 | - | 306,385 | 3,806,385 | 3,542,865 | - | 11,499 | 3,554,364 |
| Total Assigned | 4,396,787 | - | 306,385 | 4,703,172 | 5,701,878 | - | 11,499 | 5,713,377 |
| Unassigned | 4,071,170 | - | - | 4,071,170 | 4,976,308 | - | - | 4,976,308 |
| Total Fund Balances | \$ 16,396,770 | \$ 1,595,767 | \$ 505,195 | \$ 18,497,732 | \$ 19,727,663 | \$ 4,720,555 | \$ 175,728 | \$ 24,623,946 |

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 6-p of the 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, 2022, the Board of Education has assigned the above amounts to be appropriated for the ensuing year's budget.

Assigned for School Lunch represents the component of fund balance that reports the difference between assets and liabilities in the School Lunch Fund.

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.

In addition, there are four (4) cases involving the parents of students who have filed an impartial hearing seeking tuition reimbursement for a privately obtained educational program for the 2020-2021, 2021-2022 and 2022-2023, school years. The School District is vigorously defending these matters.

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 Uniform Guidance. 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. New Accounting Pronouncement

GASB Statement No. 87, “Leases”, established a single model for lease accounting based on the concept that leases are a financing of a “right-to-use” underlying asset. This statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of GASB Statement No. 87 are effective for the School District’s fiscal year ended June 30, 2022. The School District has completed its evaluation of the financial impact of GASB Statement No. 87 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 96, “*Subscription-Based Information Technology Arrangements*” provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (“SBITAs”) for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the School District believes will most impact its financial statements. The School District will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

* * * * *

Chappaqua Central School District, New York

Required Supplementary Information - Schedule of Changes in the School District's Total OPEB Liability and Related Ratios Last Ten Fiscal Years (1) (2)

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total OPEB Liability: | | | | | |
| Service cost | \$ 6,049,375 | \$ 2,922,578 | \$ 2,824,382 | \$ 2,527,367 | \$ 2,194,861 |
| Interest | 9,161,505 | 4,654,316 | 4,782,622 | 6,292,489 | 6,710,502 |
| Difference between expected and actual experience | - | - | - | - | - |
| Changes of benefit terms | - | - | - | - | - |
| Changes of assumptions or other inputs | (17,891,774) (5) | 19,789,645 | 35,219,027 (4) | (5,478,137) | - |
| Benefit payments | (6,439,609) | (5,540,218) | (4,737,600) | (4,578,919) | (5,434,577) |
| Net Change in Total OPEB Liability | (9,120,503) | 21,826,321 | 38,088,431 | (1,237,200) | 3,470,786 |
| Total OPEB Liability – Beginning of Year | 246,230,540 | 224,404,219 | 186,315,788 | 187,552,988 | 184,082,202 (3) |
| Total OPEB Liability – End of Year | <u>\$ 237,110,037</u> | <u>\$ 246,230,540</u> | <u>\$ 224,404,219</u> | <u>\$ 186,315,788</u> | <u>\$ 187,552,988</u> |
| School District's covered - employee payroll | <u>\$ 64,251,967</u> | <u>\$ 63,435,837</u> | <u>\$ 60,717,351</u> | <u>\$ 60,350,801</u> | <u>\$ 58,345,696</u> |
| Total OPEB liability as a percentage of covered - employee payroll | <u>369%</u> | <u>388%</u> | <u>370%</u> | <u>309%</u> | <u>321%</u> |

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

(4) Due to a change in the discount rate from 3.5% in the prior valuation to 2.6% and a change in plan costs (premium rates) since the prior evaluation.

(5) Due to change in the discount rate from 2.10% to 3.77% in the prior valuation, changes in other assumptions (e.g. decrement tables) since the prior valuation.

See independent auditors' report.

Chappaqua Central School District, New York

Required Supplementary Information
New York State Teachers' Retirement System
Last Ten Fiscal Years (1)

| Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2) | | | | | | | | |
|---|-----------------|---------------|----------------|----------------|----------------|---------------|-----------------|-----------------|
| | 2022 (4) | 2021 (3) | 2020 (5) | 2019 | 2018 (4) | 2017 (3) | 2016 | 2015 |
| School District's proportion of the net pension liability (asset) | 0.316052% | 0.310522% | 0.314661% | 0.310676% | 0.316707% | 0.323428% | 0.331148% | 0.336998% |
| School District's proportionate share of the net pension liability (asset) | \$ (54,768,846) | \$ 8,580,557 | \$ (8,174,903) | \$ (5,617,846) | \$ (2,407,289) | \$ 3,464,044 | \$ (34,395,696) | \$ (37,539,478) |
| School District's covered payroll | \$ 54,805,856 | \$ 53,469,347 | \$ 53,775,744 | \$ 51,600,127 | \$ 53,093,788 | \$ 50,729,623 | \$ 50,609,401 | \$ 50,635,655 |
| School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | (99.93%) | (16.05%) | 15.20% | 10.89% | 4.53% | 6.83% | 67.96% | 74.14% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 113.20% | 97.80% | 102.17% | 101.53% | 100.66% | 99.01% | 110.46% | 111.48% |
| Discount Rate | 6.95% | 7.10% | 7.10% | 7.25% | 7.25% | 7.25% | 8.00% | 8.00% |
| Schedule of Contributions | | | | | | | | |
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Contractually required contribution | \$ 5,528,113 | \$ 5,222,998 | \$ 4,740,415 | \$ 5,710,984 | \$ 5,056,812 | \$ 6,222,592 | \$ 6,726,748 | \$ 8,871,828 |
| Contributions in relation to the contractually required contribution | (5,528,113) | (5,222,998) | (4,740,415) | (5,710,984) | (5,056,812) | (6,222,592) | (6,726,748) | (8,871,828) |
| Contribution excess | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| School District's covered payroll | \$ 54,805,856 | \$ 54,805,856 | \$ 53,469,347 | \$ 53,775,744 | \$ 51,600,127 | \$ 53,093,788 | \$ 50,729,623 | \$ 50,609,401 |
| Contributions as a percentage of covered payroll | 9.80% | 9.53% | 8.87% | 10.62% | 9.80% | 11.72% | 13.26% | 17.53% |

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(3) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

Chappaqua Central School District, New York

Required Supplementary Information
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)

| | 2022 (5) | 2021 (4) | 2020(3) | 2019 | 2018 | 2017 | 2016 (3) | 2015 |
|---|-----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|
| School District's proportion of the net pension liability (asset) | <u>0.0308700%</u> | <u>0.0302604%</u> | <u>0.0301590%</u> | <u>0.0310972%</u> | <u>0.0320008%</u> | <u>0.0325663%</u> | <u>0.0323534%</u> | <u>0.0335254%</u> |
| School District's proportionate share of the net pension liability (asset) | <u>\$ (2,217,650)</u> | <u>\$ 26,365</u> | <u>\$ 6,877,759</u> | <u>\$ 1,902,936</u> | <u>\$ 879,674</u> | <u>\$ 2,561,529</u> | <u>\$ 4,413,891</u> | <u>\$ 1,132,570</u> |
| School District's covered payroll | <u>\$ 8,072,539</u> | <u>\$ 9,702,961</u> | <u>\$ 9,910,368</u> | <u>\$ 9,599,579</u> | <u>\$ 9,454,210</u> | <u>\$ 10,351,599</u> | <u>\$ 9,891,195</u> | <u>\$ 8,900,621</u> |
| School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | <u>-27.47%</u> | <u>0.27%</u> | <u>69.40%</u> | <u>19.82%</u> | <u>9.30%</u> | <u>24.75%</u> | <u>44.62%</u> | <u>12.72%</u> |
| Plan fiduciary net position as a percentage of the total pension liability | <u>103.65%</u> | <u>99.95%</u> | <u>86.39%</u> | <u>96.27%</u> | <u>98.24%</u> | <u>94.70%</u> | <u>90.70%</u> | <u>97.90%</u> |
| Discount Rate | <u>5.90%</u> | <u>5.90%</u> | <u>6.80%</u> | <u>7.00%</u> | <u>7.00%</u> | <u>7.00%</u> | <u>7.00%</u> | <u>7.50%</u> |

Schedule of Contributions

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Contractually required contribution | <u>\$ 1,843,224</u> | <u>\$ 1,677,713</u> | <u>\$ 1,620,366</u> | <u>\$ 1,645,399</u> | <u>\$ 1,692,938</u> | <u>\$ 1,625,564</u> | <u>\$ 1,554,491</u> | <u>\$ 1,708,720</u> |
| Contributions in relation to the contractually required contribution | <u>(1,843,224)</u> | <u>(1,677,713)</u> | <u>(1,620,366)</u> | <u>(1,645,399)</u> | <u>(1,692,938)</u> | <u>(1,625,564)</u> | <u>(1,554,491)</u> | <u>(1,708,720)</u> |
| Contribution excess | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| School District's covered payroll | <u>\$ 8,425,206</u> | <u>\$ 10,010,921</u> | <u>\$ 9,784,798</u> | <u>\$ 9,687,278</u> | <u>\$ 9,482,190</u> | <u>\$ 9,438,329</u> | <u>\$ 9,048,078</u> | <u>\$ 8,900,621</u> |
| Contributions as a percentage of covered payroll | <u>21.88%</u> | <u>16.76%</u> | <u>16.56%</u> | <u>16.99%</u> | <u>17.85%</u> | <u>17.22%</u> | <u>17.18%</u> | <u>19.20%</u> |

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date with the current fiscal year

(3) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses

(4)(5) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

Chappaqua Central School District, New York

General Fund
Comparative Balance Sheet
June 30,

| | 2022 | 2021 |
|-------------------------------------|----------------------|----------------------|
| ASSETS | | |
| Cash and equivalents | \$ 28,541,963 | \$ 28,262,514 |
| Investments | 200,748 | 520,442 |
| | <u>28,742,711</u> | <u>28,782,956</u> |
| Receivables | | |
| Accounts | 229,805 | 53,174 |
| State and Federal aid | 1,141,701 | 1,056,971 |
| Due from other funds | 630,045 | 1,840,753 |
| | <u>2,001,551</u> | <u>2,950,898</u> |
| Prepaid expenditures | - | 265,074 |
| Total Assets | <u>\$ 30,744,262</u> | <u>\$ 31,998,928</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities | | |
| Accounts payable | \$ 3,298,802 | \$ 1,305,851 |
| Accrued liabilities | 1,088,035 | 877,677 |
| Employee payroll deductions | 9,046 | 3,052 |
| Due to other funds | 1,391,403 | 1,965,495 |
| Due to retirement systems | 6,461,945 | 6,152,667 |
| Due to other governments | 1,464,909 | 1,436,866 |
| Unearned revenues | 633,352 | 529,657 |
| Total Liabilities | <u>14,347,492</u> | <u>12,271,265</u> |
| Fund balance | | |
| Nonspendable | - | 265,074 |
| Restricted | 7,928,813 | 8,784,403 |
| Assigned | 4,396,787 | 5,701,878 |
| Unassigned | 4,071,170 | 4,976,308 |
| Total Fund Balance | <u>16,396,770</u> | <u>19,727,663</u> |
| Total Liabilities and Fund Balance | <u>\$ 30,744,262</u> | <u>\$ 31,998,928</u> |

See independent auditors' report.

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,

| | 2022 | | | | |
|---|--------------------|-----------------|----------------------|---------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Encumbr- ances | Variance with Final Budget |
| REVENUES | | | | | |
| Real property taxes | \$ 113,934,076 | \$ 111,320,732 | \$ 111,320,732 | \$ | \$ - |
| Other tax items | - | 2,613,344 | 2,613,344 | | - |
| Non-property taxes | 1,325,000 | 1,325,000 | 1,568,558 | | 243,558 |
| Charges for services | 408,055 | 408,055 | 337,495 | | (70,560) |
| Use of money and property | 425,000 | 425,000 | 136,806 | | (288,194) |
| State aid | 10,175,192 | 10,175,192 | 10,226,716 | | 51,524 |
| Federal aid | - | - | 9,453 | | 9,453 |
| Miscellaneous | 650,000 | 652,000 | 544,681 | | (107,319) |
| Total Revenues | 126,917,323 | 126,919,323 | 126,757,785 | | (161,538) |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General support | | | | | |
| Board of education | 92,471 | 77,356 | 66,108 | - | 11,248 |
| Central administration | 440,613 | 476,476 | 449,001 | - | 27,475 |
| Finance | 1,334,769 | 1,474,275 | 1,311,104 | 98,430 | 64,741 |
| Staff | 1,234,219 | 1,283,354 | 1,145,520 | 3,424 | 134,410 |
| Central services | 11,531,207 | 12,832,424 | 12,110,710 | 365,947 | 355,767 |
| Special items | 1,901,655 | 2,575,525 | 2,513,487 | - | 62,038 |
| Total General Support | 16,534,934 | 18,719,410 | 17,595,930 | 467,801 | 655,679 |
| Instruction | | | | | |
| Instruction, administration and improvement | 5,835,126 | 5,530,745 | 5,386,574 | 23,088 | 121,083 |
| Teaching - Regular school | 41,616,861 | 41,517,225 | 40,732,383 | 97,949 | 686,893 |
| Programs for students with disabilities | 12,588,226 | 12,915,096 | 12,477,761 | 26 | 437,309 |
| Teaching - Special schools | 298,303 | 176,923 | 147,174 | - | 29,749 |
| Instructional media | 4,204,351 | 4,934,970 | 4,480,456 | 224,443 | 230,071 |
| Pupil services | 7,214,230 | 7,374,503 | 7,150,167 | 52,110 | 172,226 |
| Total Instruction | 71,757,097 | 72,449,462 | 70,374,515 | 397,616 | 1,677,331 |
| Pupil transportation | 7,081,010 | 6,921,351 | 6,534,641 | 31,370 | 355,340 |
| Community services | 23,202 | 23,213 | 23,213 | - | - |
| Employee benefits | 28,257,351 | 27,823,482 | 27,398,779 | - | 424,703 |
| Debt service | | | | | |
| Principal | 6,460,009 | 5,700,967 | 5,691,992 | - | 8,975 |
| Interest | 1,995,598 | 1,995,598 | 1,995,598 | - | - |
| Total Expenditures | 132,109,201 | 133,633,483 | 129,614,668 | 896,787 | 3,122,028 |
| Excess (Deficiency) of Revenues Over Expenditures | (5,191,878) | (6,714,160) | (2,856,883) | (896,787) | 2,960,490 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | (510,000) | (510,000) | (474,010) | - | 35,990 |
| Net Change in Fund Balance | (5,701,878) | (7,224,160) | (3,330,893) | <u>\$ (896,787)</u> | <u>\$ 2,996,480</u> |
| FUND BALANCE | | | | | |
| Beginning of Year | 5,701,878 | 7,224,160 | 19,727,663 | | |
| End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,396,770</u> | | |

See independent auditors' report.

| 2021 | | | | |
|--------------------|-----------------|----------------|----------------|-------------------------------|
| Original Budget | Final Budget | Actual | Encumbrances | Variance with Final Budget |
| \$ 111,663,231 | \$ 108,775,592 | \$ 108,775,590 | \$ | \$ (2) |
| - | 2,887,640 | 2,887,640 | | - |
| 1,325,000 | 1,325,000 | 1,382,320 | | 57,320 |
| 410,201 | 410,201 | 296,649 | | (113,552) |
| 775,000 | 775,000 | 156,693 | | (618,307) |
| 9,945,871 | 9,945,871 | 9,593,425 | | (352,446) |
| - | 140,150 | 185,074 | | 44,924 |
| 575,000 | 588,657 | 1,195,448 | | 606,791 |
| 124,694,303 | 124,848,111 | 124,472,839 | | (375,272) |
| 62,956 | 110,935 | 80,796 | 24,318 | 5,821 |
| 426,960 | 448,817 | 436,468 | - | 12,349 |
| 1,315,472 | 1,486,120 | 1,340,215 | 121,682 | 24,223 |
| 1,086,341 | 1,216,374 | 978,158 | 24,436 | 213,780 |
| 11,344,660 | 13,705,857 | 12,089,095 | 1,287,067 | 329,695 |
| 1,886,733 | 1,981,765 | 1,965,796 | - | 15,969 |
| 16,123,122 | 18,949,868 | 16,890,528 | 1,457,503 | 601,837 |
| 5,624,284 | 5,674,231 | 5,488,079 | 41,077 | 145,075 |
| 41,960,292 | 41,704,093 | 41,026,815 | 223,594 | 453,684 |
| 12,477,876 | 10,722,653 | 10,556,124 | 153,857 | 12,672 |
| 294,362 | 172,319 | 144,850 | 248 | 27,221 |
| 3,723,514 | 4,675,849 | 4,393,970 | 160,760 | 121,119 |
| 7,171,861 | 7,138,368 | 6,740,171 | 99,624 | 298,573 |
| 71,252,189 | 70,087,513 | 68,350,009 | 679,160 | 1,058,344 |
| 7,009,969 | 6,969,328 | 6,638,011 | 22,350 | 308,967 |
| 22,747 | 23,202 | 23,202 | - | - |
| 27,437,388 | 26,522,866 | 26,360,418 | - | 162,448 |
| 6,213,383 | 5,498,357 | 5,498,357 | - | - |
| 2,256,100 | 2,201,802 | 2,201,802 | - | - |
| 130,314,898 | 130,252,936 | 125,962,327 | 2,159,013 | 2,131,596 |
| (5,620,595) | (5,404,825) | (1,489,488) | (2,159,013) | 1,756,324 |
| (250,000) | (1,694,700) | (1,694,700) | - | - |
| (5,870,595) | (7,099,525) | (3,184,188) | \$ (2,159,013) | \$ 1,756,324 |
| 5,870,595 | 7,099,525 | 22,911,851 | | |
| \$ - | \$ - | \$ 19,727,663 | | |

Chappaqua Central School District, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2022

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-----------------|----------------|-------------------------------|
| REAL PROPERTY TAXES | \$ 113,934,076 | \$ 111,320,732 | \$ 111,320,732 | \$ - |
| OTHER TAX ITEMS | | | | |
| School tax relief reimbursement | - | 2,613,344 | 2,613,344 | - |
| NON-PROPERTY TAXES | | | | |
| Non-property tax distribution from County | 1,325,000 | 1,325,000 | 1,568,558 | 243,558 |
| CHARGES FOR SERVICES | | | | |
| Continuing education tuition | 298,055 | 298,055 | 142,995 | (155,060) |
| Cultural arts | - | - | 47,644 | 47,644 |
| Other student fees and charges | 110,000 | 110,000 | 146,856 | 36,856 |
| | 408,055 | 408,055 | 337,495 | (70,560) |
| USE OF MONEY AND PROPERTY | | | | |
| Earnings on investments | 250,000 | 250,000 | 47,760 | (202,240) |
| Rental of real property | 175,000 | 175,000 | 89,046 | (85,954) |
| | 425,000 | 425,000 | 136,806 | (288,194) |
| STATE AID | | | | |
| Basic formula | 8,464,599 | 8,464,599 | 7,489,809 | (974,790) |
| BOCES | 1,129,754 | 1,129,754 | 1,129,754 | - |
| Lottery | 326,267 | 326,267 | 1,230,510 | 904,243 |
| Textbooks | 157,690 | 157,690 | 157,690 | - |
| Computer software aid | 74,607 | 74,607 | 74,607 | - |
| Library aid | 22,275 | 22,275 | 22,275 | - |
| Tuition aided handicapped | - | - | 90,776 | 90,776 |
| Homeless aid | - | - | 31,295 | 31,295 |
| | 10,175,192 | 10,175,192 | 10,226,716 | 51,524 |

FEDERAL AID

| | | | | |
|--------------------|---|---|-------|-------|
| Medical assistance | - | - | 9,453 | 9,453 |
|--------------------|---|---|-------|-------|

MISCELLANEOUS

| | | | | |
|-------------------------------------|---------|---------|---------|-----------|
| Refund of prior year's expenditures | 475,000 | 475,000 | 398,020 | (76,980) |
| Refund of BOCES aided services | - | - | 103,839 | 103,839 |
| Gifts and donations | - | 2,000 | 5,834 | 3,834 |
| Other | 175,000 | 175,000 | 36,988 | (138,012) |

| | | | | |
|--|---------|---------|---------|-----------|
| | 650,000 | 652,000 | 544,681 | (107,319) |
|--|---------|---------|---------|-----------|

TOTAL REVENUES

| | | | | |
|--|-----------------------|-----------------------|-----------------------|---------------------|
| | <u>\$ 126,917,323</u> | <u>\$ 126,919,323</u> | <u>\$ 126,757,785</u> | <u>\$ (161,538)</u> |
|--|-----------------------|-----------------------|-----------------------|---------------------|

See independent auditors' report.

Chappaqua Central School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2022

| | Original Budget | Final Budget | Actual | Encumbr- ances | Variance with Final Budget |
|--------------------------------------|--------------------|-----------------|------------|-------------------|-------------------------------|
| GENERAL SUPPORT | | | | | |
| <i>BOARD OF EDUCATION</i> | | | | | |
| Board of education | \$ 45,318 | \$ 45,318 | \$ 36,841 | \$ - | \$ 8,477 |
| District clerk | 26,553 | 12,286 | 11,195 | - | 1,091 |
| District meeting | 20,600 | 19,752 | 18,072 | - | 1,680 |
| Total Board of Education | 92,471 | 77,356 | 66,108 | - | 11,248 |
| <i>CENTRAL ADMINISTRATION</i> | | | | | |
| Chief school administrator | 440,613 | 476,476 | 449,001 | - | 27,475 |
| <i>FINANCE</i> | | | | | |
| Business administration | 1,235,769 | 1,375,547 | 1,216,033 | 98,430 | 61,084 |
| Accounting and auditing | 99,000 | 98,728 | 95,071 | - | 3,657 |
| Total Finance | 1,334,769 | 1,474,275 | 1,311,104 | 98,430 | 64,741 |
| <i>STAFF</i> | | | | | |
| Legal | 448,988 | 435,461 | 324,250 | 1,954 | 109,257 |
| Personnel | 698,488 | 760,469 | 746,846 | 1,470 | 12,153 |
| Public information and services | 86,743 | 87,424 | 74,424 | - | 13,000 |
| Total Staff | 1,234,219 | 1,283,354 | 1,145,520 | 3,424 | 134,410 |
| <i>CENTRAL SERVICES</i> | | | | | |
| Operation of plant | 7,517,549 | 7,962,598 | 7,448,036 | 194,350 | 320,212 |
| Maintenance of plant | 4,013,658 | 4,869,826 | 4,662,674 | 171,597 | 35,555 |
| Total Central Services | 11,531,207 | 12,832,424 | 12,110,710 | 365,947 | 355,767 |

SPECIAL ITEMS

| | | | | | |
|--------------------------------|------------|------------|------------|---------|---------|
| Unallocated insurance | 525,000 | 525,000 | 494,989 | - | 30,011 |
| Judgments and claims | 250,000 | 190,000 | 190,000 | - | - |
| School association dues | 23,500 | 23,500 | 21,996 | - | 1,504 |
| Assessments on school property | 70,000 | 70,000 | 57,929 | - | 12,071 |
| Refunds of real property taxes | 50,000 | 665,165 | 647,713 | - | 17,452 |
| Administrative charge - BOCES | 983,155 | 1,101,860 | 1,100,860 | - | 1,000 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Special Items | 1,901,655 | 2,575,525 | 2,513,487 | - | 62,038 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total General Support | 16,534,934 | 18,719,410 | 17,595,930 | 467,801 | 655,679 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

INSTRUCTION**INSTRUCTION, ADMINISTRATION
AND IMPROVEMENT**

| | | | | | |
|--|-----------|-----------|-----------|--------|--------|
| Curriculum development and supervision | 1,574,972 | 1,389,468 | 1,282,242 | 19,053 | 88,173 |
| Supervision - Regular school | 4,195,154 | 4,116,277 | 4,094,840 | - | 21,437 |
| Research, planning and evaluation | 65,000 | 25,000 | 9,492 | 4,035 | 11,473 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Total Instruction, Administration
and Improvement

| | | | | |
|-----------|-----------|-----------|--------|---------|
| 5,835,126 | 5,530,745 | 5,386,574 | 23,088 | 121,083 |
| <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

TEACHING - REGULAR SCHOOL

| | | | | |
|------------|------------|------------|--------|---------|
| 41,616,861 | 41,517,225 | 40,732,383 | 97,949 | 686,893 |
| <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

**PROGRAMS FOR STUDENTS
WITH DISABILITIES**

| | | | | |
|------------|------------|------------|-------|---------|
| 12,588,226 | 12,915,096 | 12,477,761 | 26 | 437,309 |
| <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

TEACHING - SPECIAL SCHOOLS

| | | | | |
|---------|---------|---------|-------|--------|
| 298,303 | 176,923 | 147,174 | - | 29,749 |
| <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

INSTRUCTIONAL MEDIA

| | | | | | |
|--------------------------------|-----------|-----------|-----------|---------|---------|
| School library and audiovisual | 1,173,818 | 1,086,489 | 1,069,204 | 10,787 | 6,498 |
| Computer assisted instruction | 3,030,533 | 3,848,481 | 3,411,252 | 213,656 | 223,573 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Total Instructional Media

| | | | | |
|-----------|-----------|-----------|---------|---------|
| 4,204,351 | 4,934,970 | 4,480,456 | 224,443 | 230,071 |
| <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

(Continued)

Chappaqua Central School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended June 30, 2022

| INSTRUCTION (Continued) | Original Budget | Final Budget | Actual | Encumbr- ances | Variance with Final Budget |
|--|----------------------------|-------------------------|---------------|---------------------------|---------------------------------------|
| <i>PUPIL SERVICES</i> | | | | | |
| Attendance - Regular school | \$ 48,308 | \$ 48,808 | \$ 47,765 | \$ - | \$ 1,043 |
| Guidance - Regular school | 2,473,908 | 2,405,898 | 2,392,961 | - | 12,937 |
| Health services - Regular school | 887,350 | 1,026,107 | 964,279 | - | 61,828 |
| Psychological services - Regular school | 1,675,477 | 1,608,192 | 1,597,614 | - | 10,578 |
| Co-curricular activities - Regular school | 438,939 | 423,656 | 367,201 | 1,327 | 55,128 |
| Interscholastic athletics - Regular school | 1,690,248 | 1,861,842 | 1,780,347 | 50,783 | 30,712 |
| Total Pupil Services | 7,214,230 | 7,374,503 | 7,150,167 | 52,110 | 172,226 |
| Total Instruction | 71,757,097 | 72,449,462 | 70,374,515 | 397,616 | 1,677,331 |
| PUPIL TRANSPORTATION | | | | | |
| Contract and public carrier transportation | 7,081,010 | 6,921,351 | 6,534,641 | 31,370 | 355,340 |
| COMMUNITY SERVICES | | | | | |
| Census | 23,202 | 23,213 | 23,213 | - | - |
| EMPLOYEE BENEFITS | | | | | |
| State retirement | 1,679,672 | 1,641,219 | 1,539,609 | - | 101,610 |
| Teachers' retirement | 5,737,264 | 5,448,621 | 5,417,609 | - | 31,012 |
| Social security | 5,021,112 | 4,896,112 | 4,757,457 | - | 138,655 |
| Hospital and medical insurance | 14,471,095 | 14,328,788 | 14,204,578 | - | 124,210 |
| Dental and vision insurance | 115,907 | 115,907 | 109,272 | - | 6,635 |
| Workers' compensation benefits | 278,572 | 278,572 | 277,867 | - | 705 |
| Unemployment benefits | 50,000 | 50,000 | 32,306 | - | 17,694 |
| Disability insurance | 20,851 | 20,851 | 16,774 | - | 4,077 |
| Life insurance | 15,878 | 18,878 | 18,773 | - | 105 |
| Union welfare benefits | 848,500 | 827,091 | 827,091 | - | - |
| Other benefits | 18,500 | 197,443 | 197,443 | - | - |
| Total Employee Benefits | 28,257,351 | 27,823,482 | 27,398,779 | - | 424,703 |

DEBT SERVICE

Principal

| | | | | | |
|----------------------------------|-----------|-----------|-----------|---|-------|
| Serial bonds | 4,670,000 | 4,670,000 | 4,670,000 | - | - |
| Energy performance contract debt | 1,021,992 | 1,021,992 | 1,021,992 | - | - |
| Installment purchase debt | 768,017 | 8,975 | - | - | 8,975 |

| | | | | | |
|--|------------------|------------------|------------------|----------|--------------|
| | <u>6,460,009</u> | <u>5,700,967</u> | <u>5,691,992</u> | <u>-</u> | <u>8,975</u> |
|--|------------------|------------------|------------------|----------|--------------|

Interest

| | | | | | |
|----------------------------------|-----------|-----------|-----------|---|---|
| Serial bonds | 1,812,669 | 1,812,669 | 1,812,669 | - | - |
| Energy performance contract debt | 182,929 | 182,929 | 182,929 | - | - |

| | | | | | |
|--|------------------|------------------|------------------|----------|----------|
| | <u>1,995,598</u> | <u>1,995,598</u> | <u>1,995,598</u> | <u>-</u> | <u>-</u> |
|--|------------------|------------------|------------------|----------|----------|

Total Debt Service

| | | | | | |
|--|------------------|------------------|------------------|----------|--------------|
| | <u>8,455,607</u> | <u>7,696,565</u> | <u>7,687,590</u> | <u>-</u> | <u>8,975</u> |
|--|------------------|------------------|------------------|----------|--------------|

TOTAL EXPENDITURES

| | | | | | |
|--|--------------------|--------------------|--------------------|----------------|------------------|
| | <u>132,109,201</u> | <u>133,633,483</u> | <u>129,614,668</u> | <u>896,787</u> | <u>3,122,028</u> |
|--|--------------------|--------------------|--------------------|----------------|------------------|

OTHER FINANCING USES

Transfers out

| | | | | | |
|-----------------------|---------|---------|---------|---|--------|
| Special Aid Fund | 150,000 | 150,000 | 114,010 | - | 35,990 |
| Capital Projects Fund | 360,000 | 360,000 | 360,000 | - | - |

TOTAL OTHER FINANCING USES

| | | | | | |
|--|----------------|----------------|----------------|----------|---------------|
| | <u>510,000</u> | <u>510,000</u> | <u>474,010</u> | <u>-</u> | <u>35,990</u> |
|--|----------------|----------------|----------------|----------|---------------|

**TOTAL EXPENDITURES AND
OTHER FINANCING USES**

| | | | | | |
|--|-----------------------|-----------------------|-----------------------|-------------------|---------------------|
| | <u>\$ 132,619,201</u> | <u>\$ 134,143,483</u> | <u>\$ 130,088,678</u> | <u>\$ 896,787</u> | <u>\$ 3,158,018</u> |
|--|-----------------------|-----------------------|-----------------------|-------------------|---------------------|

See independent auditors' report.

Chappaqua Central School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

| | <u>2022</u> | <u>2021</u> |
|----------------------------------|-------------------|---------------------|
| ASSETS | | |
| Cash and equivalents | \$ 27,581 | \$ 203,527 |
| Accounts receivable | 65,478 | 20,664 |
| Due from other funds | - | 794,700 |
| State and Federal aid receivable | <u>541,748</u> | <u>850,707</u> |
| Total Assets | <u>\$ 634,807</u> | <u>\$ 1,869,598</u> |
| LIABILITIES | | |
| Liabilities | | |
| Accounts payable | \$ 5,847 | \$ 26,712 |
| Due to other funds | 628,960 | 1,838,637 |
| Unearned revenues | <u>-</u> | <u>4,249</u> |
| Total Liabilities | <u>\$ 634,807</u> | <u>\$ 1,869,598</u> |

See independent auditors' report.

Chappaqua Central School District, New York

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

| | 2022 | 2021 |
|---|------------|--------------|
| REVENUES | | |
| State aid | \$ 456,042 | \$ (484,736) |
| Federal aid | 975,470 | 762,856 |
| Miscellaneous | 149,780 | 81,915 |
| | | |
| Total Revenues | 1,581,292 | 360,035 |
| EXPENDITURES | | |
| Current | | |
| Instruction | 1,695,302 | 1,304,735 |
| | | |
| Deficiency of Revenues Over Expenditures | (114,010) | (944,700) |
| OTHER FINANCING SOURCES | | |
| Transfers in | 114,010 | 944,700 |
| | | |
| Net Change in Fund Balance | - | - |
| FUND BALANCE | | |
| Beginning of Year | - | - |
| | | |
| End of Year | \$ - | \$ - |

See independent auditors' report.

Chappaqua Central School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

| | <u>2022</u> | <u>2021</u> |
|-------------------------------------|---------------------|---------------------|
| ASSETS | | |
| Cash and equivalents | \$ 710,240 | \$ 4,128,542 |
| Investments | 301,020 | 300,572 |
| Due from other funds | 1,280,006 | 1,015,565 |
| State and Federal aid receivable | <u>1,231</u> | <u>-</u> |
| Total Assets | <u>\$ 2,292,497</u> | <u>\$ 5,444,679</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities | | |
| Accounts payable | \$ 696,730 | \$ 619,008 |
| Accrued liabilities | - | 103,000 |
| Due to other funds | <u>-</u> | <u>2,116</u> |
| Total Liabilities | 696,730 | 724,124 |
| Fund balance | | |
| Restricted | <u>1,595,767</u> | <u>4,720,555</u> |
| Total Liabilities and Fund Balance | <u>\$ 2,292,497</u> | <u>\$ 5,444,679</u> |

See independent auditors' report.

Chappaqua Central School District, New York

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

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| REVENUES | | |
| State aid | \$ 1,231 | \$ - |
| Miscellaneous income | <u>225,000</u> | <u>2,430,565</u> |
| Total Revenues | 226,231 | 2,430,565 |
| EXPENDITURES | | |
| Capital outlay | <u>3,711,019</u> | <u>2,882,860</u> |
| Deficiency of Revenues Over Expenditures | (3,484,788) | (452,295) |
| OTHER FINANCING SOURCES | | |
| Transfers in | <u>360,000</u> | <u>750,000</u> |
| Net Change in Fund Balance | (3,124,788) | 297,705 |
| FUND BALANCE | | |
| Beginning of Year | <u>4,720,555</u> | <u>4,422,850</u> |
| End of Year | <u>\$ 1,595,767</u> | <u>\$ 4,720,555</u> |

See independent auditors' report.

Chappaqua Central School District, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through June 30, 2022

| PROJECT | Authorization | Expenditures and Transfers to Date | | | Unexpended Balance |
|--------------------------------|----------------------|------------------------------------|---------------------|----------------------|-----------------------|
| | | Prior Years | Current Year | Total | |
| School - Wide Improvements | \$ 42,865,565 | \$ 41,607,594 | \$ 879,663 | \$ 42,487,257 | \$ 378,308 |
| Smart Schools Bond Act | 686,946 | 685,715 | 1,231 | 686,946 | - |
| Fitness Center | 600,000 | 536,083 | 63,917 | 600,000 | - |
| Bell Parking Lot | 300,002 | 262,330 | - | 262,330 | 37,672 |
| Horace Greeley K Building Roof | 275,000 | - | - | - | 275,000 |
| Bell Cafeteria | 390,000 | 19,608 | - | 19,608 | 370,392 |
| Security | 1,350,000 | 1,349,999 | 1 | 1,350,000 | - |
| Sustainability Research Center | 2,290,000 | 99,398 | 2,035,029 | 2,134,427 | 155,573 |
| Westorcharde Gym Roof | 360,000 | - | 44,661 | 44,661 | 315,339 |
| Horace Greeley Gym Boiler | 750,000 | - | 686,517 | 686,517 | 63,483 |
| Totals | <u>\$ 49,867,513</u> | <u>\$ 44,560,727</u> | <u>\$ 3,711,019</u> | <u>\$ 48,271,746</u> | <u>\$ 1,595,767</u> |

See independent auditors' report.

| Methods of Financing | | | | | |
|----------------------------|-------------------|---------------------|---------------------|----------------------|----------------------------------|
| Proceeds of Obligations | State Aid | Transfers | Miscellaneous | Totals | Fund Balance at June 30, 2022 |
| \$ 42,500,000 | \$ - | \$ - | \$ 365,565 | \$ 42,865,565 | \$ 378,308 |
| - | 686,946 | - | - | 686,946 | - |
| - | - | - | 600,000 | 600,000 | - |
| - | - | 300,002 | - | 300,002 | 37,672 |
| - | - | 275,000 | - | 275,000 | 275,000 |
| - | - | 390,000 | - | 390,000 | 370,392 |
| - | - | 1,350,000 | - | 1,350,000 | - |
| - | - | - | 2,290,000 | 2,290,000 | 155,573 |
| - | - | 360,000 | - | 360,000 | 315,339 |
| - | - | 750,000 | - | 750,000 | 63,483 |
| <u>\$ 42,500,000</u> | <u>\$ 686,946</u> | <u>\$ 3,425,002</u> | <u>\$ 3,255,565</u> | <u>\$ 49,867,513</u> | <u>\$ 1,595,767</u> |

Chappaqua Central School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022
(With Comparative Totals for 2021)

| | | | Total Non-Major Governmental Funds | |
|--------------------------------------|-------------------|--------------------|---------------------------------------|-------------------|
| | School Lunch | Special Purpose | 2022 | 2021 |
| ASSETS | | | | |
| Cash and equivalents | \$ 60,269 | \$ 321,482 | \$ 381,751 | \$ 265,631 |
| Receivables | | | | |
| Accounts | - | 3,995 | 3,995 | - |
| State and Federal aid | 421,033 | - | 421,033 | 147,839 |
| Due from other funds | 68,100 | 43,297 | 111,397 | 155,230 |
| | 489,133 | 47,292 | 536,425 | 303,069 |
| Inventories | 4,135 | - | 4,135 | 13,082 |
| Total Assets | <u>\$ 553,537</u> | <u>\$ 368,774</u> | <u>\$ 922,311</u> | <u>\$ 581,782</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 135,721 | \$ 2,079 | \$ 137,800 | \$ 173,421 |
| Deposit Payable | - | 170,935 | 170,935 | 98,514 |
| Unearned revenues | 107,296 | - | 107,296 | 134,119 |
| Due to other funds | - | 1,085 | 1,085 | - |
| Total Liabilities | 243,017 | 174,099 | 417,116 | 406,054 |
| Fund balances | | | | |
| Nonspendable | 4,135 | - | 4,135 | 13,082 |
| Restricted | - | 194,675 | 194,675 | 151,147 |
| Assigned | 306,385 | - | 306,385 | 11,499 |
| Total Fund Balances | 310,520 | 194,675 | 505,195 | 175,728 |
| Total Liabilities and Fund Balances | <u>\$ 553,537</u> | <u>\$ 368,774</u> | <u>\$ 922,311</u> | <u>\$ 581,782</u> |

See independent auditors' report.

Chappaqua Central School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2022
(With Comparative Totals for 2021)

| | School Lunch | Special Purpose | Total Non-Major Governmental Funds | |
|--|-------------------|--------------------|---------------------------------------|-------------------|
| | | | 2022 | 2021 |
| REVENUES | | | | |
| State aid | \$ 18,084 | \$ - | \$ 18,084 | \$ 16,693 |
| Federal aid | 1,370,630 | - | 1,370,630 | 489,518 |
| Food sales | 749,836 | - | 749,836 | 97,354 |
| Miscellaneous | - | 67,767 | 67,767 | 96,018 |
| Total Revenues | <u>2,138,550</u> | <u>67,767</u> | <u>2,206,317</u> | <u>699,583</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Cost of food sales | 1,852,611 | - | 1,852,611 | 616,658 |
| Other | - | 24,239 | 24,239 | 95,605 |
| Total Expenditures | <u>1,852,611</u> | <u>24,239</u> | <u>1,876,850</u> | <u>712,263</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 285,939 | 43,528 | 329,467 | (12,680) |
| FUND BALANCES | | | | |
| Beginning of Year | <u>24,581</u> | <u>151,147</u> | <u>175,728</u> | <u>188,408</u> |
| End of Year | <u>\$ 310,520</u> | <u>\$ 194,675</u> | <u>\$ 505,195</u> | <u>\$ 175,728</u> |

See independent auditors' report.

Chappaqua Central School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

| | 2022 | 2021 |
|-------------------------------------|------------|------------|
| ASSETS | | |
| Cash and equivalents | \$ 60,269 | \$ 114,485 |
| Receivables | | |
| State and Federal aid | 421,033 | 147,839 |
| Due from other funds | 68,100 | 56,715 |
| | 489,133 | 204,554 |
| Inventories | 4,135 | 13,082 |
| Total Assets | \$ 553,537 | \$ 332,121 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities | | |
| Accounts payable | \$ 135,721 | \$ 173,421 |
| Unearned revenues | 107,296 | 134,119 |
| Total Liabilities | 243,017 | 307,540 |
| Fund balance | | |
| Nonspendable | 4,135 | 13,082 |
| Assigned | 306,385 | 11,499 |
| Total Fund Balance | 310,520 | 24,581 |
| Total Liabilities and Fund Balance | \$ 553,537 | \$ 332,121 |

See independent auditors' report.

Chappaqua Central School District, New York

School Lunch Fund

Comparative Statement of Revenues, Expenditures and

Changes in Fund Balance

Years Ended June 30,

| | <u>2022</u> | <u>2021</u> |
|---|--------------------------|-------------------------|
| REVENUES | | |
| State aid | \$ 18,084 | \$ 16,693 |
| Federal aid | 1,370,630 | 489,518 |
| Food sales | 749,836 | 97,354 |
| Miscellaneous | <u>-</u> | <u>7,306</u> |
| Total Revenues | 2,138,550 | 610,871 |
| EXPENDITURES | | |
| Current | | |
| Cost of food sales | <u>1,852,611</u> | <u>616,658</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 285,939 | (5,787) |
| FUND BALANCE | | |
| Beginning of Year | <u>24,581</u> | <u>30,368</u> |
| End of Year | <u><u>\$ 310,520</u></u> | <u><u>\$ 24,581</u></u> |

See independent auditors' report.

Chappaqua Central School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

| | <u>2022</u> | <u>2021</u> |
|-------------------------------------|--------------------------|--------------------------|
| ASSETS | | |
| Cash and equivalents | \$ 321,482 | \$ 151,146 |
| Accounts receivable | 3,995 | - |
| Due from other funds | <u>43,297</u> | <u>98,515</u> |
| Total Assets | <u><u>\$ 368,774</u></u> | <u><u>\$ 249,661</u></u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities | | |
| Accounts payable | \$ 2,079 | \$ - |
| Due to other funds | 1,085 | - |
| Deposits payable | <u>170,935</u> | <u>98,514</u> |
| Total Liabilities | <u>174,099</u> | <u>98,514</u> |
| Fund balance | | |
| Restricted | <u>194,675</u> | <u>151,147</u> |
| Total Liabilities and Fund Balance | <u><u>\$ 368,774</u></u> | <u><u>\$ 249,661</u></u> |

See independent auditors' report.

Chappaqua Central School District, New York

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

| | <u>2022</u> | <u>2021</u> |
|---|--------------------------|--------------------------|
| REVENUES | | |
| Miscellaneous | <u>\$ 67,767</u> | <u>\$ 88,712</u> |
| EXPENDITURES | | |
| Current | | |
| Other | <u>24,239</u> | <u>95,605</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>43,528</u> | <u>(6,893)</u> |
| FUND BALANCE | | |
| Beginning of Year | <u>151,147</u> | <u>158,040</u> |
| End of Year | <u><u>\$ 194,675</u></u> | <u><u>\$ 151,147</u></u> |

See independent auditors' report.

Chappaqua Central School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2022

| | |
|-------------------|------------------------------|
| Adopted Budget | \$ 130,460,188 |
| Additions | |
| Encumbrances | <u>2,159,013</u> |
| Original Budget | 132,619,201 |
| Budget Amendments | <u>1,524,282</u> |
| Final Budget | <u><u>\$ 134,143,483</u></u> |

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

Year Ended June 30, 2022

| | |
|--|----------------------------|
| 2022-23 Expenditure Budget | \$ 133,963,411 |
| General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law | |
| Unrestricted fund balance | |
| Assigned fund balance | \$ 4,396,787 |
| Unassigned fund balance | <u>4,071,170</u> |
| Total Unrestricted Fund Balance | <u>8,467,957</u> |
| Less | |
| Appropriated for subsequent year's budget | 3,500,000 |
| Encumbrances | <u>896,787</u> |
| Total Adjustments | <u>4,396,787</u> |
| General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law | <u><u>\$ 4,071,170</u></u> |
| Actual Percentage | <u><u>3.04%</u></u> |

See independent auditors' report.

Chappaqua Central School District, New YorkSchedule of Net Investment In Capital Assets
Year Ended June 30, 2022

| | | | |
|--|--------------------|----|--------------------------|
| Capital Assets, net | | \$ | 145,649,321 |
| Less | | | |
| General Obligation Bonds Payable | \$ (49,209,987) | | |
| Energy Performance Contract Debt Payable | (7,189,084) | | |
| Unamortized Portion of Premium | <u>(3,779,137)</u> | | (60,178,208) |
| Plus | | | |
| Unamortized Portion of Loss on Refunding Bonds | | | <u>1,099,123</u> |
| Net Investment in Capital Assets | | \$ | <u><u>86,570,236</u></u> |

See independent auditors' report.

**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, 2022, 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 September 30, 2022.

Report on 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") as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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*.

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 School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 30, 2022

**Report on Compliance For Each Major Federal Program and
Report on Internal Control Over Compliance Required by
the Uniform Guidance**

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Chappaqua Central School District, New York's ("School District") compliance with the types of compliance requirements identified as subject to audit in the *OMB 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, 2022. 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.

In our opinion, the School District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Governmental Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses,

as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 30, 2022

Chappaqua Central School District, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

| <u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u> | <u>Federal Assistance Listing Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Provided to Sub- recipients</u> | <u>Total Federal 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 - Commodities | 10.555 | N/A | \$ - | \$ 81,023 |
| National School Lunch Program - Cash | 10.555 | N/A | - | 1,289,607 |
| Total U.S. Department of Agriculture | | | - | 1,370,630 |
| <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 | 84.027 | 032-22-1067 | - | 719,077 |
| Special Education - Preschool Grants | 84.173 | 033-22-1067 | - | 19,020 |
| Subtotal Special Education Cluster | | | - | 738,097 |
| Supporting Effective Instruction State Grants | 84.367 | 147-21-3700 | - | 21,850 |
| Supporting Effective Instruction State Grants | 84.367 | 147-22-3700 | - | 47,175 |
| | | | - | 69,025 |
| Title I Grants to Local Educational Agencies | 84.010 | 021-21-3700 | - | 96,851 |
| Title I Grants to Local Educational Agencies | 84.010 | 021-22-3700 | - | 69,397 |
| | | | - | 166,248 |
| Governor's Emergency Education Relief (GEER) Fund | 84.425C | 5895-21-3745 | | 2,100 |
| Total U.S. Department of Education | | | - | 975,470 |
| Total Expenditures of Federal Awards | | | \$ - | \$ 2,346,100 |

N/A - Information not available.

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, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Chappaqua Central School District, New York ("School District") under programs of the federal government for the year ended June 30, 2022. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

Note 3 - Indirect Cost Rate

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Chappaqua Central School District, New York

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor
issued on whether the financial statements audited
were prepared in accordance with GAAP

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 federal 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 federal programs

Unmodified

Any audit findings disclosed that are
required to be reported in accordance with
2 CFR 200.516(a)?

____ Yes X No

Identification of major federal programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

10.555

10.555

Child Nutrition Cluster:

National School Lunch Program - Commodities

National School Lunch Program - Cash

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

 \$750,000
 X Yes ____ No

Chappaqua Central School District, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended June 30, 2022

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, 2022

None