

**Chappaqua Central School District, New York**

Financial Statements and  
Supplementary Information

Year Ended June 30, 2021



## Chappaqua Central School District, New York

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## **Independent Auditors' Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Chappaqua Central School District, New York ("School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2021, 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.

## ***Emphasis of Matters***

We draw attention to Notes 2D and 2F in the notes to financial statements which disclose the effects of the School District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". Our opinion is not modified with respect to this matter.

## ***Other Matters***

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

### ***Supplementary and Other Information***

Our audit for the year ended June 30, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* 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.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2021 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, 2021.

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, 2020 (not presented herein), and issued our report thereon dated September 30, 2020, 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, 2020 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 relate directly to the underlying accounting and other records used to prepare the 2020 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information 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 fund 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, 2020.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24,, 2021 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 24, 2021

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# **Chappaqua Central School District, New York**

## **Management's Discussion and Analysis ("MD&A") June 30, 2021**

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### **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, 2021. 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.

During the 2020-21 school year, the greatest impact to the District as a whole and to the financial status of the District continued to be COVID-19. The School District along with all public school districts in New York State faced reopening schools safely in the midst of a world-wide pandemic. However, Chappaqua Central School District's leadership was able to reopen safely with in-person learning for all students. On the revenue side, Continuing Education Tuition, Interest & Earnings, Rental Income, Unclassified Revenue, and State Aid were all impacted negatively, while Sales Tax and Refund of Prior Year Expenses were better than budget. On the expenditure side, ordinary expenses were reduced, e.g., Utility, General Supplies, Equipment, Stipends for Interscholastic and Co-Curricular.

### **Financial Highlights**

Key financial highlights for fiscal year 2020-21 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 \$4,976,308. The unassigned fund balance of the General Fund is 3.81% of the 2021-22 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 \$27,523,109 to \$24,623,946, a decrease of \$2,899,163. There remains \$4,720,555 in the restricted reserve for capital projects at the end of June 30, 2021.
- The District's General Fund balance decreased by \$3,184,188 from \$22,911,851 to \$19,727,663. The unassigned fund balance accounts for \$660,354 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 \$92,832,013. The negative net position was due to the major changes for GASB Statement No. 75 vs. GASB Statement No. 45 for reporting the Other Post Employment Benefits ("OPEB") liability. Under GASB Statement No. 45, the District reported the net OPEB Obligation. Now, under GASB Statement No. 75, the District must report the entire unfunded accrued liability. The financial condition of the district is similar to prior years with no major changes. 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 is a new fund for the District in 2020-21 and was created 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, 2020 to June 30, 2021 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\\_6-30-2021.pdf](https://www.chappaquaschools.org/uploaded/CCSD/Departments/Business_Office/Financial_Legal/GASB75_Year_Ending_6-30-2021.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,	
	2021	2020
<b>ASSETS</b>		
Current Assets	\$ 36,088,739	\$ 46,452,722
Capital Assets, net	<u>144,939,785</u>	<u>145,550,173</u>
Total Assets	<u>181,028,524</u>	<u>192,002,895</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>75,444,185</u>	<u>60,205,450</u>
<b>LIABILITIES</b>		
Current Liabilities	11,861,692	11,319,911
Long-term Liabilities	<u>325,209,737</u>	<u>307,642,347</u>
Total Liabilities	<u>337,071,429</u>	<u>318,962,258</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>12,233,293</u>	<u>11,373,059</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	80,634,310	78,144,751
Restricted		
Capital Projects	1,396,981	904,027
Future Capital Projects	920,717	1,569,797
Tax Certiorari	2,723,405	2,825,490
Tax Reduction	4,705	4,701
Property Loss	59,394	59,334
Insurance	211,647	211,435
Liability Claims	220,005	219,786
Repairs	138,703	138,564
Retirement Contributions	1,471,167	1,469,697
Debt Service	893,033	890,025
Special Purpose	151,147	53,870
Unrestricted	<u>(181,657,227)</u>	<u>(164,618,449)</u>
Total Net Position	<u><u>\$ (92,832,013)</u></u>	<u><u>\$ (78,126,972)</u></u>

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 2020-21 school year, the District budgeted \$4,500,000 in its General Fund to pay off the scheduled capital debt principal and \$1,995,238 to pay for interest payments.

In 2016, voters approved a \$42.5 million bond proposition for capital projects. Since all projects have been completed except for the High School and the Public Library projects that are still in progress, the district is holding the remaining borrowed funds for capital projects that are underway. The District's Capital Assets decreased from \$145,550,173 to \$144,939,785 due to accumulated depreciation. The District anticipates completing the remaining capital projects during the 2021-22 school year.

The Long-term Liabilities increased from \$299,467,444 to \$325,209,737, an increase of \$25,742,293. This is not due to additional borrowing by the District but is primarily due to changes in assumptions and other inputs used for calculation of the OPEB Liability which increased by \$21,826,321. The discount rate, which is based on an average of three 20 year bond indices, was decreased from 2.6% to 2.1%.

Those assets subject to external restrictions constitute \$8,190,904 of net position, which includes Restriction for Future Capital Projects of \$920,717, Retirement Contributions of \$1,471,167, and Tax Certiorari of \$2,723,405. Again, the District's net position remains relatively unchanged.

## Changes in Net Position

	June 30,	
	2021	2020
<b>REVENUES</b>		
Program Revenues		
Charges for Services	\$ 486,193	\$ 1,857,274
Operating Grants and Contributions	5,115,209	1,980,026
Capital Grants and Contributions	1,812	688,172
	<u>5,603,214</u>	<u>4,525,472</u>
Total Program Revenues		
General Revenues		
Real Property Taxes	108,775,590	106,624,781
Other Tax Items (STAR)	2,887,640	3,403,781
Non-Property Taxes	1,382,320	1,224,797
Unrestricted Use of Money and Property	63,033	576,658
Unrestricted State Aid	7,976,584	9,082,638
Miscellaneous	1,274,641	575,039
	<u>122,359,808</u>	<u>121,487,694</u>
Total General Revenues		
Total Revenues	<u>127,963,022</u>	<u>126,013,166</u>
<b>EXPENSES</b>		
General Support	18,078,270	17,750,460
Instruction	115,487,999	108,500,263
Pupil Transportation	6,638,011	5,048,726
Community Services	23,202	22,747
Cost of Food Sales	638,880	1,289,851
Other	95,605	2,730
Interest	1,810,265	1,774,354
	<u>142,772,232</u>	<u>134,389,131</u>
Total Expenses		
Change in Net Position	<u>(14,809,210)</u>	<u>(8,375,965)</u>
Net Position - Beginning, as reported	(78,126,972)	(69,751,007)
Cumulative Change in Accounting Principle	<u>104,169</u>	<u>-</u>
Net Position - Beginning, as restated	<u>(78,022,803)</u>	<u>(69,751,007)</u>
Ending	<u><u>\$ (92,936,182)</u></u>	<u><u>\$ (78,126,972)</u></u>

The District's net position decreased by \$14,839,210, from a negative \$ \$78,022,803 to a negative \$92,862,013. 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 (87.27%, a slight decrease from prior year's 87.31%).

The major changes from 2019-20 to 2020-21 are as follows:

#### Revenues:

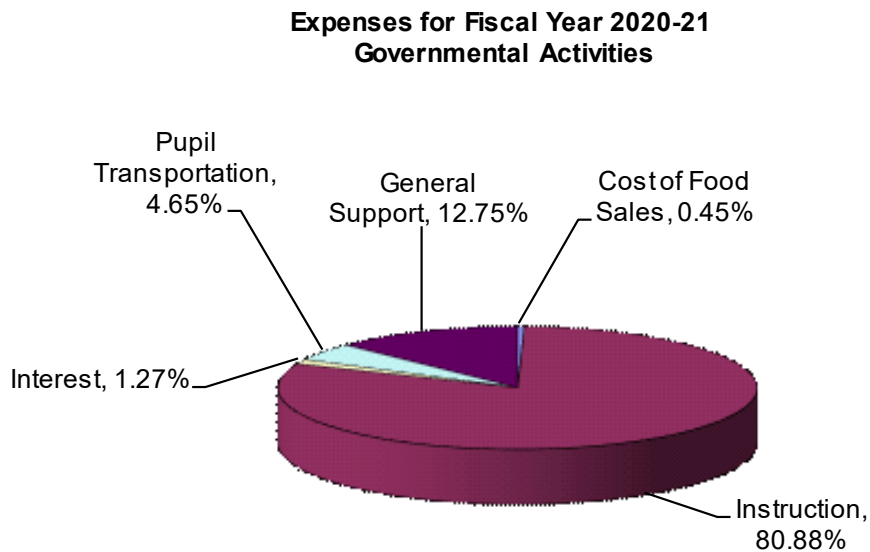
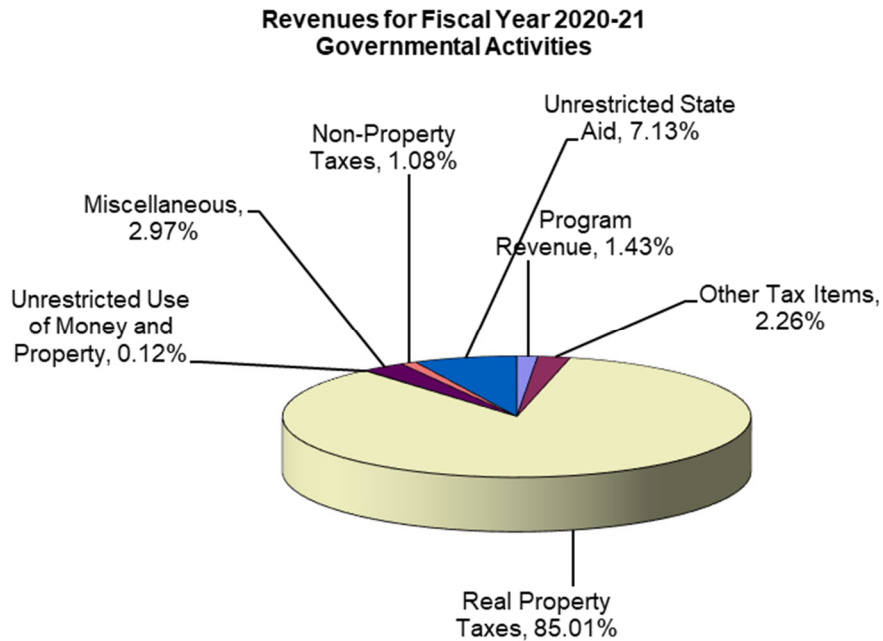
The District's total program revenues saw an increase of \$1,077,742, general revenues increased by \$872,114, and the total revenues increased by \$1,949,856. The primary elements of these changes were:

- For the Program Revenues category, Operating Grants and Contributions increased by \$3,135,183. Capital Grants and Contributions decreased by \$686,360, and Charges for services decreased by \$1,371,081. These yearly fluctuations of the District operations were impacted by the Covid 19 pandemic.
- Real Property Taxes (excluding STAR) increased by \$2,150,809.
- Other Tax Items (STAR) saw a decrease of \$516,141. 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 Use of Money and Property saw a decrease of \$513,625 mainly due to the drop of interest rates for investments and a loss of revenue from reduced facilities usage.

#### Expenses:

The District's expenses increased by \$8,383,101. The highlights were:

- General Support saw an increase of \$327,810. This increase was driven by increased Facilities Maintenance costs.
- Instruction saw the largest increase in the amount of \$6,987,736 which was primarily due to the allocation of the OPEB expense which experienced a large increase.
- Pupil Transportation saw an increase of \$1,589,275. In addition to school being open the entire school year in 2020-21 as compared to only seven and a half months in 2019-20, additional mid-day bus runs were needed to accommodate Covid related staggered student schedules.
- Cost of Food Sales also saw a decrease of \$650,971. Again, this was impacted by COVID-19. All students were provided with free meals for the entire 2020-21 school year.
- Other expenditure items remain relatively stable.



### **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 \$24,623,946, a decrease of \$2,899,163 from prior year's \$27,523,109. 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 \$3,184,188, from \$22,911,851 in 2019-20 to \$19,727,663 for the current fiscal year. The Assigned Fund Balance for the subsequent year of \$3,542,865 came from the Unassigned Fund Balance.

For fiscal year 2020-21, the General Fund final revenue budget exceeded actual revenues by \$375,272. The largest variance was a negative variance of \$618,307 in use of money & property.

General Fund expenditures and other financing uses for 2020-21 were \$2,131,593 less than the final budget, after the deduction of \$2,159,016 for encumbrances. Positive variances (spent less than budgeted amount) were shown in the following areas: Instruction \$1,058,344, Operations & Maintenance \$329,693, Pupil Transportation \$308,966, and Employee Benefits \$162,448.

### **General Fund Budgetary Highlights**

The original expenditure budget and the final amended budget showed an increase of \$1,382,738. The modifications were mainly made up from a voter approved transfer to Capital projects \$650,000, use of reserves for compensated absences and tax certiorari of \$474,124 and \$104,806, respectively, and a Cares Act grant of \$140,150.

### **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, 2021</u>
Non-spendable	\$ 265,074
Restricted	8,784,403
Assigned	5,701,878
Unassigned	4,976,308
Total	<u>\$ 19,727,663</u>

By far the largest category of fund balance is in "Restricted" and these funds were established and set aside for very specific purposes. The "Assigned" fund balance consists of two parts: \$2,159,013 (vs. last year's \$2,237,730) is for encumbrances (purchases on order) - commitments made by the District for goods or services, and \$3,542,865 (the same as last year) is assigned for subsequent year's expenditures. The remainder of \$4,976,308 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, 2020, the District had \$144,939,785 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,	
	2021	2020
Land	\$ 2,177,700	\$ 2,177,700
Construction in Progress	32,401,843	30,505,985
Buildings and Improvements	106,085,034	108,046,730
Machinery and Equipment	4,275,208	4,819,758
Total Capital Assets, Net of Accumulated Depreciation	\$ 144,939,785	\$ 145,550,173

The major changes in Capital Assets are an increase of \$1,895,858 in Construction in Progress and an increase of \$1,684,512 in Building and Improvement. These two increases are due to District's on-going capital projects. As the District continues to complete its capital projects for the 2016 capital bond, Buildings and Improvements will increase until all the capital projects are completed (currently the expected completion date is 2021-22). 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, 2021, the District had \$58,131,247 in general obligation debt and other long-term liabilities outstanding, as follows:

	June 30,	
	2021	2020
General Obligations Bonds Payable		
Plus Unamortized Premium	\$ 58,131,247	\$ 63,103,370
Other Non-Current Liabilities -		
Net Pension Liability	8,606,922	(1,297,144)
Energy Performance Contract Debt	8,211,076	9,209,433
Compensated Absences	4,029,952	4,047,566
Other Post Employment Benefit Obligations	246,230,540	224,404,219
Total	\$ 325,209,737	\$ 299,467,444

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 \$4,972,123. The District has completed its borrowing for the \$42.5 million serial bonds and has begun to pay down its debt.

Other post employment benefit obligations saw a large increase in the amount of \$21,826,321 (the implementation of GASB Statement No. 75 happened during the 2017-18 fiscal year). This large increase was mainly due to realigning the discount rate from 2.6% to 2.1% 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, 2021 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](mailto:anlennon@chappaquaschools.org)

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**Chappaqua Central School District, New York**Statement of Net Position  
June 30, 2021

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 33,681,228
Receivables	
Accounts	73,838
State and Federal aid	2,055,517
Prepaid expenses	265,074
Inventories	13,082
Capital assets	
Not being depreciated	34,579,543
Being depreciated, net	110,360,242
	<hr/>
Total Assets	181,028,524
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding bonds	1,243,840
Pension related	36,968,691
OPEB related	37,231,654
	<hr/>
Total Deferred Outflows of Resources	75,444,185
	<hr/>
<b>LIABILITIES</b>	
Accounts payable	2,124,992
Deposits payable	98,514
Accrued liabilities	980,677
Employee payroll deductions	3,052
Due to retirement systems	6,152,667
Due to other governments	1,436,866
Unearned revenues	668,025
Accrued interest payable	396,899
Non-current liabilities	
Due within one year	6,094,992
Due in more than one year	319,114,745
	<hr/>
Total Liabilities	337,071,429
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	12,233,293
	<hr/>
	12,233,293
	<hr/>
<b>NET POSITION</b>	
Net investment in capital assets	80,634,308
Restricted	
Capital projects	1,396,981
Future capital projects	920,717
Tax certiorari	2,723,405
Tax reduction	4,705
Property loss	59,394
Insurance	211,647
Liability claims	220,005
Repairs	138,703
Retirement contributions	1,471,167
Debt service	893,033
Special purpose	151,147
Unrestricted	(181,657,225)
	<hr/>
Total Net Position	\$ (92,832,013)
	<hr/>

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, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General support	\$ 18,078,270	\$ 84,806	\$ 6,964	\$ -
Instruction	115,487,999	296,727	4,513,322	-
Pupil transportation	6,638,011	-	-	-
Community services	23,202	-	-	-
Cost of food sales	638,880	104,660	506,211	-
Other	95,605	-	88,712	-
Interest	1,810,265	-	-	1,812
Total Governmental Activities	<u>\$ 142,772,232</u>	<u>\$ 486,193</u>	<u>\$ 5,115,209</u>	<u>\$ 1,812</u>
General revenues				
Real property taxes				
Other tax items				
School tax relief reimbursement				
Non-property taxes				
Non-property tax distribution from County				
Unrestricted use of money and property				
Unrestricted State aid				
Miscellaneous				
Total General Revenues				
Change in Net Position				
Net Position - Beginning, as reported				
Cumulative change in accounting principle				
Net Position - Beginning, as restated				
Net Position - Ending				

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

<hr/> Net (Expense) Revenue and Changes in Net Position <hr/>	
\$	(17,986,500)
	(110,677,950)
	(6,638,011)
	(23,202)
	(28,009)
	(6,893)
	(1,808,453)
	<hr/>
	(137,169,018)
	<hr/>
	108,775,590
	2,887,640
	1,382,320
	63,033
	7,976,584
	1,274,641
	<hr/>
	122,359,808
	<hr/>
	(14,809,210)
	(78,126,972)
	104,169
	(78,022,803)
	<hr/>
\$	<u>(92,832,013)</u>

**Chappaqua Central School District, New York**

Balance Sheet  
Governmental Funds  
June 30, 2021

	General	Special Aid	Capital Projects
<b>ASSETS</b>			
Cash and equivalents	\$ 28,782,956	\$ 203,527	\$ 4,429,114
Receivables			
Accounts	53,174	20,664	-
State and Federal aid	1,056,971	850,707	-
Due from other funds	1,840,753	794,700	1,015,565
Prepaid expenditures	265,074	-	-
Inventories	-	-	-
Total Assets	<u>\$ 31,998,928</u>	<u>\$ 1,869,598</u>	<u>\$ 5,444,679</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 1,305,851	\$ 26,712	\$ 619,008
Deposits payable	-	-	-
Accrued liabilities	877,677	-	103,000
Employee payroll deductions	3,052	-	-
Due to other funds	1,965,495	1,838,637	2,116
Due to retirement systems	6,152,667	-	-
Due to other governments	1,436,866	-	-
Unearned revenues	529,657	4,249	-
Total Liabilities	<u>12,271,265</u>	<u>1,869,598</u>	<u>724,124</u>
Fund balances			
Nonspendable	265,074	-	-
Restricted	8,784,403	-	4,720,555
Assigned	5,701,878	-	-
Unassigned	4,976,308	-	-
Total Fund Balances	<u>19,727,663</u>	<u>-</u>	<u>4,720,555</u>
Total Liabilities and Fund Balances	<u>\$ 31,998,928</u>	<u>\$ 1,869,598</u>	<u>\$ 5,444,679</u>

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



Non-Major Governmental	Total Governmental Funds
\$ 265,631	\$ 33,681,228
-	73,838
147,839	2,055,517
155,230	3,806,248
-	265,074
13,082	13,082
<u>\$ 581,782</u>	<u>\$ 39,894,987</u>

\$ 173,421	\$ 2,124,992
98,514	98,514
-	980,677
-	3,052
-	3,806,248
-	6,152,667
-	1,436,866
134,119	668,025
<u>406,054</u>	<u>15,271,041</u>

13,082	278,156
151,147	13,656,105
11,499	5,713,377
-	4,976,308
<u>175,728</u>	<u>24,623,946</u>
<u>\$ 581,782</u>	<u>\$ 39,894,987</u>

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## Chappaqua Central School District, New York

### Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position June 30, 2021

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

Total Fund Balances - Governmental Funds	\$ 24,623,946
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#### Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets - non-depreciable	34,579,543
Capital assets - depreciable	184,518,839
Accumulated depreciation	<u>(74,158,597)</u>
	<u>144,939,785</u>

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	36,968,691
Deferred outflows - OPEB related	37,231,654
Deferred inflows - pension related	<u>(12,233,293)</u>
	<u>61,967,052</u>

Long-term liabilities that are not due and payable in the current period are not reported in the funds.

Accrued interest payable	(396,899)
General obligation bonds payable	(58,131,247)
Energy performance contract debt payable	(8,211,076)
Compensated absences	(4,029,952)
Net pension liability	(8,606,922)
Total OPEB liability	<u>(246,230,540)</u>
	<u>(325,606,636)</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	<u>1,243,840</u>
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Net Position of Governmental Activities	<u><u>\$ (92,832,013)</u></u>
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The notes to the financial statements are an integral part of this statement.

**Chappaqua Central School District, New York**

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2021

	General	Special Aid	Capital Projects
<b>REVENUES</b>			
Real property taxes	\$ 108,775,590	\$ -	\$ -
Other tax items	2,887,640	-	-
Non-property taxes	1,382,320	-	-
Charges for services	296,649	-	-
Use of money and property	156,693	-	-
State aid	9,593,425	(484,736)	-
Federal aid	185,074	762,856	-
Food sales	-	-	-
Miscellaneous	1,195,448	81,915	2,430,565
Total Revenues	124,472,839	360,035	2,430,565
<b>EXPENDITURES</b>			
Current			
General support	16,890,528	-	-
Instruction	68,350,009	1,304,735	-
Pupil transportation	6,638,011	-	-
Community services	23,202	-	-
Employee benefits	26,360,418	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	5,498,357	-	-
Interest	2,201,802	-	-
Refunding bond issuance costs	-	-	-
Capital outlay	-	-	2,882,860
Total Expenditures	125,962,327	1,304,735	2,882,860
Deficiency of Revenues Over Expenditures	(1,489,488)	(944,700)	(452,295)
<b>OTHER FINANCING SOURCES (USES)</b>			
Refunding bonds issued	-	-	-
Issuance premium	-	-	-
Payment to refunding bond escrow agent	-	-	-
Transfers in	-	944,700	750,000
Transfers out	(1,694,700)	-	-
Total Other Financing Sources (Uses)	(1,694,700)	944,700	750,000
Net Change in Fund Balances	(3,184,188)	-	297,705
<b>FUND BALANCES</b>			
Beginning of Year	22,911,851	-	4,422,850
End of Year	\$ 19,727,663	\$ -	\$ 4,720,555

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 108,775,590
-	2,887,640
-	1,382,320
-	296,649
-	156,693
16,693	9,125,382
489,518	1,437,448
97,354	97,354
96,018	3,803,946
699,583	127,963,022
-	16,890,528
-	69,654,744
-	6,638,011
-	23,202
-	26,360,418
616,658	616,658
95,605	95,605
-	5,498,357
-	2,201,802
-	-
-	2,882,860
712,263	130,862,185
(12,680)	(2,899,163)
-	-
-	-
-	-
-	1,694,700
-	(1,694,700)
-	-
(12,680)	(2,899,163)
188,408	27,523,109
\$ 175,728	\$ 24,623,946

## 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, 2021

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

Net Change in Fund Balances - Total Governmental Funds	\$ (2,899,163)
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	4,031,739
Depreciation expense	(4,642,127)
	<u>(610,388)</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	4,500,000
Principal paid on energy performance contract debt	998,357
	<u>5,498,357</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	64,132
Changes in pension liabilities and related deferred outflows and inflows of resources	(5,567,471)
Compensated absences	17,614
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(11,639,696)
Amortization of loss on refunding bonds and issuance premium	327,405
	<u>(16,798,016)</u>
Change in Net Position of Governmental Activities	\$ <u><u>(14,809,210)</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  
Balance - Budget and Actual  
General Fund  
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes				
Other tax items	\$ 111,663,231	\$ 108,775,592	\$ 108,775,590	\$ (2)
Non-property taxes	-	2,887,640	2,887,640	-
Charges for services	1,325,000	1,325,000	1,382,320	57,320
Use of money and property	410,201	410,201	296,649	(113,552)
State aid	775,000	775,000	156,693	(618,307)
Federal aid	9,945,871	9,945,871	9,593,425	(352,446)
Miscellaneous	-	140,150	185,074	44,924
	575,000	588,657	1,195,448	606,791
Total Revenues	124,694,303	124,848,111	124,472,839	(375,272)
<b>EXPENDITURES</b>				
Current				
General support	16,123,122	18,949,868	16,890,528	2,059,340
Instruction	71,252,189	70,087,513	68,350,009	1,737,504
Pupil transportation	7,009,969	6,969,328	6,638,011	331,317
Community services	22,747	23,202	23,202	-
Employee benefits	27,437,388	26,522,866	26,360,418	162,448
Debt service				
Principal	6,213,383	5,498,357	5,498,357	-
Interest	2,256,100	2,201,802	2,201,802	-
Total Expenditures	130,314,898	130,252,936	125,962,327	4,290,609
Excess (Deficiency) of Revenues Over Expenditures	(5,620,595)	(5,404,825)	(1,489,488)	3,915,337
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(250,000)	(1,694,700)	(1,694,700)	-
Net Change in Fund Balances	(5,870,595)	(7,099,525)	(3,184,188)	3,915,337
<b>FUND BALANCES</b>				
Beginning of Year	5,870,595	7,099,525	22,911,851	15,812,326
End of Year	\$ -	\$ -	\$ 19,727,663	\$ 19,727,663

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, 2021

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	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Miscellaneous	\$ 3,281,062
<b>DEDUCTIONS</b>	
Payments to organizations	<u>3,281,062</u>
Change in Fiduciary Net Position	<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 Federal or State funds. The major revenues of this fund are Federal and State 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 liabilities of the current period. Property taxes are considered to be available if collected within sixty

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

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)**

**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, 2021.

**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.

**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, 2021, 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.

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

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.

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 \$529,657 in the General Fund for fees received in advance, \$4,249 in the Special Aid Fund for funds received in advance and \$134,119 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.

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

**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 position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

The School District reported deferred 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.

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

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

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.

**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, advances) 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



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

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 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 24, 2021.

**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 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.

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

- 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").

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. Adoption of Accounting Standard**

For the year ended June 30, 2021, the School District implemented the provisions of GASB Statement No. 84, "*Fiduciary Activities*". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain

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

transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

**E. Reclassification of Prior Year Presentation**

Certain prior year amounts have been reclassified to conform with the current year presentation with respect to the implementation of the provisions of GASB Statement No. 84.

**F. Cumulative Effect of Change in Accounting Principle**

The School District implemented the provisions of GASB Statement No. 84, "*Fiduciary Activities*", for the year ended June 30, 2021. Certain amounts previously reported in the School District's Fiduciary Fund are now being reported within the Special Purpose Fund and/or the General Fund. As a result, the School District has reported a cumulative effect of change in accounting principle of \$54,183 to the July 1, 2019 fund balance of the Special Purpose Fund (the earliest year presented). The School District also reported on its Statement of Activities a cumulative effect of change in accounting principle of \$104,169 to the July 1, 2020 net position of governmental activities for this same reason.

**Note 3 - Detailed Notes on All Funds**

**A. Interfund Receivables/Payables**

The composition of interfund balances at June 30, 2021 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,840,753	\$ 1,965,495
Special Aid	794,700	1,838,637
Capital Projects	1,015,565	2,116
Non-Major Governmental	155,230	-
	<u>\$ 3,806,248</u>	<u>\$ 3,806,248</u>

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

**Chappaqua Central School District, New York**

Notes to Financial Statements  
June 30, 2021

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

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

Class	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets, not being depreciated:				
Land	\$ 2,177,700	\$ -	\$ -	\$ 2,177,700
Construction-in-progress	30,505,985	2,882,860	987,002	32,401,843
Total Capital Assets, not being depreciated	<u>\$ 32,683,685</u>	<u>\$ 2,882,860</u>	<u>\$ 987,002</u>	<u>\$ 34,579,543</u>
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 172,494,840	\$ 1,684,512	\$ -	\$ 174,179,352
Machinery and Equipment	10,045,635	451,369	157,517	10,339,487
Total Capital Assets, being depreciated	<u>182,540,475</u>	<u>2,135,881</u>	<u>157,517</u>	<u>184,518,839</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	64,448,110	3,646,208	-	68,094,318
Machinery and Equipment	5,225,877	995,919	157,517	6,064,279
Total Accumulated Depreciation	<u>69,673,987</u>	<u>4,642,127</u>	<u>157,517</u>	<u>74,158,597</u>
Total Capital Assets, being depreciated, net	<u>\$ 112,866,488</u>	<u>\$ (2,506,246)</u>	<u>\$ -</u>	<u>\$ 110,360,242</u>
Capital Assets, net	<u>\$ 145,550,173</u>	<u>\$ 376,614</u>	<u>\$ 987,002</u>	<u>\$ 144,939,785</u>

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

General Support	\$ 232,106
Instruction	4,387,799
Cost of Food Sales	<u>22,222</u>
Total Depreciation Expense	<u>\$ 4,642,127</u>

**C. Accrued Liabilities**

Accrued liabilities at June 30, 2021 were as follows:

	Fund		
	General	Capital Projects	Total
Other	\$ 196,234	\$ 103,000	\$ 299,234
Payroll and employee benefits	681,443	-	681,443
	<u>\$ 877,677</u>	<u>\$ 103,000</u>	<u>\$ 980,677</u>

**Chappaqua Central School District, New York**

Notes to Financial Statements  
June 30, 2021

**Note 3 - Detailed Notes on All Funds (Continued)****D. Long-Term Liabilities**

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2021:

	Balance July 1, 2020	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2021	Due Within One-Year
General Obligation Bonds Payable	\$ 58,379,987	\$ -	\$ 4,500,000	\$ 53,879,987	\$ 4,670,000
Plus - Unamortized premium on bonds	4,723,383	-	472,123	4,251,260	-
	<u>63,103,370</u>	<u>-</u>	<u>4,972,123</u>	<u>58,131,247</u>	<u>4,670,000</u>
Energy Performance Contract Debt Payable	9,209,433	-	998,357	8,211,076	1,021,992
Other Non-current Liabilities:					
Compensated Absences	4,047,566	387,386	405,000	4,029,952	403,000
Net Pension Liability - ERS	6,877,759	-	6,851,394	26,365	-
Net Pension Liability (Asset) - TRS	(8,174,903)	16,755,460	-	8,580,557	-
Other Postemployment Benefit Liability	224,404,219	27,366,539	5,540,218	246,230,540	-
Total Other Non- current Liabilities	<u>227,154,641</u>	<u>44,509,385</u>	<u>12,796,612</u>	<u>258,867,414</u>	<u>403,000</u>
Total Long-Term Liabilities	<u>\$ 299,467,444</u>	<u>\$ 44,509,385</u>	<u>\$ 18,767,092</u>	<u>\$ 325,209,737</u>	<u>\$ 6,094,992</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.

**General Obligation Bonds Payable**

General obligation bonds payable at June 30, 2021 is comprised of the following issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2021
District-wide Improvements	2018	\$ 26,500,000	June, 2039	3.0 %	\$ 24,580,000
District-wide Improvements	2018	16,000,000	June, 2038	2.250-3.0	12,675,000
School District Refunding	2019	19,295,000	January, 2030	4.0-5.0	16,624,987
					<u>\$ 53,879,987</u>

Interest expenditures of \$1,995,238 were recorded in the fund financial statements in the General Fund. Interest expense of \$1,597,360 was recorded in the district-wide financial statements.

**Note 3 - Detailed Notes on All Funds (Continued)****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, 2021 was \$8,211,076. Interest expenditures of \$206,564 were recorded in the fund financial statements in the General Fund. Interest expense of \$207,543 was recorded in the district-wide financial statements.

**Payments to Maturity**

The annual requirements to amortize all outstanding bonded and energy performance contract debt as of June 30, 2021 including interest payments of \$14,148,131 are as follows:

Year Ending June 30,	General Obligation Bonds		Energy Performance Contract Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 4,670,000	\$ 1,812,669	\$ 1,021,992	\$ 182,929	\$ 5,691,992	\$ 1,995,598
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	1,154,841	1,096,410	108,511	4,546,410	1,263,352
2026	3,380,000	1,050,684	1,122,435	82,485	4,502,435	1,133,169
2027-2031	17,060,000	4,123,150	2,595,898	124,499	19,655,898	4,247,649
2032-2036	11,535,000	1,858,675	257,134	3,728	11,792,134	1,862,403
2037-2039	5,584,987	308,100	-	-	5,584,987	308,100
	<u>\$ 53,879,987</u>	<u>\$ 13,353,344</u>	<u>\$ 8,211,076</u>	<u>\$ 794,787</u>	<u>\$ 62,091,063</u>	<u>\$ 14,148,131</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.

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

**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 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](http://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](http://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



# Chappaqua Central School District, New York

Notes to Financial Statements  
June 30, 2021

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

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 2021 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	2 75I	19.8 %
	3 A14	16.2
	4 A15	16.2
	5 A15	13.5
	6 A15	9.7
TRS	1-6	9.53%

At June 30, 2021, 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, 2021	June 30, 2020
Net pension liability	\$ 26,365	\$ 8,580,557
School Districts' proportion of the net pension liability	0.0302604 %	0.310522 %
Change in proportion since the prior measurement date	0.0001014 %	(0.004139) %

The net pension liability was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS and the total pension liability used to calculate the net pension liability (asset) were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability 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 liability 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, 2021, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$12,261,208 (\$989,548 for ERS and \$11,271,660 for TRS). Pension expenditures of \$1,545,193 were recorded in the fund financial statements and were charged to the General Fund for ERS and \$5,148,545 was charged to the General Fund for TRS.

# Chappaqua Central School District, New York

Notes to Financial Statements  
June 30, 2021

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

At June 30, 2021, 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	\$ 321,979	\$ -	\$ 7,518,285	\$ 439,737
Changes of assumptions	4,847,536	91,426	10,852,408	3,868,316
Net difference between projected and actual earnings on pension plan investments	-	7,573,366	5,603,856	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	778,228	53,240	893,732	207,208
School District contributions subsequent to the measurement date	417,307	-	5,735,360	-
	<u>\$ 6,365,050</u>	<u>\$ 7,718,032</u>	<u>\$ 30,603,641</u>	<u>\$ 4,515,261</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 7,840,264	\$ 439,737		
Changes of assumptions	15,699,944	3,959,742		
Net difference between projected and actual earnings on pension plan investments	5,603,856	7,573,366		
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,671,960	260,448		
School District contributions subsequent to the measurement date	6,152,667	-		
	<u>\$ 36,968,691</u>	<u>\$ 12,233,293</u>		

\$417,307 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 liability in the plan's year ended March 31, 2022. The \$5,735,360 reported as deferred outflows of resources related to TRS will be recognized as an decrease of the net pension liability in the plan's year ended June 30, 2021. 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:

Year Ended	March 31,	June 30,
	ERS	TRS
2021	\$ -	\$ 3,580,594
2022	(168,449)	6,985,571
2023	49,469	5,709,959
2024	(269,757)	3,497,621
2025	(1,381,552)	148,650
Thereafter	-	430,625
	<u>\$ (1,770,289)</u>	<u>\$ 20,353,020</u>

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

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:

	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Investment rate of return	5.9% *	7.10% *
Salary scale	4.4%	1.90%-4.72%
Inflation rate	2.7%	2.20%
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-2019, 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, 2009 to June 30, 2014.

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.

**Chappaqua Central School District, New York**

Notes to Financial Statements  
June 30, 2021

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

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, 2021		TRS June 30, 2020	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %	33 %	7.1 %
International Equity	15	6.30	16	7.7
Private Equity	10	6.75	8	10.4
Real Estate	9	4.95	11	6.8
Domestic Fixed Income Securities	-	-	16	1.8
Global Fixed Income Securities	-	-	2	1.0
High Yield Fixed Income Securities	-	-	1	3.9
Global Equities	-	-	4	7.4
Private Debt	-	-	1	5.2
Real Estate Debt	-	-	7	3.6
Opportunistic/ARS Portfolio	3	4.50	-	-
Credit	4	3.63	-	-
Real Assets	3	5.95	-	-
Fixed Income	23	0.00	-	-
Cash	1	0.50	1	0.7
	<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 2.2% for TRS.

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% 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 calculated using the discount rate of 5.9% for ERS and 7.1% 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 6.1% for TRS) or 1 percentage point higher (6.9% for ERS and 8.1% for TRS) than the current rate:

# Chappaqua Central School District, New York

Notes to Financial Statements  
June 30, 2021

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

	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>\$ 12,658,778</u>	<u>\$ 26,365</u>	<u>\$ 1,591,252</u>
	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 54,200,422</u>	<u>\$ 8,580,557</u>	<u>\$ (29,706,071)</u>

The components of the collective net pension liability as of the March 31, 2021 ERS measurement date and the June 30, 2020 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 220,680,157,000	\$ 123,242,776,215
Fiduciary net position	<u>220,580,583,000</u>	<u>120,479,505,380</u>
Employers' net pension liability	<u>\$ 99,574,000</u>	<u>\$ 2,763,270,835</u>
Fiduciary net position as a percentage of total pension liability	<u>99.95%</u>	<u>97.80%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period April 1, 2021 through June 30, 2021 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, 2021 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, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 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, 2021 were \$417,307 to ERS and \$6,247,722 to TRS, (including employee contributions of \$512,362).

### *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.

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

**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	436
Active employees	624
	<u>1,060</u>

The School District's total OPEB liability of \$246,230,540 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

The total OPEB liability in the July 1, 2021 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	2.1%
Healthcare cost trend rates	7.0% for 2022, decreasing 0.5% per year to an ultimate rate of 4.0% for 2028 and later years
Retirees' share of benefit-related costs	Varies from 5% to 22%, depending on applicable retirement year and bargaining unit

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 RP-2014 Healthy Male and Female Tables for both pre and post retirement, projected with mortality improvements using Projections Scale AA for 3.5 years, (i.e., from date of table to the valuation date), plus ten years additional mortality improvement.

The actuarial assumptions used in the July 1, 2021 valuation were based on the most recent decrement tables for turnover, disability and retirement for ERS and TRS. ERS and TRS tables were based on a version released in 2015.

**Chappaqua Central School District, New York**

## Notes to Financial Statements

June 30, 2021

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

The School District's change in the total OPEB liability for the year ended June 30, 2021 is as follows:

Total OPEB Liability - Beginning of Year	\$ 224,404,219
Service cost	2,922,578
Interest	4,654,316
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	19,789,645
Benefit payments	<u>(5,540,218)</u>
Total OPEB Liability - End of Year	<u>\$ 246,230,540</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 (1.1%) or 1 percentage point higher (3.1%) than the current discount rate:

	1% Decrease (1.1%)	Current Discount Rate (2.1%)	1% Increase (3.1%)
Total OPEB Liability	<u>\$ 312,654,279</u>	<u>\$ 246,230,540</u>	<u>\$ 199,063,159</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>\$ 202,171,413</u>	<u>\$ 246,230,540</u>	<u>\$ 305,416,024</u>

For the year ended June 30, 2021, the School District recognized OPEB expense of \$17,179,914 in the district-wide financial statements. At June 30, 2021, the School District reported deferred 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	\$ 37,231,654	\$ -
Differences between expected and actual experience	<u>-</u>	<u>-</u>
	<u>\$ 37,231,654</u>	<u>\$ -</u>

# Chappaqua Central School District, New York

Notes to Financial Statements  
June 30, 2021

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

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,		
2022	\$	8,255,089
2023		8,255,089
2024		8,255,090
2025		9,168,111
2026		3,298,275
Thereafter		-
		<u>\$ 37,231,654</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.

Transfers Out	Transfer In		Total
	Special Aid Fund	Capital Projects Fund	
General Fund	<u>\$ 944,700</u>	<u>\$ 750,000</u>	<u>\$ 1,694,700</u>

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

## **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.



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

*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 reports the difference between assets and liabilities 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  
June 30, 2021

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

### G. Fund Balances

	2021				2020			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:								
Inventories	\$ -	\$ -	\$ 13,082	\$ 13,082	\$ -	\$ -	\$ 10,415	\$ 10,415
Prepaid expenditures	265,074	-	-	265,074	1,402,153	-	-	1,402,153
Total Nonspendable	265,074	-	13,082	278,156	1,402,153	-	10,415	1,412,568
Restricted:								
Tax certiorari	2,723,405	-	-	2,723,405	2,825,490	-	-	2,825,490
Tax reduction	4,705	-	-	4,705	4,701	-	-	4,701
Property loss	59,394	-	-	59,394	59,334	-	-	59,334
Insurance	211,647	-	-	211,647	211,435	-	-	211,435
Liability claims	220,005	-	-	220,005	219,786	-	-	219,786
Employee benefit accrued liability	2,141,627	-	-	2,141,627	2,613,612	-	-	2,613,612
Repairs	138,703	-	-	138,703	138,564	-	-	138,564
ERS retirement contributions	1,471,167	-	-	1,471,167	1,469,697	-	-	1,469,697
ERS retirement contributions - for subsequent year's expenditures	-	-	-	-	-	-	-	-
Debt service	893,033	-	-	893,033	890,025	-	-	890,025
Capital projects	-	4,720,555	-	4,720,555	-	4,422,850	-	4,422,850
Future capital projects	920,717	-	-	920,717	1,569,797	-	-	1,569,797
Special purposes (1)	-	-	151,147	151,147	-	-	158,040	158,040
Total Restricted	8,784,403	4,720,555	151,147	13,656,105	10,002,441	4,422,850	158,040	14,583,331
Assigned:								
Purchases on order:								
General government support	1,457,503	-	-	1,457,503	1,885,083	-	-	1,885,083
Instruction	679,160	-	-	679,160	412,647	-	-	412,647
Pupil transportation	22,350	-	-	22,350	30,000	-	-	30,000
Employee benefits	-	-	-	-	-	-	-	-
	2,159,013	-	-	2,159,013	2,327,730	-	-	2,327,730
For subsequent year's expenditures -								
General Fund	3,542,865	-	-	3,542,865	3,542,865	-	-	3,542,865
School Lunch Fund	-	-	11,499	11,499	-	-	19,953	19,953
	3,542,865	-	11,499	3,554,364	3,542,865	-	19,953	3,562,818
Total Assigned	5,701,878	-	11,499	5,713,377	5,870,595	-	19,953	5,890,548
Unassigned	4,976,308	-	-	4,976,308	5,636,662	-	-	5,636,662
Total Fund Balances	\$ 19,727,663	\$ 4,720,555	\$ 175,728	\$ 24,623,946	\$ 22,911,851	\$ 4,422,850	\$ 188,408	\$ 27,523,109

(1) Balance at June 30, 2020 restated for the implementation of provisions of GASB Statement No. 84, "Fiduciary Activities."

**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, 2021, 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 currently six civil matters, involving six plaintiffs against the School District regarding allegations of sexual abuse against a former drama teacher. In all six cases, discovery is ongoing. The potential loss is within the New York State Insurance Reciprocal ("NYSIR"), School District insurance carrier, applicable policy limits according to the attorneys assigned to the civil cases by NYSIR. An additional five personal injury claims exist. They are in various stages of discovery. The potential loss is within the NYSIR policy limits.

**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. Leases**

The total cost for these leases was \$188,812 for the year ended June 30, 2021. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 188,812
2023	187,725
2024	187,362
2025	<u>15,738</u>
	<u>\$ 579,637</u>

**Note 5 - Recently Issued GASB Pronouncements**

GASB Statement No. 87, "Leases", as amended by GASB Statement No. 95, "*Postponement of the Effectives Dates of Certain Authoritative Guidance*", establishes a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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 implement this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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**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)

	2021	2020	2019	2018
Total OPEB Liability:				
Service cost	\$ 2,922,578	\$ 2,824,382	\$ 2,527,367	\$ 2,194,861
Interest	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	19,789,645	35,219,027 (4)	(5,478,137)	-
Benefit payments	(5,450,218)	(4,737,600)	(4,578,919)	(5,434,577)
Net Change in Total OPEB Liability	21,916,321	38,088,431	(1,237,200)	3,470,786
Total OPEB Liability – Beginning of Year	224,404,219	186,315,788	187,552,988	184,082,202 (3)
Total OPEB Liability – End of Year	<u>\$ 246,320,540</u>	<u>\$ 224,404,219</u>	<u>\$ 186,315,788</u>	<u>\$ 187,552,988</u>
School District's covered - employee payroll	<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>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 evaluation to 2.6% and a change in plan costs (premium rates) since the prior evaluation.

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)**

	2021	2020 (5)	2019	2018 (4)	2017 (3)	2016	2015
School District's proportion of the net pension liability (asset)	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)	\$ 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	\$ 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	-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)	97.80%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

**Schedule of Contributions**

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 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	(5,222,998)	(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	\$ 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	9.53%	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 Standard 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) The discount rate used to calculate the total pension liability was decreased from 8.0% to 7.5% effective with the June 30, 2016 measurement date.

(4) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.25% effective with the June 30, 2017 measurement date.

(5) The discount rate used to calculate the total pension liability was decreased from 7.25% to 7.1% effective with the June 30, 2019 measurement date.

See independent auditors' report.



**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 (2)**

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

**Schedule of Contributions**

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

(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 within the current fiscal year.

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

(5) Increase in proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

See independent auditors' report.

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**Chappaqua Central School District, New York**

General Fund  
Comparative Balance Sheet  
June 30,

	2021	2020
<b>ASSETS</b>		
Cash and equivalents	<u>\$ 28,782,956</u>	<u>\$ 27,748,040</u>
Receivables		
Accounts	53,174	613,041
State and Federal aid	1,056,971	1,155,046
Due from other funds	<u>1,840,753</u>	<u>1,723,192</u>
	<u>2,950,898</u>	<u>3,491,279</u>
Prepaid expenditures	<u>265,074</u>	<u>1,402,153</u>
Total Assets	<u><u>\$ 31,998,928</u></u>	<u><u>\$ 32,641,472</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 1,305,851	\$ 1,021,694
Accrued liabilities	877,677	1,661,838
Employee payroll deductions	3,052	3,784
Due to other funds	1,965,495	69,007
Due to retirement systems	6,152,667	5,402,934
Due to other governments	1,436,866	1,080,650
Unearned revenues	<u>529,657</u>	<u>489,714</u>
Total Liabilities	<u>12,271,265</u>	<u>9,729,621</u>
Fund balance		
Nonspendable	265,074	1,402,153
Restricted	8,784,403	10,002,441
Assigned	5,701,878	5,870,595
Unassigned	<u>4,976,308</u>	<u>5,636,662</u>
Total Fund Balance	<u>19,727,663</u>	<u>22,911,851</u>
Total Liabilities and Fund Balance	<u><u>\$ 31,998,928</u></u>	<u><u>\$ 32,641,472</u></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,

	2021				
	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
<b>REVENUES</b>					
Real property taxes	\$ 111,663,231	\$ 108,775,592	\$ 108,775,590	\$	\$ (2)
Other tax items	-	2,887,640	2,887,640		-
Non-property taxes	1,325,000	1,325,000	1,382,320		57,320
Charges for services	410,201	410,201	296,649		(113,552)
Use of money and property	775,000	775,000	156,693		(618,307)
State aid	9,945,871	9,945,871	9,593,425		(352,446)
Federal aid	-	140,150	185,074		44,924
Miscellaneous	575,000	588,657	1,195,448		606,791
Total Revenues	124,694,303	124,848,111	124,472,839		(375,272)
<b>EXPENDITURES</b>					
Current					
General support					
Board of education	62,956	110,935	80,796	24,318	5,821
Central administration	426,960	448,817	436,468	-	12,349
Finance	1,315,472	1,486,120	1,340,215	121,682	24,223
Staff	1,086,341	1,216,374	978,158	24,439	213,777
Central services	11,344,660	13,705,857	12,089,095	1,287,067	329,695
Special items	1,886,733	1,981,765	1,965,796	-	15,969
Total General Support	16,123,122	18,949,868	16,890,528	1,457,506	601,834
Instruction					
Instruction, administration and improvement	5,624,284	5,674,231	5,488,079	41,077	145,075
Teaching - Regular school	41,960,292	41,704,093	41,026,815	223,594	453,684
Programs for students with disabilities	12,477,876	10,722,653	10,556,124	153,857	12,672
Teaching - Special schools	294,362	172,319	144,850	248	27,221
Instructional media	3,723,514	4,675,849	4,393,970	160,760	121,119
Pupil services	7,171,861	7,138,368	6,740,171	99,624	298,573
Total Instruction	71,252,189	70,087,513	68,350,009	679,160	1,058,344
Pupil transportation	7,009,969	6,969,328	6,638,011	22,350	308,967
Community services	22,747	23,202	23,202	-	-
Employee benefits	27,437,388	26,522,866	26,360,418	-	162,448
Debt service					
Principal	6,213,383	5,498,357	5,498,357	-	-
Interest	2,256,100	2,201,802	2,201,802	-	-
Refunding bond issuance costs	-	-	-	-	-
Total Expenditures	130,314,898	130,252,936	125,962,327	2,159,016	2,131,593
Excess (Deficiency) of Revenues Over Expenditures	(5,620,595)	(5,404,825)	(1,489,488)	(2,159,016)	1,756,321
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding bonds issued	-	-	-	-	-
Issuance premium	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Transfers out	(250,000)	(1,694,700)	(1,694,700)	-	-
Total Other Financing Uses	(250,000)	(1,694,700)	(1,694,700)	-	-
Net Change in Fund Balance	(5,870,595)	(7,099,525)	(3,184,188)	\$ (2,159,016)	\$ 1,756,321
<b>FUND BALANCE</b>					
Beginning of Year	5,870,595	7,099,525	22,911,851		
End of Year	\$ -	\$ -	\$ 19,727,663		

See independent auditors' report.

2020				
Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
\$ 106,624,782	\$ 106,624,782	\$ 106,624,781	\$	\$ (1)
3,403,781	3,403,781	3,403,781		-
895,000	895,000	1,224,797		329,797
403,412	403,412	449,459		46,047
575,000	575,000	754,541		179,541
9,787,259	9,787,259	9,534,643		(252,616)
-	-	60,513		60,513
550,000	561,953	580,606		18,653
122,239,234	122,251,187	122,633,121		381,934
61,027	95,616	77,962	-	17,654
410,650	421,165	414,793	-	6,372
1,177,011	1,432,001	1,281,768	142,775	7,458
1,007,663	1,098,172	958,389	98,191	41,592
10,654,876	11,848,810	9,996,040	1,564,117	288,653
1,966,620	2,039,201	1,876,454	80,000	82,747
15,277,847	16,934,965	14,605,406	1,885,083	444,476
5,305,114	5,539,720	5,314,125	16,069	209,526
41,913,517	41,675,760	39,986,591	285,188	1,403,981
12,994,555	12,454,635	11,799,717	-	654,918
290,412	293,251	227,793	-	65,458
3,479,873	4,203,381	4,007,245	86,122	110,014
6,751,264	6,748,514	6,486,614	25,268	236,632
70,734,735	70,915,261	67,822,085	412,647	2,680,529
6,969,692	6,087,133	5,048,726	30,000	1,008,407
21,978	22,747	22,747	-	-
26,522,737	26,158,530	25,130,920	-	1,027,610
6,099,894	5,530,296	5,530,296	-	-
2,309,632	2,304,619	2,122,369	-	182,250
-	176,242	176,242	-	-
127,936,515	128,129,793	120,458,791	2,327,730	5,343,272
(5,697,281)	(5,878,606)	2,174,330	(2,327,730)	5,725,206
-	19,295,000	19,295,000	-	-
-	3,098,546	3,098,546	-	-
-	(22,217,304)	(22,217,304)	-	-
(255,000)	(1,605,000)	(1,605,000)	-	-
(255,000)	(1,428,758)	(1,428,758)	-	-
(5,952,281)	(7,307,364)	745,572	\$ (2,327,730)	\$ 5,725,206
5,952,281	7,307,364	22,166,279		
\$ -	\$ -	\$ 22,911,851		

**Chappaqua Central School District, New York**

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REAL PROPERTY TAXES</b>	\$ 111,663,231	\$ 108,775,592	\$ 108,775,590	\$ (2)
<b>OTHER TAX ITEMS</b>				
School tax relief reimbursement	-	2,887,640	2,887,640	-
<b>NON-PROPERTY TAXES</b>				
Non-property tax distribution from County	1,325,000	1,325,000	1,382,320	57,320
<b>CHARGES FOR SERVICES</b>				
Continuing education tuition	297,201	297,201	129,332	(167,869)
Other student fees and charges	113,000	113,000	167,317	54,317
	410,201	410,201	296,649	(113,552)
<b>USE OF MONEY AND PROPERTY</b>				
Earnings on investments	600,000	600,000	71,809	(528,191)
Rental of real property	175,000	175,000	84,806	(90,194)
Commissions	-	-	78	78
	775,000	775,000	156,693	(618,307)
<b>STATE AID</b>				
Basic formula	11,403,356	11,403,356	6,625,911	(4,777,445)
BOCES	(1,199,925)	(1,199,925)	1,350,673	2,550,598
Lottery	-	-	1,084,445	1,084,445
Textbooks	(161,669)	(161,669)	161,669	323,338
Computer software aid	(73,135)	(73,135)	73,135	146,270
Library aid	(22,756)	(22,756)	22,756	45,512
Tuition aided handicapped	-	-	90,270	90,270
Homeless aid	-	-	184,566	184,566
	9,945,871	9,945,871	9,593,425	(352,446)

**FEDERAL AID**

Elementary and Secondary School Emergency Relief Fund	-	119,839	119,839	-
Governor's Emergency Education Relief Fund	-	20,311	20,311	-
Medical assistance	-	-	44,924	44,924
	-	140,150	185,074	44,924

**MISCELLANEOUS**

Refund of prior year's expenditures	425,000	425,000	962,159	537,159
Refund of BOCES aided services	-	-	147,051	147,051
Gifts and donations	-	13,657	2,722	(10,935)
Other	150,000	150,000	83,516	(66,484)
	575,000	588,657	1,195,448	606,791
<b>TOTAL REVENUES</b>	<b>\$ 124,694,303</b>	<b>\$ 124,848,111</b>	<b>\$ 124,472,839</b>	<b>\$ (375,272)</b>

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, 2021

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
<b>GENERAL SUPPORT</b>					
<b>BOARD OF EDUCATION</b>					
Board of education	\$ 16,000	\$ 77,891	\$ 49,092	\$ 24,318	\$ 4,481
District clerk	26,356	11,844	10,795	-	1,049
District meeting	20,600	21,200	20,909	-	291
Total Board of Education	62,956	110,935	80,796	24,318	5,821
<b>CENTRAL ADMINISTRATION</b>					
Chief school administrator	426,960	448,817	436,468	-	12,349
<b>FINANCE</b>					
Business administration	1,213,379	1,375,367	1,232,720	121,682	20,965
Accounting and auditing	102,093	110,753	107,495	-	3,258
Total Finance	1,315,472	1,486,120	1,340,215	121,682	24,223
<b>STAFF</b>					
Legal	521,891	501,540	269,828	23,989	207,723
Personnel	489,133	639,091	633,158	450	5,483
Public information and services	75,317	75,743	75,172	-	571
Total Staff	1,086,341	1,216,374	978,158	24,439	213,777
<b>CENTRAL SERVICES</b>					
Operation of plant	7,656,097	7,733,346	7,253,626	196,900	282,820
Maintenance of plant	3,688,563	5,972,511	4,835,469	1,090,167	46,875
Total Central Services	11,344,660	13,705,857	12,089,095	1,287,067	329,695



**SPECIAL ITEMS**

Unallocated insurance	560,000	485,000	484,286	-	714
Judgments and claims	250,000	191,728	183,928	-	7,800
School association dues	23,000	23,000	22,050	-	950
Assessments on school property	70,000	70,000	63,495	-	6,505
Refunds of real property taxes	-	122,240	122,240	-	-
Administrative charge - BOCES	983,733	1,089,797	1,089,797	-	-
Total Special Items	1,886,733	1,981,765	1,965,796	-	15,969
Total General Support	16,123,122	18,949,868	16,890,528	1,457,506	601,834

**INSTRUCTION****INSTRUCTION, ADMINISTRATION  
AND IMPROVEMENT**

Curriculum development and supervision	1,463,478	1,466,635	1,361,301	32,594	72,740
Supervision - Regular school	4,095,806	4,192,596	4,126,099	8,483	58,014
Research, planning and evaluation	65,000	15,000	679	-	14,321
Total Instruction, Administration and Improvement	5,624,284	5,674,231	5,488,079	41,077	145,075

**TEACHING - REGULAR SCHOOL**

41,960,292	41,704,093	41,026,815	223,594	453,684
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**PROGRAMS FOR STUDENTS  
WITH DISABILITIES**

12,477,876	10,722,653	10,556,124	153,857	12,672
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**TEACHING - SPECIAL SCHOOLS**

294,362	172,319	144,850	248	27,221
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**INSTRUCTIONAL MEDIA**

School library and audiovisual	1,200,540	1,109,710	1,022,327	5,756	81,627
Computer assisted instruction	2,522,974	3,566,139	3,371,643	155,004	39,492
Total Instructional Media	3,723,514	4,675,849	4,393,970	160,760	121,119

(Continued)

# Chappaqua Central School District, New York

General Fund

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

Year Ended June 30, 2021

INSTRUCTION (Continued)	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
<b>PUPIL SERVICES</b>					
Attendance - Regular school	\$ 47,365	\$ 47,365	\$ 45,104	\$ -	\$ 2,261
Guidance - Regular school	2,459,504	2,412,747	2,394,517	152	18,078
Health services - Regular school	864,317	973,186	908,544	42,081	22,561
Psychological services - Regular school	1,735,399	1,659,517	1,613,106	-	46,411
Co-curricular activities - Regular school	420,497	388,363	317,728	-	70,635
Interscholastic athletics - Regular school	1,644,779	1,657,190	1,461,172	57,391	138,627
Total Pupil Services	7,171,861	7,138,368	6,740,171	99,624	298,573
Total Instruction	71,252,189	70,087,513	68,350,009	679,160	1,058,344
<b>PUPIL TRANSPORTATION</b>					
Contract and public carrier transportation	7,009,969	6,969,328	6,638,011	22,350	308,967
<b>COMMUNITY SERVICES</b>					
Census	22,747	23,202	23,202	-	-
<b>EMPLOYEE BENEFITS</b>					
State retirement	1,483,423	1,549,055	1,545,193	-	3,862
Teachers' retirement	5,418,896	5,158,896	5,148,545	-	10,351
Social security	4,898,820	4,711,869	4,654,361	-	57,508
Hospital and medical insurance	14,271,571	13,606,276	13,567,249	-	39,027
Dental and vision insurance	110,237	110,237	101,486	-	8,751
Workers' compensation benefits	350,000	308,000	287,578	-	20,422
Unemployment benefits	50,000	67,080	61,046	-	6,034
Disability insurance	19,247	19,247	12,898	-	6,349
Life insurance	16,564	16,564	14,285	-	2,279
Union welfare benefits	800,130	807,630	799,765	-	7,865
Other benefits	18,500	168,012	168,012	-	-
Total Employee Benefits	27,437,388	26,522,866	26,360,418	-	162,448

**DEBT SERVICE**

## Principal

Serial bonds	4,500,000	4,500,000	4,500,000	-	-
Energy performance contract debt	944,059	998,357	998,357	-	-
Installment purchase debt	769,324	-	-	-	-

	<u>6,213,383</u>	<u>5,498,357</u>	<u>5,498,357</u>	<u>-</u>	<u>-</u>
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## Interest

Serial bonds	1,995,238	1,995,238	1,995,238	-	-
Energy performance contract debt	260,862	206,564	206,564	-	-

	<u>2,256,100</u>	<u>2,201,802</u>	<u>2,201,802</u>	<u>-</u>	<u>-</u>
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## Total Debt Service

	<u>8,469,483</u>	<u>7,700,159</u>	<u>7,700,159</u>	<u>-</u>	<u>-</u>
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**TOTAL EXPENDITURES**

	<u>130,314,898</u>	<u>130,252,936</u>	<u>125,962,327</u>	<u>2,159,016</u>	<u>2,131,593</u>
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**OTHER FINANCING USES**

## Payment to refunding bond

escrow agent	-	-	-	-	-
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## Transfers out

Special Aid Fund	150,000	944,700	944,700	-	-
Capital Projects Fund	100,000	750,000	750,000	-	-

	<u>250,000</u>	<u>1,694,700</u>	<u>1,694,700</u>	<u>-</u>	<u>-</u>
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**TOTAL OTHER FINANCING USES****TOTAL EXPENDITURES AND  
OTHER FINANCING USES**

	<u>\$ 130,564,898</u>	<u>\$ 131,947,636</u>	<u>\$ 127,657,027</u>	<u>\$ 2,159,016</u>	<u>\$ 2,131,593</u>
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See independent auditors' report.

**Chappaqua Central School District, New York**

Special Aid Fund  
Comparative Balance Sheet  
June 30,

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 203,527	\$ 44,418
Accounts receivable	20,664	-
Due from other funds	794,700	-
State and Federal aid receivable	<u>850,707</u>	<u>1,519,256</u>
Total Assets	<u>\$ 1,869,598</u>	<u>\$ 1,563,674</u>
<b>LIABILITIES</b>		
Liabilities		
Accounts payable	\$ 26,712	\$ 20,891
Due to other funds	1,838,637	1,517,826
Unearned revenues	<u>4,249</u>	<u>24,957</u>
Total Liabilities	<u>\$ 1,869,598</u>	<u>\$ 1,563,674</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,

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	2021	2020
<b>REVENUES</b>		
State aid	\$ (484,736)	\$ 513,921
Federal aid	762,856	815,340
Miscellaneous	81,915	-
Total Revenues	360,035	1,329,261
<b>EXPENDITURES</b>		
Current		
Instruction	1,304,735	1,484,261
Deficiency of Revenues Over Expenditures	(944,700)	(155,000)
<b>OTHER FINANCING SOURCES</b>		
Transfers in	944,700	155,000
Net Change in Fund Balance	-	-
<b>FUND BALANCE</b>		
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>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 4,429,114	\$ 5,313,413
Due from other funds	1,015,565	-
State and Federal aid receivable	<u>-</u>	<u>685,715</u>
Total Assets	<u><u>\$ 5,444,679</u></u>	<u><u>\$ 5,999,128</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 619,008	\$ 869,171
Accrued liabilities	103,000	103,000
Due to other funds	<u>2,116</u>	<u>604,107</u>
Total Liabilities	724,124	1,576,278
Fund balance		
Restricted	<u>4,720,555</u>	<u>4,422,850</u>
Total Liabilities and Fund Balance	<u><u>\$ 5,444,679</u></u>	<u><u>\$ 5,999,128</u></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>2021</u>	<u>2020</u>
<b>REVENUES</b>		
State aid	\$ -	\$ 685,715
Miscellaneous income	<u>2,430,565</u>	<u>-</u>
Total Revenues	2,430,565	685,715
<b>EXPENDITURES</b>		
Capital outlay	<u>2,882,860</u>	<u>8,075,585</u>
Deficiency of Revenues Over Expenditures	(452,295)	(7,389,870)
<b>OTHER FINANCING SOURCES</b>		
Transfers in	<u>750,000</u>	<u>1,640,000</u>
Net Change in Fund Balance	297,705	(5,749,870)
<b>FUND BALANCE</b>		
Beginning of Year	<u>4,422,850</u>	<u>10,172,720</u>
End of Year	<u>\$ 4,720,555</u>	<u>\$ 4,422,850</u>

See independent auditors' report.

**Chappaqua Central School District, New York**

Capital Projects Fund

Project-Length Schedule

Inception of Project Through June 30, 2021

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PROJECT	Authorization	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
School - Wide Improvements	\$ 42,500,000	\$ 38,981,177	\$ 2,725,815	\$ 41,706,992	\$ 793,008
Smart Schools Bond Act	686,946	685,715	-	685,715	1,231
Fitness Center	600,000	536,083	-	536,083	63,917
Bell Parking Lot	900,002	862,330	-	862,330	37,672
Horace Greeley K Building Roof	275,000	-	-	-	275,000
Bell Cafeteria	390,000	19,108	500	19,608	370,392
Security	1,350,000	1,193,454	156,545	1,349,999	1
Sustainability Research Center	2,065,000	-	-	-	2,065,000
Westorcharde Gym Roof	100,000	-	-	-	100,000
Horace Greeley Gym Boiler	155,000	-	-	-	155,000
Totals	<u>\$ 49,021,948</u>	<u>\$ 42,277,867</u>	<u>\$ 2,882,860</u>	<u>\$ 45,160,727</u>	<u>\$ 3,861,221</u>

See independent auditors' report.



Methods of Financing					
Proceeds of Obligations	State Aid	Transfers	Miscellaneous	Totals	Fund Balance at June 30, 2021
\$ 42,500,000	\$ -	\$ -	\$ 365,565	\$ 42,865,565	\$ 1,158,573
-	685,715	-	-	685,715	-
-	-	-	600,000	600,000	63,917
-	-	300,002	600,000	900,002	37,672
-	-	275,000	-	275,000	275,000
-	-	390,000	-	390,000	370,392
-	-	1,350,000	-	1,350,000	1
-	-	-	2,065,000	2,065,000	2,065,000
-	-	100,000	-	100,000	100,000
-	-	650,000	-	650,000	650,000
<u>\$ 42,500,000</u>	<u>\$ 685,715</u>	<u>\$ 3,065,002</u>	<u>\$ 3,630,565</u>	<u>\$ 49,881,282</u>	<u>\$ 4,720,555</u>

**Chappaqua Central School District, New York**

Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2021  
(With Comparative Totals for 2020)

			Total Non-Major Governmental Funds	
	School Lunch	Special Purpose	2021	2020
<b>ASSETS</b>				
Cash and equivalents	\$ 114,485	\$ 151,146	\$ 265,631	\$ 272,123
Receivables				
Accounts	-	-	-	6,536
State and Federal aid	147,839	-	147,839	8,776
Due from other funds	56,715	98,515	155,230	74,589
	204,554	98,515	303,069	89,901
Inventories	13,082	-	13,082	10,415
Total Assets	<u>\$ 332,121</u>	<u>\$ 249,661</u>	<u>\$ 581,782</u>	<u>\$ 372,439</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 173,421	\$ -	\$ 173,421	\$ 6,276
Deposit Payable	-	98,514	98,514	-
Unearned revenues	134,119	-	134,119	175,775
Due to other funds	-	-	-	1,980
Total Liabilities	<u>307,540</u>	<u>98,514</u>	<u>406,054</u>	<u>184,031</u>
Fund balances				
Nonspendable	13,082	-	13,082	10,415
Restricted	-	151,147	151,147	158,040
Assigned	11,499	-	11,499	19,953
Total Fund Balances	<u>24,581</u>	<u>151,147</u>	<u>175,728</u>	<u>188,408</u>
Total Liabilities and Fund Balances	<u>\$ 332,121</u>	<u>\$ 249,661</u>	<u>\$ 581,782</u>	<u>\$ 372,439</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, 2021  
(With Comparative Totals for 2020)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds	
			2021	2020
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ 36
State aid	16,693	-	16,693	5,934
Federal aid	489,518	-	489,518	118,176
Food sales	97,354	-	97,354	1,219,650
Miscellaneous	7,306	88,712	96,018	164,301
Total Revenues	610,871	88,712	699,583	1,508,097
<b>EXPENDITURES</b>				
Current				
Cost of food sales	616,658	-	616,658	1,352,261
Other	-	95,605	95,605	95,771
Total Expenditures	616,658	95,605	712,263	1,448,032
Excess (Deficiency) of Revenues Over Expenditures	(5,787)	(6,893)	(12,680)	60,065
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	-	(190,000)
Net Change in Fund Balance	(5,787)	(6,893)	(12,680)	(129,935)
<b>FUND BALANCES</b>				
Beginning of Year, as reported	30,368	158,040	188,408	264,160
Cumulative Change in Accounting Principle	-	-	-	54,183
Beginning of Year, as restated	30,368	158,040	188,408	318,343
End of Year	\$ 24,581	\$ 151,147	\$ 175,728	\$ 188,408

See independent auditors' report.

**Chappaqua Central School District, New York**

School Lunch Fund  
Comparative Balance Sheet  
June 30,

	2021	2020
<b>ASSETS</b>		
Cash and equivalents	\$ 114,485	\$ 112,103
Receivables		
Accounts	-	6,536
State and Federal aid	147,839	8,776
Due from other funds	56,715	74,589
	204,554	89,901
Inventories	13,082	10,415
Total Assets	\$ 332,121	\$ 212,419
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 173,421	\$ 6,276
Unearned revenues	134,119	175,775
Total Liabilities	307,540	182,051
Fund balance		
Nonspendable	13,082	10,415
Assigned	11,499	19,953
Total Fund Balance	24,581	30,368
Total Liabilities and Fund Balance	\$ 332,121	\$ 212,419

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,

	2021	2020
<b>REVENUES</b>		
Use of money and property	\$ -	\$ 25
State aid	16,693	5,934
Federal aid	489,518	118,176
Food sales	97,354	1,219,650
Miscellaneous	7,306	20,274
Total Revenues	610,871	1,364,059
<b>EXPENDITURES</b>		
Current		
Cost of food sales	616,658	1,352,261
Excess (Deficiency) of Revenues Over Expenditures	(5,787)	11,798
<b>OTHER FINANCING USES</b>		
Transfers out	-	(190,000)
Net Change in Fund Balance	(5,787)	(178,202)
<b>FUND BALANCE</b>		
Beginning of Year	30,368	208,570
End of Year	\$ 24,581	\$ 30,368

See independent auditors' report.

**Chappaqua Central School District, New York**

Special Purpose Fund  
Comparative Balance Sheet  
June 30,

	2021	2020
<b>ASSETS</b>		
Cash and equivalents	\$ 151,146	\$ 160,020
Due from other funds	98,515	-
Total Assets	249,661	160,020
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Due to other funds	\$ -	\$ 1,980
Deposits payable	98,514	-
Total Liabilities	98,514	1,980
Fund balance		
Restricted	151,147	158,040
Total Liabilities and Fund Balance	\$ 249,661	\$ 160,020

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,

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	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Use of money and property	\$ -	\$ 11
Miscellaneous	<u>88,712</u>	<u>144,027</u>
Total Revenues	88,712	144,038
<b>EXPENDITURES</b>		
Current		
Other	<u>95,605</u>	<u>95,771</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,893)</u>	<u>48,267</u>
<b>FUND BALANCE</b>		
Beginning of Year, as reported	158,040	55,590
Cumulative change in accounting principle	<u>-</u>	<u>54,183</u>
Beginning of Year, as restated	<u>158,040</u>	<u>109,773</u>
End of Year	<u><u>\$ 151,147</u></u>	<u><u>\$ 158,040</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, 2021

Adopted Budget	\$ 128,237,168
Additions	
Encumbrances	<u>2,327,730</u>
Original Budget	130,564,898
Budget Amendments	<u>1,382,738</u>
Final Budget	<u><u>\$ 131,947,636</u></u>

### General Fund

#### Section 1318 of Real Property Tax Law Limit Calculation

Year Ended June 30, 2021

2021-22 Expenditure Budget	<u>\$ 130,460,188</u>
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#### General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law

##### Unrestricted fund balance

Assigned fund balance	\$ 5,701,878
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Unassigned fund balance	<u>4,976,308</u>
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Total Unrestricted Fund Balance	<u>10,678,186</u>
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##### Less

Appropriated for subsequent year's budget	3,542,865
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Encumbrances	<u>2,159,013</u>
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Total Adjustments	<u>5,701,878</u>
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#### General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law

\$ 4,976,308
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Actual Percentage	<u><u>3.81%</u></u>
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See independent auditors' report.



**Chappaqua Central School District, New York**Schedule of Net Investment In Capital Assets  
Year Ended June 30, 2021

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Capital Assets, net		\$	144,939,785
Less			
General Obligation Bonds Payable	\$ (53,879,987)		
Energy Performance Contract Debt Payable	(8,211,078)		
Unamortized Portion of Premium	<u>(4,251,260)</u>		(66,342,325)
Plus			
Unexpended Debt Proceeds	793,008		
Unamortized Portion of Loss on Refunding Bonds	<u>1,243,840</u>		<u>2,036,848</u>
Net Investment in Capital Assets		\$	<u><u>80,634,308</u></u>

See independent auditors' report.

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**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in Accordance  
With Government Auditing Standards**

**Independent Auditors' Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Chappaqua Central School District, New York ("School District") as of and for the year ended June 30, 2021, 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 24, 2021.

**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 may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

September 24, 2021

**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**

We have audited the Chappaqua Central School District, New York's ("School District") compliance with the types of compliance requirements described 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, 2021. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 24, 2021

**Chappaqua Central School District, New York**

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

<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	\$ -	\$ 54,887
National School Lunch Program - Cash	10.555	N/A	-	434,631
Total U.S. Department of Agriculture			-	489,518
<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	032-21-1067	-	698,575
Special Education - Preschool Grants	84.173	033-21-1067	-	18,848
Subtotal Special Education Cluster			-	717,423
Supporting Effective Instruction State Grants	84.367	147-20-3700	-	4,800
Supporting Effective Instruction State Grants	84.367	147-21-3700	-	31,200
			-	36,000
Title I Grants to Local Educational Agencies	84.010	021-20-3700	-	9,433
Governor's Emergency Education Relief (GEER) Fund	84.425C	5895-21-3745		20,311
Elementary and Secondary School Emergency Education Relief (ESSER) Fund	84.425D	5890-21-3745	-	119,839
			-	140,150
Total U.S. Department of Education			-	903,006
Total Expenditures of Federal Awards			\$ -	\$ 1,392,524

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, 2021

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### **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, 2021. 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, 2021

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### 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

84.027  
84.173

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

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, 2021

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**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, 2021

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None