

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**FINANCIAL REPORT**

**JUNE 30, 2009 AND 2008**

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*Conroy, Boulrice, Telling & Trombley, PC*

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
Beekmantown Central School District  
West Chazy, New York 12992

We have audited the accompanying financial statements of the governmental activities of Beekmantown Central School District, as of and for the year ended June 30, 2009, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of Beekmantown Central School District's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the District's 2008 financial statements, and in our report dated August 28, 2008, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

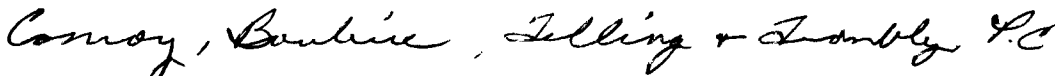
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Beekmantown Central School District, as of June 30, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2009, on our consideration of the Beekmantown Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance

with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 43 through 44, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our Audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Beekmantown Central School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Beekmantown Central School District. The schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Conroy, Bourrice, Telling & Trombley, PC  
November 2, 2009

## **Management Discussion and Analysis**

Within this section of the Beekmantown Central School District's annual financial report, the School's management provides narrative discussion and analysis of the financial activities of the School for the fiscal year ended June 30, 2009. The School's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Additional information is available in the auditor's opinion letter, which precedes management's discussion and analysis.

### **Financial Highlights**

- The District has completed a \$1 million dollar renovation project to the Cumberland Head Elementary School entrance and the Main Building Auditorium HVC;
- The District received voter approval in May 2008 for renovation of district infrastructure in accordance with the District 5-year Capital Facilities Plan consisting of health and safety renovations, equipment upgrades and other alterations, renovations, and improvements to Cumberland Head Elementary School and the Main Building (K-12 facilities). The total ongoing project has a total estimated cost not to exceed \$6,655,455 using all available state aid including Excel Aid; and
- As of June 30, 2009, under the GASB 34 reporting model, the change in net assets was (\$2,895,501). Under the fund accounting model, the change in fund balance was \$910,932. The primary reasons for these differences involve capital costs and debt service transactions. For Further details, see the reconciliation on pages 19 and 20.

### **Overview of the Financial Statements**

Management's discussion and analysis introduces the School's basic financial statements. The basic financial statements include: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

### **District-Wide Financial Statements**

The Governmental Accounting Standards Board's Statement #34 requires that reporting financial status take place in a district-wide format. The School's annual report includes two such district-wide financial statements, which provide both long-term and short-term information about the School's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these district-wide statements is the Statement of Net Assets. This is a school-wide statement of position presenting information that includes all of the School's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the overall financial position of the School is improving or deteriorating. In addition to the financial information provided in this report, evaluation of the overall health of the School would extend to other non-financial factors such as diversification of the taxpayer base, the continued financial support of the State and Federal governments, and the condition of the School's infrastructure.

The second district-wide statement is the Statement of Activities. This statement reports how the School's net assets changed during the current fiscal year. All current revenues and expenditures are included regardless of when cash is received or paid. An important purpose for the design of the statement of activities is to show the financial reliance of the School's distinct activities or functions on revenues provided by the School's taxpayers.

Both of the district-wide financial statements distinguish government activities of the School that are principally supported by State and Federal sources, intergovernmental revenues, such as operating grants, and revenue from the local tax levy. Fiduciary activities, such as those for which the accounting occurs in the trust and agency fund, are not included in the government-wide statements since these assets are not available to fund the School programs.

The district-wide financial statements are presented on pages 13 and 14 of this report.

### **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The School uses funds to ensure and demonstrate compliance with finance-related law and regulations. Within the basic financial statements, fund financial statements focus on the School's most significant funds rather than the School as a whole. Major funds are reported separately while all others are combined in a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. The School has two kinds of funds:

Governmental Funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide statements, the governmental fund statements focus on the near-term inflows and outflows of resources available for spending. These statements illustrate short-term fiscal accountability in the use of such resources and the balances of such resources at the end of the fiscal year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of such resources for the near-term.

Since the district-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the government fund balance sheet and the government fund statement of revenues,

expenditures, and changes in fund balance have been reconciled in the notes to the financial statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the supplemental financial statements for the General Fund. These statements and schedules demonstrate regulatory compliance with the School's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 15 through 16 of this report.

Fiduciary Funds such as the scholarship accounts, extra-classroom activity balances and other payroll withholdings are reported in the fiduciary fund financial statements, but are excluded from the district-wide reporting. Fiduciary fund financial statements report resources that are not available to fund school programs.

The basic fiduciary fund financial statements are presented on pages 17 and 18 of this report.

### **Notes to Financial Statements**

Notes to Financial Statements provide information essential to a full understanding of the district-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also includes supplementary information beginning on page 40.



## Financial Analysis of the District as a Whole

The District's net assets at fiscal year end are \$15,416,387. This represents a \$2,895,501 decrease from last year's net assets of \$18,311,888. The following table provides a summary of the School's net assets:

### Summary of Net Assets

	<u>06/30/09</u>	<u>06/30/08</u>
Current and Other Assets	\$ 20,743,027	\$ 12,055,737
Capital Assets	<u>33,516,295</u>	<u>32,924,077</u>
Total Assets	<u>\$ 54,259,322</u>	<u>\$ 44,979,814</u>
Current Liabilities	\$ 12,412,311	\$ 4,560,953
Long-Term Liabilities	<u>26,430,624</u>	<u>22,106,973</u>
Total Liabilities	<u>38,842,935</u>	<u>26,667,926</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	14,501,295	11,939,077
Restricted	620,057	790,115
Unrestricted	<u>295,035</u>	<u>5,582,696</u>
Total Net Assets	<u>15,416,387</u>	<u>18,311,888</u>
Total Liabilities and Net Assets	<u>\$ 54,259,322</u>	<u>\$ 44,979,814</u>

The following table and supporting graphs provide a summary of revenues, expenses and net assets for the year ended June 30, 2009:

Statement of Activities  
Summary of Changes in Net Assets

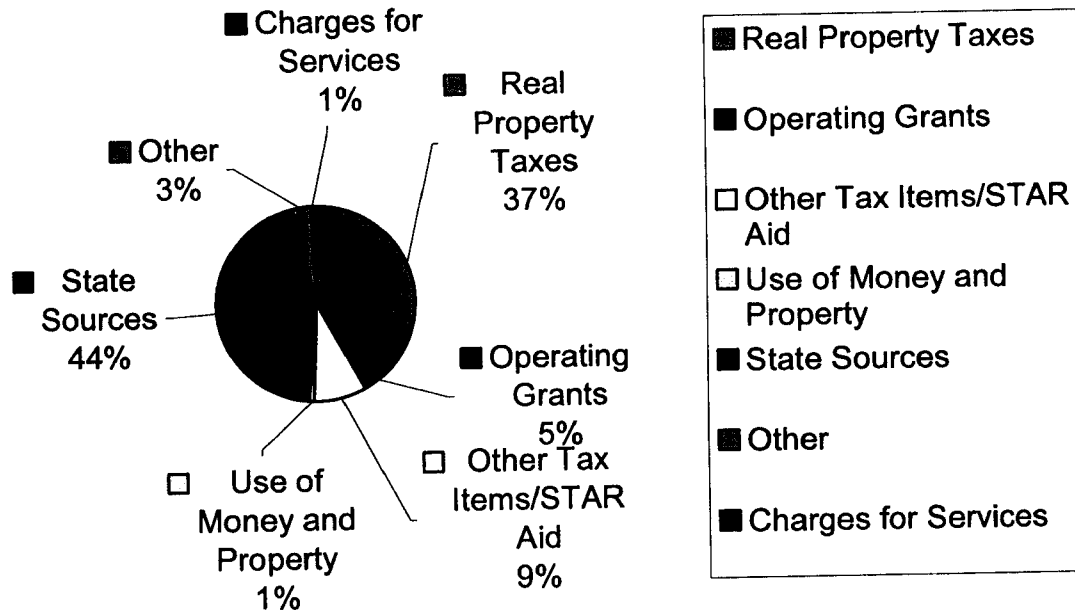
	<u>06/30/09</u>	<u>06/30/08</u>	<u>% Change</u>
<b>Revenues:</b>			
Program Revenues:			
Charges for services	\$ 352,074	\$ 359,278	-2.0%
Operating Grants & Contributions	1,849,208	1,669,893	10.7%
General Revenues:			
Property Taxes	14,428,019	13,636,215	5.8%
School Tax Relief (STAR)	3,379,321	3,431,916	-1.5%
State Formula Aid	17,403,082	15,939,423	9.2%
Use of Money and Property	283,461	508,538	-44.3%
Miscellaneous	1,118,692	276,285	304.9%
<b>Total Revenues:</b>	<u>38,813,857</u>	<u>35,821,548</u>	8.4%
<b>Expenses:</b>			
General Government Support	3,601,564	4,125,722	-12.7%
Instruction	20,896,986	19,248,921	8.6%
Pupil Transportation	1,714,645	1,907,597	-10.1%
Community Services	15,922	12,840	24.0%
Employee Benefits	7,985,697	7,748,650	3.1%
Employee Benefits, OPEB GASB 45	6,196,208	-	100.0%
Debt Service – Interest	927,704	1,000,191	-7.2%
Cost of Sales – food	370,632	332,219	11.6%
<b>Total Expenses:</b>	<u>41,709,358</u>	<u>34,376,140</u>	21.3%
Increase (decrease) in Net Assets:	(2,895,501)	1,445,408	-300.3%
Beginning Net Assets	<u>18,311,888</u>	<u>16,866,480</u>	
Ending Net Assets	<u>\$ 15,416,387</u>	<u>\$ 18,311,888</u>	

Revenues for the District's governmental activities totaled \$38,813,857 while total expenses equaled \$41,709,358. Therefore, the decrease in net assets for governmental activities was \$2,895,501 in 2009. The District's financial condition can be credited to:

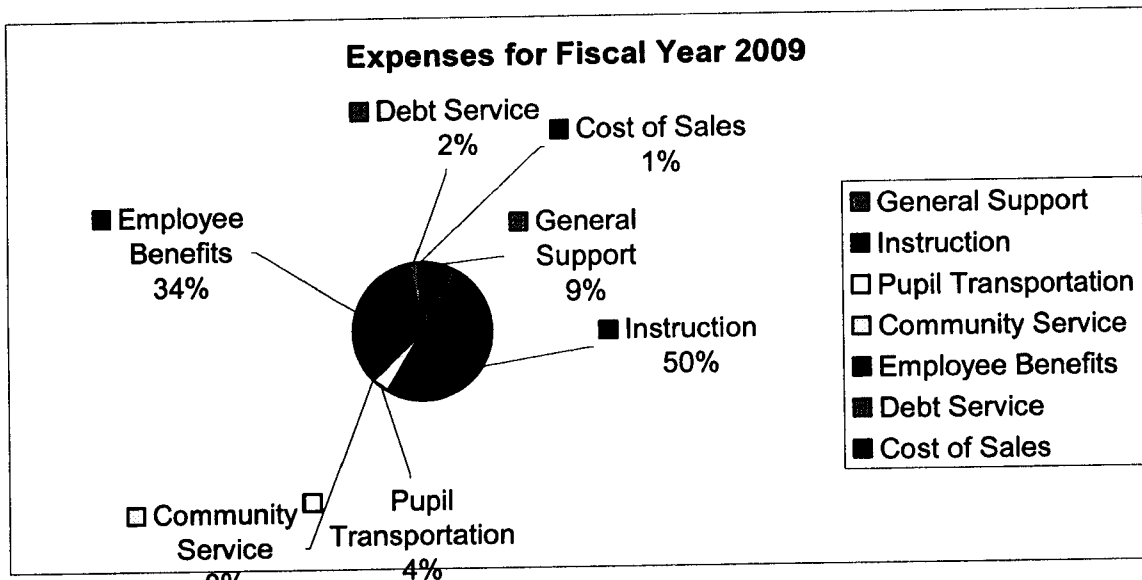
- The Board of Education reaches out to all residents through an active web site, presenting our budget at convenient community locations, and encouraging community input at Board of Education meetings;
- The Audit Committee meets monthly to review and discuss financial documents and, where required, recommends those documents to the full Board of Education for review and approval;

- The Board of Education continually reviews board policies on fiscal management and internal controls and updates them for adherence to applicable laws;
- Internal controls include training for the claims auditor. The claims auditor matches all vendor payment claims and supporting documentation against the warrant report and indicates approval with a signature;
- Bank statements are current and necessary documentation is maintained with the statements. The Audit Committee and Board of Education are provided with a current Treasurer's Report each month;
- Health insurance and other employee benefits are reviewed monthly to insure benefits are limited to only participants contractually entitled to such benefits;
- Submitted payrolls are reviewed for accuracy, which includes verifying contractual rates of pay to insure no unnecessary spending and payment. Substitutes are utilized only when necessary;
- Grants are reviewed to verify all expenditures, including payroll and benefits, are paid properly from these grants;
- Termination of employees is documented and unemployment claims are monitored closely;
- The District continues to manage expenditures through the solicitation of competitive bids and requests for proposal. The District also participates in state contract purchasing through the NYS Office of General Services and competitive bidding with St. Lawrence BOCES; and
- Equipment and computers purchased are tracked using a computerized inventory control system.
- During the year ended June 30, 2009, the District implemented GASB45 which requires the District to calculate and report the present value of the future liability for retiree health insurance costs. The District hired an actuary to calculate the liability which is reported in the Statement of Net Assets at \$6,196,208.
- The Board of Education continually supports professional development in fiscal management and recently appointed a Certified Public Accountant as the District Treasurer.

## Sources of Revenues for Fiscal Year 2009



Revenue Source	Amount
Real Property Taxes	\$ 14,428,019
Operating Grants	1,849,208
Other Tax Items/STAR Aid	3,379,321
Use of Money and Property	283,461
State Sources	17,403,082
Other	1,118,692
Charges for Services	352,074
	<u>\$ 38,813,857</u>



Expenditure	Amount
General Support	\$ 3,601,564
Instruction	20,896,986
Pupil Transportation	1,714,645
Community Service	15,922
Employee Benefits (Including Gasb 45)	14,181,905
Debt Service	927,704
Cost of Sales	370,632
	<u>\$ 41,709,358</u>

### Financial Analysis of the School District's Funds

As discussed, the School's governmental funds are reported in the fund statements with a modified accrual basis that focuses on the short-term, inflow and outflow of resources available for spending. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the School District consist of the General Fund, Special Revenue Fund, and Capital Projects Fund.

Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

## Capital Assets and Debt Administration

### Capital Assets

The District's investment in capital assets, net of accumulated depreciation as of June 30, 2009, was \$33,516,295 which represents a increase of 1.8% from the 2008 balances. The capital assets include a major re-construction to six (6) of the District's school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices.

<u>CAPITAL ASSETS</u> <u>Net of Accumulated Depreciation</u>			
	<u>2009</u>	<u>2008</u>	<u>% Change</u>
Non-Depreciable Assets:			
Land	\$ 73,608	\$ 73,608	0.0%
Construction in Progress	731,713	448,625	63.1%
Depreciable Assets:			
Buildings	30,647,536	30,344,151	1.0%
Machinery and Equipment	2,063,438	2,057,693	0.3%
<b>TOTAL</b>	<b>\$ 33,516,295</b>	<b>\$ 32,924,077</b>	<b>1.8%</b>

### Long Term Debt

At the end of the fiscal year, the District had \$22,279,416 in long-term debt outstanding. More detailed information about the District's long-term liabilities and Bond Anticipation Notes are presented in Notes 2 and 7 to the financial statements.

	<u>2009</u>	<u>2008</u>	<u>% Change</u>
Compensated Absences	\$ 3,264,416	\$ 3,091,973	5.6%
Bonds Payable	19,015,000	20,985,000	-9.4%
Other Post Employment Benefits	6,196,208	-	100.0%
	<u>\$ 28,475,624</u>	<u>\$ 24,076,973</u>	<u>18.3%</u>

### **Factors Bearing on the Future of District**

At the time these financial statements were prepared and audited, the District faces the following existing circumstances that could significantly affect its financial health in the future:

- Condition of State's financial health and the impact this condition will have on state aid.

- Potential increases in the employer's contribution to the Teacher's Retirement System and the Employee Retirement System.
- Increasing cost of health insurance premiums.
- Continued reductions in funding from Federal and State Grants
- Increased number of retirees receiving benefits for longer period of time.

### **Contacting the Financial Managers of the School**

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the School's finances, comply with finance-related laws and regulations and demonstrate the School's commitment to public accountability. If you have questions about this report, or would like to request additional information, please contact:

Beekmantown Central School District Offices  
Attn: Scott A. Amo, Superintendent  
37 Eagle Way, West Chazy, NY 12992-2577  
(518) 563-8250 Ext 5501

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## EXHIBIT 1

STATEMENTS OF NET ASSETS  
June 30, 2009 and 2008

	2009	2008
<b>ASSETS</b>		
Cash:		
Unrestricted	\$ 18,309,234	\$ 10,676,655
Restricted	251,748	247,278
Receivables:		
Accounts Receivable	19,927	-
Due from Other Funds	74,182	30,818
State and Federal Aid Receivable	1,464,483	1,074,175
Due from Other Governments	593,655	-
Inventories	29,798	26,811
Capital Assets, Net	33,516,295	32,924,077
<b>Total Assets</b>	<b>\$ 54,259,322</b>	<b>\$ 44,979,814</b>
<b>LIABILITIES</b>		
Payables:		
Accounts Payable and Accrued Expenses	\$ 1,381,310	\$ 206,239
Accounts Payable-Retained Percentage	7,601	595
Bond Anticipation Notes Payable	7,647,774	943,478
Due to Other Governments	270	406
Deferred Revenues/Other Liabilities	6,823	8,314
Long-Term Liabilities		
Due and payable within one year:		
Bonds Payable - Current	2,045,000	1,970,000
Compensated Absences	95,569	87,260
Due to Teacher's Retirement System	1,171,198	1,278,247
Due to Employee Retirement System	56,766	66,414
Due and payable after one year:		
Bonds Payable - Non-Current	16,970,000	19,015,000
Compensated Absences Payable	3,264,416	3,091,973
Other post employment benefits	6,196,208	-
<b>Total Liabilities</b>	<b>38,842,935</b>	<b>26,667,926</b>
<b>NET ASSETS</b>		
Investment in Capital Assets, Net of Related Debt	14,501,295	11,939,077
Restricted:		
Debt Service	620,057	790,115
Unrestricted	295,035	5,582,696
<b>Total Net Assets</b>	<b>15,416,387</b>	<b>18,311,888</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 54,259,322</b>	<b>\$ 44,979,814</b>



## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## EXHIBIT 2

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009 and 2008

Functions/ Programs	2009			2008	
	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	
	EXPENSES	CHARGES FOR SERVICES		OPERATING GRANTS	
General Support	\$ (3,601,564)	\$ -	\$ 457,301	\$ (3,144,263)	\$ (3,707,035)
Instruction	(20,896,986)	-	1,391,907	(19,505,079)	(17,997,715)
Pupil Transportation	(1,714,645)	-	-	(1,714,645)	(1,907,597)
Community Service	(15,922)	-	-	(15,922)	(12,840)
Employee Benefits	(14,181,905)	-	-	(14,181,905)	(7,748,650)
Debt Service	(927,704)	-	-	(927,704)	(1,000,191)
Cost of Sales (School Lunch)	(370,632)	352,074	-	(18,558)	27,059
Total Functions and Programs	\$ (41,709,358)	\$ 352,074	\$ 1,849,208	(39,508,076)	(32,346,969)
General Revenues					
Real Property Taxes				14,428,019	13,636,215
Other Tax Items/STAR Aid				3,379,321	3,431,916
Charges for services				21,493	27,590
Use of Money and Property				283,461	508,538
Sale of Property and Compensation for Loss				1,037	1,841
Miscellaneous				613,115	153,595
State Sources				17,403,082	15,939,423
Federal Sources				483,047	93,259
Total General Revenues				36,612,575	33,792,377
Change in Net Assets				(2,895,501)	1,445,408
Total Net Assets - Beginning of Year				18,311,888	16,866,480
Total Net Assets - End of Year				\$ 15,416,387	\$ 18,311,888

See Notes to the Financial Statements.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**  
**BALANCE SHEETS - GOVERNMENTAL FUNDS**  
**June 30, 2009 and 2008**

**EXHIBIT 3**

<b>ASSETS</b>	<b>General Fund</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>2009</b>		<b>2008</b>	
					<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>	<b>TOTAL</b>
Unrestricted Cash	\$ 11,599,745	\$ 256,354	\$ 6,453,135	\$ -	\$ 18,309,234	\$ 10,676,655		
Restricted Cash	251,748	-	-	-	251,748	247,278		
Accounts Receivable	19,927	-	-	-	19,927	-		
Due from Other Funds	823,172	219,195	65,695	620,057	1,728,119	1,702,980		
Inventories	-	29,798	-	-	29,798	26,811		
State & Federal Aid Receivable	944,841	519,642	-	-	1,464,483	1,074,175		
Due from Other Governments	593,655	-	-	-	593,655	-		
<b>Total Assets</b>	<b>\$ 14,233,088</b>	<b>\$ 1,024,989</b>	<b>\$ 6,518,830</b>	<b>\$ 620,057</b>	<b>\$ 22,396,964</b>	<b>\$ 13,727,899</b>		
<b>LIABILITIES</b>								
Accounts Payable and Accrued Expenses	\$ 1,196,827	\$ 25,921	\$ 158,562	\$ -	\$ 1,381,310	\$ 206,239		
Accounts Payable - Retained Percentage	-	-	7,601	-	7,601	595		
Bond Anticipation Notes Payable	-	-	7,647,774	-	7,647,774	943,478		
Due to Other Funds	417,524	977,137	259,276	-	1,653,937	1,672,162		
Due to Other Governments	-	270	-	-	270	406		
Due to Teachers' Retirement System	1,171,198	-	-	-	1,171,198	1,278,247		
Due to Employees' Retirement System	56,766	-	-	-	56,766	66,414		
Compensated Absences	95,569	-	-	-	95,569	87,260		
Deferred Revenue	-	6,823	-	-	6,823	8,314		
<b>Total Liabilities</b>	<b>2,937,884</b>	<b>1,010,151</b>	<b>8,073,213</b>	<b>-</b>	<b>12,021,248</b>	<b>4,263,115</b>		
<b>FUND EQUITY</b>								
Fund Balances:								
Reserved for:								
Encumbrances	745,902	24,572	-	-	770,474	374,153		
Inventories	-	29,798	-	-	29,798	26,811		
Tax Certiorari	218,500	-	-	-	218,500	214,179		
Unemployment Insurance	33,248	-	-	-	33,248	33,099		
Employee Benefit Accrued Liability	1,530,277	-	-	-	1,530,277	1,500,000		
Retirement of long-term debt	-	-	-	620,057	620,057	790,115		
Unreserved Funds:								
Designated for Subsequent Year's Expenditures	1,750,000	-	-	-	1,750,000	1,500,000		
Undesignated	7,017,277	(39,532)	(1,554,383)	-	5,423,362	5,026,427		
<b>Total Fund Equity</b>	<b>11,295,204</b>	<b>14,838</b>	<b>(1,554,383)</b>	<b>620,057</b>	<b>10,375,716</b>	<b>9,464,784</b>		
<b>Total Liabilities and Fund Equity</b>	<b>\$ 14,233,088</b>	<b>\$ 1,024,989</b>	<b>\$ 6,518,830</b>	<b>\$ 620,057</b>	<b>\$ 22,396,964</b>	<b>\$ 13,727,899</b>		

See Notes to the Financial Statements.

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## EXHIBIT 4

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY  
Years Ended June 30, 2009 and 2008

	2009			2008		
	General	Special Revenue	Capital Projects	Debt Service	TOTAL	TOTAL
<b>REVENUES</b>						
Real Property Taxes	\$ 14,428,019	\$ -	\$ -	\$ -	\$ 14,428,019	\$ 13,636,215
Other Tax Items/STAR Aid	3,379,321	-	-	-	3,379,321	3,431,916
Charges for Services	21,493	-	-	-	21,493	27,590
Use of Money and Property	281,809	1,652	-	-	283,461	508,538
Sale of Property and Compensation for Loss	1,037	-	-	-	1,037	1,841
Miscellaneous	549,732	33,441	-	29,942	613,115	153,595
State Sources	17,403,082	338,646	-	-	17,741,728	16,253,675
Federal Sources	483,047	1,458,566	-	-	1,941,613	1,394,974
Surplus Food	-	51,996	-	-	51,996	53,926
Sales (School Lunch)	-	352,074	-	-	352,074	359,278
<b>Total Revenues</b>	<u>36,547,540</u>	<u>2,236,375</u>	<u>-</u>	<u>29,942</u>	<u>38,813,857</u>	<u>35,821,548</u>
<b>EXPENDITURES</b>						
General Support	3,102,038	312,349	-	-	3,414,387	4,049,998
Instruction	19,232,207	1,084,382	-	-	20,316,589	18,947,652
Pupil Transportation	1,437,156	-	-	-	1,437,156	1,633,071
Community Service	15,922	-	-	-	15,922	12,840
Employee Benefits	7,331,364	481,890	-	-	7,813,254	7,721,125
Debt Service	339,622	-	-	2,863,144	3,202,766	3,191,763
Cost of Sales (School Lunch)	-	370,632	-	-	370,632	332,219
Capital Outlay	-	-	1,637,281	-	1,637,281	409,562
<b>Total Expenditures</b>	<u>31,458,309</u>	<u>2,249,253</u>	<u>1,637,281</u>	<u>2,863,144</u>	<u>38,207,987</u>	<u>36,298,230</u>
<b>OTHER SOURCES AND USES</b>						
Bond Anticipation Notes Redeemed From Appropriations	-	-	305,062	-	305,062	291,572
Interfund Transfers In	-	-	-	2,663,144	2,663,144	2,664,544
Interfund Transfers (Out)	(2,663,144)	-	-	-	(2,663,144)	(2,664,544)
<b>Total Other Sources and (Uses)</b>	<u>(2,663,144)</u>	<u>-</u>	<u>305,062</u>	<u>2,663,144</u>	<u>305,062</u>	<u>291,572</u>
<b>Excess (Deficiency) Revenues and Other Sources Over Expenditures and Other Uses</b>	2,426,087	(12,878)	(1,332,219)	(170,058)	910,932	(185,110)
<b>Fund Equity, Beginning of Year</b>	8,869,117	27,716	(222,164)	790,115	9,464,784	9,649,894
<b>Fund Equity, End of Year</b>	<u>\$ 11,295,204</u>	<u>\$ 14,838</u>	<u>\$ (1,554,383)</u>	<u>\$ 620,057</u>	<u>\$ 10,375,716</u>	<u>\$ 9,464,784</u>

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## EXHIBIT 5

## STATEMENTS OF FIDUCIARY NET ASSETS

June 30, 2009 and 2008

	Private Purpose Trust	Agency	2009 Total	2008 Total
<b>ASSETS</b>				
Cash	\$ 29,480	\$ 189,138	\$ 218,618	\$ 307,716
<b>Total Assets</b>	<b>\$ 29,480</b>	<b>\$ 189,138</b>	<b>\$ 218,618</b>	<b>\$ 307,716</b>
<b>LIABILITIES</b>				
Due to Governmental Funds	\$ -	\$ 74,182	\$ 74,182	\$ 30,818
Extraclassroom Activities Balances	-	112,518	112,518	109,443
Other Liabilities	-	2,438	2,438	141,973
<b>Total Liabilities</b>	<b>-</b>	<b>189,138</b>	<b>189,138</b>	<b>282,234</b>
<b>NET ASSETS</b>				
Reserved for Scholarships	29,480	-	29,480	25,482
<b>Total Net Assets</b>	<b>29,480</b>	<b>-</b>	<b>29,480</b>	<b>25,482</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 29,480</b>	<b>\$ 189,138</b>	<b>\$ 218,618</b>	<b>\$ 307,716</b>

See Notes to the Financial Statements

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT****EXHIBIT 6****STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS****Years Ended June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
	<u>Private Purpose Trust</u>	<u>Private Purpose Trust</u>
<b>ADDITIONS</b>		
Gifts and Contributions	\$ 20,345	\$ 12,738
Investment Earnings	103	341
<b>Total Additions</b>	<u>20,448</u>	<u>13,079</u>
<b>DEDUCTIONS</b>		
Scholarships and awards	<u>16,450</u>	<u>11,375</u>
<b>Total Deductions</b>	<u>16,450</u>	<u>11,375</u>
<b>Changes in Net Assets</b>	3,998	1,704
<b>Net Assets, Beginning of Year</b>	<u>25,482</u>	<u>23,778</u>
<b>Net Assets, End of Year</b>	<u>\$ 29,480</u>	<u>\$ 25,482</u>

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

EXHIBIT 7

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS

June 30, 2009

ASSETS	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET ASSETS TOTALS
Unrestricted Cash	\$ 18,309,234	\$ -	\$ -	\$ 18,309,234
Restricted Cash	251,748	-	-	251,748
Accounts Receivable	19,927	-	-	19,927
Due from Other Funds	1,728,119	-	(1,653,937)	74,182
State & Federal Aid Receivable	1,464,483	-	-	1,464,483
Due from Other Governments	593,655	-	-	593,655
Inventories	29,798	-	-	29,798
Capital Assets, Net	-	33,516,295	-	33,516,295
<b>Total Assets</b>	<b>\$ 22,396,964</b>	<b>\$ 33,516,295</b>	<b>\$ (1,653,937)</b>	<b>\$ 54,259,322</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	\$ 1,381,310	\$ -	\$ -	\$ 1,381,310
Accounts Payable - Retainage Percentage	7,601	-	-	7,601
Bond Anticipation Notes Payable	7,647,774	-	-	7,647,774
Due to Other Funds	1,653,937	-	(1,653,937)	-
Due to Other Governments	270	-	-	270
Due to Teacher's Retirement System	1,171,198	-	-	1,171,198
Due to Employee's Retirement System	56,766	-	-	56,766
Bonds Payable	-	19,015,000	-	19,015,000
Compensated Absences	95,569	3,264,416	-	3,359,985
Deferred revenues	6,823	-	-	6,823
Other post employment benefits	-	6,196,208	-	6,196,208
<b>Total Liabilities</b>	<b>12,021,248</b>	<b>28,475,624</b>	<b>(1,653,937)</b>	<b>38,842,935</b>
<b>FUND EQUITY/NET ASSETS</b>				
<b>Total Fund Equity/ Net Assets</b>	<b>10,375,716</b>	<b>5,040,671</b>	<b>-</b>	<b>15,416,387</b>
<b>Total Liabilities and Fund Equity/ Net Assets</b>	<b>\$ 22,396,964</b>	<b>\$ 33,516,295</b>	<b>\$ (1,653,937)</b>	<b>\$ 54,259,322</b>

See Notes to the Financial Statements

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS - REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES

Year Ended June 30, 2009

	TOTAL GOVERNMENT FUNDS	LONG-TERM REVENUE EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTION	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
<b>REVENUES</b>						
Real Property Taxes	\$ 14,428,019	-	-	-	-	\$ 14,428,019
Other Tax Items/STAR Aid	3,379,321	-	-	-	-	3,379,321
Charges for Services	21,493	-	-	-	-	21,493
Use of Money and Property	283,461	-	-	-	-	283,461
Sale of Property and Compensation for Loss	1,037	-	-	-	-	1,037
Miscellaneous	613,115	-	-	-	-	613,115
State Sources	17,741,728	-	-	-	-	17,741,728
Federal Sources	1,941,613	-	-	-	-	1,941,613
Surplus Food	51,996	-	-	-	-	51,996
Sales (School Lunch)	352,074	-	-	-	-	352,074
<b>Total Revenues</b>	<b>38,813,857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,813,857</b>
<b>EXPENDITURES</b>						
General Support	3,414,387	-	187,177	-	-	3,601,564
Instruction	20,316,589	-	580,397	-	-	20,896,986
Pupil Transportation	1,437,156	-	277,489	-	-	1,714,645
Community Service	15,922	-	-	-	-	15,922
Employee Benefits	7,813,254	-	-	6,368,651	-	14,181,905
Debt Service	3,202,766	-	-	(1,970,000)	(305,062)	927,704
Cost of Sales (School Lunch)	370,632	-	-	-	-	370,632
Capital Outlay	1,637,281	-	(1,637,281)	-	-	-
<b>Total Expenditures</b>	<b>38,207,987</b>	<b>-</b>	<b>(592,218)</b>	<b>4,398,651</b>	<b>(305,062)</b>	<b>41,709,358</b>
<b>OTHER SOURCES AND USES</b>						
Bond Anticipation Notes Redeemed	305,062	-	-	-	(305,062)	-
Operating Transfers In	2,663,144	-	-	-	(2,663,144)	-
Operating Transfers (Out)	(2,663,144)	-	-	-	2,663,144	-
<b>Total Other Sources and Uses</b>	<b>305,062</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(305,062)</b>	<b>-</b>
<b>Net Change for the Year</b>	<b>\$ 910,932</b>	<b>\$ -</b>	<b>\$ 592,218</b>	<b>\$ (4,398,651)</b>	<b>\$ -</b>	<b>\$ (2,895,501)</b>

See Notes to the Financial Statements

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

**JUNE 30, 2009**

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#### **Note 1. Summary of Significant Accounting Policies**

The general purpose financial statements of Beekmantown Central School District have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing governmental accounting and financial reporting principles.

- A. Financial Reporting Entity: The Beekmantown Central School District Board of Education is the basic level of government, which has financial accountability and control over all activities related to the District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in GASB pronouncements, since Board members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

The general-purpose financial statements include all funds of the District as well as the component units and other organizational entities determined to be includable in the District's financial reporting entity

- B. Extraclassroom Activity Funds - The Extraclassroom Activity Funds of the Beekmantown Central School District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. The cash and investment balances are reported in the Fiduciary Funds of the District. Separate audited general financial statements (cash basis) of the Extraclassroom Activity Funds can be found attached to the general-purpose financial statements.
- C. Joint Venture - The Beekmantown Central School District is one of 17 component school districts in the Clinton/Essex/Warren/Washington Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support activities.

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation. In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the General Municipal Law.

A BOCES budget is comprised of separate budgets for administrative, program, and capital cost. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7).



## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

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#### Note 1. Summary of Significant Accounting Policies (continued)

During the year ended June 30, 2009, the District was billed \$3,943,015 for BOCES administrative and program cost and received \$821,102 representing the District's share of BOCES income.

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

#### D. Basis of presentation

##### 1. District-Wide Statements

The Statement of Net Assets and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of good or services offered by the programs, and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

##### 2. Fund Functional Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Nonmajor funds are aggregated and presented in a single column. Beekmantown Central School District elects to report all governmental funds as major funds.

Governmental Fund Types: Governmental funds are those funds used to account for, and report, the operations of the District. The acquisition, use and balances of financial resources and related assets and liabilities are reported

## BEEKMANTOWN CENTRAL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

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#### Note 1. Summary of Significant Accounting Policies (continued)

therein. The measurement focus is the determination of changes in financial position rather than net income determination. The following funds and aggregate governmental fund types are employed in accounting for and reporting District operations:

General Fund - the general fund is the principal operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

Special Aid Fund - used to account for Federal and State special program activities.

School Lunch Fund- used to account for transactions for the District food service programs.

Capital Projects Fund - the capital projects funds are to account for and report financial resources to be used for acquisition, construction or renovation of major capital facilities, or equipment.

Debt Service Fund – the debt service fund is used to account for the financial resources used for acquisition, construction, or major repairs of capital facilities.

Fiduciary Fund Types: Fiduciary fund types consist of Expendable and Nonexpendable Trust and Agency Funds and are used to account for and report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

#### E. Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On a modified accrual basis, revenue from property taxes is recognized by estimating how much will be collected during the ensuing fiscal year. Revenue from grants and donations is

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**Note 1. Summary of Significant Accounting Policies (continued)**

recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within the subsequent fiscal year.

Expenditures are recorded when the related fund liability is incurred except for:

- a. Prepaids and inventory-type items are recognized at the time of purchase.
  - b. Principal and interest on indebtedness are not recognized as an expenditure until due.
  - c. Compensated absences, such as sick leave, which vests or accumulates, are charged as an expenditure when paid.
  - d. Pension costs are recognized as an expenditure when billed by the state.
  - e. The District recognizes the cost of providing post retirement health insurance coverage and survivor benefits by recording its share of insurance premiums as an expenditure in the year paid.
- F. Cash and Cash Equivalents: For financial statement purposes, all highly liquid investments having maturities of three months or less are considered as cash equivalents.
- G. Inventories: Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis or in the case of surplus food, at stated value, which approximates market. Purchases of items (which could be inventoried) in other funds are recorded as expenditures at the time of purchase.
- H. Compensated Absences: The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the governmental funds in as much as it will be funded from current financial resources, and the general long-term debt account group for amounts to be paid from future financial resources. Upon retirement, resignation or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.
- I. Capital Assets: Acquisitions of equipment and capital facilities are treated as expenditures in the various funds of the District, and are capitalized when cost of acquisition exceeds \$1,500, \$5,000 prior to March 14, 2006. The assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

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### Note 1. Summary of Significant Accounting Policies (continued)

Donated assets are reported at estimated fair market value at the time received.

- J. Deferred Revenue: Deferred revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability of deferred revenues is removed and revenues are recognized.
- K. Deferred Compensation: Employees of the District may elect to participate in an Employees Deferred Compensation Plan created in accordance with Internal Revenue Code Section 403(b). The plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.
- L. Post-Employment Benefits: In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. The cost of providing post-retirement benefits is paid by the District or is shared between the District and the retired employee, depending on length of service and/or classification of employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums for retirees and their dependents as an expenditure or operating transfer to other funds in the General Fund in the year paid.
- M. Property Taxes: Real property taxes are levied annually by the Board of Education no later than September 1st. Uncollected real property taxes are subsequently enforced by the County of Clinton. An amount representing uncollected real property taxes is transmitted to the county for enforcement and is paid by the county to the District no later than the forthcoming April 1st.
- N. Fund Balance: Reservations of fund balances are created to either satisfy legal restrictions or to plan for future expenditures. A designation of unreserved fund balances in governmental funds indicates the planned use of these resources in the subsequent year's budget. The following is a description of the reserves utilized by the District.

Reserve for Inventories - This reserve is used to limit the investment on inventory and to restrict that portion of fund balance, which is unavailable for appropriation. This reserve is accounted for in the School Lunch Fund.

Reserve for Encumbrances - This reserve represents the amount of outstanding encumbrances at the end of the fiscal year to be potentially expended in the subsequent year. This reserve is accounted for in the governmental fund types.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

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### Note 1. Summary of Significant Accounting Policies (continued)

The cost of construction contract commitments generally is recorded as an encumbrance of Capital Funds and is presented as a reserve for encumbrances. These committed amounts generally will become liabilities in future periods as the construction work is performed by the contractors. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Reserve for Tax Certiorari – Section 3651 of the Education Law permits the establishment of a reserve fund for tax certiorari and to expend monies from the fund without voter approval of the qualified voters of the school district. The total of the monies held in the reserve fund shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any monies deposited to such a reserve fund which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the General Fund.

Reserve for Unemployment Insurance - This reserve is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the employer elects to convert to tax (contribution) basis, excess of funds over a sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

Reserve for Employee Benefit Accrued Liability – This reserve is used to reserve funds for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

#### A. Budgetary Procedures and Budgetary Accounting

1. Budget Policies - The District administration prepares a proposed budget for approval by the Board of Education for the following governmental fund types:  
General Fund

The voters within the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program level.

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

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### Note 1. Summary of Significant Accounting Policies (continued)

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the board approves them because of a need that exists which was not determined at the time the budget was adopted.

2. Budget Basis of Accounting - Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. The budget and actual comparison for the General Fund, included in the Combined Statement of Revenues and Expenditures - Budget and Actual, reflects budgeted and actual amounts for funds with legally authorized (appropriated) budgets.

### Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources of the governmental funds.

#### A. Total fund balances of governmental funds vs. net assets of governmental activities:

Total fund balances of the District's governmental funds differs from "net assets" of governmental activities reported in the Statement of Net Assets. This difference primarily results from the additional long-term economic focus of the Statement of Net Assets versus the solely current financial resources focus of the governmental fund Balance Sheets.

The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Assets includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

Original cost of capital assets	\$ 45,975,175
Accumulated depreciation	12,458,880
Capital assets, net	<u>\$ 33,516,295</u>

Because the governmental funds focus on short-term financing, some assets will not be

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

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### Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred revenue in the governmental funds, and thus are not included in the fund balance. They are, however, included in the net assets of the governmental activities. As of June 30, 2009 the District did not have any assets unavailable to pay for current-period expenditures.

Long-term liabilities are reported in the Statements of Net Assets, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Bonds payable and other long-term debt	\$ 19,015,000
Compensated absences	3,264,416
Other post employment benefits	6,196,208
	<u>\$ 28,475,624</u>

#### B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities.

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

##### 1. Long-Term Revenue Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

##### 2. Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

##### 3. Long-Term Debt Transaction Differences

Long-term debt transaction differences occur as a result of proceeds from serial bonds reflected as revenue in governmental funds whereas they are a liability on the statement of net assets. Also both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

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### Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

payments are recorded as a reduction of liabilities in the Statement of Net Assets. Following are reconciliations of revenues and expenditures Governmental Funds to Statement of Activities.

#### 4. Other Post-Employment Benefits

Other post-employment benefits occur because retiree health insurance premiums are paid and recorded as expenditures in the governmental fund statements as incurred. GASB 45 requires an actuarial calculation of the future liability and to record the Net OPEB Obligation in the Statement of Net Assets.

#### Revenues:

Total Revenue reported in Governmental Funds (Exhibit 4)	\$ 38,813,857
Differences did not exist in revenue reporting for the current year	<hr/> -
Total Revenues Statement of Activities	<hr/> <u>\$ 38,813,857</u>

#### Expenditures:

Total expenditures reported in governmental funds (Exhibit 4)	\$ 38,207,987
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In the Statement of Activities, certain operating expenses - compensated absences (vacations) and special termination benefits (early retirement) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences earned exceeded the amount used during the year. (Exhibit 8)

172,443



# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

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### **Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)**

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense was less than capital expenditures in the current year. (Exhibit 8)	(592,218)
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Assets, and does not effect the Statement of Activities, (Exhibit 8)	(1,970,000)
The payment of Other Post-Employment Benefits (OPEB) is recorded in the governmental funds as expenditures when incurred. However, in the Statement of Activities, the current cost plus the actuarial cost of future benefits are combined and recognized as an expense. This is the amount by which the Annual OPEB Cost exceeded the premiums paid.	6,196,208
Transfers to Debt Service Fund are an expenditure in the General Fund and other income in the Debt Service Fund. A reclassifying entry to offset these amounts reduces both expenditures and other sources of income on the Statement of Activities. (Exhibit 8)	<u>(305,062)</u>
Total expenses of governmental activities in the Statement of Activities (Exhibit 2)	<u><u>\$ 41,709,358</u></u>

### **Note 4. Cash and Investments**

The District's investment policies are governed by State statutes and the District's own written policy. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposits not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and Districts.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**Note 4. Cash and Investments (continued)**

At June 30, 2009, the District's bank balances totaled 19,625,960, of which, \$750,000 was covered by Federal depository insurance and \$18,875,960 was covered by collateral held by the pledging banks in the District's name.

**Note 5. Interfund Balances and Activity**

Interfund balances and activity at June 30, 2009 and for the fiscal year then ended, were as follows:

Fund Type	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General	\$ 823,172	\$ 417,524	\$ -	\$ 2,663,144
Capital	65,695	259,276	-	-
Special Revenue:				
School Lunch	1,582	295,951	-	-
Special Aid	217,613	681,186	-	-
Debt Service	620,057	-	2,663,144	-
Trust and Agency	-	74,182	-	-
Total	<u>\$ 1,728,119</u>	<u>\$ 1,728,119</u>	<u>\$ 2,663,144</u>	<u>\$ 2,663,144</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Assets.

The District typically transfers money from the General Fund to the Debt Service Fund, where it makes principal and interest payments on the District's bonds.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009****Note 6. Capital Assets**

The following is a summary of changes in capital assets:

	June 30, 2008 Balance	Additions	Retirements/ Reclassifications	June 30, 2009 Balance
<b>Governmental Activities</b>				
Capital Assets that are not Depreciated:				
Land	\$ 73,608	\$ -	\$ -	\$ 73,608
Construction in Progress	448,625	1,283,378	(1,000,000)	732,003
Total Nondepreciable Historical Cost	<u>\$ 522,233</u>	<u>\$ 1,283,378</u>	<u>\$ (1,000,000)</u>	<u>\$ 805,611</u>
 Capital Assets that are Depreciated:				
Buildings	39,678,666	1,000,000	-	40,678,666
Machinery and Equipment	4,370,267	381,816	(261,185)	4,490,898
Total Depreciable Historical Cost	<u>44,048,933</u>	<u>1,381,816</u>	<u>(261,185)</u>	<u>45,169,564</u>
 Less Accumulated Depreciation:				
Buildings	9,334,515	696,905	-	10,031,420
Machinery and Equipment	2,312,574	376,071	(261,185)	2,427,460
Total Accumulated Depreciation	<u>11,647,089</u>	<u>1,072,976</u>	<u>(261,185)</u>	<u>12,458,880</u>
 Total Depreciable Historical Cost, Net	<u>\$ 32,401,844</u>	<u>\$ 308,840</u>	<u>\$ -</u>	<u>\$ 32,710,684</u>
 Total Capital Assets, Net	<u>\$ 32,924,077</u>	<u>\$ 1,592,218</u>	<u>\$ (1,000,000)</u>	<u>\$ 33,516,295</u>

**Note 7. Indebtedness****Short-term Debt:**

**Bond Anticipation Notes** – Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of the bonds. Such notes may be classified as long-term debt when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. Although the District's bus purchase BANs mature in one year, each year the School District pays only one-fifth of the original amount of the BAN and renews the balance due so that the entire amount is paid off in five years. The School District has five BANs as described above. The interest rates on these BANs range from 2.50% to 2.55%. These BANs had an outstanding balance of \$992,319 at June 30, 2009. The two remaining BANs are for a construction project.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009****Note 7. Indebtedness (continued)****BANs Outstanding:**

<b>Payee</b>	<b>Interest Rate</b>	<b>Date Issued</b>	<b>Maturity Date</b>	<b>Purpose</b>	<b>Balance 06/30/09</b>
Glens Falls National Bank and Trust Company	2.55%	08/01/08	07/31/09	Bus Purchases	\$ 57,695
Glens Falls National Bank and Trust Company	2.55%	08/12/08	08/11/09	Bus Purchases	120,080
Glens Falls National Bank and Trust Company	2.50%	07/15/08	07/14/09	Bus Purchases	185,167
Glens Falls National Bank and Trust Company	2.50%	02/14/09	08/12/10	Bus Purchases	275,474
Glens Falls National Bank and Trust Company	2.55%	08/28/08	08/28/09	Bus Purchases	353,903
Rosevelt & Cross, Inc.	1.50%	05/07/09	05/07/10	Construction	6,055,455
TD Bank, N.A.	3.05%	10/06/08	10/06/09	Construction	<u>600,000</u>
					<u><u>\$ 7,647,774</u></u>

Interest expense on the District's BAN obligations amounted to \$34,560 for 2008-2009.

Long-term Debt: On June 15, 2004, the District issued long-term serial bonds in the amount of \$27,875,000 to finance its district-wide renovation project. Interest expense on the District's bond obligations amounted to \$893,144 for 2008-2009.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009****Note 7. Indebtedness (continued)**

The following is a summary of changes in long-term debt:

Long-term debt:

	Balance 06/30/08	Additions	Deletions	Balance 06/30/09
Serial Bonds	\$ 20,985,000	\$ -	\$ 1,970,000	\$ 19,015,000
Compensated Absences	3,091,973	172,443	-	3,264,416
Total	<u>\$ 24,076,973</u>	<u>\$ 172,443</u>	<u>\$ 1,970,000</u>	<u>\$ 22,279,416</u>

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

Long-term Debt is comprised of the following:

Description of Issue	Issue Date	Maturity Date	Interest Rate	Outstanding at 6/30/09
Serial Bond	06/15/04	06/15/20	Various	\$ 5,120,000
Serial Bond	06/15/04	06/15/17	Various	6,040,000
Serial Bond	06/15/04	06/15/16	Various	7,855,000
Total				<u>\$ 19,015,000</u>

The following is a summary of debt service requirements for General Obligation Bonds, Notes and other long-term debt:

Fiscal Year Ending June 30:	Principal	Interest	Total
2010	\$ 2,045,000	\$ 819,069	\$ 2,864,069
2011	2,120,000	739,694	2,859,694
2012	2,200,000	654,793	2,854,793
2013	2,285,000	563,994	2,848,994
2014	2,370,000	469,681	2,839,681
2015-2019	7,430,000	898,013	8,328,013
2020-2024	565,000	28,250	593,250
	<u>\$ 19,015,000</u>	<u>\$ 4,173,494</u>	<u>\$ 23,188,494</u>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT****NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009****Note 8. Post-Employment Benefits**

The District provides post employment (health insurance, etc) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements. Post employment benefits aggregating \$1,692,144 for 268 employees were charged to expenses/ expenditures in the Governmental Funds in the current year.

The District implemented GASB Statement #45, Accounting and Financial Reporting by employers for Post-employment Benefits Other than Pensions, in the school year ended June 30, 2009. This required the District to calculate and record a net other post-employment benefit obligation at year-end. The net other post-employment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contributions made.

The District has obtained an actuarial valuation report as of July 1, 2008 which indicates that the total liability for other post employment benefits is \$6,196,208, which is reflected in the Statement of Net Assets.

**Annual OPEB Cost and Net OPEB Obligation:** The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

	<u>06/30/09</u>	<u>06/30/08</u>	<u>06/30/07</u>
Annual required contribution	\$ 7,888,352	\$ -	\$ -
Interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Annual OPEB cost (expense)	<u>7,888,352</u>	-	-
Contributions made	<u>(1,692,144)</u>	-	-
Increase in net OPEB obligation	<u>6,196,208</u>	-	-
Net OPEB obligation - beginning of year	-	-	-
Net OPEB obligation - end of year	<u><u>\$ 6,196,208</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Annual OPEB Cost	\$ 7,888,352	\$ -	\$ -
Percentage of Annual OPEB Cost Contributed	21.5%	N/A	N/A
Net OPEB Obligation at end of year	\$ 6,196,208	\$ -	\$ -

## **BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009**

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#### **Note 8. Post-Employment Benefits (continued)**

**Funding Status and Funding Progress:** As of June 30, 2009, the actuarial accrued liability for benefits was \$72,408,518, all of which was unfunded. The covered payroll for all active employees was \$17,430,289, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 415.4%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

**Actuarial Methods and Assumptions:** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees – Retirement age was based on the experience under the NYS & Local Retirement System.

Marital status – It is assumed that 70% of retirees will be married at the time of their retirement.

Mortality – Life expectancies were based on The RP-2000 Mortality Table for males and females.

Turnover – Turnover was based on the experience under the NYS & Local Retirement System.

Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums was initially set at 11.0% and reduced to 5.0% after 12 years.

Discount rate – A 4% discount was used.

The unfunded actuarial accrued liability is being amortized over a level period of 30 years. The remaining amortization period at June 30, 2009 was 29 years.

# **BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS** **JUNE 30, 2009**

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### **Note 9. Pension Plans**

**Pension Plans:** Beekmantown Central School District participates in the New York State and local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). These are cost-sharing multiple employer, public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

#### **Pension Plan Description:**

The New York State Teachers Retirement System (TRS) is a cost sharing multiple employer defined benefit pension plan administered by the New York State Teachers' Retirement Board. The System provides retirement, disability, withdrawal and death benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The Report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

The New York State and Local Employees' Retirement System (ERS) provides retirement and death benefits as well as disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The Report may be obtained by writing to The New York State and Local Employees' Retirement System, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

#### **Funding Policies**

Plan members who joined the System before July 27, 1976 are not required to make contributions. Those members joining after July 27, 1976 who have less than 10 years service or membership are required to contribute three percent (3%) of their annual salary. For the New York State and Local Employees' Retirement System, the Comptroller shall certify annually the rates expressed as proportions of members' payroll, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund. Pursuant to Article 11 of the Education Law, rates are established annually for TRS by the New York State Teachers' Retirement Board.

The District is required to contribute at an actuarially determined rate, currently, 7.63% for TRS based on the annual covered payroll for the fiscal year ended June 30, 2009. Rates applicable to the fiscal years ended June 30, 2008 and 2007 were 8.73% and 8.6%, respectively.



# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

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### Note 9. Pension Plans (continued)

The required and actual contributions for the current year and two preceding years were:

Year	ERS	TRS
2009	\$ 292,182	\$ 1,268,545
2008	\$ 265,656	\$ 1,209,078
2007	\$ 316,563	\$ 1,072,171

The District's contributions made to the Systems were equal to 100% of the contributions required for each year.

### Note 10. Commitments and Contingencies

Risk Financing and Related Insurance - The Beekmantown Central School District is exposed to the risk of various types of loss which includes torts; theft of, damage to, and destruction of assets; and injuries to employees and students. These risks, and settled claims, are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

The District incurs costs related to an employee health insurance plan (Plan) sponsored by Clinton-Essex-Warren-Washington BOCES and its component districts. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risk reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The District is a defendant in certain lawsuits arising out of the ordinary course of business. While the outcome of lawsuits and other proceedings against the District cannot be predicted with certainty, the District does not expect that these matters will have a material adverse effect on its financial position.

The District has received Federal and State Aid/Grants which are subject to audit by agencies of the Federal and State governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. The District

# BEEKMANTOWN CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

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### Note 10. Commitments and Contingencies (continued)

believes disallowances, not previously provided for, if any, will be immaterial.

Operating Leases - The District leases property and equipment under operating leases. Total rental expenditures on such leases for the fiscal year ended June 30, 2009 were approximately \$61,146.

Estimated future rents to be paid under this lease are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2010	\$ 61,146
2011	60,006
Total	<u>\$ 121,152</u>

Litigation – The District is aware of various petitions for tax certiorari proceedings which if successful would expose the district to significant tax refunds to the landowners. A reserve for tax certiorari is established and funded for \$218,500. The District is aware of petitions totaling \$324,121.

### Note 11. Stewardship, Compliance and Accountability

The District's undesignated general fund balance was in excess of the New York State Real Property Tax Law Section 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The undesignated fund balance at June 30, 2009 was \$7,017,277, which represents 18.9% of next year's budget. The excess amounted to \$5,535,052.

The Capital Projects Fund had a deficit fund balance of \$1,554,383. This will be funded as the General Fund transfers monies to the Capital Projects Fund to make the principal payments on the outstanding BANs and with the issuance of Bonds.

### Note 12. Prior Period Information

Comparative prior period information has been presented in summary form. This information was derived from the District's June 30, 2008 financial statements, and in our report dated August 28, 2008, we expressed an unqualified opinion.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**Combining Balance Sheet - Special Revenue Funds  
June 30, 2009 and 2008**

	Special Aid	School Lunch	2009 Total	2008 Total
<b>ASSETS</b>				
Unrestricted Cash	\$ 10,641	\$ 245,713	\$ 256,354	\$ 641,749
State and Federal Aid Receivable	483,785	35,857	519,642	167,134
Due from Other Funds	217,613	1,582	219,195	13,939
Inventories	-	29,798	29,798	26,811
<b>Total Assets</b>	<b>\$ 712,039</b>	<b>\$ 312,950</b>	<b>\$ 1,024,989</b>	<b>\$ 849,633</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts Payable and Accrued Expenses	\$ 24,030	\$ 1,891	\$ 25,921	\$ 11,731
Deferred Revenue	6,823	-	6,823	8,314
Due to Other Funds	681,186	295,951	977,137	801,466
Due to Other Governments	-	270	270	406
<b>Total Liabilities</b>	<b>712,039</b>	<b>298,112</b>	<b>1,010,151</b>	<b>821,917</b>
Fund Balance:				
Reserved for Encumbrances	24,572	-	24,572	-
Reserved for Inventories	-	29,798	29,798	26,811
Unreserved				
Undesignated	(24,572)	(14,960)	(39,532)	905
<b>Total Fund Balance</b>	<b>-</b>	<b>14,838</b>	<b>14,838</b>	<b>27,716</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 712,039</b>	<b>\$ 312,950</b>	<b>\$ 1,024,989</b>	<b>\$ 849,633</b>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SPECIAL REVENUE FUNDS - COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**Years Ended June 30, 2009 and 2008**

	Special Aid	School Lunch	2009 Total	2008 Total
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ 1,652	\$ 1,652	\$ 5,635
Miscellaneous	-	33,441	33,441	36,158
State Sources	313,036	25,610	338,646	314,252
Federal Sources	1,078,871	379,695	1,458,566	1,301,715
Surplus Foods	-	51,996	51,996	53,926
Sales	-	352,074	352,074	359,278
Total Revenues	<u>1,391,907</u>	<u>844,468</u>	<u>2,236,375</u>	<u>2,070,964</u>
<b>EXPENDITURES</b>				
General Support	-	312,349	312,349	294,286
Instruction	1,084,382	-	1,084,382	973,178
Employee Benefits	307,525	174,365	481,890	445,835
Cost of Sales	-	370,632	370,632	332,219
Total Expenditures	<u>1,391,907</u>	<u>857,346</u>	<u>2,249,253</u>	<u>2,045,518</u>
<b>Excess (Deficit) of Revenues over Expenditures</b>	-	(12,878)	(12,878)	25,446
<b>Fund Balance, Beginning</b>	-	27,716	27,716	2,270
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ 14,838</u>	<u>\$ 14,838</u>	<u>\$ 27,716</u>

See Independent Auditor's Report.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**GENERAL FUND - SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET**  
**Year Ended June 30, 2009**

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Original budget		\$ 36,149,436
Additions:		
Encumbrances - fiscal year 2008	364,153	
Budget revisions - gifts and donations	11,593	
Budget revisions - Proposition III - Bleachers	<u>240,000</u>	
<b>Total additions</b>		<u>615,746</u>
Revised budget		<u><u>\$ 36,765,182</u></u>

**GENERAL FUND - SCHEDULE OF USE OF FUND BALANCE**  
**As Of The Beginning Of Year Ended June 30, 2009**

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Unreserved fund balance, beginning of year	\$ 6,757,686
Less:	
Unreserved fund balance designated for subsequent year's expenditures	<u>1,500,000</u>
<b>Total unreserved undesignated fund balance,         beginning of year</b>	<u><u>\$ 5,257,686</u></u>

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF GENERAL FUND REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
Year Ended June 30, 2009**

	Original Budget	Revised Budget	Current Year's Revenues	Over/ (Under) Revised Budget
<b>Revenues:</b>				
Real Property Taxes	\$ 14,419,404	\$ 14,419,404	\$ 14,428,019	\$ 8,615
Other Tax Items/STAR Aid	3,041,093	3,041,093	3,379,321	338,228
Charges for Services	25,000	25,000	21,493	(3,507)
Use of Money and Property	435,500	435,500	281,809	(153,691)
Sale of Property and Compensation for Loss	5,000	5,000	1,037	(3,963)
Miscellaneous	110,000	121,593	549,732	428,139
State Sources	16,310,439	16,310,439	17,403,082	1,092,643
Federal Sources	103,000	103,000	483,047	380,047
<b>Total Revenues</b>	<b>34,449,436</b>	<b>34,461,029</b>	<b>36,547,540</b>	<b>2,086,511</b>
<b>Appropriated Fund Balance:</b>				
Appropriated Reserves	200,000	804,153	-	(804,153)
Appropriated Fund Balance	1,500,000	1,500,000	-	(1,500,000)
<b>Total Unreserved Fund Balance</b>	<b>1,700,000</b>	<b>2,304,153</b>	<b>-</b>	<b>(2,304,153)</b>
<b>Total Revenues, Other Sources and Unreserved Fund Balance</b>	<b>\$ 36,149,436</b>	<b>\$ 36,765,182</b>	<b>\$ 36,547,540</b>	<b>\$ (217,642)</b>

	Original Budget	Revised Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
<b>Expenditures:</b>					
General Support:					
Board of Education	\$ 20,940	\$ 34,514	\$ 33,801	\$ -	\$ 713
Central Administration	211,190	211,489	211,454	-	35
Finance	347,477	396,884	390,922	3,022	2,940
Staff	114,194	94,220	74,734	2,511	16,975
Central Services	2,558,211	2,848,592	2,011,678	485,573	351,341
Special Items	401,236	381,199	379,449	1,750	-
Instructional:					
Instruction, Administration, and Improvement	1,079,676	1,067,356	1,064,338	-	3,018
Teaching - Regular School	10,357,878	10,584,807	10,275,351	107,190	202,266
Programs for Children with Handicapping Conditions	4,898,520	5,012,487	4,856,251	1,027	155,209
Teaching - Special Schools	533,880	675,358	666,460	-	8,898
Instructional Media	997,283	1,049,165	949,161	81,436	18,568
Pupil Service	1,453,521	1,445,226	1,420,646	7,184	17,396
Pupil Transportation	1,616,582	1,646,139	1,437,156	56,162	152,821
Community Service	16,950	17,337	15,922	47	1,368
Employee Benefits	8,338,391	8,097,643	7,331,364	-	766,279
Debt Service	3,203,507	339,622	339,622	-	-
<b>Total Expenditures</b>	<b>36,149,436</b>	<b>33,902,038</b>	<b>31,458,309</b>	<b>745,902</b>	<b>1,697,827</b>
<b>Other Uses:</b>					
Interfund Transfer	-	2,863,144	2,663,144	-	200,000
<b>Total Expenditures and Other Uses</b>	<b>\$ 36,149,436</b>	<b>\$ 36,765,182</b>	<b>34,121,453</b>	<b>\$ 745,902</b>	<b>\$ 1,897,827</b>
<b>Excess of Revenues over Expenditures and Other Uses</b>					<b>\$ 2,426,087</b>

See Independent Auditor's Report.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**CAPITAL PROJECTS FUND - SCHEDULE OF PROJECT EXPENDITURES**

**Year Ended June 30, 2009**

Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	(Overexpended)
						Unexpended Balance
Buses	\$ 353,903	\$ 353,903	\$ -	\$ 353,903	\$ 353,903	\$ -
Various Improvements/Renovations	1,000,000	1,000,000	448,625	551,375	1,000,000	-
Excel Project	6,655,455	6,655,455	-	732,003	732,003	5,923,452
Totals	\$ 8,009,358	\$ 8,009,358	\$ 448,625	\$ 1,637,281	\$ 2,085,906	\$ 5,923,452



**BEEKMANTOWN CENTRAL SCHOOL DISTRICT****SCHEDULE OF CERTAIN REVENUES AND EXPENDITURES COMPARED TO ST-3 DATA**  
**Year Ended June 30, 2009**

	<u>Account Code</u>	<u>ST-3 Data</u>	<u>Audited Amount</u>
Revenues			
Property Taxes	A - 1001	\$ 14,428,019	\$ 14,428,019
Non-Property Taxes	AT - 1199	\$ -	\$ -
State Aid	AT - 3999	\$ 17,403,082	\$ 17,403,082
Federal Aid	AT - 4999	\$ 483,047	\$ 483,047
Total Revenues	AT - 5999	\$ 36,547,540	\$ 36,547,540
Expenditures			
General Support	AT - 1999.0	\$ 3,102,038	\$ 3,102,038
Pupil Transportation	AT - 5599.0	\$ 1,437,156	\$ 1,437,156
Debt Service - Principal	AT - 9798.6	\$ 305,062	\$ 305,062
Debt Service - Interest	AT - 9798.7	\$ 34,560	\$ 34,560
Total Expenditures	AT - 9999.0	\$ 34,121,453	\$ 34,121,453

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN**  
**Year Ended June 30, 2009**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UALL as a Percentage of Covered Payroll</b>
06/30/09	\$ -	\$ 72,408,518	\$ 72,408,518	0%	\$ 17,430,289	415.4%

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2009**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Education</b>			
<b>Pass-Through New York State Department of Education:</b>			
Title I A&D Imprv Acad Achmt F/Disad	84.010A	0021-09-0480	\$ 451,856
IDEA - Part B, Section 611	84.027A	0032-09-0133	478,994
Title V - Part A - Innovative	84.298A	0002-09-0480	4,240
IDEA - Part B, Section 619	84.173A	0033-09-0133	27,236
Title IV - Part A, Safe and Drug-Free Schools	84.186A	0180-09-0480	9,932
Title II, Part A	84.367A	0147-09-0480	103,713
Title II, Part D	84.318X	0292-09-0480	2,900
<b>Total Department of Education</b>			<u>1,078,871</u>
<b>U.S. Department of Agriculture Direct Programs:</b>			
<b>Pass-through New York State Department of Education</b>			
National School Lunch Program/Breakfast Program	10.555		379,695
Surplus Food	10.550		51,996
<b>Total Child Nutrition Cluster</b>			<u>431,691</u>
<b>Total Department of Agriculture</b>			<u>431,691</u>
<b>Total Federal Assistance Expended</b>			<u>\$ 1,510,562</u>

See Notes to Schedule of Expenditures of Federal Awards.

## **BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2009**

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Beekmantown Central School District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

*Conroy, Boulrice, Telling & Trombley, PC*

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*Certified Public Accountants*

*JACK L. CONROY, CPA*

*MICHAEL L. BOULRICE, CPA*

*THOMAS R. TELLING, CPA*

*LEO P. TROMBLEY, CPA*

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

To the Board of Education  
Beekmantown Central School District  
West Chazy, New York 12992

We have audited the financial statements of the governmental activities of Beekmantown Central School District as of and for the year ended June 30, 2009, which collectively comprise Beekmantown Central School District's basic financial statements and have issued our report thereon dated November 2, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Beekmantown Central School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Beekmantown Central School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Beekmantown Central School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Beekmantown Central School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Beekmantown Central School District's financial statements that is more than inconsequential will not be prevented or detected by the Beekmantown Central School District's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in

internal control over financial reporting. The findings are referenced as follows: 09-1, 09-2 and 09-3.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Beekmantown Central School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider 09-2 and 09-3 to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Beekmantown Central School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government *Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 09-1.

We noted certain matters that we reported to management of Beekmantown Central School District, in a separate letter dated November 2, 2009.

Beekmantown Central School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Beekmantown Central School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, School Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Conroy, Boulrice, Telling + Trombley, P.C.*

Conroy, Boulrice, Telling & Trombley, PC  
November 2, 2009

*Conroy, Boulrice, Telling & Trombley, PC*

*Certified Public Accountants*

JACK L. CONROY, CPA

MICHAEL L. BOULRICE, CPA

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LEO P. TROMBLEY, CPA

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

To the Board of Education  
Beekmantown Central School District  
West Chazy, New York 12992

Compliance

We have audited the compliance of Beekmantown Central School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Beekmantown Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Beekmantown Central School District's management. Our responsibility is to express an opinion on Beekmantown Central School District's compliance based on our audit.

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

In our opinion, Beekmantown Central School District complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 09-5.

To the Board of Education  
Beekmantown Central School District

### Internal Control Over Compliance

The management of Beekmantown Central School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Beekmantown Central School District's internal control over compliance with requirements that could have a direct and material effect on a major program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Beekmantown Central School District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-5 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

Beekmantown Central School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Beekmantown Central School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, Beekmantown Central Board of Education and federal awarding agencies and pass-through agencies and is not intended to be used by anyone other than these specified parties.

*Conroy, Boulrice, Telling & Trombley, P.C.*  
Conroy, Boulrice, Telling & Trombley, PC  
November 2, 2009



**BEEKMANTOWN CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009**

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**SECTION I - SUMMARY OF AUDIT RESULTS**

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Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
· Material weakness(es) identified?	<u>  X  </u> yes	<u>      </u> no
· Significant deficiencies identified that are not considered to be material weaknesses?	<u>  X  </u> yes	<u>      </u>
Noncompliance material to financial statements noted?	<u>      </u> yes	<u>  X  </u> no

Federal Awards

Internal control over major programs:		
· Material weakness(es) identified?	<u>      </u> yes	<u>  X  </u> no
· Significant deficiencies identified not considered to be a material weakness?	<u>  X  </u> yes	<u>      </u> no
Type of auditor's report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	<u>  X  </u> yes	<u>      </u> no

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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84.027A	IDEA - Part B, Section 611
84.173A	IDEA - Part B, Section 619
84.010A	IDEA - Title I

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000	
Auditee qualified as low-risk Auditee?	<u>      </u> yes	<u>  X  </u> no

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
JUNE 30, 2009**

**SECTION II – FINANCIAL STATEMENTS**

**Significant Deficiency**

**09-1 Excess Fund Balance**

Condition: The District's undesignated general fund balance was 18.9% of next year's budget.

Criteria: According to New York State Real Property Tax Law Section 1318, a district's unappropriated fund balance may not exceed an amount equal to 4% of next year's budget.

Effect: The District's undesignated general fund balance was 18.9%, or \$5,535,052, over the amount allowable by law.

Recommendation: We recommend the District keep in mind this rule when preparing the next year's budget.

Corrective Action: Management has discussed the issue with the Board of Education and may fund some reserves to decrease the fund balance accordingly.

**09-2 36 Adjusting Journal Entries**

Condition: Ineffective oversight of financial reporting and internal control by those charged with governance. We made 36 adjusting journal entries during the course of the audit.

Criteria: A material weakness exists when the District is not capable of closing its books and records without assistance from the independent auditor. This represents a weakness in internal controls whereby management will be unable to prevent, detect and correct a material misstatement.

Effect: Possible financial statement misstatements could go undetected.

Recommendation: Be certain that all adjusting entries are made prior to the commencement of audit field work.

Corrective Action: The District will re-evaluate its current practices and implement a new process for the regular review and approval of all adjusting journal entries. The process will include maintaining a detailed file system of supporting documentation for all adjusting entries. Additionally, the Business Manager will coordinate a monthly detailed account analysis and reconciliation to prevent and detect possible errors. Furthermore, the Board of Education appointed a Certified Public Accountant as District Treasurer.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
JUNE 30, 2009**

**09-3 Ability to Prepare District Financial Statements**

**Condition:** We believe the District is not capable, at this time, of preparing financial statements that present fairly, in all material respects, the financial position of the District due to the numerous adjusting journal entries required as discussed above.

**Criteria:** A material weakness exist when the District is not capable of preparing its financial statements and are unable to prevent, detect and correct a material misstatement.

**Effect:** Possible financial statement misstatements could go undetected.

**Recommendation:** We suggest the District obtain the training necessary to prepare financial statements and prevent, detect and correct any material misstatements.

**Corrective Action:** We understand the risk involved and accept the risk with our current staff. The Board of Education is committed to professional development for the financial management of the District. The recently hired District Treasurer will assist the Business Manager in implementing internal controls and preparing the district financial statements.

**09-4 Extra-classroom Receipts missing Back-up Documentation and Advisor signature.**

**Condition:** Of the 27 Extra-classroom receipts examined, 24 were missing back-up documentation and 16 were missing Advisor signatures.

**Criteria:** According to Finance Pamphlet 2, extra-classroom receipts should have back-up documentation accompanying the receipt to show accounting for the source of funds and Advisors are required to sign deposit slips.

**Effect:** Accountability is currently lacking regarding receipts.

**Recommendation:** The District should implement the practice of attaching an accounting for extra-classroom receipts activities and make sure advisors sign the deposit slips.

**Corrective Action:** We concur with the recommendation and will implement corrective action immediately. The District will coordinate with Club Advisors an annual review of the District's policy on Extra-Curricular Activity Funds. New advisors will be trained upon appointment. All advisors will be required to sign annually a declaration adhering to the board policy and administrative regulations. The Business Manager will maintain the signed declarations and will coordinate advisor training.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
JUNE 30, 2009**

**SECTION III – MAJOR FEDERAL AWARDS**

**Significant Deficiency**

**09-5 Section 611 Grant and Section 619 Grant**

**Condition:** Section 611 and 619 Grant sub-allocation contracts are being issued with the requirement for final expenditure reports to be submitted to the school by July 31, 2009. These reports are not being submitted to the schools nor are they being requested.

**Criteria:** Section 611 and 619 Grant sub-allocations contracts contain a reporting requirement.

**Effect:** An internal control weakness exists whereby the District was not requiring the sub-allocates to submit expenditure reports.

**Recommendation:** Policies and procedures should be in place so that the requirements of the contracts are followed

**Corrective Action:** The Director of Special Services will request final expenditure reports from the sub-allocants. In addition, the District will re-evaluate all grant compliance and monitoring procedures to increase effective grant management. The Business Manager will work directly with grant coordinators to improve grant reporting.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT  
SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
JUNE 30, 2009**

**08-2 Section 619 Grant**

**Statement of Condition:** A Section 619 Grant expenditure was required to be utilized for 3-5 year olds. The expenditure was actually used for a teacher-aid for a 15:1:1 classroom for grades 3, 4 & 5.

**Recommendation:** Policies and procedures should be in place so that the requirements of the grants are followed

**Current Status:** Policies and procedures are in place and are being followed. No similar findings were noted in the 2009 audit.

CBTT

*Conroy, Boulrice, Telling & Trombley, PC*

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*Certified Public Accountants*

*JACK L. CONROY, CPA*

*MICHAEL L. BOULRICE, CPA*

*THOMAS R. TELLING, CPA*

*LEO P. TROMBLEY, CPA*

**INDEPENDENT AUDITOR'S REPORT**

To the School Board  
Beekmantown Central School District  
West Chazy, New York 12992

We have audited the accompanying statement of assets, liabilities and fund balance – cash basis of the Extraclassroom Activity Funds of the Beekmantown Central School District as of June 30, 2009, and the related statement of receipts, disbursements and ending balances – cash basis for the year then ended. These financial statements are the responsibility of the Beekmantown Central School District's management. Our responsibility is to express an opinion 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 minimum program procedures established by the New York State Department of Education. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of the Extraclassroom Activity Funds of the Beekmantown Central School District as of June 30, 2009, and its receipts, disbursements and ending balances for the year then ended, on the cash basis of accounting.

*Conroy, Boulrice, Telling & Trombley, P.C.*

Conroy, Boulrice, Telling & Trombley, PC  
November 2, 2009

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS**

**June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	<u>\$ 113,205</u>	<u>\$ 109,793</u>
<b>Total Assets</b>	<u><u>\$ 113,205</u></u>	<u><u>\$ 109,793</u></u>
<b>LIABILITIES</b>		
Sales Tax Payable	\$ 687	\$ 350
<b>FUND BALANCE</b>		
Extraclassroom Activity	<u>112,518</u>	<u>109,443</u>
<b>Total Fund Balance</b>	<u><u>\$ 113,205</u></u>	<u><u>\$ 109,793</u></u>

See Notes to the Financial Statements – Extraclassroom Activity Funds.

**BEEKMANTOWN CENTRAL SCHOOL DISTRICT****EXTRACLASSROOM ACTIVITY FUNDS  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND ENDING FUND BALANCE - CASH BASIS  
Year Ended June 30, 2009 and 2008**

Activity	Balance 06/30/08	Receipts	Disbursements	Balance 06/30/09
Class of 2008	\$ 1,722	\$ 12	\$ -	\$ 1,734
Class of 2009	11,788	11,805	19,519	4,074
Class of 2010	13,558	23,195	27,626	9,127
Class of 2011	10,990	8,385	5,379	13,996
Class of 2012	5,129	3,565	990	7,704
Class of 2013	4,512	14,671	10,597	8,586
Class of 2014	3,583	3,766	1,394	5,955
Class of 2015	-	15,189	11,934	3,255
Library Club	1,290	9	300	999
NYS Tax Account	-	688	-	688
S.A.D.D.	826	1,765	1,044	1,547
H.S. Student Council	36,536	59,456	67,447	28,545
M.S. Student Council	3,097	4,010	4,140	2,967
Varsity Club	1,364	16,049	15,900	1,513
H.S. Yearbook Club	6,768	10,794	9,541	8,021
Outdoor Adventure Club	1,478	390	406	1,462
M.S. Yearbook	1,362	7,267	6,417	2,212
M.S. Drama Club	2,595	1,819	1,871	2,543
H.S. Drama Club	2,100	5,929	2,461	5,568
BCS Fitness Center	21	-	-	21
Community Service Club	13	12	-	25
National Honor Society	597	3	288	312
Foreign Language Club	25	56	81	-
Natinal Jr Honor Society	-	510	510	-
BCS Fitness Club	89	2,262	-	2,351
Total	<u>\$ 109,443</u>	<u>\$ 191,607</u>	<u>\$ 187,845</u>	<u>\$ 113,205</u>

See Notes to the Financial Statements – Extraclassroom Activity Funds.



## **BEEKMANTOWN CENTRAL SCHOOL DISTRICT**

### **EXTRACLASSROOM ACTIVITY FUNDS NOTES TO FINANCIAL STATEMENTS**

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#### **Note 1. Summary of Significant Accounting Policies**

Basis of Accounting: The books and records of the Beekmantown Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

Basis of Presentation: The Extraclassroom Activity Funds of the Beekmantown Central School District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. The cash and investment balances are reported in the Trust and Agency Funds of the District.

Cash Equivalents: For financial statement purposes all highly liquid investments having maturities of three months or less are considered as cash equivalents.