

**NISKAYUNA CENTRAL SCHOOL DISTRICT
FINANCIAL REPORT
JUNE 30, 2011**

NISKAYUNA CENTRAL SCHOOL DISTRICT
TABLE OF CONTENTS
June 30, 2011

| | PAGE |
|---|-------------|
| INDEPENDENT AUDITORS' REPORT | 1 - 2 |
| <u>SECTION A - MANAGEMENT'S DISCUSSION AND ANALYSIS</u> | |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | A1 - A9 |
| <u>SECTION B - BASIC FINANCIAL STATEMENTS</u> | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS | |
| STATEMENT OF NET ASSETS | B1 |
| STATEMENT OF ACTIVITIES | B2 |
| FUND FINANCIAL STATEMENTS | |
| BALANCE SHEET - GOVERNMENTAL FUNDS | B3 |
| STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY - GOVERNMENTAL FUNDS | B4 |
| RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES | B5 |
| FIDUCIARY FUND FINANCIAL STATEMENTS | |
| STATEMENT OF NET ASSETS - FIDUCIARY FUNDS | B6 |
| STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS | B6 |
| NOTES TO FINANCIAL STATEMENTS | B7 - B38 |
| <u>SECTION C - REQUIRED SUPPLEMENTAL INFORMATION</u> | |
| SCHEDULE OF REVENUES, OTHER SOURCES, EXPENDITURES AND OTHER USES COMPARED TO BUDGET - GENERAL FUND | C1 - C2 |
| REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN | C3 |

NISKAYUNA CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

| | PAGE |
|--|-------------|
| <u>SECTION D - SUPPLEMENTAL SCHEDULES</u> | |
| COMBINING BALANCE SHEETS - NON-MAJOR GOVERNMENTAL FUNDS | D1 – D6 |
| COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY - NON-MAJOR GOVERNMENTAL FUNDS | D7 - D12 |
| SCHEDULE OF CERTAIN REVENUES AND EXPENDITURES COMPARED TO ST-3 DATA | D13 |
| SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO REVISED BUDGET - GENERAL FUND | D14 |
| SCHEDULE OF USE OF UNRESERVED FUND BALANCE AS OF BEGINNING OF YEAR - GENERAL FUND | D14 |
| SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND | D15 |
| SCHEDULE OF INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT | D16 |
| <u>SECTION E - COMPLIANCE REPORT</u> | |
| INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> | E1 - E2 |
| <u>SINGLE AUDIT SECTION</u> | |
| INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 1-2 |
| SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 3-4 |
| NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 5 |
| SCHEDULE OF FINDINGS AND QUESTIONED COSTS | 6-9 |



Marvin and
company, p.c.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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To the President and Members
of the Board of Education of the
Niskayuna Central School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Niskayuna Central School District (the District), as of and for the year then ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Niskayuna Central School District, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2011, on our consideration of the 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 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.

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U.S. generally accepted accounting principles require that the management's discussion and analysis information on pages A1 through A8, the budgetary comparison information on pages C1 and C2 and schedule of funding progress for the retiree health plan on page C3, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Niskayuna Central School District's financial statements as a whole. The supplemental information on pages D1-D16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Marvin and Company, P.C.

December 28, 2011

NISKAYUNA CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
June 30, 2011

INTRODUCTION

The Niskayuna Central School District offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2011.

FINANCIAL HIGHLIGHTS

- The district has completed 99% of its capital projects. Final cost reports are expected to be completed by June 30, 2012.
- The district self-insures 800+ employees. The claims experience within the plan continues to trend favorably resulting in modest plan increases over the past few years when compared to the industry. The plan has seen increases of 4.5% the last 3 years resulting in lower overall costs to the district.
- The district is also self-insuring pharmacy benefits beginning January 2012 with resulting in expected savings of \$125,000 to the plan.
- The district has seen reserves decrease as a result of increased usage for budgeting purposes in order to preserve programs. The district also allocated unreserved fund balance to convert from a septic system to the town's sewer system at Glencliff Elementary School. The district expects to recoup approximately \$500,000 in the form of building aid during 2011-2012.
- The district also expects to receive funds from the New York State Energy and Research Development Agency (NYSERDA) in the amount of \$425,000 as a result of energy efficient improvements that were implemented at the high school as part of the district's recently completed capital project.
- The district has utilized reserves to meet the increased operating costs associated with employer pension contributions required by the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis narrative (required supplemental information) is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

1. District-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

In addition to these statements, this report also includes other supplemental information.

Our auditor has provided assurance in the independent auditor's report that the Basic Financial Statements are fairly stated. A different degree of assurance is being provided by the auditor regarding the supplemental information identified below. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part in the financial statements.

District-wide Financial Statements

The district-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Niskayuna Central School District Net Assets June 30, 2011 and 2010

| | Governmental Activities | | Variance Increase/ (Decrease) |
|--|------------------------------------|-----------------------------------|--|
| | <u>2011</u> | (Restated) <u>2010</u> | |
| Current Assets | 12,661,304 | 24,353,319 | (11,692,015) |
| Capital Assets | <u>105,782,585</u> | <u>99,855,602</u> | <u>5,926,983</u> |
| Total Assets | <u>118,443,889</u> | <u>124,208,921</u> | <u>(5,765,032)</u> |
| Current Liabilities | 13,466,298 | 14,382,063 | (915,765) |
| Noncurrent Liabilities | <u>110,752,919</u> | <u>108,704,505</u> | <u>2,048,414</u> |
| Total Liabilities | <u>124,219,217</u> | <u>123,086,568</u> | <u>1,132,649</u> |
| Net Assets: | | | |
| Investments in Capital Assets, Net of Related Debt | 12,476,109 | 9,329,828 | 3,146,281 |
| Restricted | 4,671,217 | 1,958,778 | 2,712,439 |
| Unrestricted | <u>(22,922,654)</u> | <u>(10,166,252)</u> | <u>(12,756,402)</u> |
| Total Net Assets | <u>(5,775,328)</u> | <u>1,122,354</u> | <u>(6,897,682)</u> |

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. certain federal/state grants earned but not yet received, unused vacation/sick leave, and proceeds from Revenue Anticipation Notes and related interest).

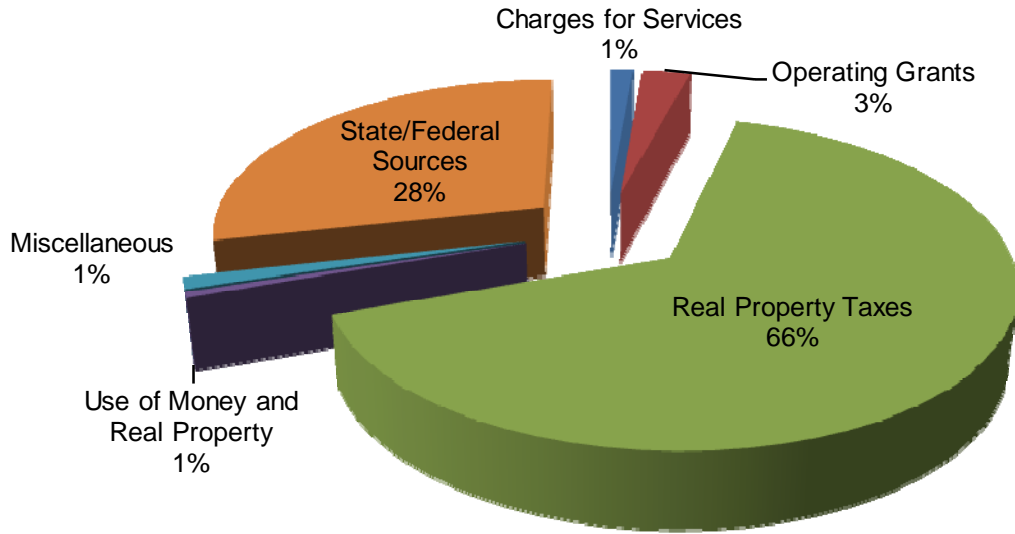
All of the District's services are reported in the district-wide financial statements as governmental activities, including general support, instruction, pupil transportation, community services, and school lunch. Property taxes, sales tax, state/federal aid, and investment earnings finance most of these activities. Additionally, all capital and debt financing activities are reported here.

**Niskayuna Central School District
Changes in Net Assets
For the Years Ended June 30, 2011 and 2010**

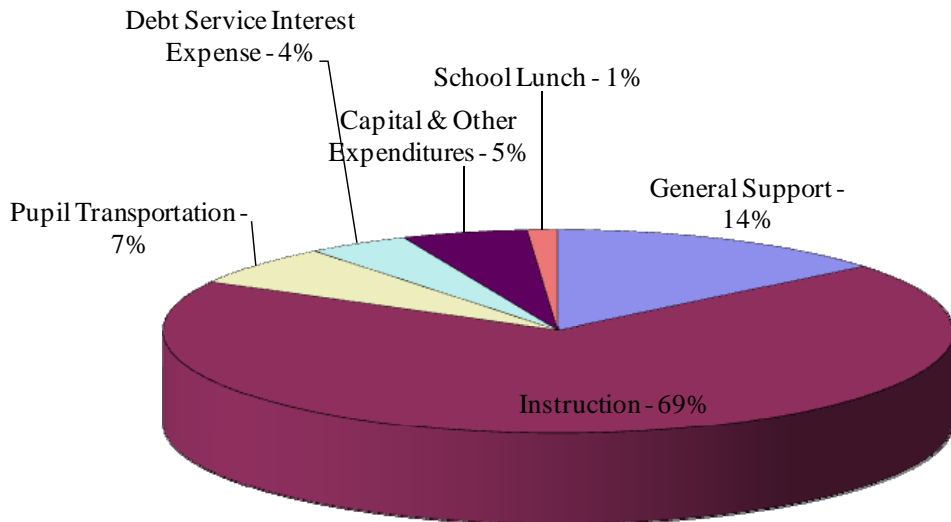
| | Governmental Activities | | Variance Increase/ (Decrease) |
|--|------------------------------------|--------------------|--|
| | <u>2011</u> | <u>2010</u> | |
| <u>Revenues:</u> | | | |
| Program Revenues: | | | |
| Charges for Services | 990,465 | 1,081,999 | (91,534) |
| Operating Grants | 2,045,688 | 2,230,671 | (184,983) |
| Total Program Revenues | <u>3,036,153</u> | <u>3,312,670</u> | <u>(276,517)</u> |
| General Revenues | | | |
| Real Property Taxes | 48,388,651 | 47,744,376 | 644,275 |
| Use of Money and Real Property | 399,534 | 405,174 | (5,640) |
| Sale of Property & Compensation for Loss | 3,271 | 49,303 | (46,032) |
| Miscellaneous | 923,047 | 633,541 | 289,506 |
| State Sources | 19,943,460 | 19,479,125 | 464,335 |
| Federal Sources | 1,082,128 | 3,179,575 | (2,097,447) |
| Total General Revenues | <u>70,740,091</u> | <u>71,491,094</u> | <u>(751,003)</u> |
| Total All Revenues | <u>73,776,244</u> | <u>74,803,764</u> | <u>(1,027,520)</u> |
| <u>Gross Expenses:</u> | | | |
| General Support | 12,893,433 | 11,284,133 | 1,609,300 |
| Instruction | 53,524,196 | 55,111,849 | (1,587,653) |
| Pupil Transportation | 5,746,852 | 5,162,757 | 584,095 |
| Community Service | - | 22,212 | (22,212) |
| Debt Service Interest Expense | 3,449,114 | 3,366,914 | 82,200 |
| Capital & Other Expenditures | 2,807,663 | 4,147,574 | (1,339,911) |
| School Lunch | 1,092,447 | 992,982 | 99,465 |
| Total Expenses | <u>79,513,705</u> | <u>80,088,421</u> | <u>(574,716)</u> |
| Change in Net Assets | <u>(5,737,461)</u> | <u>(5,284,657)</u> | <u>(452,804)</u> |

The following charts provide the percentage breakdown of all revenues by source and all expenses by function for the entire District:

District-wide Revenues by Source For the Year Ended June 30, 2011



District-wide Expenses by Function For the Year Ended June 30, 2010



Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds.

A fund is a grouping of related accounts, and is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants). All of the funds of the District can be divided into two categories; governmental funds, and fiduciary funds.

- **Governmental funds:** All of the District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds, and the balances left at year-end that are available for spending. They are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources available to be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the districtwide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Fiduciary funds:** The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the districtwide financial statements because it cannot use these assets to finance its operations.

Fund Equity (Deficit) Analysis

The District's governmental funds (as presented on the balance sheet) reported combined fund equity of approximately \$6.5M. The fund equity in the capital fund is negative due to the \$1,378,939 EXCEL grant that had not been drawn down in the 2010-2011 school year. The EXCEL grant draw down will take place during the 2011-2012 school year. The schedule below indicates the fund equity and the total change in fund equity by fund type as of June 30, 2011 and 2010.

| <u>Fund</u> | Fund Equity | | Variance Increase/ (Decrease) |
|--------------------|--------------------|--------------------|--|
| | <u>2011</u> | <u>2010</u> | |
| General | 7,644,687 | 11,636,856 | (3,992,169) |
| Capital | (1,316,187) | 5,396,312 | (6,712,499) |
| School Lunch | 168,621 | 147,237 | 21,384 |
| Special Aid | - | - | - |
| Totals | <u>6,497,121</u> | <u>17,180,405</u> | <u>(10,683,284)</u> |

General Fund

The following tables are provided to illustrate the major revenue and expenditure activities of the general fund.

| <u>Revenues</u> | <u>2011</u> | <u>2010</u> | <u>Variance Increase/ (Decrease)</u> |
|---------------------------|--------------------|--------------------|---|
| Taxes | 48,388,651 | 47,744,376 | 644,275 |
| Charges for Services | 164,421 | 272,531 | (108,110) |
| Use of Money and Property | 397,781 | 404,279 | (6,498) |
| State/Federal Sources | 21,025,588 | 22,658,700 | (1,633,112) |
| Other | 923,316 | 660,406 | 262,910 |
| Totals | <u>70,899,757</u> | <u>71,740,292</u> | <u>840,535</u> |

Revenues decreased primarily due to the elimination of Federal Aid associated with the American Reinvestment and Recovery Act that had been provided over the past two years. School tax revenues increased 1.35% as part of the budget process.

| <u>Expenses</u> | <u>2011</u> | <u>2010</u> | <u>Variance Increase/ (Decrease)</u> |
|------------------------|--------------------|--------------------|---|
| General Support | 8,991,150 | 8,683,165 | 307,985 |
| Instruction | 37,101,384 | 36,152,956 | 948,428 |
| Pupil Transportation | 4,270,754 | 4,132,065 | 138,689 |
| Employee Benefits | 13,213,893 | 12,086,826 | 1,127,067 |
| Debt Service | 10,243,165 | 10,020,839 | 222,326 |
| Totals | <u>73,820,346</u> | <u>71,075,851</u> | <u>2,744,495</u> |

The expenditures for 2010-2011 increased approximately 3.86% due to increased instructional costs as well as increases to pension costs for the New York State Employees' Retirement System and New York State Teachers' Retirement System, and health insurance obligations.

General Fund Budget Information

The District's budget is prepared in accordance with New York State Education law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements, and encumbrances.

The most significant budgeted fund is the General Fund. The budget process begins in October of each school year. Meetings are held with building administrators and curriculum directors along with a series of board meetings and community forums that are open to the public from late February to early April. The process is culminated when the statewide school budget vote is held on the Third Tuesday in May of each year.

Some of the financial highlights from the 2010-2011 budget year include the following:

- The general fund budget was under expended by \$915,435. Under-expended budget balances are used to replenish the assigned fund equity that allows for better control of the following year's tax levy.

Capital Assets

The District's capital assets (net of accumulated depreciation) as of June 30, 2011 are as follows:

| <u>Asset Description</u> | <u>Amount</u> |
|---------------------------------|-----------------------------|
| Land | \$ 803,989 |
| Construction Work in Progress | 1,138,224 |
| Buildings and Improvements | 93,247,022 |
| Machinery and Equipment | 7,460,700 |
| Vehicles | <u>3,132,650</u> |
| Total | <u><u>\$105,752,585</u></u> |

Indebtedness

The District had outstanding debt in the form of serial and statutory bonds, workers' compensation claims (the District self-insures), compensated absences required due to contractual obligations, as well as energy performance contracts and installment purchases. The outstanding debt as of June 30, 2011 is summarized as follows:

| <u>Debt Description</u> | <u>Outstanding Balance</u> |
|---------------------------------------|-----------------------------------|
| Bond Issues | \$93,318,772 |
| Judgments and Claims | 2,413,448 |
| Workers' Compensation | 279,902 |
| Compensated Absences | 864,223 |
| Installment Purchase Debt | 73,499 |
| Other Post-Employment Benefits (OPEB) | <u>\$20,695,246</u> |
| Total | <u><u>\$117,645,090</u></u> |

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 10% of the average full valuation of taxable real property. At June 30, 2011 the District's general obligation debt represented 35.46% of the 5 year average full valuation of taxable real property.

Items Impacting the District's Future

The greatest concerns facing the district over the next several years will be the recently enacted tax cap and flat or declining state aid. As New York State continues to navigate through its own financial difficulties the impact is felt at the local level by school districts when state aid is not increased to keep pace with mandated costs such as pensions. Flat or decreasing state aid coupled with a new tax cap limiting the amount of taxes a district can levy dictate that reductions will be made to the expenditure side of the budget in order to present balanced budgets to the voters in subsequent periods.

Contacting the District's Financial Management

It is the intent of this report to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Niskayuna Central School District
Assistant Superintendent for Business
1239 Van Antwerp Road
Niskayuna, New York 12309

**NISKAYUNA CENTRAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011**

ASSETS

| | |
|----------------------------------|----------------------------------|
| Current Assets: | |
| Cash and Investments | \$ 9,682,773 |
| Accounts Receivable | 194,187 |
| Due From Fiduciary Funds | 12,434 |
| State and Federal Aid Receivable | 1,831,994 |
| Due From Other Governments | 574,677 |
| Inventories | 42,639 |
| Prepaid Expenditures | 322,600 |
| Capital Assets, net | <u>105,782,585</u> |
| Total Assets | \$ <u><u>118,443,889</u></u> |

LIABILITIES

| | |
|---|--------------------|
| Current Liabilities: | |
| Accounts Payable | \$ 1,373,264 |
| Accrued Liabilities | 1,454,047 |
| Due to Fiduciary Funds | - |
| Due to Other Governments | 103 |
| Bond Interest Accrued | 409,944 |
| Due to Teachers' Retirement System | 2,931,168 |
| Due to Employees' Retirement System | 366,698 |
| Deferred revenue | 38,903 |
| Long-Term Liabilities - Due and Payable Within One Year | |
| Bonds | 6,818,672 |
| Installment Purchase Debt | 73,499 |
| Long-Term Liabilities | |
| Bonds | 86,500,100 |
| Installment Purchase Debt | - |
| Compensated Absences | 864,223 |
| Workers' Compensation | 279,902 |
| Judgments and Claims | 2,413,448 |
| Other Post Employment Benefits Payable | <u>20,695,246</u> |
| Total Liabilities | <u>124,219,217</u> |

NET ASSETS

| | |
|--|----------------------------------|
| Invested in Capital Assets Net of Related Debt | 12,476,109 |
| Restricted Net Assets | 4,671,217 |
| Unrestricted Net Assets (Deficit) | <u>(22,922,654)</u> |
| Total Net Assets | <u>(5,775,328)</u> |
| Total Liabilities and Net Assets | \$ <u><u>118,443,889</u></u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

| | | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets |
|---|------------------------|--|------------------------------------|--|
| | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants</u> | |
| FUNCTIONS/PROGRAMS | | | | |
| General Support | \$ 12,893,433 | \$ 44,784 | \$ - | \$ (12,848,649) |
| Instruction | 53,524,196 | 119,637 | 1,754,111 | (51,650,448) |
| Pupil transportation | 5,746,852 | - | - | (5,746,852) |
| Community Service | - | - | - | - |
| Employee benefits | - | - | - | - |
| Debt service - interest | 3,449,114 | - | - | (3,449,114) |
| Depreciation - unallocated (excludes direct expense of various functions and programs) | - | - | - | - |
| Other expenditures | - | - | - | - |
| Capital Outlay | 2,807,663 | - | - | (2,807,663) |
| School lunch program | <u>1,092,447</u> | <u>826,044</u> | <u>291,577</u> | <u>25,174</u> |
| Total Functions and Programs | \$ <u>79,513,705</u> | \$ <u>990,465</u> | \$ <u>2,045,688</u> | <u>(76,477,552)</u> |
| GENERAL REVENUES | | | | |
| Real property taxes | | | | 43,305,839 |
| Other tax items | | | | 5,082,812 |
| Use of money and property | | | | 399,534 |
| Sale of property and compensation for loss | | | | 3,271 |
| State sources | | | | 19,943,460 |
| Federal sources | | | | 1,082,128 |
| Miscellaneous | | | | <u>923,047</u> |
| Total General Revenues | | | | <u>70,740,091</u> |
| Change in Net Assets | | | | <u>(5,737,461)</u> |
| Total Net Assets - Beginning of Year | | | | 1,098,845 |
| Prior Period Adjustment (Note 10) | | | | <u>(1,136,712)</u> |
| Total Net Assets - Beginning of Year, As Restated | | | | <u>(37,867)</u> |
| Total Net Assets - End of Year | | | | <u>\$ (5,775,328)</u> |

See accompanying notes to financial statements.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011**

| | General | Capital Project NHS Phase 1 | Capital Project NHS Phase 2 | Non-Major | Total Governmental Funds |
|---|----------------------|--|--|---------------------|---|
| Assets | | | | | |
| Unrestricted Cash | \$ 4,833,133 | \$ - | \$ - | \$ - | \$ 4,833,133 |
| Restricted Cash | 4,085,943 | 1,246,984 | (7,094) | (476,193) | 4,849,640 |
| Temporary Investments | | | | | |
| Investments in Securities | - | - | - | - | - |
| Investments in Securities-Restricted | - | - | - | - | - |
| State and Federal Receivable, net | 828,417 | - | - | 1,003,577 | 1,831,994 |
| Due From Other Governments | 574,677 | - | - | - | 574,677 |
| Due From Other Funds | 5,281,344 | 205,542 | - | 3,094,036 | 8,580,922 |
| Accounts Receivable | 194,187 | - | - | - | 194,187 |
| Inventories | - | - | - | 42,639 | 42,639 |
| Prepaid Expenditures | 322,600 | - | - | - | 322,600 |
| Total Assets | \$ 16,120,301 | \$ 1,452,526 | \$ (7,094) | \$ 3,664,059 | \$ 21,229,792 |
| Liabilities | | | | | |
| Accounts and Retainages Payable | \$ 390,198 | \$ 147,150 | \$ 311,400 | \$ 524,516 | \$ 1,373,264 |
| Accrued Liabilities | 1,454,047 | - | - | - | 1,454,047 |
| Note Payable - Bond Anticipation Notes | - | - | - | - | - |
| Due to Other Funds | 3,328,503 | - | 2,740 | 5,237,245 | 8,568,488 |
| Due to Other Governments | - | - | - | 103 | 103 |
| Due to Teachers' Retirement System | 2,931,168 | - | - | - | 2,931,168 |
| Due to Employees' Retirement System | 366,698 | - | - | - | 366,698 |
| Overpayments | - | - | - | - | - |
| Deferred Revenues | 5,000 | - | - | 33,903 | 38,903 |
| Total Liabilities | 8,475,614 | 147,150 | 314,140 | 5,795,767 | 14,732,671 |
| Fund Equity (Deficiency) | | | | | |
| Non-spendable | 322,600 | - | - | 42,639 | 365,239 |
| Restricted | 4,085,943 | 18,073 | 88,516 | 478,685 | 4,671,217 |
| Committed | - | - | - | - | - |
| Assigned | 4,759,346 | 1,287,303 | - | 125,982 | 6,172,631 |
| Unassigned | (1,523,202) | - | (409,750) | (2,779,014) | (4,711,966) |
| Total Fund Equity (Deficiency) | 7,644,687 | 1,305,376 | (321,234) | (2,131,708) | 6,497,121 |
| Total Liabilities and Fund Equity (Deficiency) | \$ 16,120,301 | \$ 1,452,526 | \$ (7,094) | \$ 3,664,059 | \$ 21,229,792 |

Amounts reported for governmental activities in the statement of net assets are different due to the following:

| | |
|--|------------------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 105,782,585 |
| Accrued interest expense is reported under the accrual basis. | (409,944) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | <u>(117,645,090)</u> |
| Net Assets of Governmental Activities | \$ <u>(5,775,328)</u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

| Revenues | <u>General</u> | <u>Capital Project NHS Phase 1</u> | <u>Capital Project NHS Phase 2</u> | <u>Non-Major</u> | <u>Total Governmental Funds</u> |
|---|---------------------|--|--|-----------------------|---|
| Real Property Taxes and Tax Items | \$ 48,388,651 | \$ - | \$ - | \$ - | \$ 48,388,651 |
| Nonproperty Taxes | - | - | - | - | - |
| Charges for Services | 164,421 | - | - | - | 164,421 |
| Use of Money and Property | 397,781 | - | - | 1,753 | 399,534 |
| Forfeitures | - | - | - | - | - |
| Sale of Property and Compensation for Loss | 3,271 | - | - | - | 3,271 |
| Miscellaneous | 920,045 | - | - | 3,002 | 923,047 |
| Interfund Revenues | - | - | - | - | - |
| State Sources | 19,943,460 | - | - | 253,989 | 20,197,449 |
| Federal Sources | 1,082,128 | - | - | 1,791,699 | 2,873,827 |
| Sales | - | - | - | 826,044 | 826,044 |
| Total Revenues | <u>70,899,757</u> | <u>-</u> | <u>-</u> | <u>2,876,487</u> | <u>73,776,244</u> |
| Expenditures | | | | | |
| General Support | 8,991,150 | - | - | 1,143,982 | 10,135,132 |
| Instruction | 37,101,384 | - | - | 970,426 | 38,071,810 |
| Pupil Transportation | 4,270,754 | - | - | 20,321 | 4,291,075 |
| Community Services | - | - | - | - | - |
| Employee Benefits | 13,213,893 | - | - | 298,750 | 13,512,643 |
| Debt Service | 10,243,165 | - | - | - | 10,243,165 |
| Cost of Sales | - | - | - | 480,506 | 480,506 |
| Other | - | - | - | - | - |
| Capital Outlay | - | 511,884 | 4,189,115 | 3,974,198 | 8,675,197 |
| Total Expenditures | <u>73,820,346</u> | <u>511,884</u> | <u>4,189,115</u> | <u>6,888,183</u> | <u>85,409,528</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(2,920,589)</u> | <u>(511,884)</u> | <u>(4,189,115)</u> | <u>(4,011,696)</u> | <u>(11,633,284)</u> |
| Other Financing Sources And (Uses) | | | | | |
| Interfund Transfers, net | (2,021,580) | - | - | 2,021,580 | - |
| Proceeds of Long Term Debt | 950,000 | - | - | - | 950,000 |
| BANs Redeemed From Appropriations | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>(1,071,580)</u> | <u>-</u> | <u>-</u> | <u>2,021,580</u> | <u>950,000</u> |
| Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses) | <u>(3,992,169)</u> | <u>(511,884)</u> | <u>(4,189,115)</u> | <u>(1,990,116)</u> | <u>(10,683,284)</u> |
| Fund Equity, Beginning of Year | <u>11,636,856</u> | <u>1,817,260</u> | <u>3,867,881</u> | <u>(141,592)</u> | <u>17,180,405</u> |
| Fund Equity, End of Year | <u>\$ 7,644,687</u> | <u>\$ 1,305,376</u> | <u>\$ (321,234)</u> | <u>\$ (2,131,708)</u> | <u>\$ 6,497,121</u> |

See accompanying notes to financial statements.

B4.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES, AND CHANGES IN FUND EQUITY OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

| | | |
|--|-------------------------|------------------------------|
| Net changes in fund balance - total governmental funds | | \$ (10,683,284) |
| <p>Capital outlays for the purchase of capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net assets and allocated over their useful lives as depreciation expense in the statement of activities.</p> | | |
| | Depreciation expense \$ | (2,496,292) |
| | Capital outlays | <u>9,583,495</u> |
| | | 7,087,203 |
| <p>The net book value, cost less accumulated depreciation, of capital assets disposed of are removed from the statement of net assets. Any gain or loss resulting is recorded in the statement of activities.</p> | | |
| | | - |
| <p>Interest is recognized as an expense in the governmental funds when paid. For governmental activities, interest expense is recognized as it accrues. The decrease in accrued interest during 2010/11 results in less expense.</p> | | |
| | | 3,691 |
| <p>Proceeds of installment purchase debt is revenue in governmental funds, but proceeds increase long-term liabilities in the statement of net assets.</p> | | |
| | | - |
| <p>Proceeds of serial bond principal is revenue in governmental funds, but proceeds increase long-term liabilities in the statement of net assets.</p> | | |
| | | (950,000) |
| <p>Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p> | | |
| | | 6,699,708 |
| <p>Repayments of installment purchase debt is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p> | | |
| | | 90,652 |
| <p>Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p> | | |
| | | <u>(7,985,431)</u> |
| Change in net assets - governmental activities | | \$ <u><u>(5,737,461)</u></u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2011**

| | Agency | Private Purpose Trusts |
|-----------------------------------|---------------|---------------------------------------|
| ASSETS | | |
| Cash - unrestricted | \$ 188,153 | \$ - |
| Cash - restricted | 37,634 | 152,013 |
| Due from other funds | 53,726 | - |
| Investments - restricted | 68,897 | 3,206 |
| Total Assets | \$ 348,410 | \$ 155,219 |
| LIABILITIES | | |
| Extracurricular activity balances | 106,531 | - |
| Due to other funds | 41,359 | 24,801 |
| Other liabilities | 200,520 | - |
| Total Liabilities | \$ 348,410 | 24,801 |
| NET ASSETS | | |
| Reserved for scholarships | | \$ 130,418 |

**STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

| | Private Purpose Trusts |
|--------------------------------|---------------------------------------|
| ADDITIONS | |
| Gifts and contributions | \$ - |
| Investment earnings | 1,338 |
| Total Additions | 1,338 |
| DEDUCTIONS | |
| Scholarships and awards | 5,026 |
| Contractual and other | - |
| Change in Net Assets | (3,688) |
| Net Assets - Beginning of year | 134,106 |
| Net Assets - End of year | \$ 130,418 |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Niskayuna Central School District ("the District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below:

A. Reporting Entity

The Niskayuna Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity, as amended by GASB Statement 39, Component Units. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and its component unit. The District is not a component unit of another reporting entity.

The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity.

The Extraclassroom Activity Fund

The extraclassroom activity fund of the District represents funds of the students of the School District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the School District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity fund can be found at the School District's business office, located at 1239 Van Antwerp Road, Niskayuna, New York 12309. The District accounts for assets held as an agent for various student organizations in an agency fund.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

The Niskayuna Central School District is one of twenty-four component school districts in the Capital District 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. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under Section 1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1050 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). 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 costs. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in the New York State Education Law, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

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.

Final statements for the BOCES are available from the BOCES administrative office.

C. Basis of Presentation

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 non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to the particular function. Indirect expenses, principally employee benefits are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

Fund financial 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.

The District reports the following major governmental funds:

1. General Fund

The general fund is the principal operating fund and is used to account for all financial resources except those required to be accounted for in another fund.

2. NHS Phase 1 H6021

The NHS Phase 1 Capital Project Fund H6021 is used to account for and report financial resources to be used for the alteration of major capital facilities, or equipment of Niskayuna High School.

3. NHS Phase 2 H6023

The NHS Phase 2 Capital Project Fund H6023 is used to account for and report financial resources to be used for the addition and/or alteration to the major capital facilities, or equipment for Niskayuna High School.

All remaining governmental funds are aggregated and reported as non-major funds:

1. Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of special revenue sources that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

a. Special Aid Fund

Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State grants.

b. School Lunch Fund

The School Lunch Fund is used to account for transactions of breakfast (if necessary) and lunch programs.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

Fund financial statements

2. Capital Projects Fund

The capital projects fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities, or equipment. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately.

Other Fund Type:

Fiduciary Funds

This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee and agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

Private purpose trust funds: These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

Agency funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

D. Basis of Accounting/Measurement Focus

General Information

The District-wide and fiduciary fund financial statements are reported using the 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. Non-exchange 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 an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basis of Accounting/Measurement Focus

General Information

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. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year, except for real property taxes, which are considered to be available when levied. The District selected the one year time frame to match the time frame the related liabilities will be liquidated.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Deferred Revenue

Deferred revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. The District has established a one year availability period. Deferred revenue also arises when resources are received by the District before it has a legal claim to them, as 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 for deferred revenue is removed and revenues are recognized. Deferred revenues recorded in governmental funds are not recorded in the District-wide statements.

F. Property Taxes

I. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on August 17, 2010. Taxes were collected during the period September 1 through October 31, 2010.

II. Enforcement

Uncollected real property taxes are enforced by the Counties of Schenectady, Albany and Saratoga, in which the School District is located. An amount representing uncollected real property taxes transmitted to the Counties for enforcement is paid by the counties to the School District no later than the forthcoming April 1.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

1. The budget policies are as follows:
 - a. The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund.
 - b. The proposed appropriation budget for the General Fund was approved by the voters within the District.
 - c. Appropriations are adopted at the program line item level.
 - d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the fiscal year end 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 which exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

II. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

III. 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 District is not required to formally adopt annual budgets for its capital and special revenue funds. Accordingly, although the school lunch fund does have a management approved budget and each capital project fund and special aid fund project follows an approved project budget, no statement of budget and actual revenues and expenditures is presented for the capital and special revenue funds.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Cash and Investments

The District investment policies are governed by New York State statutes. 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 deposit. 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 deposit 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 the State and its municipalities and School Districts. Investments are stated at fair value.

I. Accounts Receivable

Accounts receivable are shown net, with uncollectible amounts recognized under the allowance method. An allowance for uncollectible accounts of \$300,000 has been provided in the special aid fund to represent a portion of the summer handicapped program receivables that may be uncollectible.

J. Inventories and Prepaid Items

Inventories of food and/or supplies in the school lunch fund are recorded at cost using the first-in, first-out basis or, in the case of surplus food, at stated value, which approximates market. Purchases of inventorable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net assets or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

K. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowing. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

In the district-wide statements, the amounts reported on the Statement of Net Assets for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Interfund Transactions

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 4.A.II for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

L. Short Term Debt

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes are converted to long-term financing within five years after the original issue date.

M. Equity Classifications

District-wide statements

In the district-wide statements there are three classes of net assets:

Invested in capital assets, net of related-debt - consists of net capital assets reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted net assets - reports net assets when constraints placed on the assets are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – reports all other net assets that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Fund statements:

In the fund statements there are five classifications of fund balance:

Non-spendable fund balance – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes: Prepaid expenses in the General Fund of \$322,600 and Inventory recorded in the School Lunch Fund of \$42,639.

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Debt Service

According to General Municipal Law §6-1, this reserve is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations, and remaining bond issue proceeds not utilized for the intended purpose. These monies must be used to pay the debt service of the obligations from which they originated. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, 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. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Insurance

According to General Municipal Law §6-n, must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action and funded by budgetary appropriations or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval.

Retirement Contributions

According to General Municipal Law §6-r, must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

Tax Certiorari

According to Education Law §3651.1-a, this reserve is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve 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 under Restricted Fund Balance.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Unemployment Insurance

According to General Municipal Law §6-m, must be 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 School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

Workers' Compensation

According to General Municipal Law §6-j, must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law and for payment of expenses of administering this self-insurance program. 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.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Encumbrances

Restricted fund balance includes the following:

| | |
|------------------------------------|---------------------|
| General Fund: | |
| Debt Service | \$ 1,277,935 |
| Employee Benefit Accrued Liability | 864,223 |
| Insurance | 250,000 |
| Retirement Contributions | 65,451 |
| Tax Certiorari | 1,347,088 |
| Unemployment Insurance | 92,339 |
| Workers' Compensation | 188,907 |
| Capital Fund-H6021 | 18,073 |
| Capital Fund-H6023 | 88,516 |
| Capital Fund-Non Major | <u>478,685</u> |
| Total Restricted Funds | <u>\$ 4,671,217</u> |

Committed – includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2011.

Assigned – includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as Assigned Fund Balance. Encumbrances reported in General Fund amounted to \$619,047

Assigned fund balance is comprised of:

| | |
|---|---------------------|
| General Fund: | |
| Central Administration | \$ 2,866 |
| Central Services | 29,723 |
| Instructional Media | 6,732 |
| Programs for Students with Disabilities | 17,560 |
| Pupil Transportation | 531,867 |
| Teaching Regular School | 30,299 |
| Appropriated Fund Balance | 4,140,299 |
| School Lunch Fund | 125,982 |
| Capital Fund-H6021 | <u>1,287,303</u> |
| Total Assigned Funds | <u>\$ 6,172,631</u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Unassigned – includes all other General fund net assets that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. In the other governmental funds, however, if a government spends more on a specific purpose than the resources available for that purpose in the fund, then it may need to report a negative amount as unassigned fund balance. If a government cannot cover the deficit with amounts assigned to other purposes in that fund, then the remaining deficit should be reported on the unassigned fund balance line.

Unassigned fund balance is comprised of:

| | |
|------------------------|-----------------------------|
| General Fund | (\$1,523,202) |
| Capital Fund-H6023 | (409,750) |
| Capital Fund-Non Major | <u>(2,779,014)</u> |
| Total Unassigned Funds | <u><u>(\$4,711,966)</u></u> |

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Use of Fund Balance:

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance.

In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned.

N. Postemployment Benefits

The District provides retirement benefits for substantially all its regular full-time teachers and its part-time teachers who elect to participate, through contributions to the New York State Teachers Retirement System (TRS). The System provides various plans and options, some of which require employee contributions.

The District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the District. Currently retirees meet those eligibility requirements. The District recognizes the cost of providing benefits for fiscal year 2011 by recording approximately \$5,994,256, its share of insurance premiums/assessments as expenditures in fiscal year 2011. The cost of providing this benefit for 326 retirees was approximately \$1,781,308.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. Payables, Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Assets.

P. Capital Assets

Capital assets are reported at actual cost or estimated historical costs based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

| | <u>Capitalization Threshold</u> | <u>Depreciation Method</u> | <u>Estimated Useful Life In Years</u> |
|-------------------------|-------------------------------------|--------------------------------|---|
| Buildings | \$ 1,000 | SL | 15-50 |
| Land improvements | 1,000 | SL | 20 |
| Machinery and equipment | 1,000 | SL | 5-25 |

Q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, potential contingent liabilities, other post-employment benefits and useful lives of long-term assets.

R. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

S. Vested Employee Benefits

District employees are granted vacation in varying amounts, based principally on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Sick leave use is based on a last-in, first-out (LIFO) basis.

Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements at year-end. The compensated absences liability is calculated based on the applicable contract rates in effect at year-end.

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 basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the statement of activities compared with the current financial resources focus of the governmental funds.

Total Fund Equity of Governmental Funds vs. Net Assets of Governmental Activities

Total fund equity of the District's governmental funds differed 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.

Statement of Revenues, Expenditures, and Changes in Fund Equity vs. Statement of Activities

Differences between the governmental funds statement of revenues, expenditures, and changes in fund equity and the statement of activities fall into one of three board categories. The amounts shown below represent:

Long-Term Revenue Differences

Long-term revenue differences arise because governmental funds report revenue only when it is considered "available", whereas the statement of activities reports revenue 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.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Statement of Revenues, Expenditures, and Changes in Fund Equity vs. Statement of Activities

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.

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because 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 payments are recorded as a reduction of liabilities in the statement of net assets.

3. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. Deficit Fund Balances

There was a deficit fund balance in non-major capital projects of \$2,300,329 and the High School Phase 2 project of \$321,234. Relief of this deficit will come in the form of the EXCEL grant of \$1,378,939 and further revision of project appropriations by transferring the \$1,305,376 surplus from the High School Phase 1 project into projects with deficit balances.

There was a deficit fund balance in the General Fund in the amount of \$1,523,202. The deficit is the result of declining revenues leading to a shortfall of budget to actual revenues of \$778,974 and the reporting of interfund transfers from the General Fund to the Capital Fund of \$734,184 for the Soil Remediation emergency project and \$910,167 for the Glenclyff Sewer Line emergency project. Both transfers were Board approved, but no appropriation was factored into the original budget for the 2010-2011 school year. State aid has not fully funded the District for these expenditures at this time.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

4. DETAIL NOTES ON ALL FUNDS

A. Assets

1. Cash and Investments

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes.

The District's aggregate bank balances as of June 30, 2011 were \$10,992,670. All deposits were fully insured and collateralized.

2. Investments

Investments are stated at fair value and are categorized as either (1) insured or registered, or investments are held by the District or the District's agent in the District's name, (2) uninsured and unregistered, with the investments held by the financial institutions trust department in the District's name, (3) uninsured and unregistered, with investments held by the financial institution or its trust department but not in the District's name.

| <u>Fund</u> | <u>Fair Value</u> | <u>Type of Investment</u> | <u>Category</u> |
|----------------------------|-------------------|-------------------------------|-----------------|
| Private Purpose Trust Fund | \$ 3,206 | Marketable Securities | (2) |
| Trust and Agency | \$ 34,680 | Municipal Savings Certificate | (1) |
| Trust and Agency | \$ 34,217 | of Deposit | (1) |

Unrealized gains on investments for the year ended June 30, 2011 were \$924.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

4. DETAIL NOTES ON ALL FUNDS

A. Assets

3. Restricted Cash and Investments

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at year-end consists of the following:

| <u>Fund</u> | <u>Amount</u> | <u>Restriction</u> |
|----------------------------|---------------------|--|
| General Fund | \$ 188,907 | Workers' Compensation Reserve |
| | 92,339 | Unemployment Insurance Reserve |
| | 864,223 | Reserve for Employee Benefit Accrued Liability |
| | 65,451 | ERS Reserve |
| | 250,000 | Insurance Reserve |
| | 1,347,088 | Tax Certiorari Reserve |
| | <u>1,277,935</u> | Reserve for Debt |
| Total General Fund | <u>\$ 4,085,943</u> | |
| Trust and Agency | \$ 106,531 | Extraclassroom Activity Funds |
| Private Purpose Trust Fund | <u>152,013</u> | Scholarships and Memorials |
| Total Fiduciary | <u>\$ 258,544</u> | |

Restricted investments consist of the following:

| <u>Fund</u> | <u>Amount</u> | <u>Restriction</u> |
|----------------------------|-----------------|--------------------|
| Private Purpose Trust Fund | <u>\$ 3,206</u> | Scholarships |

II. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

4. DETAIL NOTES ON ALL FUNDS

A. Assets

II. Interfund Transactions

Interfund transactions and balances at June 30, 2011 are as follows:

| | <u>Interfund Receivable</u> | <u>Interfund Payable</u> | <u>Interfund Revenues</u> | <u>Interfund Expenditures</u> |
|----------------------------------|---------------------------------|------------------------------|-------------------------------|-----------------------------------|
| General Fund | \$ 5,281,344 | \$ 3,328,503 | \$ - | \$ 2,021,580 |
| Special Aid Fund | 2,605,257 | 3,655,578 | 58,882 | - |
| School Lunch Fund | 19,068 | 472,685 | - | - |
| Capital Projects Fund | <u>675,253</u> | <u>1,111,722</u> | <u>1,962,698</u> | <u>-</u> |
| Total Governmental Activities | 8,580,922 | 8,568,488 | 2,021,580 | 2,021,580 |
| Fiduciary Fund | <u>53,726</u> | <u>66,160</u> | <u>-</u> | <u>-</u> |
| Totals | <u>\$ 8,634,648</u> | <u>\$ 8,634,648</u> | <u>\$ 2,021,580</u> | <u>\$ 2,021,580</u> |

The General Fund transferred \$58,882 to the Special Aid Fund to finance the District's local share of expenditures relating to the Summer Handicapped Program. The General Fund transferred \$318,342 to the Capital Projects Fund to finance the monthly payments for the transportation facility-operating lease. The General Fund also transferred \$734,189 to the Capital Fund to finance the emergency Soil Remediation Project and \$910,167 to finance the emergency Glencliff ES Sewer Line Project.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

4. DETAIL NOTES ON ALL FUNDS

A. Assets

III. Capital Assets

Capital asset balances and activity for the year ended June 30, 2011 are as follows:

| | (As Restated) | | | | |
|--|----------------------|---------------------|-------------------------|------------------|----------------------|
| | Balance | | | | Balance |
| | July 1 | Additions | Reclassification | Deletions | June 30 |
| Governmental Activities | | | | | |
| Capital assets that are not depreciated: | | | | | |
| Construction in progress | \$ 72,075,433 | \$ 1,138,224 | \$(72,075,433) | \$ - | \$ 1,138,224 |
| Land | <u>803,989</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>803,989</u> |
| Total Non-depreciable Capital Assets | <u>72,879,422</u> | <u>1,138,224</u> | <u>(72,075,433)</u> | <u>-</u> | <u>1,942,213</u> |
| Capital assets that are depreciated: | | | | | |
| Buildings and improvements | 41,849,863 | 4,410,968 | 69,440,609 | - | 115,701,440 |
| Vehicles | 6,087,708 | 854,564 | - | - | 6,942,272 |
| Machinery and equipment | <u>4,035,879</u> | <u>3,179,739</u> | <u>2,634,824</u> | <u>-</u> | <u>9,850,442</u> |
| Total Depreciable Capital Assets | <u>51,973,450</u> | <u>8,445,271</u> | <u>72,075,433</u> | <u>-</u> | <u>132,494,154</u> |
| Less accumulated depreciation: | | | | | |
| Buildings and improvements | 20,926,903 | 1,527,515 | - | - | 22,454,418 |
| Vehicles | 3,164,913 | 644,709 | - | - | 3,809,622 |
| Machinery and equipment | <u>2,065,674</u> | <u>324,068</u> | <u>-</u> | <u>-</u> | <u>2,389,742</u> |
| Total Accumulated Depreciation | <u>26,157,490</u> | <u>2,496,292</u> | <u>-</u> | <u>-</u> | <u>28,653,782</u> |
| Total Capital Assets, Net | <u>\$ 98,695,382</u> | <u>\$ 7,087,203</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$105,782,585</u> |

Depreciation Expense was charged to governmental functions as follows:

| | |
|----------------------|---------------------|
| General Support | \$ 96,001 |
| Instruction | 1,752,586 |
| Pupil Transportation | 647,705 |
| Community Services | <u>-</u> |
| | <u>\$ 2,496,292</u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

General Information

The District participates in the New York State and Local Employees' Retirement System (ERS), and the New York State Teachers' Retirement System (TRS). These Systems 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.

Plan Descriptions

Teachers' Retirement System (TRS)

The NYS TRS is administered by the New York State Teachers' Retirement Board. The System provides 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.

Employees' Retirement System (ERS)

The New York State and Local Employees' Retirement System provides retirement benefits as well as death and 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. That report may be obtained by writing to the New York State and Local Retirement System, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

Funding Policies

The Systems are noncontributory except for employees who joined the Systems between July 27, 1976 and January 1, 2010, contribute 3% of their salary for a period of ten years; employees who joined after January 1, 2010, and are members in NYSERS contribute 3% of their salary throughout their active membership and those in NYSTRS contribute 3.5% throughout their active membership. 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.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Funding Policies

Employees' Retirement System (ERS)

The District is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

| | <u>ERS</u> | <u>TRS</u> |
|---------|--------------|--------------|
| 2010-11 | \$ 1,466,791 | \$ 2,931,168 |
| 2009-10 | 1,036,559 | 2,007,130 |
| 2008-09 | 652,620 | 2,335,809 |

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

II. Indebtedness

1. Short-Term Debt

Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. 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. No bond anticipation notes were issued or redeemed during the year ended June 30, 2011.

2. Long-Term Debt

a. Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the District. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

2. Long-Term Debt

a. Serial Bonds

Interest on long-term debt for the year was composed of:

| | |
|---|---------------------|
| Interest paid | \$ 3,452,804 |
| Less interest accrued in the prior year | (413,634) |
| Plus current year accrued interest | <u>409,944</u> |
| Total Expense | <u>\$ 3,449,114</u> |

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements.

b. Other Long-Term Debt

In addition to the above long-term debt, the District had the following noncurrent liabilities:

Compensated Absences - Represent the value of the earned and unused portion of the liability for employees' vacation and sick pay which has not been accrued in the General Fund.

Workers' Compensation - Represents the estimate of the District's share of unpaid workers' compensation claims and administrative costs due.

Installment Purchase Debt - Represents the remaining installments due on the energy performance contract and capital leases.

Judgments and Claims - The non-current portion of the estimated liability for various legal actions taken against the District.

Other Postemployment Benefits - Represents the net liability for other postemployment benefits calculated in accordance with GASB 45 (See Note 7).

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

3. Changes

The changes in the District's indebtedness during the year ended June 30, 2011 are summarized as follows:

| <u>Fund/Type</u> | <u>Balance July 1,</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30,</u> |
|-------------------------------|----------------------------|---------------------|---------------------|-----------------------------|
| <u>General Long-Term Debt</u> | | | | |
| Bonds | \$ 99,068,480 | \$ 950,000 | \$ 6,699,708 | \$ 93,318,772 |
| Judgments and Claims | 1,629,212 | 784,236 | - | 2,413,448 |
| Workers' Compensation | 264,159 | 15,743 | - | 279,902 |
| Compensated Absences | 911,634 | - | 47,411 | 864,223 |
| Installment Purchase Debt | 164,151 | - | 90,652 | 73,499 |
| Other Postemployment Benefits | <u>13,462,383</u> | <u>9,014,171</u> | <u>1,781,308</u> | <u>20,695,246</u> |
| Total General Long-Term Debt | <u>\$115,500,019</u> | <u>\$10,764,150</u> | <u>\$ 8,619,079</u> | <u>\$117,645,090</u> |

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

4. Maturity

The following is a summary of maturity of indebtedness:

| <u>Description of Issue</u> | <u>Original Issue Date</u> | <u>Final Maturity</u> | <u>Interest Rate</u> | <u>Outstanding June 30, 2011</u> |
|-----------------------------|------------------------------------|---------------------------|--------------------------|--|
| Serial Bonds | | | | |
| Renovations | 2003 | 2016 | 2.5 - 4.0% | \$ 6,425,000 |
| Renovations | 2008 | 2023 | 3.125 - 4.0% | 41,375,000 |
| Finance School Buses | 2008 | 2012 | 3.074% | 199,972 |
| Renovations | 2009 | 2024 | 2.5 - 4.0% | 36,640,000 |
| Finance School Buses | 2010 | 2013 | 3.750% | 353,800 |
| Renovations | 2010 | 2024 | 2.5 - 4.0% | 7,375,000 |
| Finance School Buses | 2011 | 2015 | 2.59% | <u>950,000</u> |
| | | | | <u>\$ 93,318,772</u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

4. Maturity

In addition to the debt shown above, the following long term debt has been authorized but remains unissued at June 30, 2011:

| <u>Description of Issue</u> | <u>Amount Authorized</u> | <u>Date Authorized</u> |
|--|--------------------------|------------------------|
| Security and Health Safety (EXCEL) Project | 1,378,939 | 2/27/07 |
| Bus Purchases | 508,000 | 5/16/06 |
| Bus Purchases | <u>577,475</u> | 5/17/07 |
| | <u>\$ 2,464,414</u> | |

The following is a summary of maturing debt service requirements for bonds:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|----------------------|----------------------|-----------------------|
| 2012 | \$ 6,818,672 | \$ 3,257,459 | \$ 10,076,131 |
| 2013 | 7,077,600 | 3,084,598 | 10,162,198 |
| 2014 | 7,162,500 | 2,853,635 | 10,016,135 |
| 2015 | 7,377,500 | 2,627,743 | 10,005,243 |
| 2016 | 7,677,500 | 2,389,245 | 10,066,745 |
| 2017-2020 | 29,075,000 | 7,121,825 | 36,196,825 |
| 2021-2025 | <u>28,130,000</u> | <u>2,610,200</u> | <u>30,740,200</u> |
| Total | <u>\$ 93,318,772</u> | <u>\$ 23,944,705</u> | <u>\$ 117,263,477</u> |

5. Constitutional Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the District. Basically, the District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit do not exceed 10% of the average full valuation of taxable real estate within such District. At June 30, 2011 the District has exhausted 35.46% of its constitutional debt limit.

III. Self-Insurance

Workers' Compensation Insurance

The District is self-insured for workers' compensation benefits on a cost-reimbursement basis. Under the program, the District is responsible for claim payments.

All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2011 have been recorded as other liabilities.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

III. Self-Insurance

Health & Dental Insurance

The District is self-insured for health insurance benefits, as of January 1, 2010, on a cost-reimbursement basis. Under the program, the District is responsible for claim payments. Empire HealthChoice Assurance, Inc. is the third party claims administrator for the District's health plan. The cost of medical care is paid out of employee and employer contributions and is held in a separate bank account. The District pays the medical claims and related administrative fees on monthly basis by funding the separate bank account. The total cash in the account amounted to \$610,517 at June 30, 2011. The District estimates the liability for unpaid health insurance claims to be \$1,139,597 for the year ended June 30, 2011.

The District self-funds the health insurance plan, but has purchased both aggregate and specific stop loss coverage from HM Life Insurance Company of New York. The aggregate insurance provides full coverage for aggregate claims in excess of 125% of expected claims. The specific stop loss insurance assumes the risk for claims on any individual in excess of \$200,000 paid during a calendar year.

The District is self-insured for dental insurance benefits on a cost-reimbursement basis. Under the program, the District is responsible for claim payments. Delta Dental of New York is the third party claims administrator for the District's dental plan. The cost of dental care is paid out of employee and employer contributions. The District pays the dental claims and related administrative fees on monthly basis by wiring funds to Delta Dental. The District estimates the liability for unpaid dental insurance claims to be \$66,919 for the year ended June 30, 2011. The District has not purchased stop loss insurance on the self-funded dental plan. The District's maximum liability is limited to the annual dental allowance per covered individual, which is \$1,500 per covered individual for the year ended June 30, 2011.

All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2011 pertaining to both health and dental insurance have been recorded as other liabilities.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

III. Self-Insurance

Health & Dental Insurance

The District establishes health and dental claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to the liability in the periods in which they are made.

As discussed above, the District establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities for the District during the past two years:

| | <u>2011</u> | <u>2010</u> |
|---|---------------------|-------------------|
| Unpaid claims and claim adjustment expenses at beginning of Year | \$ <u>888,981</u> | \$ <u>-</u> |
| Incurred claims and claim adjustment expenses: | | |
| Provision for incurred claims expenditures for events of the current year | 6,658,289 | 3,277,922 |
| Increase (decrease) in provision for incurred events of prior Years | <u>-</u> | <u>-</u> |
| Total incurred claims and claim adjustment expenses | <u>7,547,270</u> | <u>3,277,922</u> |
| Payments made for claims during the current year | <u>6,340,754</u> | <u>2,386,031</u> |
| Total unpaid claims and claim adjustment expenses at end of Year | <u>\$ 1,206,516</u> | <u>\$ 888,981</u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

V. Self-Insurance

Workers' Compensation Insurance

The District establishes workers compensation claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to the liability in the periods in which they are made.

As discussed above, the District establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities for the District during the past two years:

| | <u>2011</u> | <u>2010</u> |
|---|-------------------|-------------------|
| Unpaid claims and claim adjustment expenses at beginning of Year | \$ <u>264,159</u> | \$ <u>251,957</u> |
| Incurred claims and claim adjustment expenses: | | |
| Provision for incurred claims expenditures for events of the current year | 92,004 | 133,636 |
| Increase (decrease) in provision for incurred events of prior Years | <u>-</u> | <u>-</u> |
| Total incurred claims and claim adjustment expenses | <u>92,004</u> | <u>133,636</u> |
| Payments made for claims during the current year | <u>76,261</u> | <u>121,434</u> |
| Total unpaid claims and claim adjustment expenses at end of Year | <u>\$ 279,902</u> | <u>\$ 264,159</u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

VI. Capital Leases

The District is obligated under several leases accounted for as capital leases. The assets under these leases totaled approximately \$430,436 at June 30, 2011.

The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of June 30, 2011.

| <u>Year Ending June 30</u> | <u>Total</u> |
|---|------------------|
| 2012 | \$ <u>75,196</u> |
| Minimum Lease Payments - Capital Leases | \$ 75,196 |
| Less: Amount that represents interest at the District's Incremental borrowing rate | <u>(1,697)</u> |
| Present Value - Minimum Lease Payments | <u>\$ 73,499</u> |

Interest on capital leases for the year was composed of:

| | |
|---|-----------------|
| Interest paid - Capital Leases | \$ 5,154 |
| Less interest accrued in the prior year | - |
| Plus current year accrued interest | <u>-</u> |
| Total Expense | <u>\$ 5,154</u> |

5. COMMITMENTS AND CONTINGENCIES

A. Litigation

The District has been named as defendant in various actions. A review of these actions by District Management indicates that they are either fully covered by insurance or not substantial enough to materially affect the financial position of the District.

B. Federal and State Grants

The District receives federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies or expenditures disallowed under the terms of the grant.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

5. COMMITMENTS AND CONTINGENCIES

C. Risk Financing and Related Insurance

The Niskayuna Central School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

D. Operating Lease

The School District leases a transportation facility under an operating lease. The maximum future non-cancelable operating lease payments are as follows:

| <u>Year Ending</u> | <u>Amount</u> |
|--------------------|---------------------|
| 2012 | \$ 333,088 |
| 2013 | 346,748 |
| 2014 | <u>360,407</u> |
| Total | <u>\$ 1,040,243</u> |

6. JOINT VENTURE

BOCES charges districts for program costs based on participation and for administrative costs. During the year ended June 30, 2011, the District was billed \$3,531,561 for BOCES administrative and program costs. In the same period, the District received \$1,183,016 in State Aid and \$337,764 in Refund of Prior Year's Expenses for BOCES.

7. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE

Plan Description

The District administers the postretirement benefits as a single-employer defined benefit plan (the Plan), through which retirees and their spouses receive benefits. The Plan provides for continuation of medical and/or dental/vision benefits for certain retirees and their survivors and can be amended by action of the District subject to applicable collective bargaining and employment agreements. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

7. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE

Funding Policy

The obligations of the Plan members, employers and other contributing entities are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are eligible for the retiree health benefits upon meeting the following requirements: 1) retire from the District, 2) enrolled in District provided health care at time of retirement and 3) working .5 FTE or 30 hours a week and having at least 10 years of service under the New York State Teachers' or Employees' Retirement Systems, of which at least 5 such years must have been with the District. The District currently funds the plan to satisfy current obligations on a pay-as-you-go basis. The cost of providing this benefit for 326 retirees was approximately \$1,781,308.

The contribution requirements of Plan members and the District are established by the Board of Education. Until changes are made in the NYS law to permit funding, there is no legal authority to fund OPEB, other than "pay as you go".

Actuarial Methods and Assumptions

The District obtained an actuarial valuation dated July 1, 2010 which indicated that the total liability for other post-employment benefits totaled \$83,558,735. 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 District are subject to continual revision as actual results are compared with past expectations and new estimates about the future.

Projection of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the District 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 District and Plan members to that point. The actuarial calculations reflect a long-term perspective; actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial funding method used to calculate the costs of the Plan is known as the Projected Unit Credit Method. Under this method, the present value of each employee's future retiree health benefit claims costs is allocated over a portion of the employee's employment, the "attribution period." The attribution period for this group begins with the employee's date of employment and ends with the date on which the employee is expected to retire. The accrued liability for active employees is the portion of benefit liability attributed to service years to date. Normal cost is the amount of benefit liability attributed to the current employment year. Normal cost for retired employees is zero. The initial accrued liability is amortized over a 30-year period using the level dollar method. Actuarial gains and losses will be determined annually and amortized over a fixed 30-year period.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

7. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE

Actuarial Methods and Assumptions

The following assumptions were used in the calculation: a) a 5.00% discount rate baseline compounded annually, b) dental annual trend of 5%, c) initial medical cost trend of 9% that is downgraded over an 30 year period to an ultimate rate of 5%, d) mortality tables from RP 2000 Combined, sex distinct, with full generational projection using Scale AA, e) assumed that no employee will retire before the age of 70 without attaining at least 5 years of service, f) active employee and spousal coverage – it is assumed the female spouse is 3 years younger and 80% will be covered, dependent coverage is considered immaterial, g) coverage elections – it is assumed 85% of covered employees will elect coverage upon retirement, 60% of eligible married employees will elect spousal coverage and 100% of surviving spouses will continue coverage for 10 years after the retiree's death, h) a payroll growth assumption of 4% and i) termination, retirement and disability assumptions based on a blend of assumptions for all employees under ERS and female employees under TRS.

Annual OPRB Cost and Net OPRB Obligation

The District's annual other postretirement benefit (OPRB) 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 No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table summarizes the Annual OPRB Cost:

| | <u>2011</u> |
|--|----------------------|
| Normal Cost | \$ 3,998,320 |
| Amortization of Unfunded Actuarial Liability | <u>5,176,777</u> |
| ARC | 9,175,097 |
| Interest on Prior Net OPRB Obligation | 673,119 |
| Adjustment to ARC | <u>(834,045)</u> |
| OPRB Expense | <u>\$ 9,014,171</u> |
| | |
| Net OPRB Obligation at the beginning of the year | \$ 13,462,383 |
| OPRB Expense | 9,014,171 |
| Net OPRB Contributions made during the fiscal year | <u>(1,781,308)</u> |
| Net OPRB Obligation at the end of the year | <u>\$ 20,695,246</u> |
| | |
| Percentage of Expense Contributed | 19.76% |

Funded Status

| | |
|--|---------------|
| Accrued Liability at end of year | \$ 83,558,735 |
| Plan Assets at end of year | - |
| Unfunded Accrued Liability | \$ 83,558,735 |
| | |
| Percentage of Funded Accrued Liability | 0% |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

7. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE

Annual OPRB Cost and Net OPRB Obligation

The Net OPRB Obligation at the end of the year is reflected as an operating expense in the accompanying financial statements. The year ended June 30, 2011 was the second year of implementation of GASB Statement No. 45. Therefore, prior years' comparative data is available and prior year trend information is presented below:

| <u>Net OPRB Obligation:</u> | <u>Balance</u> |
|------------------------------------|------------------------|
| | <u>June 30,</u> |
| 2009 | \$72,374,300 |
| 2010 | \$78,193,078 |
| 2011 | \$83,558,735 |

8. NEW PRONOUNCEMENTS

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. For June 30, 2011, the District implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This standard enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

9. SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 28, 2011, which is the date these financial statements were issued. All subsequent events requiring recognition as of June 30, 2011, have been incorporated into these statements herein.

10. PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2011 an onsite appraisal of fixed assets was performed by AssetWorks. As a result of this appraisal, the balance of beginning fixed assets in Note 4 was adjusted by District officials to reflect the information contained in AssetWorks report. The net effect of this adjustment was to decrease the July 1, 2010 fixed asset balance by \$1,136,712 from \$99,832,094 as previously reported to \$98,695,382 as reported in Note 4. The reduction in the carrying value on July is the result of assets originally being carried on the report that were either replaced as a result of the capital construction projects or were scrapped due to obsolescence in previous periods.

NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, OTHER SOURCES, EXPENDITURES AND OTHER USES COMPARED TO BUDGET - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

| | <u>Original Budget</u> | <u>Revised Budget</u> | <u>Current Year's Revenues</u> | <u>Over (Under) Revised Budget</u> |
|--|----------------------------|---------------------------|------------------------------------|--|
| Revenues | | | | |
| Local Sources | | | | |
| Real Property Taxes | \$ 47,700,550 | \$ 47,700,550 | \$ 47,406,612 | \$ (293,938) |
| Appropriation of Planned Balance | - | - | - | - |
| Real Property Tax Items | 1,377,000 | 1,377,000 | 982,039 | (394,961) |
| Nonproperty Taxes | - | - | - | - |
| Charges for Services | 188,000 | 188,000 | 164,421 | (23,579) |
| Use of Money and Property | 587,000 | 587,000 | 397,781 | (189,219) |
| Forfeitures | - | - | - | - |
| Sale of Property and Compensation for Loss | 3,500 | 3,500 | 3,271 | (229) |
| Miscellaneous | 255,452 | 255,452 | 920,045 | 664,593 |
| Interfund Revenues | - | - | - | - |
| State Sources | 20,982,229 | 20,982,229 | 19,943,460 | (1,038,769) |
| Federal Sources | 310,000 | 310,000 | 1,082,128 | 772,128 |
| Other Sources | | | | |
| Interfund Transfers | 275,000 | 275,000 | - | (275,000) |
| Proceeds of Long Term Debt | 950,000 | 950,000 | 950,000 | - |
| Total Revenue and Other Sources | 72,628,731 | 72,628,731 | 71,849,757 | \$ <u>(778,974)</u> |
| Appropriated Reserve for Tax Certiorari | 475,000 | 475,000 | - | |
| Appropriated Fund Balance | 4,272,677 | 4,272,677 | - | |
| Total Revenues, Other Sources and Appropriated Fund Balance | \$ <u>77,376,408</u> | \$ <u>77,376,408</u> | \$ - | |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, OTHER SOURCES, EXPENDITURES AND OTHER USES COMPARED TO BUDGET - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011**

| | <u>Original Budget</u> | <u>Revised Budget</u> | <u>Current Year's Expenditures</u> | <u>Encumbrances</u> | <u>Unencumbered Balances</u> |
|--|----------------------------|---------------------------|--|---------------------|----------------------------------|
| Expenditures | | | | | |
| General Support | | | | | |
| Board of Education | \$ 31,260 | \$ 54,558 | \$ 44,026 | \$ - | \$ 10,532 |
| Central Administration | 544,465 | 513,367 | 505,307 | 2,866 | 5,194 |
| Finance | 662,014 | 753,367 | 732,291 | - | 21,076 |
| Staff | 591,846 | 602,428 | 584,655 | - | 17,773 |
| Central Services | 6,907,911 | 6,686,349 | 6,397,820 | 29,723 | 258,806 |
| Special Items | 760,546 | 732,591 | 727,051 | - | 5,540 |
| Instruction | | | | | |
| Instruction, Administration & Improvement | 2,708,554 | 2,629,337 | 2,528,366 | - | 100,971 |
| Teaching - Regular School | 21,631,416 | 21,394,061 | 21,174,946 | 30,299 | 188,816 |
| Programs for Students with Disabilities | 6,384,840 | 7,259,021 | 7,210,745 | 17,560 | 30,716 |
| Occupational Education | 521,500 | 630,335 | 630,335 | - | - |
| Teaching - Special Schools | 150,196 | 184,573 | 163,048 | - | 21,525 |
| Instructional Media | 2,874,606 | 2,659,771 | 2,492,027 | 6,732 | 161,012 |
| Pupil Services | 2,877,513 | 2,932,959 | 2,901,917 | - | 31,042 |
| Pupil Transportation | 4,931,950 | 4,864,529 | 4,270,754 | 531,867 | 61,908 |
| Community Services | 19,522 | 522 | - | - | 522 |
| Employee Benefits | 15,378,240 | 13,213,894 | 13,213,893 | - | 1 |
| Debt Service | | | | | |
| Debt Service Principal | 6,765,362 | 6,790,361 | 6,790,361 | - | - |
| Debt Service Interest | 3,524,667 | 3,452,805 | 3,452,804 | - | 1 |
| Total Expenditures | 77,266,408 | 75,354,828 | 73,820,346 | 619,047 | 915,435 |
| Other Uses | | | | | |
| Interfund Transfer | 110,000 | 2,021,580 | 2,021,580 | - | - |
| Total Expenditures and Other Uses | \$ 77,376,408 | \$ 77,376,408 | 75,841,926 | \$ 619,047 | \$ 915,435 |
| Excess of Revenues and Other Sources over Expenditures and Other Uses | | | \$ (3,992,169) | | |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
 FOR THE YEAR ENDED JUNE 30, 2011**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) - Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|--|--|--|-----------------------------------|------------------------------------|--|
| 7/1/2010 | \$0 | \$83,558,735 | \$83,558,735 | 0% | \$27,119,202 | 308.12% |
| 6/1/2010 | \$0 | \$78,193,078 | \$78,193,078 | 0% | \$33,484,559 | 233.52% |
| 6/1/2008 | \$0 | \$72,374,300 | \$72,374,300 | 0% | \$33,256,167 | 217.63% |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

| | IDEA, Part B Section 611 0032110830 <u>84027A</u> | IDEA, Part B Section 619 0033110830 <u>84173A</u> | ARRA IDEA, Part B Section 611 5032110830 <u>84391A</u> | ARRA IDEA, Part B Section 619 5033110830 <u>84392A</u> | TITLE I A&D 0021102740 <u>84010A</u> | TITLE I A&D 0021112740 <u>84010A</u> | TITLE II A 0147112740 <u>84367A</u> | TITLE II D 0292112740 <u>84318X</u> | TITLE IIIA 0149112740 <u>84365</u> |
|--|--|--|--|--|--|--|---|---|--|
| Assets | | | | | | | | | |
| Unrestricted Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted Cash | 34,039 | 817 | 20,575 | 950 | - | 6,269 | 4,182 | 50 | 851 |
| Temporary Investments - Unrestricted | - | - | - | - | - | - | - | - | - |
| Temporary Investments - Restricted | - | - | - | - | - | - | - | - | - |
| Accounts Receivable | - | - | - | - | - | - | - | - | - |
| Due From Other Funds | 1,295,161 | 31,088 | 782,872 | 36,150 | - | 238,516 | 159,110 | 1,885 | 32,365 |
| State and Federal Receivable | 248,390 | 4,413 | 75,636 | 3,383 | 31,043 | 45,636 | 26,568 | 854 | 13,865 |
| Inventories | - | - | - | - | - | - | - | - | - |
| Prepaid Expenditures | - | - | - | - | - | - | - | - | - |
| Total Assets | <u>1,577,590</u> | <u>36,318</u> | <u>879,083</u> | <u>40,483</u> | <u>31,043</u> | <u>290,421</u> | <u>189,860</u> | <u>2,789</u> | <u>47,081</u> |
| Liabilities and Fund Equity | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Accounts and Retainages Payable | 12,365 | 927 | - | - | - | - | - | - | 2,473 |
| Accrued Liabilities | - | - | - | - | - | - | - | - | - |
| Note Payable - Bond Anticipation Notes | - | - | - | - | - | - | - | - | - |
| Due to Other Funds | 1,565,225 | 35,391 | 879,083 | 40,483 | 31,043 | 290,421 | 189,860 | 2,789 | 44,608 |
| Due to Other Governments | - | - | - | - | - | - | - | - | - |
| Due to Teachers' Retirement System | - | - | - | - | - | - | - | - | - |
| Due to Employees' Retirement System | - | - | - | - | - | - | - | - | - |
| Deferred Revenues | - | - | - | - | - | - | - | - | - |
| Total Liabilities | <u>1,577,590</u> | <u>36,318</u> | <u>879,083</u> | <u>40,483</u> | <u>31,043</u> | <u>290,421</u> | <u>189,860</u> | <u>2,789</u> | <u>47,081</u> |
| Fund Equity | | | | | | | | | |
| Non-spendable | - | - | - | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | - |
| Total Fund Equity | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Fund Equity | <u>\$ 1,577,590</u> | <u>\$ 36,318</u> | <u>\$ 879,083</u> | <u>\$ 40,483</u> | <u>\$ 31,043</u> | <u>\$ 290,421</u> | <u>\$ 189,860</u> | <u>\$ 2,789</u> | <u>\$ 47,081</u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

| | TITLE IV A 0180112740 84186A | Mentor Training 5663110136 84397 | 04/05 Summer Handicap Program | 05/06 Summer Handicap Program | 06/07 Summer Handicap Program | 07/08 Summer Handicap Program | 08/09 Summer Handicap Program |
|--|---|---|--|--|--|--|--|
| Assets | | | | | | | |
| Unrestricted Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted Cash | 133 | 606 | - | - | - | - | - |
| Temporary Investments - Unrestricted | - | - | - | - | - | - | - |
| Temporary Investments - Restricted | - | - | - | - | - | - | - |
| Accounts Receivable | - | - | - | - | - | - | - |
| Due From Other Funds | 5,049 | 23,060 | - | - | - | - | - |
| State and Federal Receivable | 2,355 | 9,229 | 1,530 | 14,241 | - | 187,287 | 26,906 |
| Inventories | - | - | - | - | - | - | - |
| Prepaid Expenditures | - | - | - | - | - | - | - |
| Total Assets | 7,537 | 32,895 | 1,530 | 14,241 | - | 187,287 | 26,906 |
| Liabilities and Fund Equity | | | | | | | |
| Liabilities | | | | | | | |
| Accounts and Retainages Payable | - | - | - | - | - | - | - |
| Accrued Liabilities | - | - | - | - | - | - | - |
| Note Payable - Bond Anticipation Notes | - | - | - | - | - | - | - |
| Due to Other Funds | 7,537 | 32,895 | 1,530 | 14,241 | - | 187,287 | 26,906 |
| Due to Other Governments | - | - | - | - | - | - | - |
| Due to Teachers' Retirement System | - | - | - | - | - | - | - |
| Due to Employees' Retirement System | - | - | - | - | - | - | - |
| Deferred Revenues | - | - | - | - | - | - | - |
| Total Liabilities | 7,537 | 32,895 | 1,530 | 14,241 | - | 187,287 | 26,906 |
| Fund Equity | | | | | | | |
| Non-spendable | - | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - |
| Total Fund Equity | - | - | - | - | - | - | - |
| Total Liabilities and Fund Equity | \$ 7,537 | \$ 32,895 | \$ 1,530 | \$ 14,241 | \$ - | \$ 187,287 | \$ 26,906 |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

| Assets | 09/10 Summer Handicap Program | 10/11 Summer Handicap Program | Total Special Aid | School Lunch | Bus Garage Lease | Birchwood ES H1007 | Birchwood ES EXCEL H1008 | VA MS H1011 |
|--|--|--|----------------------------------|--------------------------|-----------------------------|-------------------------------|---|--------------------------|
| Unrestricted Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted Cash | - | 13,275 | 81,747 | 596,155 | - | (58,708) | (115,166) | 656,713 |
| Temporary Investments - Unrestricted | - | - | - | - | - | - | - | - |
| Temporary Investments - Restricted | - | - | - | - | - | - | - | - |
| Accounts Receivable | - | - | - | - | - | - | - | - |
| Due From Other Funds | - | - | 2,605,256 | 19,068 | - | - | - | - |
| State and Federal Receivable | 59,263 | 235,528 | 986,127 | 17,450 | - | - | - | - |
| Inventories | - | - | - | 42,639 | - | - | - | - |
| Prepaid Expenditures | - | - | - | - | - | - | - | - |
| Total Assets | <u>59,263</u> | <u>248,803</u> | <u>3,673,130</u> | <u>675,312</u> | <u>\$ -</u> | <u>\$ (58,708)</u> | <u>\$ (115,166)</u> | <u>\$ 656,713</u> |
| Liabilities and Fund Equity | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts and Retainages Payable | - | 1,787 | 17,552 | - | \$ - | \$ 12,001 | \$ 23,551 | \$ 67,804 |
| Accrued Liabilities | - | - | - | - | - | - | - | - |
| Note Payable - Bond Anticipation Notes | - | - | - | - | - | - | - | - |
| Due to Other Funds | 59,263 | 247,016 | 3,655,578 | 472,685 | - | 22,672 | 44,477 | - |
| Due to Other Governments | - | - | - | 103 | - | - | - | - |
| Due to Teachers' Retirement System | - | - | - | - | - | - | - | - |
| Due to Employees' Retirement System | - | - | - | - | - | - | - | - |
| Deferred Revenues | - | - | - | 33,903 | - | - | - | - |
| Total Liabilities | <u>59,263</u> | <u>248,803</u> | <u>3,673,130</u> | <u>506,691</u> | <u>-</u> | <u>34,673</u> | <u>68,028</u> | <u>67,804</u> |
| Fund Equity | | | | | | | | |
| Non-spendable | - | - | - | 42,639 | - | - | - | - |
| Restricted | - | - | - | - | - | 16,171 | 2,221 | 328 |
| Committed | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | 125,982 | - | - | - | - |
| Unassigned | - | - | - | - | - | (109,552) | (185,415) | 588,581 |
| Total Fund Equity | <u>-</u> | <u>-</u> | <u>-</u> | <u>168,621</u> | <u>-</u> | <u>(93,381)</u> | <u>(183,194)</u> | <u>588,909</u> |
| Total Liabilities and Fund Equity | <u>\$ 59,263</u> | <u>\$ 248,803</u> | <u>\$ 3,673,130</u> | <u>\$ 675,312</u> | <u>\$ -</u> | <u>\$ (58,708)</u> | <u>\$ (115,166)</u> | <u>\$ 656,713</u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

| Assets | VA MS EXCEL H1012 | Craig ES H2013 | Craig ES EXCEL H2014 | Glenclyff ES H3010 | Glenclyff ES EXCEL H3011 | Glenclyff ES Sewer H3012 | Glenclyff ES Roof H3013 | Rosendale ES H4011 |
|--|----------------------------------|---------------------------|-------------------------------------|-------------------------------|---|---|--|-------------------------------|
| Unrestricted Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted Cash | (217,413) | (130,961) | (76,701) | (41,215) | (137,987) | 39,555 | (37,500) | (472,556) |
| Temporary Investments - Unrestricted | - | - | - | - | - | - | - | - |
| Temporary Investments - Restricted | - | - | - | - | - | - | - | - |
| Accounts Receivable | - | - | - | - | - | - | - | - |
| Due From Other Funds | - | - | - | - | - | 14,862 | - | - |
| State and Federal Receivable | - | - | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - |
| Prepaid Expenditures | - | - | - | - | - | - | - | - |
| Total Assets | \$ (217,413) | \$ (130,961) | \$ (76,701) | \$ (41,215) | \$ (137,987) | \$ 54,417 | \$ (37,500) | \$ (472,556) |
| Liabilities and Fund Equity | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts and Retainages Payable | \$ 18,034 | \$ 8,924 | \$ 23,255 | \$ 3,746 | \$ 9,282 | \$ 25 | \$ - | \$ 22,979 |
| Accrued Liabilities | - | - | - | - | - | - | - | - |
| Note Payable - Bond Anticipation Notes | - | - | - | - | - | - | - | - |
| Due to Other Funds | 83,964 | 50,576 | 29,622 | 15,917 | 53,289 | - | - | 182,512 |
| Due to Other Governments | - | - | - | - | - | - | - | - |
| Due to Teachers' Retirement System | - | - | - | - | - | - | - | - |
| Due to Employees' Retirement System | - | - | - | - | - | - | - | - |
| Deferred Revenues | - | - | - | - | - | - | - | - |
| Total Liabilities | 101,998 | 59,500 | 52,877 | 19,663 | 62,571 | 25 | - | 205,491 |
| Fund Equity | | | | | | | | |
| Non-spendable | - | - | - | - | - | - | - | - |
| Restricted | - | 10,513 | - | 2,157 | 3,328 | 46,757 | - | 9,293 |
| Committed | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - |
| Unassigned | (319,411) | (200,974) | (129,578) | (63,035) | (203,886) | 7,635 | (37,500) | (687,340) |
| Total Fund Equity | (319,411) | (190,461) | (129,578) | (60,878) | (200,558) | 54,392 | (37,500) | (678,047) |
| Total Liabilities and Fund Equity | \$ (217,413) | \$ (130,961) | \$ (76,701) | \$ (41,215) | \$ (137,987) | \$ 54,417 | \$ (37,500) | \$ (472,556) |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

| | Rosendale ES EXCEL H4012 | Gym Roof NHS H6022 | NHS EXCEL H6024 | Soil Remediation H6025 | Hillside ES H7011 | Hillside ES EXCEL H7012 |
|--|---|-----------------------------------|--------------------------------|---------------------------------------|------------------------------|--|
| Assets | | | | | | |
| Unrestricted Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted Cash | (154,433) | 5,082 | 83,833 | - | (22,964) | (91,511) |
| Temporary Investments - Unrestricted | - | - | - | - | - | - |
| Temporary Investments - Restricted | - | - | - | - | - | - |
| Accounts Receivable | - | - | - | - | - | - |
| Due From Other Funds | - | - | - | 454,850 | - | - |
| State and Federal Receivable | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - |
| Prepaid Expenditures | - | - | - | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u>\$ (154,433)</u> | <u>\$ 5,082</u> | <u>\$ 83,833</u> | <u>\$ 454,850</u> | <u>\$ (22,964)</u> | <u>\$ (91,511)</u> |
| Liabilities and Fund Equity | | | | | | |
| Liabilities | | | | | | |
| Accounts and Retainages Payable | \$ 24,640 | \$ - | \$ 20,991 | \$ - | \$ 25,001 | \$ 23,124 |
| Accrued Liabilities | - | - | - | - | - | - |
| Note Payable - Bond Anticipation Notes | - | - | - | - | - | - |
| Due to Other Funds | 59,641 | - | - | 368,387 | 8,868 | 35,341 |
| Due to Other Governments | - | - | - | - | - | - |
| Due to Teachers' Retirement System | - | - | - | - | - | - |
| Due to Employees' Retirement System | - | - | - | - | - | - |
| Deferred Revenues | - | - | - | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>84,281</u> | <u>-</u> | <u>20,991</u> | <u>368,387</u> | <u>33,869</u> | <u>58,465</u> |
| Fund Equity | | | | | | |
| Non-spendable | - | - | - | - | - | - |
| Restricted | 2,343 | - | - | 158,991 | 15,223 | 1,279 |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | (241,057) | 5,082 | 62,842 | (72,528) | (72,056) | (151,255) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Fund Equity | <u>(238,714)</u> | <u>5,082</u> | <u>62,842</u> | <u>86,463</u> | <u>(56,833)</u> | <u>(149,976)</u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities and Fund Equity | <u>\$ (154,433)</u> | <u>\$ 5,082</u> | <u>\$ 83,833</u> | <u>\$ 454,850</u> | <u>\$ (22,964)</u> | <u>\$ (91,511)</u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
COMBINING BALANCE SHEETS
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

| Assets | Iroquois MS H8013 | Iroquois MS EXCEL H8014 | Temperature Control System H9002 | Technology H9003 | Total Capital Projects | Total Non-Major |
|--|------------------------------|--|---|-----------------------------|---------------------------------------|----------------------------|
| Unrestricted Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted Cash | (146,522) | (49,809) | 16,169 | (202,001) | (1,154,095) | (476,193) |
| Temporary Investments - Unrestricted | - | - | - | - | - | - |
| Temporary Investments - Restricted | - | - | - | - | - | - |
| Accounts Receivable | - | - | - | - | - | - |
| Due From Other Funds | - | - | - | - | 469,712 | 3,094,036 |
| State and Federal Receivable | - | - | - | - | - | 1,003,577 |
| Inventories | - | - | - | - | - | 42,639 |
| Prepaid Expenditures | - | - | - | - | - | - |
| Total Assets | \$ (146,522) | \$ (49,809) | \$ 16,169 | \$ (202,001) | \$ (684,383) | \$ 3,664,059 |
| Liabilities and Fund Equity | | | | | | |
| Liabilities | | | | | | |
| Accounts and Retainages Payable | \$ 14,688 | \$ 26,253 | \$ 157,648 | \$ 25,018 | \$ 506,964 | \$ 524,516 |
| Accrued Liabilities | - | - | - | - | - | - |
| Note Payable - Bond Anticipation Notes | - | - | - | - | - | - |
| Due to Other Funds | 56,627 | 19,236 | - | 77,853 | 1,108,982 | 5,237,245 |
| Due to Other Governments | - | - | - | - | - | 103 |
| Due to Teachers' Retirement System | - | - | - | - | - | - |
| Due to Employees' Retirement System | - | - | - | - | - | - |
| Deferred Revenues | - | - | - | - | - | 33,903 |
| Total Liabilities | 71,315 | 45,489 | 157,648 | 102,871 | 1,615,946 | 5,795,767 |
| Fund Equity | | | | | | |
| Non-spendable | - | - | - | - | - | 42,639 |
| Restricted | 1,747 | - | 197,606 | 10,728 | 478,685 | 478,685 |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | 125,982 |
| Unassigned | (219,584) | (95,298) | (339,085) | (315,600) | (2,779,014) | (2,779,014) |
| Total Fund Equity | (217,837) | (95,298) | (141,479) | (304,872) | (2,300,329) | (2,131,708) |
| Total Liabilities and Fund Equity | \$ (146,522) | \$ (49,809) | \$ 16,169 | \$ (202,001) | \$ (684,383) | \$ 3,664,059 |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
 NON-MAJOR GOVERNMENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011**

| | IDEA, Part B Section 611 0032110830 <u>84027A</u> | IDEA, Part B Section 619 0033110830 <u>84173A</u> | ARRA IDEA, Part B Section 611 5032110830 <u>84391A</u> | ARRA IDEA, Part B Section 619 5033110830 <u>84392A</u> | TITLE I A&D 0021012740 <u>84010A</u> | TITLE I A&D 0021112740 <u>84010A</u> | TITLE II A 0147112740 <u>84367A</u> | TITLE II D 0292112740 <u>84318X</u> | |
|---|--|--|--|--|--|--|---|---|-------------|
| Revenues | | | | | | | | | |
| Use of Money and Property | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sale of Property and Compensation for Loss | - | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - | - |
| State Sources | - | - | - | - | - | - | - | - | - |
| Federal Sources | 754,939 | 18,121 | 456,330 | 21,071 | - | 139,029 | 92,744 | 1,099 | - |
| Sales | - | - | - | - | - | - | - | - | - |
| Total Revenues | <u>754,939</u> | <u>18,121</u> | <u>456,330</u> | <u>21,071</u> | <u>-</u> | <u>139,029</u> | <u>92,744</u> | <u>1,099</u> | <u>-</u> |
| Expenditures | | | | | | | | | |
| General Support | 397,622 | 11,930 | 559 | 11,614 | - | 138,498 | 52,202 | 1,099 | - |
| Instruction | 234,076 | 2,649 | 423,340 | 9,457 | - | 531 | 40,542 | - | - |
| Pupil Transportation | - | - | - | - | - | - | - | - | - |
| Employee Benefits | 123,241 | 3,542 | 32,431 | - | - | - | - | - | - |
| Cost of Sales | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>754,939</u> | <u>18,121</u> | <u>456,330</u> | <u>21,071</u> | <u>-</u> | <u>139,029</u> | <u>92,744</u> | <u>1,099</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other Financing Sources (Uses) | | | | | | | | | |
| Proceeds of Long Term Debt | - | - | - | - | - | - | - | - | - |
| Interfund Transfers | - | - | - | - | - | - | - | - | - |
| Total Other Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Equity, Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Prior Period Adjustments | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Equity, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
 NON-MAJOR GOVERNMENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011**

| | TITLE IIIA 0149112740 84365 | TITLE IV A 0180112740 84186A | Mentor Training 5663110136 84397 | 04/05 Summer Handicap Program | 05/06 Summer Handicap Program | 06/07 Summer Handicap Program | 07/08 Summer Handicap Program | 08/09 Summer Handicap Program |
|---|-----------------------------------|------------------------------------|--|--|--|--|--|--|
| Revenues | | | | | | | | |
| Use of Money and Property | - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sale of Property and Compensation for Loss | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - |
| State Sources | - | - | - | - | - | - | - | - |
| Federal Sources | 18,865 | 2,943 | 13,442 | - | - | - | - | - |
| Sales | - | - | - | - | - | - | - | - |
| Total Revenues | <u>18,865</u> | <u>2,943</u> | <u>13,442</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | | | | | |
| General Support | 10,865 | - | 4,272 | - | - | - | - | - |
| Instruction | 8,000 | 2,943 | 9,170 | - | - | - | - | - |
| Pupil Transportation | - | - | - | - | - | - | - | - |
| Employee Benefits | - | - | - | - | - | - | - | - |
| Cost of Sales | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>18,865</u> | <u>2,943</u> | <u>13,442</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other Financing Sources (Uses) | | | | | | | | |
| Proceeds of Long Term Debt | - | - | - | - | - | - | - | - |
| Interfund Transfers | - | - | - | - | - | - | - | - |
| Total Other Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Equity, Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Prior Period Adjustments | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Equity, End of Year | <u>-</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
 NON-MAJOR GOVERNMENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011**

| | <u>09/10 Summer Handicap Program</u> | <u>10/11 Summer Handicap Program</u> | <u>Total Special Aid</u> | <u>School Lunch</u> | <u>Bus Garage Lease</u> | <u>Birchwood ES H1007</u> | <u>Birchwood ES EXCEL H1008</u> | <u>VA MS H1011</u> |
|---|--|--|----------------------------------|-------------------------|-----------------------------|-------------------------------|---|------------------------|
| Revenues | | | | | | | | |
| Use of Money and Property | \$ - | \$ - | \$ - | \$ 1,753 | \$ - | \$ - | \$ - | \$ - |
| Sale of Property and Compensation for Loss | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | 3,002 | - | - | - | - |
| State Sources | - | 235,528 | 235,528 | 18,461 | - | - | - | - |
| Federal Sources | - | - | 1,518,583 | 273,116 | - | - | - | - |
| Sales | - | - | - | 826,044 | - | - | - | - |
| Total Revenues | <u>-</u> | <u>235,528</u> | <u>1,754,111</u> | <u>1,122,376</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | | | | | |
| General Support | - | 26,270 | 654,931 | 489,051 | - | - | - | - |
| Instruction | - | 239,718 | 970,426 | - | - | - | - | - |
| Pupil Transportation | - | 20,321 | 20,321 | - | - | - | - | - |
| Employee Benefits | - | 8,101 | 167,315 | 131,435 | - | - | - | - |
| Cost of Sales | - | - | - | 480,506 | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | 318,342 | 237,993 | 144,596 | 534,374 |
| Total Expenditures | <u>-</u> | <u>294,410</u> | <u>1,812,993</u> | <u>1,100,992</u> | <u>318,342</u> | <u>237,993</u> | <u>144,596</u> | <u>534,374</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>(58,882)</u> | <u>(58,882)</u> | <u>21,384</u> | <u>(318,342)</u> | <u>(237,993)</u> | <u>(144,596)</u> | <u>(534,374)</u> |
| Other Financing Sources (Uses) | | | | | | | | |
| Proceeds of Long Term Debt | - | - | - | - | - | - | - | - |
| Interfund Transfers | - | 58,882 | 58,882 | - | 318,342 | - | - | - |
| Total Other Sources (Uses) | <u>-</u> | <u>58,882</u> | <u>58,882</u> | <u>-</u> | <u>318,342</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>21,384</u> | <u>-</u> | <u>(237,993)</u> | <u>(144,596)</u> | <u>(534,374)</u> |
| Fund Equity, Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>147,237</u> | <u>-</u> | <u>144,612</u> | <u>(38,598)</u> | <u>1,123,283</u> |
| Prior Period Adjustments | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Equity, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 168,621</u> | <u>\$ -</u> | <u>\$ (93,381)</u> | <u>\$ (183,194)</u> | <u>\$ 588,909</u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
 NON-MAJOR GOVERNMENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011**

| | <u>VA MS EXCEL H1012</u> | <u>Craig ES H2013</u> | <u>Craig ES EXCEL H2014</u> | <u>Glenclyff ES H3010</u> | <u>Glenclyff ES EXCEL H3011</u> | <u>Glenclyff ES EXCEL H3012</u> | <u>Glenclyff ES Roof H3013</u> | <u>Rosendale ES H4011</u> |
|---|----------------------------------|---------------------------|-------------------------------------|-------------------------------|---|---|--|-------------------------------|
| Revenues | | | | | | | | |
| Use of Money and Property | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sale of Property and Compensation for Loss | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - |
| State Sources | - | - | - | - | - | - | - | - |
| Federal Sources | - | - | - | - | - | - | - | - |
| Sales | - | - | - | - | - | - | - | - |
| Total Revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | | | | | |
| General Support | - | - | - | - | - | - | - | - |
| Instruction | - | - | - | - | - | - | - | - |
| Pupil Transportation | - | - | - | - | - | - | - | - |
| Employee Benefits | - | - | - | - | - | - | - | - |
| Cost of Sales | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Capital Outlay | 262,547 | 216,988 | 91,222 | 137,285 | 186,388 | 31,486 | 37,500 | 286,896 |
| Total Expenditures | <u>262,547</u> | <u>216,988</u> | <u>91,222</u> | <u>137,285</u> | <u>186,388</u> | <u>31,486</u> | <u>37,500</u> | <u>286,896</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(262,547)</u> | <u>(216,988)</u> | <u>(91,222)</u> | <u>(137,285)</u> | <u>(186,388)</u> | <u>(31,486)</u> | <u>(37,500)</u> | <u>(286,896)</u> |
| Other Financing Sources (Uses) | | | | | | | | |
| Proceeds of Long Term Debt | - | - | - | - | - | - | - | - |
| Interfund Transfers | - | - | - | - | - | 910,167 | - | - |
| Total Other Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>910,167</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses) | (262,547) | (216,988) | (91,222) | (137,285) | (186,388) | 878,681 | (37,500) | (286,896) |
| Fund Equity, Beginning of Year | (56,864) | 26,527 | (38,356) | 76,407 | (14,170) | (824,289) | - | (391,151) |
| Prior Period Adjustments | - | - | - | - | - | - | - | - |
| Fund Equity, End of Year | <u>\$ (319,411)</u> | <u>\$ (190,461)</u> | <u>\$ (129,578)</u> | <u>\$ (60,878)</u> | <u>\$ (200,558)</u> | <u>\$ 54,392</u> | <u>\$ (37,500)</u> | <u>\$ (678,047)</u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
 NON-MAJOR GOVERNMENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011**

| | Rosendale ES EXCEL H4012 | Gym Roof NHS H6022 | NHS EXCEL H6024 | Soil Remediation H6025 | Hillside ES H7011 | Hillside ES EXCEL H7012 |
|---|---|-----------------------------------|--------------------------------|---------------------------------------|------------------------------|--|
| Revenues | | | | | | |
| Use of Money and Property | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sale of Property and Compensation for Loss | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| State Sources | - | - | - | - | - | - |
| Federal Sources | - | - | - | - | - | - |
| Sales | - | - | - | - | - | - |
| Total Revenues | - | - | - | - | - | - |
| Expenditures | | | | | | |
| General Support | - | - | - | - | - | - |
| Instruction | - | - | - | - | - | - |
| Pupil Transportation | - | - | - | - | - | - |
| Employee Benefits | - | - | - | - | - | - |
| Cost of Sales | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Capital Outlay | 200,311 | - | (165,677) | 12,847 | 85,632 | 112,995 |
| Total Expenditures | 200,311 | - | (165,677) | 12,847 | 85,632 | 112,995 |
| Excess (Deficiency) of Revenues Over Expenditures | (200,311) | - | 165,677 | (12,847) | (85,632) | (112,995) |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds of Long Term Debt | - | - | - | - | - | - |
| Interfund Transfers | - | - | - | 734,189 | - | - |
| Total Other Sources (Uses) | - | - | - | 734,189 | - | - |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses) | (200,311) | - | 165,677 | 721,342 | (85,632) | (112,995) |
| Fund Equity, Beginning of Year | (38,403) | 5,082 | (102,835) | (634,879) | 28,799 | (36,981) |
| Prior Period Adjustments | - | - | - | - | - | - |
| Fund Equity, End of Year | \$ (238,714) | \$ 5,082 | \$ 62,842 | \$ 86,463 | \$ (56,833) | \$ (149,976) |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
 NON-MAJOR GOVERNMENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011**

| | <u>Iroquois MS H8013</u> | <u>Iroquois MS EXCEL H8014</u> | <u>Temperature Control System H9002</u> | <u>Technology H9003</u> | <u>Total Capital Projects</u> | <u>Total Non-Major</u> |
|---|------------------------------|--|---|-----------------------------|---------------------------------------|----------------------------|
| Revenues | | | | | | |
| Use of Money and Property | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,753 |
| Sale of Property and Compensation for Loss | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | 3,002 |
| State Sources | - | - | - | - | - | 253,989 |
| Federal Sources | - | - | - | - | - | 1,791,699 |
| Sales | - | - | - | - | - | 826,044 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,876,487</u> |
| Expenditures | | | | | | |
| General Support | - | - | - | - | - | 1,143,982 |
| Instruction | - | - | - | - | - | 970,426 |
| Pupil Transportation | - | - | - | - | - | 20,321 |
| Employee Benefits | - | - | - | - | - | 298,750 |
| Cost of Sales | - | - | - | - | - | 480,506 |
| Other | - | - | - | - | - | - |
| Capital Outlay | 511,771 | 56,541 | 256,161 | 418,000 | 3,974,198 | 3,974,198 |
| Total Expenditures | <u>511,771</u> | <u>56,541</u> | <u>256,161</u> | <u>418,000</u> | <u>3,974,198</u> | <u>6,888,183</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(511,771)</u> | <u>(56,541)</u> | <u>(256,161)</u> | <u>(418,000)</u> | <u>(3,974,198)</u> | <u>(4,011,696)</u> |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds of Long Term Debt | - | - | - | - | - | - |
| Interfund Transfers | - | - | - | - | 1,962,698 | 2,021,580 |
| Total Other Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,962,698</u> | <u>2,021,580</u> |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses) | <u>(511,771)</u> | <u>(56,541)</u> | <u>(256,161)</u> | <u>(418,000)</u> | <u>(2,011,500)</u> | <u>(1,990,116)</u> |
| Fund Equity, Beginning of Year | 293,934 | (38,757) | 114,682 | 113,128 | (288,829) | (141,592) |
| Prior Period Adjustments | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Equity, End of Year | <u>\$ (217,837)</u> | <u>\$ (95,298)</u> | <u>\$ (141,479)</u> | <u>\$ (304,872)</u> | <u>\$ (2,300,329)</u> | <u>\$ (2,131,708)</u> |

NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF CERTAIN REVENUES AND EXPENDITURES COMPARED TO ST-3 DATA
FOR THE YEAR ENDED JUNE 30, 2011

| | <u>Account Code</u> | | <u>ST-3 Amount</u> | | <u>Audited Amount</u> |
|-----------------------------------|-------------------------|----|------------------------|----|---------------------------|
| Revenue | | | | | |
| Property Taxes | A-1001 | \$ | 48,388,651 | \$ | 48,388,651 |
| Nonproperty Taxes | AT-1199 | | - | | - |
| State Aid | AT-3999 | | 19,943,460 | | 19,943,460 |
| Federal Aid | AT-4999 | | 1,082,128 | | 1,082,128 |
| Total Revenues and Other Sources | AT-5999 | | 71,849,757 | | 71,849,757 |
| | | | | | |
| Expenditures | | | | | |
| General Support | AT-1999 | | 8,991,150 | | 8,991,150 |
| Pupil Transportation | AT-5599 | | 4,270,754 | | 4,270,754 |
| Debt Service - Principal | AT-9798.6 | | 6,790,361 | | 6,790,361 |
| Debt Service - Interest | AT-9798.7 | | 3,452,804 | | 3,452,804 |
| Total Expenditures and Other Uses | AT-9999 | | 75,841,926 | | 75,841,926 |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
 SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO REVISED BUDGET -
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2011**

| | |
|--------------------------------|----------------------|
| Adopted Budget | \$ 76,453,731 |
| Add: Prior year's encumbrances | <u>922,677</u> |
| Original Budget | 77,376,408 |
| Budget revisions | <u>-</u> |
| Final Budget | <u>\$ 77,376,408</u> |

The 2011-2012 Budget is a Voter-approved Budget in the amount of: \$77,194,090

**SCHEDULE OF USE OF UNRESERVED FUND BALANCE AS
 OF BEGINNING OF YEAR - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2011**

| | |
|---|---------------------|
| A909 Unreserved Fund Balance as of Beginning of Year | \$ 5,754,197 |
| Less: | |
| A599 Appropriated Fund Balance Used for Levy of Taxes | <u>3,825,000</u> |
| Undesignated Fund Balance | <u>\$ 1,929,197</u> |

NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2011

| PROJECT TITLE | Original Appropriation | Revised Appropriation | Expenditures | | | Unexpended Balance | Methods of Financing | | | | Fund Balance June 30, 2011 |
|---|---------------------------|--------------------------|----------------------|---------------------|-----------------------|-----------------------|---|--------------------------------|---------------------|-----------------------|----------------------------------|
| | | | Prior Years | Current Year | Total | | Proceeds of Installment Purchase Debt | Serial Installment Bonds | Local Sources | Total | |
| Niskayuna High School Renovation Phase 1 SED Project # 6021 | \$ 31,290,628 | \$ 30,957,990 | \$ 29,140,730 | \$ 511,884 | \$ 29,652,614 | \$ 1,305,376 | \$ - | \$ 30,957,990 | \$ - | \$ 30,957,990 | \$ 1,305,376 |
| Niskayuna High School Renovation Phase 2 SED Project # 6023 | 21,981,870 | 20,879,566 | 17,014,685 | 4,189,115 | 21,203,800 | (324,234) | - | 20,879,566 | 3,000 | 20,882,566 | (321,234) |
| Major Projects -1/24/2006 Referendum | 53,272,498 | 51,837,556 | 46,155,415 | 4,700,999 | 50,856,414 | 981,142 | - | 51,837,556 | 3,000 | 51,840,556 | 984,142 |
| Birchwood Elementary School Renovation SED Project # 1007 | 5,379,093 | 5,278,064 | 5,133,452 | 237,993 | 5,371,445 | (93,381) | - | 5,278,064 | - | 5,278,064 | (93,381) |
| Craig Elementary School Renovation SED Project # 2013 | 6,414,749 | 5,916,560 | 5,940,797 | 216,988 | 6,157,785 | (241,225) | - | 5,916,560 | 50,764 | 5,967,324 | (190,461) |
| Glenciff Elementary School Renovation SED Project # 3010 | 5,967,802 | 5,540,025 | 5,510,701 | 137,285 | 5,647,986 | (107,961) | - | 5,540,025 | 47,083 | 5,587,108 | (60,878) |
| Rosendale Elementary School Renovation SED Project # 4011 | 5,382,710 | 5,288,216 | 5,707,869 | 286,896 | 5,994,765 | (706,549) | - | 5,288,215 | 28,503 | 5,316,718 | (678,047) |
| Hillside Elementary School Renovation SED Project # 7011 | 5,706,010 | 5,591,106 | 5,574,433 | 85,632 | 5,660,065 | (68,959) | - | 5,591,107 | 12,125 | 5,603,232 | (56,833) |
| Iroquois Middle School Renovation SED Project # 8013 | 4,335,639 | 3,515,642 | 3,221,708 | 511,771 | 3,733,479 | (217,837) | - | 3,515,642 | - | 3,515,642 | (217,837) |
| Van Antwerp Middle School Renovation SED Project # 1011 | 8,041,501 | 6,021,438 | 4,898,155 | 534,374 | 5,432,529 | 588,909 | - | 6,021,438 | - | 6,021,438 | 588,909 |
| District-wide Temperature Control System SED Project # 9002 | - | 2,605,095 | 2,490,412 | 256,161 | 2,746,573 | (141,478) | - | 2,605,094 | - | 2,605,094 | (141,479) |
| District-wide Technology Upgrades Project SED Project # 9003 | - | 2,906,300 | 2,793,911 | 418,000 | 3,211,911 | (305,611) | - | 2,906,300 | 739 | 2,907,039 | (304,872) |
| Non-Major Projects - 1/24/2006 Referendum | 41,227,504 | 42,662,446 | 41,271,436 | 2,685,100 | 43,956,536 | (1,294,092) | - | 42,662,445 | 139,214 | 42,801,659 | (1,154,879) |
| Total Projects -1/24/2006 Referendum | 94,500,002 | 94,500,002 | 87,426,853 | 7,386,099 | 94,812,952 | (312,950) | - | 94,500,001 | 142,214 | 94,642,215 | (170,737) |
| Niskayuna High School Gym Roof SED Project # 6022 | 300,000 | 300,000 | 294,918 | - | 294,918 | 5,082 | - | - | 300,000 | 300,000 | 5,082 |
| Birchwood Elementary School EXCEL SED Project # 1008 | - | 485,468 | 382,824 | 144,596 | 527,420 | (41,952) | - | 343,226 | 1,000 | 344,226 | (183,194) |
| Craig Elementary School EXCEL SED Project # 2014 | - | 474,371 | 374,136 | 91,222 | 465,358 | 9,013 | - | 335,380 | 400 | 335,780 | (129,578) |
| Glenciff Elementary School EXCEL SED Project # 3011 | - | 474,371 | 349,950 | 186,388 | 536,338 | (61,967) | - | 335,380 | 400 | 335,780 | (200,556) |
| Rosendale Elementary School EXCEL SED Project # 4012 | - | 485,546 | 382,884 | 200,311 | 583,195 | (97,649) | - | 343,281 | 1,200 | 344,481 | (238,714) |
| Hillside Elementary School EXCEL SED Project # 7012 | - | 464,133 | 366,123 | 112,995 | 479,118 | (14,985) | - | 328,142 | 1,000 | 329,142 | (149,976) |
| Iroquois Middle School EXCEL SED Project # 8014 | - | 490,235 | 386,553 | 56,541 | 443,094 | 47,141 | - | 346,596 | 1,200 | 347,796 | (95,298) |
| Van Antwerp Middle School EXCEL SED Project # 1012 | - | 670,527 | 531,326 | 262,547 | 793,873 | (123,346) | - | 474,062 | 400 | 474,462 | (319,411) |
| Niskayuna High School EXCEL SED Project # 6024 | 4,706,276 | 1,161,625 | 924,504 | (165,677) | 758,827 | 402,798 | - | 821,269 | 400 | 821,669 | 62,842 |
| Total Projects - 2/27/2007 EXCEL Referendum | 4,706,276 | 4,706,276 | 3,698,300 | 888,923 | 4,587,223 | 119,053 | - | 3,327,336 | 6,000 | 3,333,336 | (1,253,887) |
| Soil Remediation Project SED Project # 6025 | 454,850 | 1,189,039 | 1,089,729 | 12,847 | 1,102,576 | 86,463 | - | - | 1,189,039 | 1,189,039 | 86,463 |
| Glenciff Sewer Project SED Project # 3012 | 849,415 | 910,167 | 824,289 | 31,486 | 855,775 | 54,392 | - | - | 910,167 | 910,167 | 54,392 |
| Glenciff Roof Project SED Project # 3013 | 37,500 | 37,500 | - | 37,500 | 37,500 | - | - | - | - | - | (37,500) |
| Bus Facility Building Lease SED Project # N/A | 318,342 | 318,342 | - | 318,342 | 318,342 | - | - | - | 318,342 | 318,342 | - |
| Other Non-Major Projects | 6,666,383 | 7,461,324 | 5,907,236 | 1,289,098 | 7,196,334 | 264,990 | - | 3,327,336 | 2,723,548 | 6,050,884 | (1,145,450) |
| Totals | \$ 101,166,385 | \$ 101,961,326 | \$ 93,334,089 | \$ 8,675,197 | \$ 102,009,286 | \$ (47,960) | \$ - | \$ 97,827,337 | \$ 2,865,762 | \$ 100,693,099 | \$ (1,316,187) |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT
JUNE 30, 2011**

| | | |
|--|----------------|------------------------------------|
| Capital Assets, Net | | \$ 105,782,585 |
| Add: | | |
| Capital projects fund - cash and investments | <u>85,795</u> | <u>85,795</u> |
| Deduct: | | |
| Short-term portion of bonds payable | \$ (6,818,672) | |
| Long-term portion of bonds payable | (86,500,100) | |
| Short-term portion of capital leases | (73,499) | |
| Long-term portion of capital leases | <u>-</u> | <u>(93,392,271)</u> |
| Investment in Capital Assets, Net of Related Debt | | \$ <u><u>12,476,109</u></u> |



Marvin and
company, p.c.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**INDEPENDENT AUDITORS' 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**

Kevin J. McCoy

Thomas W. Donovan

Frank S. Venezia

James E. Amell

Carol A. Hausamann

Benjamin R. Lasher

Daniel J. Litz

Karl F. Newton

Kevin P. O'Leary

Timothy A. Reynolds

To the President and Members of the Board of Education
Niskayuna Central School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Niskayuna Central School District (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December, 28, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards 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

Management of the Niskayuna Central School District is responsible for establishing and maintaining effective control over financial reporting. In planning and performing our audit, we considered the 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 the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies 2011-01 and 2011-02 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Niskayuna 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, audit committee, the Board of Education 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.

Marvin and Company, P.C.

December 28, 2011

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NISKAYUNA, NEW YORK
SINGLE AUDIT
SUPPLEMENTARY FINANCIAL REPORT
JUNE 30, 2011**

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NISKAYUNA, NEW YORK
SINGLE AUDIT**

TABLE OF CONTENTS

| | PAGE |
|---|-------------|
| INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 1-2 |
| SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 3 |
| NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 4 |
| SCHEDULE OF FINDINGS AND QUESTIONED COSTS | 5-8 |
| SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS | 9 |



Marvin and
company, p.c.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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To the Board of Education of
Niskayuna Central School District
Niskayuna, New York

Compliance

We have audited Niskayuna Central School District's (the District) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. Niskayuna 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 the District's management. Our responsibility is to express an opinion on the Niskayuna Central School District's compliance based on our audit.

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

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In our opinion, the Niskayuna Central School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 2011-03.



Internal Control Over Compliance

Management of the Niskayuna 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 the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Niskayuna Central School District as of and for the year ended June 30, 2011, and have issued our report thereon dated December 28, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Niskayuna Central School District's 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 (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

This report is intended solely for the information and use of the Board of Education, management, 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.

Marvin and Company, P.C.

December 28, 2011

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NISKAYUNA, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

| Federal Grantor/Pass-Through Grantor Program Title | Federal CFDA Number | Pass- Through Grantor's Number | Total Federal Expenditures |
|---|------------------------------------|---|---|
| <u>U.S. Department of Agriculture</u> | | | |
| Passed Through the New York State Agriculture Department: | | | |
| Food Distribution | 10.550 | Not Applicable | \$ 77,477 |
| School Breakfast Program | 10.553 | Not Applicable | 17,374 |
| National School Lunch Program | 10.555 | Not Applicable | <u>178,265</u> |
| Total U.S. Department of Agriculture | | | <u>273,116</u> |
| <u>U.S. Department of Education</u> | | | |
| Passed Through the New York State Education Department: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | 021-01-2740 | 139,029 |
| ARRA - State Fiscal Stabilization Fund – Education | | | |
| State Grants, Recovery Act | 84.394 | 5000-10-2740 | 1,082,128 |
| ARRA – Special Education Grants to States, | | | |
| Recovery Act | 84.391 | 5032-10-0830 | 456,330 |
| ARRA – Special Education – Preschool Grants, | | | |
| Recovery Act | 84.392 | 5033-10-0830 | 21,071 |
| Educational Technology State Grants | 84.318 | 0292-10-2740 | 1,099 |
| English Language Acquisition Grants | 84.365 | 0149-11-2740 | 18,865 |
| Special Education - Preschool Grants | 84.173 | 0033-18-0830 | 18,121 |
| Special Education - Grants to States | 84.027 | 0032-10-0830 | 754,939 |
| Safe and Drug-Free Schools and Communities – | | | |
| State Grants | 84.186 | 0180-10-2740 | 2,943 |
| School Leadership Program | 84.363A | 0063-09-0136 | 13,442 |
| Improving Teacher Quality State Grants | 84.367 | 0147-10-2740 | <u>92,744</u> |
| Total U.S. Department of Education | | | <u>2,600,711</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 2,873,827</u> |

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NISKAYUNA, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information 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 financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

2. SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133

The Niskayuna Central School District is an independent municipal corporation. All Federal grant awards of the District are included in the scope of the single audit.

3. FOOD DONATION

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2011, the School District received food commodities totaling \$77,477.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NISKAYUNA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes 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 OMB Circular A-133? yes no

Identification of major programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|--------------------------------|--|
| 84.394 | State Fiscal Stabilization Fund- Education State Fund |
| 84.027, 84.173, 84.391, 84.392 | Special Education Program Cluster |

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes no

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NISKAYUNA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section II: Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with government auditing standards:

Material Weakness

2011-01 Finance Manager Access

Statement of Condition: We noted that both the Assistant Superintendent of Business and the Accounting Supervisor have full access to Finance Manager and are the system administrators of the software. These rights give them the ability to change their own access along with the access of all other users.

Criteria: Internal Controls should be in place to provide adequate segregation of duties.

Cause of Condition: The District has not completed the process of evaluating who should maintain system administrator rights.

Effect: The Assistant Superintendent of Business and the Accounting Supervisor perform incompatible functions and duties.

Recommendation: Ideally, system administrator rights should be held by someone outside of the accounting department. If this is not feasible, we recommend the following: 1) access to transaction screens, data tables or master files should be restricted to only those areas necessary to perform daily job functions; read-only access can be allowed for the remaining areas; and 2) each of the system administrators be prevented from changing their own access rights within the software. This will ensure that controls established in step 1) are not able to be negated. We also recommend that the Internal Claims Auditor review the change reports generated from Finance Manager and document and retain this review.

Management Response:

The District has contacted the software designer to request that additional safeguards being created to limit the system administrator(s) ability to change their own access within the financial software package, and requested changes have yet to be made. The District will also consider transferring administrative rights to the IT manager. To mitigate risk in the future, the District's Claims Auditor will sample the system administrator's activities through the audit trail feature within Finance Manager and/or review journal entries initiated by either of the two individuals.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NISKAYUNA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section II: Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with government auditing standards:

Material Weakness

2011-02 Segregation of Duties over Payroll Processing

Statement of Condition: We noted that multiple employees involved with the payroll function have the ability to make demographic and payroll related changes. Also noted one of these employees is responsible for printing checks.

Criteria: Internal controls should be in place to provide adequate segregation of duties.

Cause of Condition: A compensating control over this condition is having the claims auditor review payroll transactions regularly on a test basis. Through discussion with management, this review was not done in the current year audited.

Effect: There exists the possibility of incorrect or falsified payroll data.

Recommendation: Implement a plan to properly segregate payroll duties, especially the check printing and payroll change abilities. While the benefit of total segregation of duties may not be cost effective to the district, there exists compensating controls to mitigate the effect of the condition. As discussed above, the procedures developed and performed by the claims auditor over payroll transactions done in prior years should be done a regular basis going forward as a check on the payroll department.

Management Response:

The District is working with its software provider to further restrict employees' access in Finance Manger.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NISKAYUNA, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Section III: Federal Award Findings and Questioned Costs

Findings and questioned costs for Federal awards as defined in OMB Circular A-133 Section __.510a:

2011-03 Certification of Salaries Charged to the Special Education Program Cluster

Statement of Condition: Our audit procedures revealed that an employee whose salary is paid through the Special Education Program Cluster was not submitting the required semi-annual payroll certifications.

Criteria: Employees working on a federally funded program, or their supervisor, must periodically certify that they are aware that they are in fact working on a program that is federally funded. These certifications should be prepared at least semi-annually and should be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. For employees working on multiple activities or cost objectives, a distribution of their salaries or wages should be supported by personnel activity reports or equivalent documentation and the employee must certify monthly.

Cause of Condition: The District was unable to obtain a signed certification from the employee after a few attempts.

Effect: The District was not in compliance with the employee certification requirement for Special Education employees.

Recommendation: We recommend that the District follow through with their established procedures to ensure that required certifications are obtained and retained. In this instance, the supervisor could also have certified that the employee was working in the federally funded program.

Management Response:

The District has already instituted a process to ensure that employee certifications are obtained as required. They will continue to follow up with employees in order to remain in compliance with OMB Circular A-133 guidelines.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NISKAYUNA, NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011**

Finding 2010-01 Finance Manager Access

Current Status

This finding was not addressed during 2010/11 as both individuals are still system administrators to the Finance Manager software. It will be repeated as Finding 2011-01.

Finding 2010-02 Certification of Salaries Charged to Federal Programs

Current Status

During the current year one instance was noted where an individual's certification could not be located. The remaining individuals tested all had the required teacher certifications. Repeated as 2011-03.