

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK

AUDIT REPORT FOR THE FISCAL YEAR ENDED
JUNE 30, 2011
INCLUDING REPORTS ON FEDERAL AWARDS
AND EXTRACLASROOM ACTIVITY FUNDS

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
JUNE 30, 2011
TABLE OF CONTENTS

<u>SCHEDULE NUMBER</u>	<u>SCHEDULES</u>	<u>PAGE</u>
	Independent Auditor's Report	1 - 2
	Management Discussion and Analysis	3 - 13
1	Statement of Net Assets	14
2	Statement of Activities and Changes in Net Assets	15
3	Balance Sheet - Governmental Funds	16
4	Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets	17
5	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
6	Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities and Changes in Net Assets	19
7	Statement of Fiduciary Net Assets	20
8	Statement of Changes in Fiduciary Net Assets	21
	Notes to Financial Statements	22 - 48
 <u>SUPPLEMENTAL SCHEDULES</u>		
SS-1	Schedule of Funding Progress – Other Post Employment Benefits	49
SS-2	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	50 - 51
SS-3	Schedule of Change from Adopted Budget to Revised Budget and Use of Unassigned Fund Balance - General Fund	52
SS-4	Schedule of Capital Projects Fund - Project Expenditures and Financing Resources	53
SS-5	Schedule of Certain Revenues and Expenditures Compared to ST-3 Data	54
SS-6	Investment in Capital Assets, Net of Related Debt	55
 <u>REPORT ON FEDERAL AWARDS</u>		
	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards	56 – 57
	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	58 – 59
	Schedule of Expenditures of Federal Awards	60
	Notes to the Schedule of Expenditures of Federal Awards	61
	Schedule of Findings and Questioned Costs	62 - 63
 <u>REPORT ON EXTRACLASSROOM ACTIVITY FUNDS</u>		
	Independent Auditor's Report	64
	Statement of Assets, Liabilities and Fund Balance - Cash Basis	65
	Summary of Receipts and Disbursements - Cash Basis	66
	Notes to Financial Statements	67



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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Irvington Union Free School District
Irvington, New York

Patrick M. Bullis, CPA
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— CONSULTANT —
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We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary funds of the Irvington Union Free School District, as of and for the year ended June 30, 2011, which collectively comprise the Irvington Union Free School District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Irvington Union Free School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 fiduciary funds of the Irvington Union Free School District, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

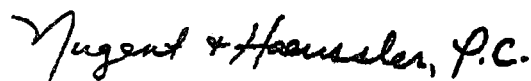
As discussed in Note 1 to the financial statements, the District implemented Governmental Accounting Standards Board Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions, which clarifies the existing fund type definitions and provides clearer fund balance categories and classifications.

In accordance with Government Auditing Standards, we have also issued our report dated September 26, 2011, on our consideration of the Irvington Union Free School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 13 and 49 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Irvington Union Free School District's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplemental schedules on pages 52 through 55 were required by the New York State Education Department. All of the supplemental schedules have 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,



NUGENT & HAEUSSLER, P.C.

September 26, 2011

IRVINGTON UNION FREE SCHOOL DISTRICT

Management Discussion and Analysis

Introductory Section

The following is a discussion and analysis of Irvington Union Free School District's financial performance for the fiscal year ended June 30, 2011. The section is a summary of the Irvington Union Free School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2011 are as follows:

- New York State Law limits the amount of unreserved fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the undesignated fund balance of the General Fund was \$2,012,996, and within the statutory limit.

Overview of the Financial Statements

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

IRVINGTON UNION FREE SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Figure A-1 Major Features of the District-Wide and Fund Financial Statements			
		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Assets • Statement of Changes in Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Financial Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net assets and how they have changed. Net assets, the difference between the District's assets and liabilities, is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

IRVINGTON UNION FREE SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

Fund Financial Statements

In the district-wide financial statements, the District's activities are shown as *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to 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).

The District has two kinds of funds:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can 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 district-wide 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 district-wide financial statements because it cannot use these assets to finance its operations.

IRVINGTON UNION FREE SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Financial Analysis of the District as a Whole

The District's net assets at June 30, 2011 are (\$11,827,650). This is a decrease of \$5,196,705 from last year's net assets of (\$6,630,945). The following table provides a summary of the District's net assets:

Summary of Net Assets

	<u>School District Activities</u>	
	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Current Assets	\$ 9,553,951	\$ 16,247,086
Capital Assets, Net	49,504,130	50,954,897
Total Assets	<u>59,058,081</u>	<u>67,201,983</u>
Current Liabilities	7,404,878	12,984,875
Long-Term Debt Outstanding	<u>63,480,853</u>	<u>60,848,053</u>
Total Liabilities	<u>70,885,731</u>	<u>73,832,928</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	7,646,759	7,504,804
Restricted	2,279,764	2,929,263
Unrestricted	<u>(21,754,173)</u>	<u>(17,065,012)</u>
Total Net Assets (Deficit)	<u>\$ (11,827,650)</u>	<u>\$ (6,630,945)</u>

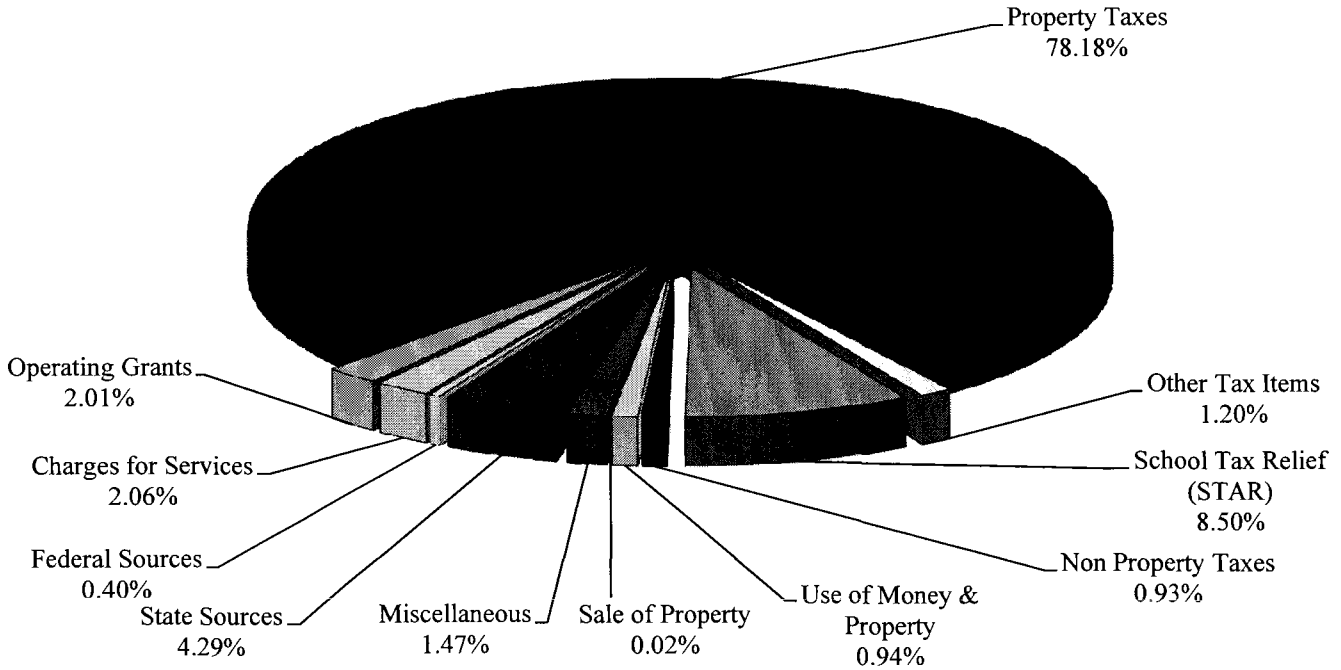
The following table and supporting graphs provides a summary of revenues, expenses and changes in net assets for the year ended June 30, 2011:

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET ASSETS

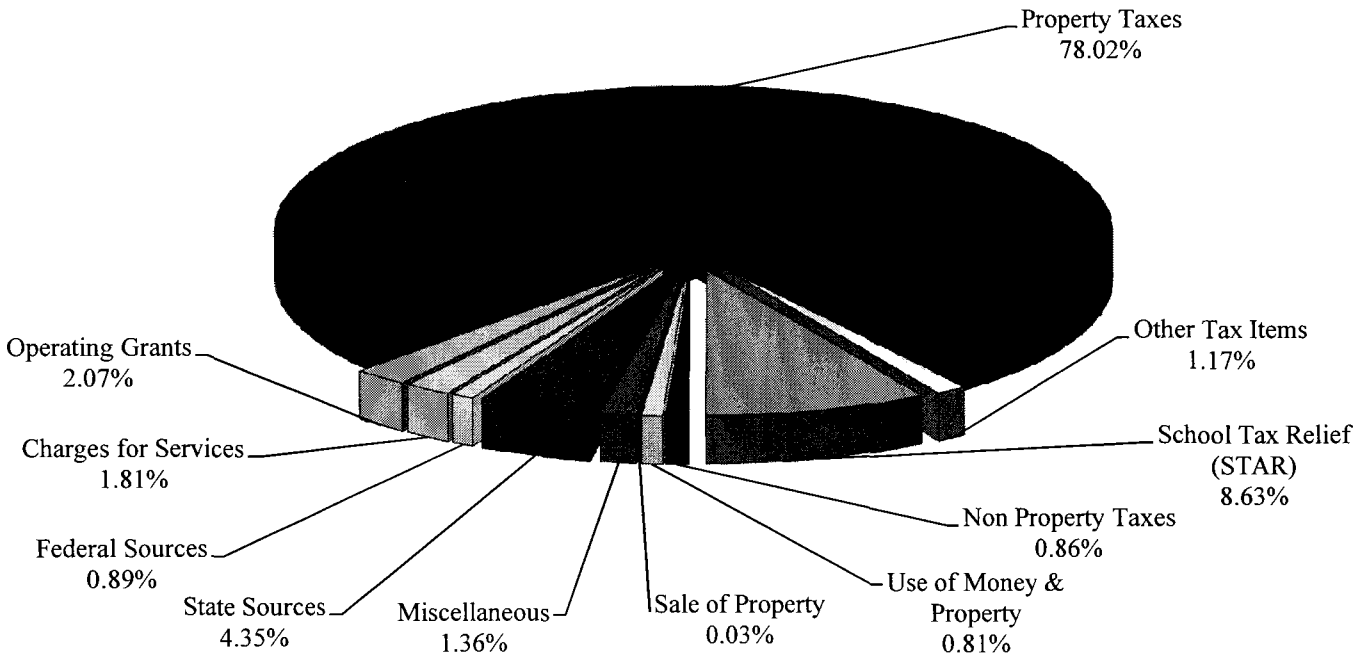
	<u>JUNE 30, 2011</u>	<u>%</u>	<u>JUNE 30, 2010</u>	<u>%</u>
<u>REVENUES</u>				
PROGRAM REVENUES:				
Charges for Services	\$ 1,045,835	2.06%	\$ 938,504	1.81%
Operating Grants	1,019,924	2.01%	1,072,477	2.07%
GENERAL REVENUES:				
Property Taxes	39,746,575	78.18%	40,489,686	78.02%
Other Tax Items	609,442	1.20%	607,593	1.17%
School Tax Relief (STAR)	4,319,116	8.50%	4,479,409	8.63%
Non Property Taxes	473,199	0.93%	444,696	0.86%
Use of Money & Property	475,538	0.94%	418,653	0.81%
Sale of Property	9,352	0.02%	13,792	0.03%
Miscellaneous	749,242	1.47%	708,150	1.36%
State Sources	2,179,216	4.29%	2,258,509	4.35%
Federal Sources	201,049	0.40%	461,732	0.89%
 TOTAL REVENUES	 <u>50,828,488</u>	 <u>100.00%</u>	 <u>51,893,201</u>	 <u>100.00%</u>
 <u>EXPENSES</u>				
General Support	6,995,616	12.49%	5,606,657	10.47%
Instruction	27,755,605	49.54%	27,378,196	51.12%
Pupil Transportation	2,266,204	4.04%	2,137,662	3.99%
Employee Benefits	14,090,359	25.15%	13,454,672	25.12%
Debt Service Interest	2,288,965	4.09%	2,413,339	4.51%
Debt Service Amortization	51,838	0.09%	51,838	0.10%
Depreciation	2,070,309	3.70%	2,037,138	3.80%
School Lunch Program	506,297	0.90%	476,494	0.89%
 TOTAL EXPENSES	 <u>56,025,193</u>	 <u>100.00%</u>	 <u>53,555,996</u>	 <u>100.00%</u>
 INCREASE (DECREASE) IN NET ASSETS	 <u>\$ (5,196,705)</u>		 <u>\$ (1,662,795)</u>	

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK

**SOURCES OF REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

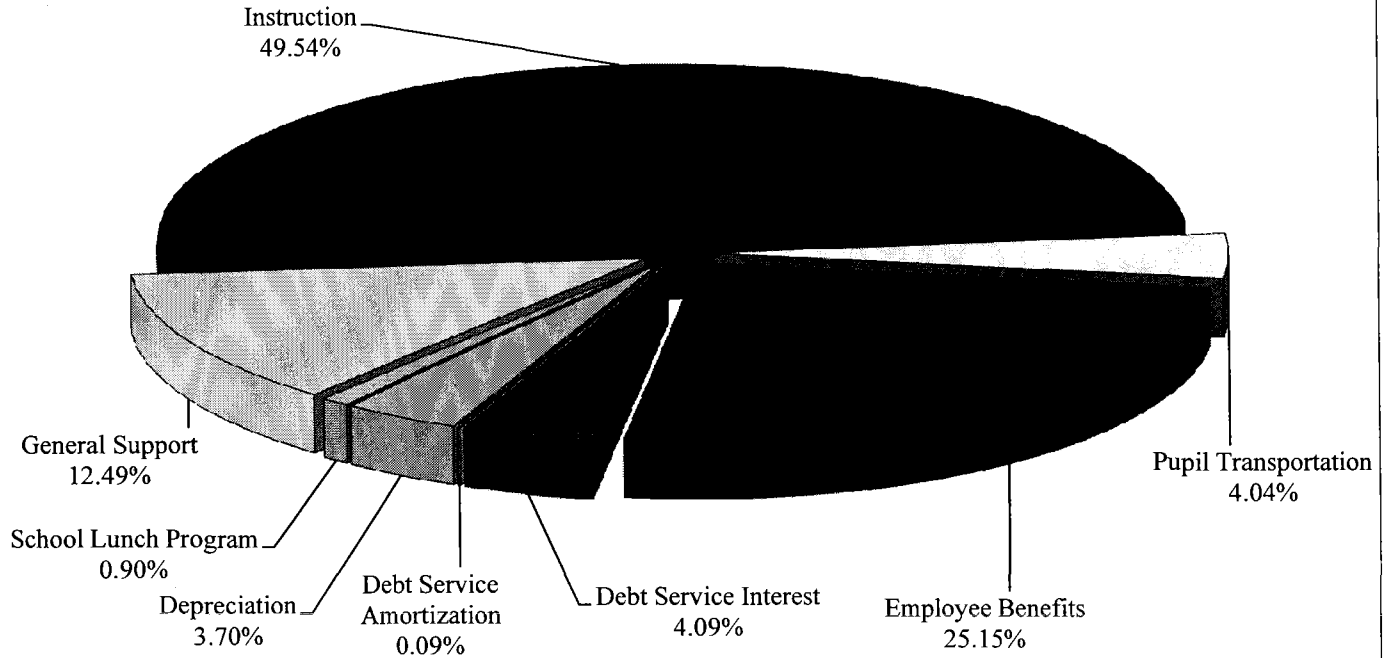


**SOURCES OF REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

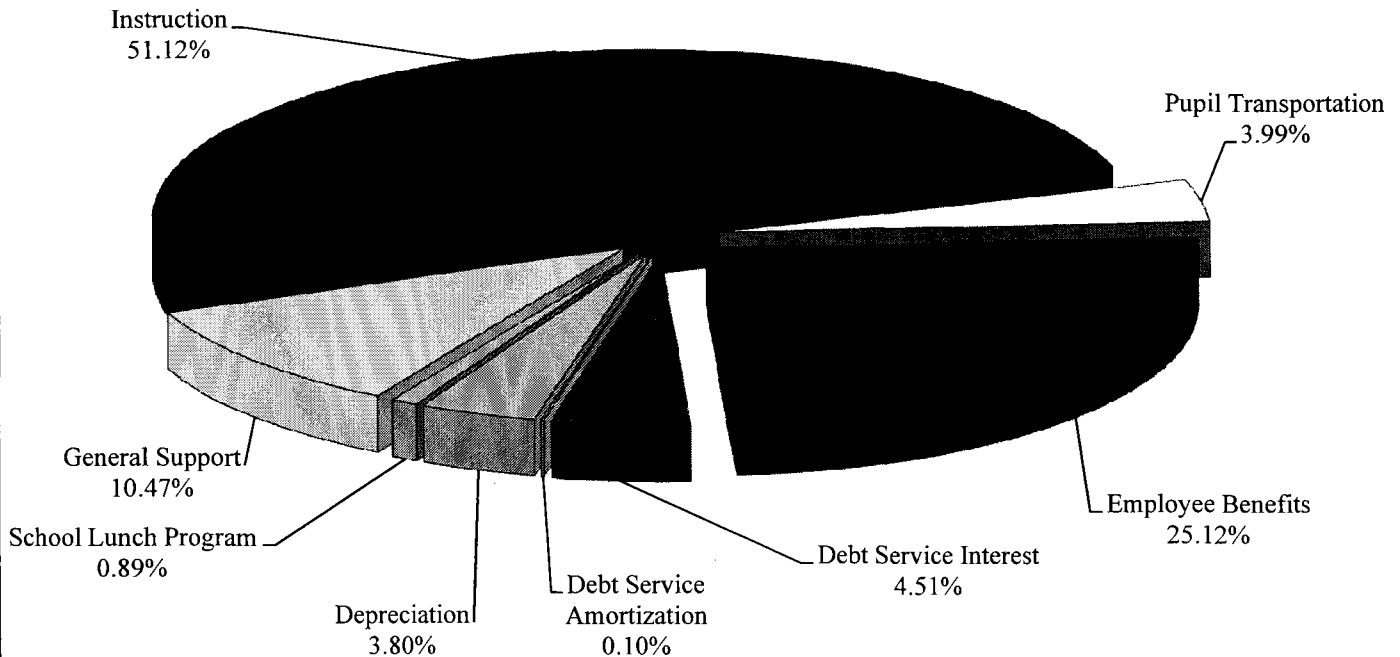


IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK

EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2011



EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2010

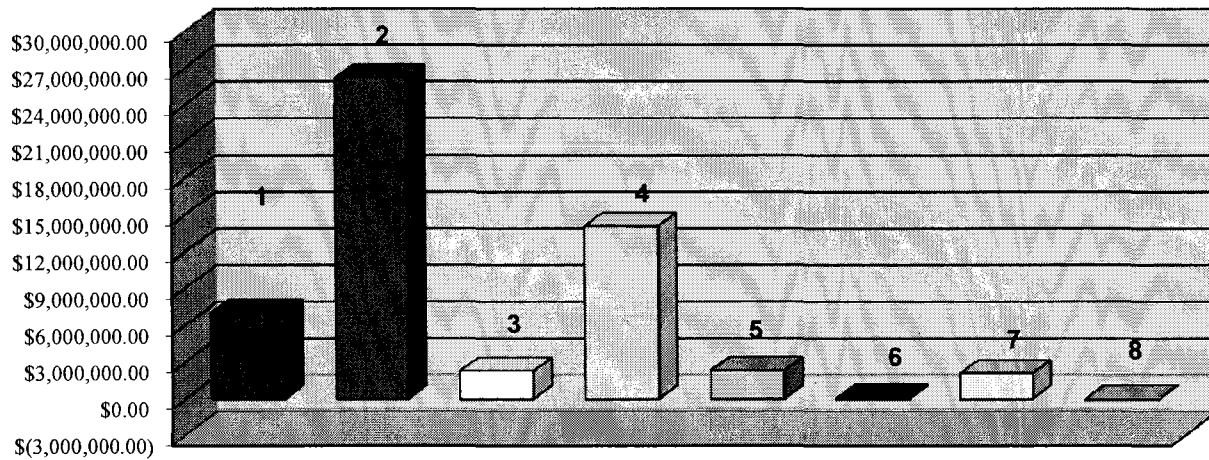


IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
STATEMENT OF ACTIVITIES
NET COSTS

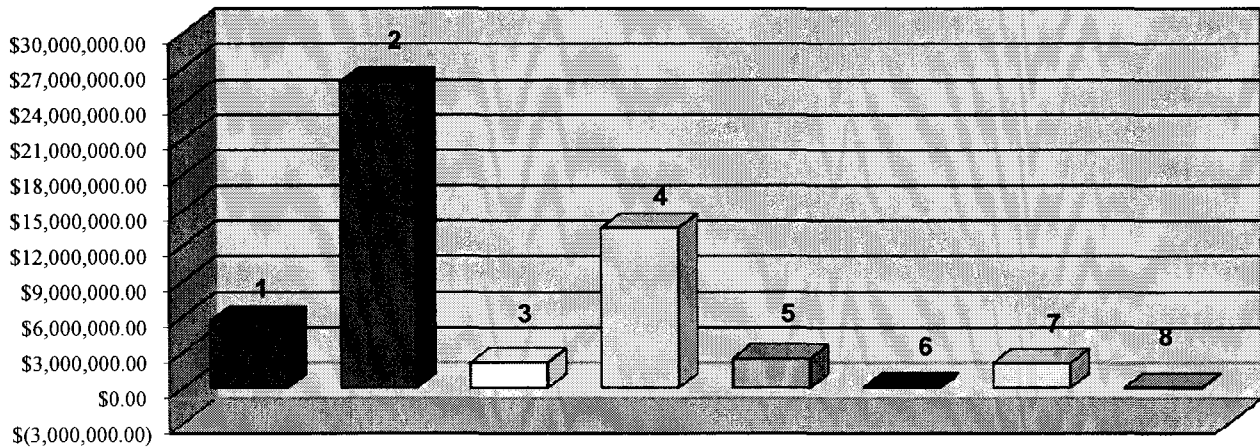
The following information is provided to disclose the net cost of governmental activities:

	TOTAL COST OF SERVICES 2010-2011	NET COST OF SERVICES 2010-2011	TOTAL COST OF SERVICES 2009-2010	NET COST OF SERVICES 2009-2010
General Support	\$ 6,995,616	\$ 6,995,616	\$ 5,606,657	\$ 5,606,657
Instruction	27,755,605	26,202,361	27,378,196	25,886,652
Pupil Transportation	2,266,204	2,266,204	2,137,662	2,114,273
Employee Benefits	14,090,359	14,090,359	13,454,672	13,454,672
Debt Service - Interest	2,288,965	2,288,965	2,413,339	2,413,339
Debt Service - Amortization	51,838	51,838	51,838	51,838
Depreciation	2,070,309	2,070,309	2,037,138	2,037,138
School Lunch Program	506,297	(6,218)	476,494	(19,554)
	<u>\$ 56,025,193</u>	<u>\$ 53,959,434</u>	<u>\$ 53,555,996</u>	<u>\$ 51,545,015</u>

NET COSTS 2010-2011



NET COSTS 2009-2010



IRVINGTON UNION FREE SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Financial Analysis of the District's Funds

As discussed, the District's governmental funds are reported in the fund statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the District consist of the General Fund, Special Aid Fund, School Lunch Fund, Debt Service Fund and Capital Projects Fund. The total fund balances allocated between restricted, assigned, and unassigned fund balance for each of these funds is as follows:

	June 30, 2011			
	Restricted	Assigned	Unassigned	Total
General	\$ 2,279,764	\$ 419,037	\$ 2,012,996	\$4,711,797
Special Aid	0	0	0	0
School Lunch	0	62,205	0	62,205
Capital Projects	0	510,049	0	510,049
Debt Service	0	3,033	0	3,033
	<u>\$ 2,279,764</u>	<u>\$ 994,324</u>	<u>\$ 2,012,996</u>	<u>\$5,287,084</u>

	June 30, 2010			
	Restricted	Assigned	Unassigned	Total
General	\$ 2,929,263	\$ 645,892	\$ 1,994,789	\$5,569,944
Special Aid	0	1,073	(1,073)	0
School Lunch	0	55,929	0	55,929
Capital Projects	0	740,449	0	740,449
Debt Service	0	9,236	0	9,236
	<u>\$ 2,929,263</u>	<u>\$1,452,579</u>	<u>\$ 1,993,716</u>	<u>\$6,375,558</u>

General Fund Budgetary Highlights

The original budget for the General Fund was revised by \$1,803,209 during the year. The supplemental appropriations principally consisted of money appropriated from the Tax Certiorari Reserve and an increase in the appropriations for employee benefits.

In the General Fund for the fiscal year ended June 30, 2011, actual revenues were under the revised budgeted revenues by \$98,505 (-0.20%). Revenue sources significantly under budget were State sources by \$408,361 (-14.94%) due to a mid-year reduction in state aid, and real property taxes by \$436,565 (-1.09%) due to refunds of current year revenue for tax certiorari settlements. Actual expenditures and encumbrances were less than the revised budgeted expenditures by \$1,555,423 (2.99%). Once again, the District kept fiscal restraints on purchases.

For fiscal year 2011-2012, the District has appropriated \$285,000 of fund balance to reduce the tax levy.

Factors that continue to affect the budget process are as follows:

- New York State Aid Revenues may be impacted due to state wide budget cuts.
- Tax Certiorari settlement (refund and reductions in assessed values)
- Cost of Employee Benefits, such as, Health Benefits, Teachers and Employees Retirement continue to rise.

Management believes that the budget adopted for 2011-2012 is reasonably adaptable to any adverse changes that may arise based on the above factors.

IRVINGTON UNION FREE SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

During the 2010-2011 school year, the New York State Legislature enacted legislation, Chapter 97 of the Laws of 2011 that establishes a “property tax cap” on the amount that a school district’s property tax levy can increase each year. This new legislation specifies that property taxes levied by a school district generally cannot increase by more than two percent, or the rate of inflation, whichever is less. The law does allow school districts to levy an additional amount for certain excludable expenditures. School districts can adopt a tax levy that exceeds the statutory limit, if the budget that is presented to the public is approved by sixty percent of the votes cast. The legislation will take effect beginning with the 2012-2013 school year.

Other Fund Highlights

The School Lunch Program Fund ended the year with a fund balance of \$62,205. The revenues exceeded expenditures by \$6,276. The District plans to use the fund balance to pay for future school lunch expenditures.

The Capital Projects Fund ended the year with a fund balance of \$510,049. The District plans to use this fund balance for the approved master plan and EXCEL Aid capital projects which have not yet been completed.

Debt Service Fund ended the year with a fund balance of \$3,033. This fund balance will be appropriated in future years to offset principal and interest payments.

Capital Asset and Debt Administration

Capital Assets

The District’s investment in capital assets, net of accumulated depreciation as of June 30, 2011, was \$49,504,130. The District expended \$619,542 to acquire and construct capital assets during the fiscal year ended June 30, 2011, and depreciation expense for the fiscal year was \$2,070,309. The District’s investment in capital assets, net of accumulated depreciation as of June 30, 2010 was \$50,954,897.

CAPITAL ASSETS
Net of Accumulated Depreciation

	<u>School District Activities</u>	
	<u>June 30, 2011</u>	<u>June 30, 2010</u>
<u>Non-Depreciable Assets:</u>		
Land	\$ 793,200	\$ 793,200
Construction in Progress	0	523,505
 <u>Depreciable Assets:</u>		
Land Improvements	3,170,242	3,088,307
Building and Improvements	45,293,871	46,282,172
Furniture and Equipment	246,817	267,713
TOTALS	<u>\$ 49,504,130</u>	<u>\$ 50,954,897</u>

IRVINGTON UNION FREE SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Long-Term Debt

At the end of the fiscal year, the District had total bonded debt outstanding of \$49,110,000. This amount is backed by the full faith and credit of the Irvington Union Free School District with debt service fully funded by voter approved property taxes. Activity in bonded debt outstanding during the fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>
Refunding Bonds	\$ 1,640,000	\$ 0	\$ 535,000	\$ 1,105,000
School District Renovations	12,620,000	0	815,000	11,805,000
Refunding Bonds	30,470,000	0	775,000	29,695,000
Tax Certiorari Refunds	1,450,000	0	270,000	1,180,000
Tax Certiorari Refunds	3,950,000	0	235,000	3,715,000
Tax Certiorari Refunds	1,700,000	0	90,000	1,610,000
	<u>51,830,000</u>	<u>0</u>	<u>2,720,000</u>	<u>49,110,000</u>
Less: Deferred Amount from Refunding	<u>(480,440)</u>	<u>0</u>	<u>(41,626)</u>	<u>(438,814)</u>
Total Bonded Debt Outstanding	<u>\$ 51,349,560</u>	<u>\$ 0</u>	<u>\$ 2,678,374</u>	<u>\$ 48,671,186</u>

Bond Ratings

Moody's Investors Service ("Moody's") has assigned a rating of A1 to outstanding uninsured bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

Contacting the District's Financial Management

This financial report is designed 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 money it receives. If you have questions about this report or need additional financial information, contact Beverly Miller, Assistant Superintendent for Business, at the District's business offices at 40 North Broadway, Irvington, New York, 10533.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
STATEMENT OF NET ASSETS
GOVERNMENTAL ACTIVITIES
JUNE 30, 2011

ASSETS

Unrestricted Cash	\$ 7,850,046
Restricted Cash	47,970
State & Federal Aid Receivable	882,930
Due from Other Governments	431,363
Due from Fiduciary Funds	7,766
Other Receivables, Net	25,061
Deferred Charges	308,815
Capital Assets, Net	49,504,130
	<hr/>
TOTAL ASSETS	59,058,081

LIABILITIES

Accounts Payable	126,481
Accrued Liabilities	1,772,901
Due to Other Governments	86,755
Due to Teachers' Retirement System	2,134,249
Due to Employees' Retirement System	228,532
Retained Percentages	191,349
Other Liabilities	16
Deferred Revenues	1,414
Long-term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable	2,845,000
State Loan Payable	18,181
Due and Payable In More Than One Year:	
Bonds Payable	45,826,186
State Loan Payable	63,147
Compensated Absences	734,202
Other Postemployment Benefits	16,857,318
	<hr/>
TOTAL LIABILITIES	70,885,731

NET ASSETS

Investment in Capital Assets, Net of Related Debt	832,944
Restricted (See Note 1)	2,279,764
Unrestricted	(14,940,358)
	<hr/>
TOTAL NET ASSETS (DEFICIT)	\$ (11,827,650)

See notes to financial statement.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS</u>
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS</u>	
<u>FUNCTIONS & PROGRAMS</u>				
General Support	\$ (9,869,524)	\$ 0	\$ 0	\$ (9,869,524)
Instruction	(41,034,343)	570,701	982,543	(39,481,099)
Pupil Transportation	(2,266,204)	0	0	(2,266,204)
Debt Service - Interest	(2,288,965)	0	0	(2,288,965)
Debt Service - Amortization	(51,838)	0	0	(51,838)
School Lunch Program	(514,319)	475,134	37,381	(1,804)
TOTAL FUNCTIONS & PROGRAMS	<u>\$ (56,025,193)</u>	<u>\$ 1,045,835</u>	<u>\$ 1,019,924</u>	<u>(53,959,434)</u>
 <u>GENERAL REVENUES</u>				
Real Property Taxes				39,746,575
Other Tax Items				4,928,558
Non Property Taxes				473,199
Use of Money & Property				475,538
Sale of Property & Compensation for Loss				9,352
Miscellaneous				749,242
State Sources				2,179,216
Federal Sources				201,049
TOTAL GENERAL REVENUES				<u>48,762,729</u>
CHANGE IN NET ASSETS				(5,196,705)
NET ASSETS (DEFICIT), BEGINNING OF YEAR				<u>(6,630,945)</u>
NET ASSETS (DEFICIT), END OF YEAR				<u>\$ (11,827,650)</u>

See notes to financial statement.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011

	<u>GENERAL</u>	<u>SPECIAL AID</u>	<u>SCHOOL LUNCH</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>						
Cash	7,103,396	\$ 112,060	\$ 21,788	554,986	105,786	\$ 7,898,016
State & Federal Aid Receivable	325,763	555,046	2,121	0	0	882,930
Due from Other Governments	431,363	0	0	0	0	431,363
Due from Other Funds	794,844	0	80,075	167,615	21,203	1,063,737
Due from Fiduciary Funds	7,764	2	0	0	0	7,766
Other Receivables, Net	10,227	21,052	(6,218)	0	0	25,061
TOTAL ASSETS	<u>\$ 8,673,357</u>	<u>\$ 688,160</u>	<u>\$ 97,766</u>	<u>\$ 722,601</u>	<u>\$ 126,989</u>	<u>\$ 10,308,873</u>
<u>LIABILITIES & FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable	\$ 88,397	\$ 3,026	\$ 35,058	\$ 0	\$ 0	\$ 126,481
Accrued Liabilities	1,175,924	13,332	0	0	0	1,189,256
Due to Other Governments	86,252	0	503	0	0	86,755
Due to Other Funds	247,690	670,888	0	21,203	123,956	1,063,737
Due to Teachers' Retirement System	2,134,249	0	0	0	0	2,134,249
Due to Employees' Retirement System	228,532	0	0	0	0	228,532
Retained Percentages	0	0	0	191,349	0	191,349
Other Liabilities	16	0	0	0	0	16
Deferred Revenues	500	914	0	0	0	1,414
TOTAL LIABILITIES	<u>3,961,560</u>	<u>688,160</u>	<u>35,561</u>	<u>212,552</u>	<u>123,956</u>	<u>5,021,789</u>
<u>FUND BALANCES</u>						
Restricted	2,279,764	0	0	0	0	2,279,764
Assigned	419,037	0	62,205	510,049	3,033	994,324
Unassigned	2,012,996	0	0	0	0	2,012,996
TOTAL FUND BALANCES	<u>4,711,797</u>	<u>0</u>	<u>62,205</u>	<u>510,049</u>	<u>3,033</u>	<u>5,287,084</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 8,673,357</u>	<u>\$ 688,160</u>	<u>\$ 97,766</u>	<u>\$ 722,601</u>	<u>\$ 126,989</u>	<u>\$ 10,308,873</u>

See notes to financial statement.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET ASSETS
<u>ASSETS</u>				
Unrestricted Cash	\$ 7,898,016			\$ 7,898,016
State & Federal Aid Receivable	882,930			882,930
Due from Other Governments	431,363			431,363
Due from Other Funds	1,063,737		(1,063,737)	0
Due from Fiduciary Funds	7,766			7,766
Deferred Charges	0	308,815		308,815
Other Receivables, Net	25,061			25,061
Capital Assets, Net	0	49,504,130		49,504,130
	<u>0</u>	<u>49,504,130</u>		<u>49,504,130</u>
TOTAL ASSETS	\$ 10,308,873	\$ 49,812,945	\$ (1,063,737)	\$ 59,058,081
<u>LIABILITIES & FUND BALANCES / NET ASSETS</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 126,481			\$ 126,481
Accrued Liabilities	1,189,256	583,645		1,772,901
Due to Other Governments	86,755			86,755
Due to Other Funds	1,063,737		(1,063,737)	0
Due to Teachers' Retirement System	2,134,249			2,134,249
Due to Employees' Retirement System	228,532			228,532
Retained Percentages	191,349			191,349
Other Liabilities	16			16
Deferred Revenues	1,414	0		1,414
Bonds Payable	0	48,671,186		48,671,186
State Loan Payable	0	81,328		81,328
Compensated Absences	0	734,202		734,202
Other Postemployment Benefits	0	16,857,318		16,857,318
	<u>0</u>	<u>16,857,318</u>		<u>16,857,318</u>
TOTAL LIABILITIES	5,021,789	66,927,679	(1,063,737)	70,885,731
FUND BALANCES / NET ASSETS	5,287,084	(17,114,734)	0	(11,827,650)
TOTAL LIABILITIES & FUND BALANCES / NET ASSETS	\$ 10,308,873	\$ 49,812,945	\$ (1,063,737)	\$ 59,058,081

See notes to financial statement.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>						
Real Property Taxes	\$ 39,746,575	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,746,575
Other Tax Items	4,928,558	0	0	0	0	4,928,558
Non Property Taxes	473,199	0	0	0	0	473,199
Charges for Services	570,701	0	0	0	0	570,701
Use of Money & Property	472,439	0	58	8	3,033	475,538
Sale of Property & Compensation for Loss	9,352	0	0	0	0	9,352
Miscellaneous	749,242	75,179	2,826	0	0	827,247
State Sources	2,325,820	159,107	2,931	0	0	2,487,858
Federal Sources	201,049	601,653	34,450	0	0	837,152
Sales	0	0	472,308	0	0	472,308
TOTAL REVENUES	<u>49,476,935</u>	<u>835,939</u>	<u>512,573</u>	<u>8</u>	<u>3,033</u>	<u>50,828,488</u>
<u>EXPENDITURES</u>						
General Support	7,001,268	0	0	0	0	7,001,268
Instruction	26,821,024	881,097	0	0	0	27,702,121
Pupil Transportation	2,266,204	0	0	0	0	2,266,204
Employee Benefits	8,717,970	0	0	0	0	8,717,970
Debt Service:						
Principal	0	0	0	0	2,812,314	2,812,314
Interest	73,542	0	0	0	2,251,837	2,325,379
Cost of Sales	0	0	506,297	0	0	506,297
Capital Outlay	0	0	0	585,408	0	585,408
TOTAL EXPENDITURES	<u>44,880,008</u>	<u>881,097</u>	<u>506,297</u>	<u>585,408</u>	<u>5,064,151</u>	<u>51,916,961</u>
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	<u>4,596,927</u>	<u>(45,158)</u>	<u>6,276</u>	<u>(585,400)</u>	<u>(5,061,118)</u>	<u>(1,088,473)</u>
<u>OTHER SOURCES & USES</u>						
Operating Transfers In	9,236	45,158	0	355,000	5,064,151	5,473,545
Operating Transfers (Out)	(5,464,309)	0	0	0	(9,236)	(5,473,545)
TOTAL OTHER SOURCES & USES	<u>(5,455,073)</u>	<u>45,158</u>	<u>0</u>	<u>355,000</u>	<u>5,054,915</u>	<u>0</u>
EXCESS (DEFICIENCY) REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	<u>(858,146)</u>	<u>0</u>	<u>6,276</u>	<u>(230,400)</u>	<u>(6,203)</u>	<u>(1,088,473)</u>
FUND BALANCES, BEGINNING OF YEAR	<u>5,569,943</u>	<u>0</u>	<u>55,929</u>	<u>740,449</u>	<u>9,236</u>	<u>6,375,557</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,711,797</u>	<u>\$ 0</u>	<u>\$ 62,205</u>	<u>\$ 510,049</u>	<u>\$ 3,033</u>	<u>\$ 5,287,084</u>

See notes to financial statement.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>LONG-TERM REVENUE & EXPENSES</u>	<u>CAPITAL RELATED ITEMS</u>	<u>LONG-TERM DEBT TRANSACTIONS</u>	<u>RECLASSIFICATIONS & ELIMINATIONS</u>	<u>STATEMENT OF ACTIVITIES</u>
<u>REVENUES</u>						
Real Property Taxes	\$ 39,746,575	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,746,575
Other Tax Items	4,928,558	0	0	0	0	4,928,558
Non Property Taxes	473,199	0	0	0	0	473,199
Charges for Services	570,701	0	0	0	0	570,701
Use of Money & Property	475,538	0	0	0	0	475,538
Sale of Property & Compensation for Loss	9,352	0	0	0	0	9,352
Miscellaneous	827,247	0	0	0	0	827,247
State Sources	2,487,858	0	0	0	0	2,487,858
Federal Sources	837,152	0	0	0	0	837,152
Sales	472,308	0	0	0	0	472,308
TOTAL REVENUES	<u>50,828,488</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,828,488</u>
<u>EXPENDITURES</u>						
General Support	7,001,268	(5,652)	31,235	0	2,842,673	9,869,524
Instruction	27,702,121	87,618	1,996,918	0	11,247,686	41,034,343
Pupil Transportation	2,266,204	0	0	0	0	2,266,204
Employee Benefits	8,717,970	5,372,389	0	0	(14,090,359)	0
Debt Service:						
Principal	2,812,314	0	0	(2,812,314)	0	0
Interest	2,325,379	(36,414)	0	0	0	2,288,965
Amortization	0	0	0	51,838	0	51,838
Cost of Sales	506,297	0	8,022	0	0	514,319
Capital Outlay	585,408	0	(585,408)	0	0	0
TOTAL EXPENDITURES	<u>51,916,961</u>	<u>5,417,941</u>	<u>1,450,767</u>	<u>(2,760,476)</u>	<u>0</u>	<u>56,025,193</u>
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	<u>(1,088,473)</u>	<u>(5,417,941)</u>	<u>(1,450,767)</u>	<u>2,760,476</u>	<u>0</u>	<u>(5,196,705)</u>
<u>OTHER SOURCES & USES</u>						
Operating Transfers In	5,473,545	0	0	0	(5,473,545)	0
Operating Transfers (Out)	(5,473,545)	0	0	0	5,473,545	0
TOTAL OTHER SOURCES & USES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE FOR THE YEAR	<u>\$ (1,088,473)</u>	<u>\$ (5,417,941)</u>	<u>\$ (1,450,767)</u>	<u>\$ 2,760,476</u>	<u>\$ 0</u>	<u>\$ (5,196,705)</u>

See notes to financial statement.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>PRIVATE PURPOSE TRUSTS</u>	<u>AGENCY</u>
<u>ASSETS</u>		
Cash	\$ 194,585	\$ 217,758
TOTAL ASSETS	<u>\$ 194,585</u>	<u>\$ 217,758</u>
<u>LIABILITIES & NET ASSETS</u>		
<u>LIABILITIES</u>		
Due to Other Funds	\$ 3,200	\$ 4,566
Extraclassroom Activity Balances	0	90,160
Other Liabilities	0	123,032
TOTAL LIABILITIES	<u>3,200</u>	<u>\$ 217,758</u>
<u>NET ASSETS</u>		
Reserved for Endowment, Scholarship and Gift Funds	<u>191,385</u>	
TOTAL LIABILITIES & NET ASSETS	<u>\$ 194,585</u>	

See notes to financial statement.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
STATEMENT OF CHANGE IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>PRIVATE PURPOSE TRUSTS</u>
<u>ADDITIONS</u>	
Gifts and Contributions	\$ 18,384
Investment Earnings	<u>748</u>
TOTAL ADDITIONS	19,132
<u>DEDUCTIONS</u>	
Scholarships & Awards	8,130
Other Expenses	<u>17,359</u>
TOTAL DEDUCTIONS	<u>25,489</u>
CHANGE IN NET ASSETS	(6,357)
NET ASSETS, BEGINNING OF YEAR	<u>197,742</u>
NET ASSETS, END OF YEAR	<u><u>\$ 191,385</u></u>

See notes to financial statement.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of the Irvington Union Free School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

The Irvington Union Free 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 5 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. 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.

1. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds have been included in this report. The District accounts for assets held as an agent for various student organizations in an agency fund.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

B. Joint Venture

The District is a component district in the Southern Westchester Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares 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 §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 §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n (a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component 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, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year ended June 30, 2011, the Irvington Union Free School District was billed \$2,165,688 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$497,758. Financial statements for BOCES are available from the BOCES administrative office at 17 Berkley Drive, Rye Brook, New York 10573.

C. Basis of Presentation

1. District-Wide Statements

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets 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.

The Statement of Activities and Changes in Net Assets 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 a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended in 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.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Basis of Presentation (Continued)

2. Funds 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:

General Fund: This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Aid Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund: This fund is used to account for the school lunch operations. The school lunch operation is supported by federal and state grants and charges participants for its services.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

The District reports the following fiduciary funds:

Fiduciary Fund: Fiduciary activities are those in which the District acts as trustee or 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.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

D. Measurement Focus and Basis of Accounting

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. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

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. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1st and became a lien on June 8, 2010. Taxes were collected by the Town of Greenburgh during the period September 30, 2010 through January 31, 2011.

Uncollected real property taxes are subsequently enforced by Westchester County. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

F. 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.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

G. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. 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.

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 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. 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 revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States 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 FDIC insurance. Obligations that may be pledged as collateral are obligations of United States and its agencies and obligations of the State and its municipalities and Districts.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

J. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Other Assets

In the district-wide financial statements, bond issuance costs are capitalized and amortized over the life of the debt issue. In the funds statements, these same costs are netted against bond proceeds and recognized in the period of issuance.

L. Capital Assets

Capital assets are reported at cost for acquisitions. 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</u>
Land Improvements	\$ 5,000	Straight Line	20 - 30 years
Buildings and Improvements	5,000	Straight Line	20 - 50 years
Furniture and Equipment	5,000	Straight Line	7 - 20 years

M. Deferred Revenue

Deferred revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to incurring 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 revenues is removed and revenues are recorded.

Statute provides the authority for the District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year, rather than when measurable and available.

Deferred revenues recorded in governmental funds are typically adjusted prior to inclusion in the District-wide statements.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

N. Vested Employee Benefits

1. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical/personal time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

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

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. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the funds statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

2. Other Benefits

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is paid entirely by the District. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

O. Short-Term Debt

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RAN's and TAN's represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

O. Short-Term Debt (Continued)

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.

P. 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.

Q. Equity Classifications

1. 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 (cost less accumulated depreciation) 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 (such as through debt covenants), 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.

2. Funds Statements

During the 2010-2011 school year, the District implemented GASB Statement No. 54. The purpose of this new accounting standard is to provide fund balance categories and classifications that will be more easily understood by users of financial statements and consistently applied by school districts. This new standard sets forth hierarchical fund balance classifications that are based primarily upon the extent to which a District is bound to observe constraints imposed upon the use of resources reported in governmental funds. The following is a brief description on the five new fund balance classifications that the District can utilize:

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Q. Equity Classifications (Continued)

2. Funds Statements (Continued)

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted: Constraints have been imposed on the use of these amounts either (a) externally by creditors, grantors, contributors or laws or regulations of other governments; or (b) by law through constitutional provisions or enabling legislation. The District has established the following reserves that have been included in restricted fund balance:

Employee Benefit Accrued Liability

Reserve for Employee Benefit Accrued Liability (GML §6-p) is used to establish reserve funds for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

Tax Certiorari

Tax Certiorari Reserve (Education Law §3651.1-a) 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. The reserve is accounted for in the General fund.

Restricted fund balance at June 30, 2011 consisted of:

General Fund:

Tax Certiorari Reserve	\$ 2,123,135
Employee Benefit Accrued Liability Reserve	<u>156,629</u>
Total Restricted Fund Balance	<u><u>\$ 2,279,764</u></u>

Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District did not classify any of its fund balances as committed as of June 30, 2011.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Q. Equity Classifications (Continued)

2. Funds Statements (Continued)

Assigned: Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balance includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the General Fund that are intended to be used for a specific purpose. By reporting particular amounts that are not restricted or committed in the governmental funds other than the General Fund, the District has assigned those amounts to the purposes of the respective funds. Assigned fund balance in the General Fund includes \$134,037 assigned for specific purposes through the issuance of purchase orders that encumbered the budget for the year ended June 30, 2011. This assignment is made when purchase orders are approved by the Purchasing Agent who is designated each year by the Board of Education at its annual reorganizational meeting pursuant to the District's purchasing policy. Assigned fund balance in the General Fund also includes \$285,000 assigned to be used to reduce the tax levy for the year ending June 30, 2012. This assignment is made when the tax levy is set by the Board of Education pursuant to the District's annual budget policy.

Unassigned: Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

Order of Use of Fund Balance:

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Limitation on Unexpended Surplus Funds:

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds the District can retain to no more than 4% of the District's General Fund budget for the ensuing fiscal year. Nonspendable 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.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

R. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2011, the District implemented the following new standards issued by GASB:

- GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*
- GASB Statement 59, *Financial Instruments Omnibus*

GASB Statement 54 which 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. The District has reported fund balances in accordance with GASB Statement 54 in these financial statements.

GASB Statement 59 updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The District did not own any financial instruments or external investment pools to which Statement 59 applies as of June 30, 2011.

S. Future Changes in Accounting Standards

GASB has issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*, which improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The District is currently studying the statement and plans on adoption if and when required, which will be for the June 30, 2013 financial statements.

GASB has issued Statement 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements 14 and 34*, which improves financial reporting for a governmental financial reporting entity. The requirements of Statement 14 and the related financial reporting requirements of Statement 34 were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The District is currently studying the statement and plans on adoption if and when required, which will be for the June 30, 2013 financial statements.

GASB has issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in certain pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. These pronouncements collectively will be referred to as the "FASB and AICPA pronouncements." The District is currently studying the statement and plans on adoption if and when required, which will be for the June 30, 2013 financial statements.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Future Changes in Accounting Standards (Continued)

GASB has issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The District is currently studying the statement and plans on adoption if and when required, which will be for the June 30, 2013 financial statements.

GASB has issued Statement 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*, which clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The District is currently studying the statement and plans on adoption if and when required, which will be for the June 30, 2013 financial statements.

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

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the district-wide statements, certain financial transactions are treated differently. The 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.

A. Total Fund Balances of Governmental Funds vs. Net Assets of Governmental Activities:

Total fund balances of the District's governmental funds differ 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.

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Assets includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2011 were as follows:

Original Cost of Capital Assets	\$ 71,847,590
Accumulated Depreciation	(22,343,460)
	<u>\$ 49,504,130</u>

2. Interest is accrued in the Statement of Net Assets, regardless of when it is due. This liability does not appear on the Balance Sheet because interest is expended when it is due, and thus requires the use of current financial resources. This liability at June 30, 2011 was as follows:

Accrued Interest	\$ 583,645
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IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

A. Total Fund Balances of Governmental Funds vs. Net Assets of Governmental Activities: (Continued)

3. Long-term liabilities are reported in the Statement of Net Assets, but not in the Balance Sheet, because they are not due and payable in the current period. The balances at June 30, 2011 were as follows:

Bonds Payable	\$ 49,110,000
Less: Deferred amounts on refunding	(438,814)
Total Bonds Payable	48,671,186
State Loan Payable	81,328
Compensated Absences	734,202
Other Postemployment Benefits	16,857,318
	\$ 66,344,034

4. Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The balance at June 30, 2011 was as follows:

Deferred Charges	\$ 308,815
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B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities and Changes in Net Assets:

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

1. Long-Term Revenue Differences

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

2. Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities and Changes in Net Assets, 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 and Changes in Net Assets.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities and Changes in Net Assets: (Continued)

3. 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 and Changes in Net Assets as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Assets.

Explanation of Differences between Governmental Funds Operating Statement
and the Statement of Activities and Changes in Net Assets

Total Revenues and Other Funding Sources

Total revenues and other funding sources reported in governmental funds (Schedule 5)	<u>\$ 50,828,488</u>
Total revenues in the Statement of Activities and Changes in Net Assets (Schedule 2)	<u><u>\$ 50,828,488</u></u>

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

- B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities and Changes in Net Assets (Continued):

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities and Changes in Net Assets (Continued)

Total Expenditures & Other Uses/Expenses

Total expenditures and other uses reported in governmental funds (Schedule 5) \$ 51,916,961

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of \$619,542 were less than depreciation of \$2,070,309 in the current year. 1,450,767

In the Statement of Activities, certain operating expenses (compensated absences and special termination benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The amount by which compensated absences earned exceeded the amount used during the year was \$81,966. Other Postemployment Benefits earned exceeded the amount paid by \$5,372,389. 5,454,355

Interest payable is recognized as an accrued liability in the entity wide statements under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable last year exceeds the interest payable this year. (36,414)

Amortization of issuance costs and loss on refunding bonds. 51,838

Repayment of bond and installment debt principal is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Assets, and does not affect the Statement of Activities and Changes in Net Assets. (2,812,314)

Total expenses in the Statement of Activities and Changes in Net Assets (Schedule 2) \$ 56,025,193

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3. STEWARDSHIP AND COMPLIANCE.

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the fiscal year are shown on Supplemental Schedule #3.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B. 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.

C. Other Stewardship and Compliance Matters

The District was in compliance with all legal and contractual provisions for the fiscal year.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, FOREIGN CURRENCY RISKS AND INVESTMENT POOL.

Cash

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 (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$	0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	\$	10,505,302

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 as of year-end includes \$47,970 within the district-wide statements.

Interest Rate Risk

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5. CAPITAL ASSETS.

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 793,200	\$ 0	\$ 0	\$ 793,200
Construction in Progress	523,505	585,408	(1,108,913)	0
Total Nondepreciable Assets	<u>1,316,705</u>	<u>585,408</u>	<u>(1,108,913)</u>	<u>793,200</u>
Capital assets that are depreciated:				
Land Improvements	4,835,063	0	331,484	5,166,547
Buildings and Improvements	64,318,829	0	777,429	65,096,258
Furniture & Equipment	757,451	34,134	0	791,585
Total Depreciable Assets	<u>69,911,343</u>	<u>34,134</u>	<u>1,108,913</u>	<u>71,054,390</u>
Less: Accumulated Depreciation	<u>(20,273,151)</u>	<u>(2,070,309)</u>	<u>0</u>	<u>(22,343,460)</u>
Capital Assets, Net	<u>\$ 50,954,897</u>	<u>\$ (1,450,767)</u>	<u>\$ 0</u>	<u>\$ 49,504,130</u>

Depreciation expense was charged to governmental functions as follows:

General Support	\$ 31,235
Instruction	2,031,052
Cost of Sales	<u>8,022</u>
Total Depreciation	<u>\$ 2,070,309</u>

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 6. SHORT-TERM DEBT.

Transactions in short-term debt for the year are summarized below:

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance
TAN maturing 06/17/11 at 1.25%	\$6,000,000	\$ 0	\$6,000,000	\$ 0
BAN maturing 8/20/10 at 2.03%	75,000	0	75,000	0
Total Short-Term Debt	<u>\$6,075,000</u>	<u>\$ 0</u>	<u>\$6,075,000</u>	<u>\$ 0</u>

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

Interest Paid	\$ 73,542
Less Interest Accrued in the Prior Year	<u>(1,233)</u>
Interest Expense	<u>\$ 72,309</u>

NOTE 7. LONG-TERM DEBT.

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes					
Payable:					
Bonds Payable	\$51,830,000	\$ 0	\$2,720,000	\$49,110,000	\$2,845,000
Less Deferred amounts on refunding	(480,440)	0	(41,626)	(438,814)	0
Total Bonds and Notes Payable	<u>51,349,560</u>	<u>0</u>	<u>2,678,374</u>	<u>48,671,186</u>	<u>2,845,000</u>
Other Liabilities:					
Compensated Absences	652,236	81,966	0	734,202	0
Other Postemployment Benefits	11,484,929	6,813,437	1,441,048	16,857,318	0
State Loan Payable	98,642	0	17,314	81,328	0
Total Other Liabilities	<u>12,235,807</u>	<u>6,895,403</u>	<u>1,458,362</u>	<u>17,672,848</u>	<u>0</u>
Total Long-Term Liabilities	<u>\$63,585,367</u>	<u>\$ 6,895,403</u>	<u>\$4,136,736</u>	<u>\$66,344,034</u>	<u>\$2,845,000</u>

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 7. LONG-TERM DEBT. (Continued)

Existing serial bond and installment purchase obligations are as follows:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Refunding Bonds	2003	2012	3.00% - 4.00%	\$ 1,105,000
School District Renovations	2004	2021	3.625% - 4.25%	11,805,000
Refunding Bonds	2005	2032	3.00% - 5.00%	29,695,000
Tax Certiorari Refunds	2005	2014	3.125% - 3.50%	1,180,000
Tax Certiorari Refunds	2008	2022	3.50% - 4.00%	3,715,000
Tax Certiorari Refunds	2008	2023	4.50% - 5.00%	1,610,000
				<u>\$49,110,000</u>

The following is a summary of maturing debt service requirements:

<u>For the Year Ended June 30,</u>	<u>Bonds and Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,845,000	\$ 2,132,628	\$ 4,977,628
2013	2,940,000	2,022,531	4,962,531
2014	2,490,000	1,911,056	4,401,056
2015	2,605,000	1,805,813	4,410,813
2016	2,405,000	1,701,056	4,106,056
2017 - 2021	13,895,000	6,806,581	20,701,581
2022 - 2026	10,205,000	4,031,169	14,236,169
2027 - 2031	9,545,000	2,011,025	11,556,025
Thereafter	2,180,000	109,000	2,289,000
TOTAL	<u>\$49,110,000</u>	<u>\$22,530,859</u>	<u>71,640,859</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 the liability for the defeased bonds are not included in the District's financial statements. \$31,440,000 of bonds outstanding are considered defeased.

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

Interest paid	\$ 2,251,837
Less: Interest accrued in the prior year	(618,826)
Plus: Interest accrued in the current year	<u>583,645</u>
Total interest expense	<u>\$ 2,216,656</u>

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 8. PENSION PLANS.

General Information

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

Provisions and Administration

The New York State Teachers' Retirement Board administers NYSTRS. 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. NYSTRS 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 NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

The New York State Teachers' Retirement Board administers NYSTRS. The System provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). NYSTRS 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 NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

NYSERS 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 NYSRSSL. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the NYSERS. The Comptroller may adopt and may amend rules and regulations for the administration and transaction of the business of the NYSERS and for the custody and control of its funds. The NYSERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 8. PENSION PLANS. (Continued)

Funding Policies

The Systems are noncontributory, except for employees who joined the Systems after July 27, 1976 and prior to January 1, 2010, who contribute 3% of their salary for the first ten years of membership. For employees who joined after January 1, 2010, employees in NYSERS contribute 3% of their salary throughout their active membership and those in NYSTRS contribute 3.5% of their salary throughout their active membership. For NYSERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the NYSERS fiscal year ending March 31. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board established rates annually for NYSTRS. The District's contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

<u>Year</u>	<u>NYSERS</u>	<u>NYSTRS</u>
2010 - 2011	\$ 546,066	\$ 1,452,660
2009 - 2010	340,099	1,784,393
2008 - 2009	348,641	1,745,571

Chapter 260 of the Laws of 2004 of the State of New York allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State fiscal year 2004-05, the amount in excess of 7% of the employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For State fiscal year 2005-06, the amount in excess of 9.5% of the employees' covered pensionable salaries.
- For State fiscal year 2007-08, the amount in excess of 10.5% of the employees' covered pensionable salaries.

This law requires participating employers to make payments on a current basis, while bonding and amortizing existing unpaid amounts relating to the NYSERS's fiscal years ending March 31, 2005 through 2008. The total unpaid liability as of June 30, 2011 reported in the Statement of Net Assets was \$81,328.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 9. INTERFUND BALANCES AND ACTIVITY.

Interfund balances and activity for the year ended June 30, 2011, were as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 802,608	\$ 247,690	\$ 9,236	\$ 5,464,309
Special Aid Fund	2	670,888	45,158	0
School Lunch Fund	80,075	0	0	0
Capital Fund	167,615	21,203	355,000	0
Debt Service Fund	21,203	123,956	5,064,151	9,236
Total Governmental Activities	1,071,503	1,063,737	5,473,545	5,473,545
Fiduciary Agency Fund	0	7,766	0	0
Totals	<u>\$ 1,071,503</u>	<u>\$ 1,071,503</u>	<u>\$ 5,473,545</u>	<u>\$ 5,473,545</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Assets. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

The District typically transfers from the General Fund to the Special Aid Fund to fund the portion of the Summer Handicapped Program not funded by aid from New York State.

NOTE 10. POSTEMPLOYMENT BENEFITS.

The District provides postemployment health insurance coverage to retired employees in accordance with the provisions of various employment contracts.

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

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the funds financial statements as payments are made. For the year ended June 30, 2011, the District recognized \$1,441,048 for its share of insurance premiums for currently enrolled retirees.

The District has obtained an actuarial valuation report as of July 1, 2010 which indicates that the total liability for other postemployment benefits is \$66,167,808.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 10. POSTEMPLOYMENT BENEFITS. (Continued)

Plan Description: The District provides medical benefits to retired employees and their eligible dependents. The District also reimburses the employee and spouse for the cost of enrolling in Medicare Part B. The District obtains most of its health insurance through a health insurance consortium called Statewide Schools Cooperative Health Insurance Program (SWSCHP), which is made up of many school districts in the region. There are also a few retirees that participate in an HMO offered through Healthnet. The plans cover medical and pharmaceutical costs. Section 2503(10-a) of the New York State Education Law assigns the authority to establish and amend benefit provisions to the Board of Education.

Funding Policy: The contribution requirements of Plan members and the District are established by the Board of Education. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2011, the District contributed \$1,441,048 to the plan, the total amount for current premiums. Plan members are not required to contribute towards the cost of premiums.

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

Annual required contribution	\$ 7,005,317
Interest on net OPEB obligation	459,397
Adjustment to annual required contribution	<u>(651,277)</u>
Annual OPEB cost (expense)	6,813,437
Contributions made	<u>1,441,048</u>
Increase in net OPEB obligation	5,372,389
Net OPEB obligation - beginning of year	<u>11,484,929</u>
Net OPEB obligation - end of year	<u><u>\$16,857,318</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$ 7,845,814	18.60%	\$ 6,386,275
6/30/2010	6,624,390	23.00%	11,484,929
6/30/2011	6,813,437	21.20%	16,857,318

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 10. POSTEMPLOYMENT BENEFITS. (Continued)

Funded Status and Funding Progress: As of July 1, 2010, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$66,167,808, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$66,167,808. The covered payroll (annual payroll of active employees covered by the plan) was \$23,776,685, and the ratio of the UAAL to the covered payroll was 278.29%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision actual results are compared with past expectations and new estimates are made about the future.

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

The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10% initially, and reduced by decrements to an ultimate rate of 5% after 5 years. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011, was 29 years.

NOTE 11. RISK MANAGEMENT.

General Information

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. 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 two years.

Pool, Non-Risk Retained

The District participates in Southern Westchester Schools Cooperative Self-Insurance Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 23 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members up to \$350,000 per insured event. The pool obtains independent coverage for insured events in excess of the \$350,000 limit, and the District has essentially transferred all related risk to the pool.

Pool, Risk Sharing

The District participates in Southern Westchester Schools Cooperative Self-Insurance Plan, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. The District's share of the liability for unbilled and open claims is \$296,509.

Other Contingencies

The District has several claims that are currently being litigated with the support of legal counsel. The results of this litigation are unknown at this time.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 12. COMMITMENTS AND CONTINGENCIES.

Tax Certiorari Claims

The District is subject to numerous tax certiorari claims that are currently being litigated with the support of legal counsel. Such proceedings are not uncommon to school districts.

Since the outcome of this litigation is unknown at this time, management is unable to make an estimate of the possible liability to the district.

Other Contingencies

The District has received grants, which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the District's administration believes disallowances, if any, will be immaterial.

Encumbrances represent contracts, purchase orders, payroll commitments, tax payables, or legal penalties that are chargeable to an account. They cease to be encumbrances when paid or when the actual liability amount is determined and recorded as an expenditure. Encumbrances of appropriations of budgets for the year ended June 30, 2011 have been included in the assigned fund balances of the following funds as of June 30, 2011:

General Fund	<u>\$ 134,037</u>
Total Encumbrances	<u><u>\$ 134,037</u></u>

NOTE 13. OPERATING LEASES.

The District leases certain equipment copiers and computers under the terms of various non-cancelable leases. Rental expense for the year was \$245,591.

Minimum annual rentals for each of the remaining years of the lease are:

<u>For the Year Ended June 30,</u>	
2012	\$ 245,749
2013	202,698
2014	135,404
2015	94,741
2016	50,869

NOTE 14. DONOR-RESTRICTED ENDOWMENTS.

The District administers endowment funds, which are restricted by the donor for the purpose of student scholarships and awards.

The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 15. SUBSEQUENT EVENT.

Management has evaluated subsequent events through September 26, 2011, the date that the financial statements were available to be issued. The following subsequent events have been identified:

On July 12, 2011, the District issued \$6,000,000 in tax anticipation notes with an interest rate of 0.75%. The note matures on October 21, 2011.

On July 19, 2011, the District entered into a master purchase lease agreement with JP Morgan Chase Bank, N.A. The operating lease is for equipment and calls for the District to pay \$186,000.00 over the next five years.

On August 15, 2011, the District entered into a contract with a new interim Superintendent of Schools. The employment contract covers the period of August 16, 2011 to June 30, 2012.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS
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	\$ 66,167,808	\$ 66,167,808	0%	\$ 23,776,685	278.29%
7/1/2009	\$0	\$ 60,834,962	\$ 60,834,962	0%	\$ 23,176,762	262.48%
7/1/2008	\$0	\$ 64,890,403	\$ 64,890,403	0%	\$ 34,612,496	187.48%

See paragraph on supplementary schedules included in auditor's report.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

<u>REVENUES</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>CURRENT YEAR'S REVENUES</u>	<u>OVER (UNDER) REVISED BUDGET</u>
LOCAL SOURCES:				
Real Property Taxes	\$ 40,183,140	\$ 40,183,140	\$ 39,746,575	\$ (436,565)
Other Tax Items	4,974,155	4,974,155	4,928,558	(45,597)
Non Property Taxes	253,000	253,000	473,199	220,199
Charges for Services	355,000	355,000	570,701	215,701
Use of Money & Property	490,000	490,000	472,439	(17,561)
Sale of Property & Compensation for Loss	0	0	9,352	9,352
Miscellaneous	421,500	421,500	749,242	327,742
STATE SOURCES	2,734,181	2,734,181	2,325,820	(408,361)
FEDERAL SOURCES	140,000	140,000	201,049	61,049
OTHER SOURCES:				
Operating Transfers In	33,700	33,700	9,236	(24,464)
TOTAL REVENUES	49,584,676	49,584,676	\$ 49,486,171	\$ (98,505)
APPROPRIATED FUND BALANCE	645,892	2,449,101		
TOTAL REVENUES & APPROPRIATED FUND BALANCE	\$ 50,230,568	\$ 52,033,777		

See paragraph on supplementary schedules included in auditor's report.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

<u>EXPENDITURES</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>CURRENT YEAR'S EXPENDITURES</u>	<u>ENCUMBRANCES</u>	<u>UNENCUMBERED BALANCE</u>
GENERAL SUPPORT:					
Board of Education	\$ 54,750	\$ 58,753	\$ 45,950	\$ 16	\$ 12,787
Central Administration	396,101	396,101	391,102	0	4,999
Finance	680,839	716,391	661,332	26,524	28,535
Staff	436,091	488,772	463,387	0	25,385
Central Services	3,459,795	3,449,063	3,163,664	43,308	242,091
Special Items	513,410	2,288,732	2,275,833	0	12,899
INSTRUCTIONAL:					
Instruction, Administration & Improvement	1,409,180	1,418,372	1,319,095	3,073	96,204
Teaching - Regular School	15,656,012	15,413,778	15,043,297	26,040	344,441
Programs for Children with Handicapping Conditions	6,598,127	6,534,596	6,161,940	24,750	347,906
Occupational Education	103,469	105,894	105,124	670	100
Instructional Media	1,710,439	1,719,893	1,672,150	6,681	41,062
Pupil Services	2,578,209	2,590,839	2,519,418	2,975	68,446
PUPIL TRANSPORTATION	2,059,217	2,269,774	2,266,204	0	3,570
EMPLOYEE BENEFITS	9,032,870	9,037,504	8,717,970	0	319,534
DEBT SERVICE:					
Debt Service - Interest	100,000	81,000	73,542	0	7,458
TOTAL EXPENDITURES	44,788,509	46,569,462	44,880,008	134,037	1,555,417
OTHER USES:					
Operating Transfers Out	5,442,059	5,464,315	5,464,309	0	6
TOTAL EXPENDITURES & OTHER USES	\$ 50,230,568	\$ 52,033,777	50,344,317	\$ 134,037	\$ 1,555,423
EXCESS OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES			\$ (858,146)		

See paragraph on supplementary schedules included in auditor's report.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET &
USE OF UNRESERVED FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

CHANGE FROM ADOPTED TO REVISED BUDGET

ADOPTED BUDGET	\$ 49,869,676
ADDITIONS:	
Encumbrances from Prior Year	<u>360,892</u>
ORIGINAL BUDGET	50,230,568
BUDGET REVISIONS:	
Budget Amendment for Employee Benefits (Funded by Employee Benefit Accrued Liability Reserve)	27,886
Budget Amendment for Refund of Property Taxes (Funded by Tax Certiorari Reserve)	<u>1,775,323</u>
REVISED BUDGET	<u>\$ 52,033,777</u>

Next year's budget is a voter approved budget of \$50,324,892.

USE OF UNASSIGNED FUND BALANCE

Unassigned Fund Balance Before Assignments as of the Beginning of the Year	\$ 2,279,787
LESS: Unassigned Fund Balance Used for the Levy of Taxes - Adopted Budget	<u>(285,000)</u>
Unassigned Fund Balance Remaining from the Beginning of the Year	<u>\$ 1,994,787</u>

See paragraph on supplementary schedules included in auditor's report.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2011

	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	EXPENDITURES TO DATE			UNEXPENDED BALANCE	METHODS OF FINANCING			FUND BALANCE JUNE 30, 2011
			PRIOR YEARS	CURRENT YEAR	TOTAL		PROCEEDS FROM DEBT	LOCAL SOURCES	TOTAL	
District-Wide Improvements	\$ 58,611,636	\$ 58,611,636	\$ 58,710,103	\$ 171,101	\$ 58,881,204	\$ (269,568)	\$ 50,870,000	\$ 7,741,667	\$ 58,611,667	\$ (269,537)
Master Plan Projects	500,000	1,280,000	86,107	414,307	500,414	779,586	0	1,280,000	1,280,000	779,586
	<u>\$ 59,111,636</u>	<u>\$ 59,891,636</u>	<u>\$ 58,796,210</u>	<u>\$ 585,408</u>	<u>\$ 59,381,618</u>	<u>\$ 510,018</u>	<u>\$ 50,870,000</u>	<u>\$ 9,021,667</u>	<u>\$ 59,891,667</u>	<u>\$ 510,049</u>

See paragraph on supplementary schedules included in auditor's report.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
GENERAL FUND
SCHEDULE OF CERTAIN REVENUES & EXPENDITURES COMPARED TO ST-3 DATA
FOR THE YEAR ENDED JUNE 30, 2011

<u>REVENUES</u>	<u>ACCOUNT CODE</u>	<u>ST-3 AMOUNT</u>	<u>AUDITED AMOUNT</u>
Property Taxes	A -1001	\$ 39,746,575	\$ 39,746,575
Non Property Taxes	AT-1199	473,199	473,199
State Aid	AT-3999	2,325,820	2,325,820
Federal Aid	AT-4999	201,049	201,049
Total Revenues	AT-5999	49,486,171	49,486,171
 <u>EXPENDITURES</u>			
General Support	AT-1999	7,001,268	7,001,268
Pupil Transportation	AT-5599	2,266,204	2,266,204
Debt Service - Interest	AT-9798.7	73,542	73,542
Total Expenditures	AT-9999	50,344,317	50,344,317

See paragraph on supplementary schedules included in auditor's report.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT
FOR THE YEAR ENDED JUNE 30, 2011

CAPITAL ASSETS, NET		\$ 49,504,130
DEDUCT:		
Short-term Portion of Bonds Payable	\$ 2,845,000	
Long-term Portion of Bonds Payable	<u>45,826,186</u>	
Total Bonds Payable		<u>48,671,186</u>
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT		<u><u>\$ 832,944</u></u>

See paragraph on supplementary schedules included in auditor's report.



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

To the President and Members
of the Board of Education of the
Irvington Union Free School District
Irvington, New York

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— CONSULTANT —
Randy E. Bullis, CPA

We have audited the financial statements of the governmental activities, each major fund, and the fiduciary funds of Irvington Union Free School District, as of and for the year ended June 30, 2011, which collectively comprise the Irvington Union Free School District's basic financial statements and have issued our report thereon dated . We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs, identified as finding 2011-1 that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

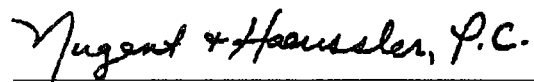
As part of obtaining reasonable assurance about whether Irvington Union Free School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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.

We noted certain matters that we reported to management of Irvington Union Free School District, in a separate letter September 26, 2011.

Irvington Union Free School District's Management has not provided a response to the finding identified in our audit, as of the completion date of this report. Government Auditing Standards requires management's responses and planned corrective action to be included in this report.

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

Respectfully submitted,



NUGENT & HAEUSSLER, P.C.

September 26, 2011



Nugent & Haeussler, P.C.
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REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

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Norman M. Sassi, CPA
Christopher E. Melley, CPA
Gary C. Theodore, CPA
Julia R. Fraino, CPA
William T. Trainor, CPA
Mark M. Levy, CPA, CFP
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Walter J. Jung, CPA
Brent T. Napoleon, CPA
Justin B. Wood, CPA

— CONSULTANT —
Randy E. Bullis, CPA

To the President and Members
of the Board of Education of the
Irvington Union Free School District
Irvington, New York

Compliance

We have audited the compliance of Irvington Union Free School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2011. Irvington Union Free 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 Irvington Union Free School District's management. Our responsibility is to express an opinion on Irvington Union Free School District's compliance based on our audit.

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

In our opinion, Irvington Union Free School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

The management of Irvington Union Free School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Irvington Union Free School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order 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 Irvington Union Free School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employee, 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 deficiencies, 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.

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

Respectfully submitted,



NUGENT & HAEUSSLER, P.C.

September 26, 2011

IRVINGTON UNION FREE SCHOOL DISTRICT
 IRVINGTON, NEW YORK
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2011

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>EXPENDITURES</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed-through NYS Education Department:			
Special Education Cluster:			
IDEA - Part B, Section 611	84.027	0032-11-1053	\$ 276,754
IDEA - Part B, Section 619	84.173	0033-11-1053	8,582
ARRA IDEA - Part B, Section 611	84.391	5032-11-1053	202,272
ARRA IDEA - Part B, Section 619	84.173	5033-11-1053	<u>9,592</u>
Total Special Education Cluster			497,200
Title I Parts A&D, Basic Program	84.010	0021-11-3640	52,892
Title IV Part A, Safe and Drug Free Schools	84.186	0180-11-3640	559
Title II Part D, Enhancing Education Through Technology	84.318	0292-11-3640	592
Title II Part A, Teacher & Principal Training & Recruiting	84.367	0147-11-3640	50,410
ARRA - State Fiscal Stabilization Fund	84.394	N/A	<u>199,489</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>801,142</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed-through NYS Education Department:			
Child Nutrition Cluster:			
Cash Assistance			
National School Lunch Program	10.555	N/A	<u>34,450</u>
Cash Assistance Subtotal			34,450
TOTAL U.S. DEPT. OF AGRICULTURE, CHILD NUTRITION CLUSTER			<u>34,450</u>
TOTAL FEDERAL AWARDS EXPENDED			<u>\$ 835,592</u>

The accompanying notes are an integral part of the schedule.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1. BASIS OF PRESENTATION.

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.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

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.

NOTE 2. OTHER DISCLOSURES.

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, 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 Opinion Issued: Unqualified

Internal Control over Financial Reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses X Yes _____ No

Noncompliance material to financial statements noted? _____ Yes X No

FEDERAL AWARDS

Internal Control over Major Programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are not considered to be material weaknesses _____ Yes X None Reported

Type of Auditor's Opinion Issued on Compliance for Major Programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ Yes X No

IDENTIFICATION OF MAJOR PROGRAMS:

<u>CFDA NUMBERS</u>	<u>NAME OF FEDERAL PROGRAM OR CLUSTER</u>
84.027, 84.173, 84.391	Special Education Cluster
84.394	ARRA State Fiscal Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? _____ Yes X No

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS

2011-01

Limited Segregation of Duties

Condition:

The auditor found instances where segregation of duties was limited. Limitations in control activities may be addressed through additional management oversight. Through interviews with management and staff we were able to satisfy ourselves that direct involvement and knowledge of these activities reduced the potential that errors or irregularities would occur and be concealed in the normal course of performing one's duties.

Criteria:

Segregation of duties relates to how various duties are assigned to different people within the organization. Generally, the responsibility for authorizing transactions, recording transactions, and maintaining custody of assets should be assigned to different people so that no single person is in a position to both perpetrate and conceal errors, irregularities or fraud.

Cause:

Limited resources and personnel available contribute directly to the level of segregation achieved. Another factor is the organizational structure and the assignment of responsibilities within that structure.

Effect:

The financial statements could have been significantly misstated due to errors or irregularities and fraud or misappropriation could occur and not be detected without adequate segregation of duties and responsibilities.

Recommendation:

We recommend that management review the responsibilities of business staff, as well as the duties actually being performed. This review should focus on segregating the functions of authorizing transactions, recording transactions, and maintaining custody of assets. As part of this review, management should consider whether the current staffing level is sufficient to achieve the desired internal control. It may be necessary to hire additional staff.

Management has not completed its response to the above finding, as of the date of this audit report. Government Auditing Standards requires management's response and planned corrective action to be included in this report.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Significant Deficiencies in Internal Control

There were no findings relating to the major federal awards as required to be reported in accordance with Section 510(a) of Circular A-133.

B. Compliance Findings

There were no findings relating to the major federal awards as required to be reported in accordance with Section 510(a) of Circular A-133.



Nugent & Haeussler, P.C.
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Thomas R. Busse, Jr., CPA

INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Irvington Union Free School District
Irvington, New York

Patrick M. Bullis, CPA
Jennifer L. Capicchioni, CPA
Richard P. Capicchioni, CPA
Walter J. Jung, CPA
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Justin B. Wood, CPA

— CONSULTANT —
Randy E. Bullis, CPA

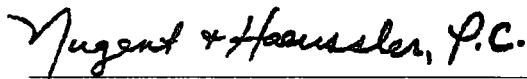
We have audited the statement of assets, liabilities, and fund balance-cash basis of the extraclassroom activity funds of the Irvington Union Free School District as of June 30, 2011, and the related statement of receipts and disbursements-cash basis for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note #1, these financial statements were prepared on the cash basis of accounting and are not intended to be presented in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the extraclassroom activity funds of Irvington Union Free School District as of June 30, 2011, and its cash receipts and cash disbursements for the year then ended, on the basis of accounting described in Note #1.

Respectfully submitted,



NUGENT & HAEUSSLER, P. C.

September 26, 2011

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2011

ASSETS

Cash in Checking	<u>\$ 90,160</u>
------------------	------------------

FUND BALANCE

Fund Balance, Beginning of Year	\$ 88,076
Excess of Receipts over Disbursements	<u>2,084</u>
Fund Balance, End of Year	<u>\$ 90,160</u>

See notes to financial statement.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
SUMMARY OF RECEIPTS & DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	CASH			CASH
	BALANCE			BALANCE
	JUNE 30, 2010	RECEIPTS	DISBURSEMENTS	JUNE 30, 2011
M.S. S.A.C.	\$ 322	\$ 1,440	\$ 1,240	\$ 522
M.S. - Apprenticeship	65	0	65	0
M.S. - General	4,204	6,795	5,772	5,227
M.S. - Museum	657	0	657	0
M.S. - Drama	1,751	2,945	2,370	2,326
M.S. - Yearbook	1,948	1,180	1,542	1,586
M.S. - Sewing Club	0	1,150	1,150	0
M.S. - Band	189	6,639	6,636	192
H.S. - Administ	3,696	58	205	3,549
H.S. - General	128	0	0	128
H.S. - Field Trips	62	0	0	62
Senior Class	2,393	27,516	24,365	5,544
Junior Class	36	986	36	986
Sophomore Class	764	8,911	3,870	5,805
Freshman Class	314	418	314	418
ATHL. - General	790	10,183	10,846	127
ATHL. - Football	16	0	0	16
ATHL. - Baseball	40	0	0	40
ATHL. - Basketball	617	383	1,000	0
ATHL. - Soccer	50	1,275	1,325	0
ATHL. - Field Hockey	60	0	0	60
ATHL. - Coaches	17	0	0	17
ATHL. - Track	1,727	126	1,049	804
ATHL. - Lacrosse	0	1,458	0	1,458
Yearbook	9,704	3,850	10,753	2,801
Environmental Club	6	0	0	6
PAW Prints	2,857	830	394	3,293
Habitat for Humanity	404	0	0	404
Student Council	1,277	580	580	1,277
OTTO Awards	1,255	807	1,259	803
Model UN	2,275	18,045	16,642	3,678
Key Club	22	0	0	22
Lady Bulldogs	7	0	0	7
Drama Club	30,327	25,570	29,379	26,518
Latin Club	7,660	0	0	7,660
Band	10,419	249,526	247,012	12,933
Chorus	347	2,774	2,900	221
GSA	117	0	0	117
Audience Club	1,553	0	0	1,553
	<u>\$ 88,076</u>	<u>\$ 373,445</u>	<u>\$ 371,361</u>	<u>\$ 90,160</u>

See notes to financial statement.

IRVINGTON UNION FREE SCHOOL DISTRICT
IRVINGTON, NEW YORK
EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

- (a) The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Irvington Union Free School District. We have included the Extraclassroom Activity Fund balances within the fiduciary funds of the financial statements. The separate audit report of the Extraclassroom Activity Funds is required due to the fact that the transactions of this fund are controlled by student management.
- (b) The books and records of the Irvington Union Free School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.
- (c) The Extraclassroom Activity Funds are used to record the activity of all student-related activities within the District. These funds are under the control of an appointed central treasurer who maintains cash receipts and cash disbursement books. All receipts are collected by the student activity treasurer and disbursements must be approved by the student management.