

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Mount Pleasant Central School District

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

ISLANDIA: 3033 EXPRESS DRIVE NORTH, SUITE 100 • ISLANDIA, NY 11749
WHITE PLAINS: 50 MAIN STREET, SUITE 1000 • WHITE PLAINS, NY 10606
PHONE: (631) 234-4444 • FAX: (631) 234-4234

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District as of June 30, 2021, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis on Matter

As described in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in District's total other post-employment benefits liability, schedule of District's proportionate share of the net pension liability, and the schedule of District's contributions on pages 4 through 18 and 58 through 62, respectively, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary financial information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
October 6, 2021

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

The following is a discussion and analysis of the Mount Pleasant Central School District's (the "District") financial performance for the fiscal year ended June 30, 2021. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund 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.

1. FINANCIAL HIGHLIGHTS

- The District's expenses for the year, as reflected in the District-Wide Financial Statements, totaled \$75,038,235. Of this amount, \$63,167 was offset by program charges for services and \$1,202,573 was offset by operating grants and contributions. General revenues of \$65,724,722 amount to 98.11% of total revenues.
- The general fund total fund balance, as reflected in the Fund Financial Statements, increased by \$1,845,150. This was due to an excess of revenues over expenditures and other financing uses based on the modified accrual basis of accounting.
- The District was awarded funding under the Coronavirus Aid Relief and Economic Security (CARES) Act through Elementary and Secondary School Emergency Relief Program (ESSER) and the Governor's Emergency Education Relief Program (GEER).
- The District implemented Government Accounting Standards Board Statement No. 84 (GASB Statement No. 84), *Fiduciary Activities*, in 2021. This resulted in the restatement of opening net position in the amount of \$125,292.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

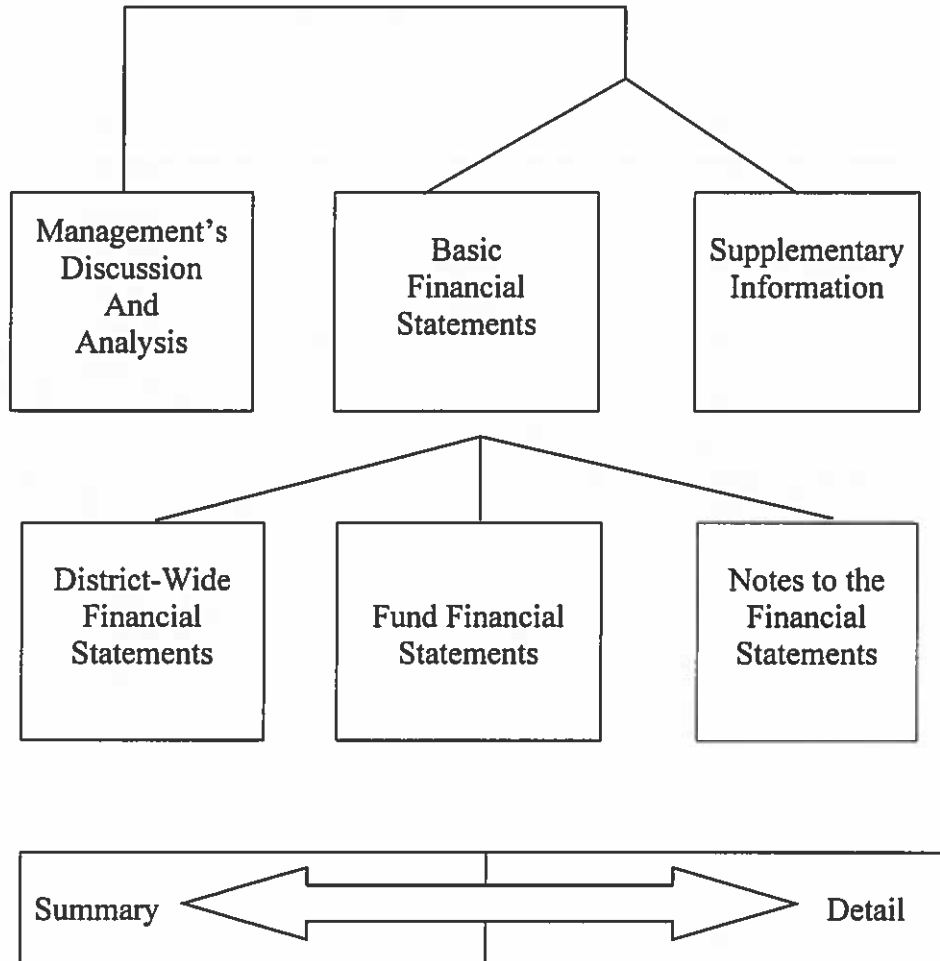
- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Financial Statements.
 - The *Governmental Fund Statements* tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

The notes to the basic financial statements provide additional information about the basic financial statements and the balances reported. The basic financial 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. The following table shows how the various parts of this annual report are arranged and related to one another.

Organization of the District's Annual Financial Report



The following table summarizes the major features of the District's basic financial statements, including the portion of the District's activities that they cover and the types of information that they contain. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

Major Features of the District-Wide Financial Statements and Fund Financial Statements

	District-Wide Financial Statements	Fund Financial Statements
		Governmental
Scope	Entire entity	The day-to-day operating activities of the District, such as special education and instruction
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus
Type of asset/deferred outflow of resources and liability/deferred inflow of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Current assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

A) District-Wide Financial Statements:

The District-Wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 Financial Statements report the District's net position and how it has changed. Net position, the difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the District's financial health or position.

- Over time, increases and decreases in net position is an indicator of whether the financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

Net position of the governmental activities differs from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (money) are expended to purchase or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated if it does not provide or reduce current financial resources. Finally, capital assets and long-term debt are both accounted for in account groups and do not affect the fund balances.

District-Wide Financial Statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets;
- Report long-term debt as a liability;
- Depreciate capital assets and allocate the depreciation to the proper program/activities;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
 - *Net investment in capital assets*;
 - *Restricted net position* are those with constraints placed on the use by external sources (creditors, grantors, contributors or laws or regulations of governments) or approved by law through constitutional provisions or enabling legislation; and
 - *Unrestricted net position* is net position that does not meet any of the above restrictions.

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

B) Fund Financial Statements:

The Fund Financial Statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York.

The District has one kind of fund:

- *Governmental funds:* Most of the 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 fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide Financial Statements, additional information in a separate reconciliation schedule explains the relationship (or differences) between them. In summary, the Governmental Fund Financial Statements focus primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Included are the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund, debt service fund, and capital projects fund. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position:

Current assets, other liabilities, and restricted net position, unrestricted net position and total net position for 2020 have been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. This Statement eliminates the trust and agency fund and now records those activities in the general fund and miscellaneous special revenue fund. See Footnote 19 for further information.

	As Restated 2020	As Reported 2020	Increase (Decrease)
Current and other assets	\$ 31,514,992	\$ 31,377,998	\$ 136,994
Other liabilities	14,052,038	14,040,336	11,702
Net Position			
Unrestricted (Deficit)	(73,086,948)	(73,212,240)	125,292
Total Net Position (Deficit)	(46,244,045)	(46,369,337)	125,292

The District's net deficit decreased by \$8,047,773 in the fiscal year ended June 30, 2021 as detailed in the table that follows.

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

Condensed Statement of Net Position

	Fiscal Year 2021	As Restated Fiscal Year 2020	Change	Total Percentage Change
Current assets	\$ 32,456,580	\$ 31,514,992	\$ 941,588	2.99%
Capital assets	59,477,378	49,640,858	9,836,520	19.82%
Net pension asset -proportionate share	-	3,986,200	(3,986,200)	-100.00%
Total Assets	91,933,958	85,142,050	6,791,908	7.98%
Deferred outflows of resources	67,626,580	73,383,932	(5,757,352)	-7.85%
Total assets and deferred outflows of resources	159,560,538	158,525,982	1,034,556	0.65%
Current liabilities	5,126,738	14,052,038	(8,925,300)	-63.52%
Long-term liabilities	186,366,989	179,063,873	7,303,116	4.08%
Total Liabilities	191,493,727	193,115,911	(1,622,184)	-0.84%
Deferred inflows of resources	22,358,629	11,558,929	10,799,700	93.43%
Total liabilities and deferred inflows of resources	213,852,356	204,674,840	9,177,516	4.48%
Net Position				
Net investment in capital assets	28,606,101	17,559,410	11,046,691	62.91%
Restricted	11,509,635	9,283,493	2,226,142	23.98%
Unrestricted (deficit)	(94,407,554)	(73,086,948)	(21,320,606)	29.17%
Total Net Position	\$ (54,291,818)	\$ (46,244,045)	\$ (8,047,773)	17.40%

Current assets increased by \$941,588 from 2020 to 2021. This change is primarily related to an increase in cash offset by a decrease in state and federal aid receivable and due from other governments. Capital assets (net of depreciation) increased \$9,836,520 primarily due to capital asset additions offset by current year depreciation. The net pension asset - proportionate share for the teachers' retirement system resulted in a net pension liability in the current year in the amount of \$4,397,140 as a result of the actuarial valuation provided by the state. The changes in deferred outflows of resources represent amortization on the deferred charges on refunding, as discussed in Note 14, as well as the amortization of the pension related items and the change in the District's contributions subsequent to the measurement date, as discussed in Note 15, and outflows related to the total other post-employment benefits obligation as discussed in Note 17.

Current liabilities decreased by \$8,925,300. This is primarily attributable to a decrease in accounts payable and bond anticipation note payable offset by an increase in due to retirement system liabilities. Long-term liabilities increased by \$7,303,116 due to an increase in bonds payable as well as the net pension liability – proportionate share for the teachers' retirement system. The changes in deferred inflows represent amortization of pension related items as discussed in Note 15, as well as the inflows related to the total other post-employment benefits obligation, as discussed in Note 17.

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

The net investment in capital assets relates to the investment in capital assets at cost such as land, construction in progress, buildings and improvements, and furniture & equipment, net of depreciation and related debt (including debt related items such as premiums and deferred charges). This number increased from the prior year by \$11,046,691 primarily due to current year capital additions, offset by depreciation.

The restricted net position at June 30, 2021, relates to the District's reserves and restricted amounts for debt service and scholarships. Restricted net position increased by \$2,226,142.

The unrestricted net deficit at June 30, 2021 of \$94,407,554 relates to the balance of the District's net position. The unrestricted net deficit increased by \$21,320,606.

B) Changes in Net Position:

Charges for services – extraclassroom activities, operating grants and contributions – scholarships and donations, and instruction expenses were increased as well as reclassifications were made due to the implementation of GASB Statement No. 84, *Fiduciary Activities*. The following schedule outlines these changes:

	As Restated 2020	As Reported 2020	Increase (Decrease)
Revenues			
Charges for services	\$ 619,982	\$ 524,504	\$ 95,478
Operating grants and contributions	1,113,446	1,108,351	5,095
Other	181,457	186,552	(5,095)
Expenses			
Instruction	62,003,377	61,900,736	102,641
Other	-	7,111	(7,111)

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the years ended June 30, 2021 and 2020 are as follows:

Change in Net Position from Operating Results

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

	Fiscal Year 2021	As Restated Fiscal Year 2020	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	\$ 63,167	\$ 619,982	\$ (556,815)	-89.81%
Grants and contributions	1,202,573	1,113,466	89,107	8.00%
General Revenues				
Real property taxes and other tax items	58,396,324	57,092,693	1,303,631	2.28%
State sources	6,379,798	6,607,840	(228,042)	-3.45%
Use of money and property	20,331	230,817	(210,486)	-91.19%
Other	928,269	181,457	746,812	411.56%
Total Revenues	<u>\$ 66,990,462</u>	<u>\$ 65,846,255</u>	<u>\$ 1,144,207</u>	<u>1.74%</u>
Expenses				
General support	\$ 10,119,126	\$ 10,028,159	\$ 90,967	0.91%
Instruction	61,027,911	61,900,736	(872,825)	-1.41%
Pupil transportation	2,831,918	2,297,617	534,301	23.25%
Food service program	253,713	494,144	(240,431)	-48.66%
Debt service - interest	805,567	807,138	(1,571)	-0.19%
Total Expenses	<u>\$ 75,038,235</u>	<u>\$ 75,527,794</u>	<u>\$ (489,559)</u>	<u>-0.65%</u>
Total Change in Net Position	<u>\$ (8,047,773)</u>	<u>\$ (9,681,539)</u>	<u>\$ 1,633,766</u>	<u>-16.88%</u>

The District's fiscal year 2021 revenues totaled \$66,990,462. Real property taxes and other tax items and state sources accounted for most of the District's revenue by contributing 87.17% and 9.52%, respectively of total revenue. The remainder came from fees charged for services, grants and contributions, use of money and property, and other miscellaneous sources. Total revenues increased by \$1,144,207 or 1.74%. This was primarily attributable to increases in real property taxes and other tax items.

The cost of all programs and services totaled \$75,038,235 for fiscal year 2021. These expenses are predominantly related to instruction, which account for 81.33% of District expenses. The District's general support activities accounted for 13.49% of total costs. Total expenses decreased by \$489,559 or 0.65%. This was primarily attributable to the decrease in instruction.

The users of the District's programs financed \$63,167 of the cost. The federal and state governments subsidized certain programs with grants and contributions of \$1,202,573, which includes scholarships and donations received. The remainder of the District's net costs of \$73,772,495 were financed primarily by District taxpayers and state sources.

C) Governmental Activities:

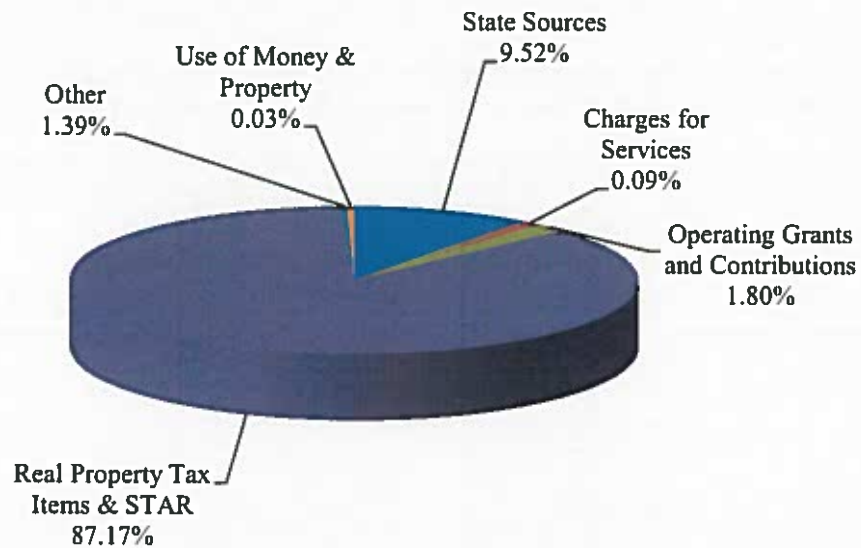
The continuation of the overall financial position will be positive and is due to the following:

- Continued leadership of the District's Board and administration;
- Strategic use of services from BOCES;
- Improved curriculum and community support.

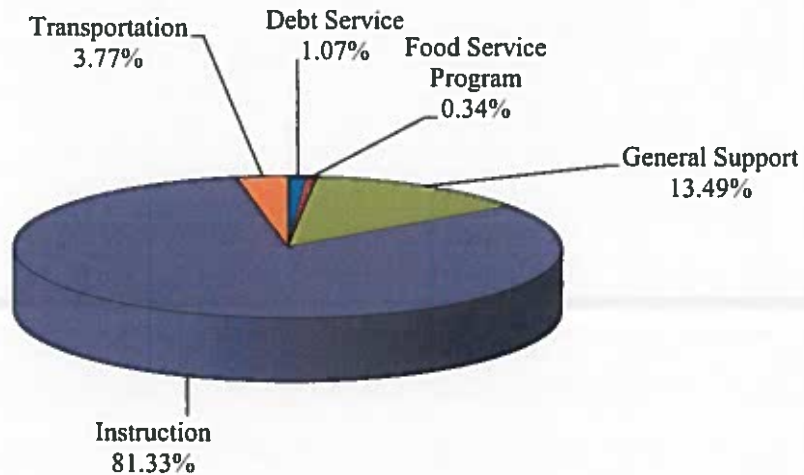
**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

Revenues for Fiscal Year 2021



Expenditures for Fiscal Year 2021



**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Variances between years for the Fund Financial Statements are not the same as variances between years for the District-Wide Financial Statements. The District's governmental funds are presented on the current financial resource's measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term liabilities, certain deferred outflows or inflows, and capital assets purchased by the District. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt, and the current payments on other long-term liabilities.

As of June 30, 2021, the District's combined governmental funds reported a total fund balance of \$27,369,666 which is an increase of \$10,103,511 over the prior year. Fund balance for 2020 was restated to include a miscellaneous special revenue fund for extraclassroom activities and scholarships and donations due to the implementation of GASB Statement No. 84, *Fiduciary Activities*. See Note 20 for further information.

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

A summary of the change in fund balance for all the funds is as follows:

	Fiscal Year 2021	As Restated Fiscal Year 2020	Increase/ (Decrease)	Total Percentage Change
General Fund				
Restricted for retirement contribution	\$ 1,819,480	\$ 1,124,140	\$ 695,340	61.86%
Restricted for tax certiorari	8,319,798	7,260,554	1,059,244	14.59%
Restricted for employee benefit accrued liability	452,246	440,654	11,592	2.63%
Restricted for unemployment	316,207	315,418	789	0.25%
Restricted for workers' compensation	170,175	70,000	100,175	100.00%
Assigned - general support	559,888	568,523	(8,635)	-1.52%
Assigned - instruction	318,024	137,687	180,337	130.98%
Assigned-designated for subsequent year's expenditures	450,000	625,000	(175,000)	-28.00%
Unassigned	2,586,469	2,605,161	(18,692)	-0.72%
Total Fund Balance - General Fund	\$ 14,992,287	\$ 13,147,137	\$ 1,845,150	14.03%
School Lunch Fund				
Assigned - unappropriated	\$ 146,367	\$ 109,276	\$ 37,091	33.94%
Total Fund Balance - School Lunch Fund	\$ 146,367	\$ 109,276	\$ 37,091	33.94%
Miscellaneous Special Revenue Fund				
Restricted for scholarships	\$ 68,161	\$ 48,703	\$ 19,458	
Assigned for extraclassroom activities	116,756	125,292	(8,536)	-6.81%
Total Fund Balance - Special Revenue Fund	\$ 184,917	\$ 173,995	\$ 10,922	6.28%
Debt Service Fund				
Restricted for debt service	\$ 363,568	\$ 24,024	\$ 339,544	1413.35%
Total Fund Balance - Debt Service Fund	\$ 363,568	\$ 24,024	\$ 339,544	1413.35%
Capital Projects Fund				
Restricted - unspent bond proceeds	\$ 5,892,549	\$ -	\$ 5,892,549	100.00%
Assigned - unappropriated	5,789,978	3,811,723	1,978,255	51.90%
Total Fund Balance - Capital Projects Fund	\$ 11,682,527	\$ 3,811,723	\$ 7,870,804	206.49%
Total Fund Balance - All Funds	\$ 27,369,666	\$ 17,266,155	\$ 10,103,511	58.52%

A) General Fund

The net change in the general fund – fund balance is an increase of \$1,845,150 a result of revenues of \$65,511,191 exceeding expenditures and other financing uses of \$63,666,041. Revenues increased \$1,421,657 or 2.22% compared to the prior year, mostly due to the increases in real property taxes, offset by decreases in other tax items – including STAR and charges for services.

Expenditures and other uses increased by \$1,592,463 or 2.57% compared to the prior year. This was primarily due to increases in instructional, employee benefits, and debt payments.

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

B) School Lunch Fund

The fund balance in the school lunch fund increased by \$37,091. This increase is the operating profit for the current year including an interfund transfer from the general fund.

C) Miscellaneous Special Revenue Fund

The net change in fund balance in the miscellaneous special revenue fund is due to extraclassroom and scholarship revenues exceeding expenditures.

D) Debt Service Fund

The fund balance in the debt service fund increased by \$339,544 due to a bond premium.

E) Capital Projects Fund

The fund balance in the capital projects fund increased by \$7,870,804. This increase is due to proceeds from serial bonds and bond anticipation notes redeemed from appropriations and an interfund transfer from general fund offset by capital outlay expenditures.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2020-2021 Budget:

The District's general fund adopted budget for the fiscal year ended June 30, 2021 was \$65,459,575. This amount was increased by encumbrances carried forward from the prior year in the amount of \$706,210, and budget revisions of \$1,292,418, bringing the final budget to \$67,458,203. The majority of the funding was real property taxes and other tax items budget of \$57,890,500.

B) Change in the General Fund Unassigned Fund Balance (Budget to Actual):

The general fund unassigned fund balance is a component to total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and assignments to fund subsequent years' budgets. It is this balance that is commonly referred to as "Fund Balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget are as follows:

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

Opening, unassigned fund balance	\$ 2,605,161
Revenues over budget	676,616
Expenditures and encumbrances under budget	2,914,250
Transfers to reserves	(3,136,529)
Interest allocated to reserves	(23,029)
Assigned, appropriated for June 30, 2022 Budget	(450,000)
Closing, unassigned fund balance	<u>\$ 2,586,469</u>

The opening unassigned fund balance of \$2,605,161 is the June 30, 2020 unassigned fund balance.

The revenues over budget of \$676,616 are due to variances in real property taxes and federal sources. Please see Supplemental Schedule #1 for detail.

The expenditures and encumbrances under budget of \$2,914,250 were across the budget, but \$804,596 was in programs for children with handicap conditions, \$653,330 was in employee benefits, \$285,979 was in pupil transportation, and \$189,670 was in central services. Refer to Supplemental Schedule #1 for more details.

The District transferred \$2,247,000 to the tax certiorari reserve, \$52,000 to the employee benefit accrued liability reserve, \$150,000 to the retirement contribution reserve for the employee's retirement system, \$542,529 to the retirement contribution reserve for the teachers' retirement system, \$45,000 to the unemployment reserve and \$100,000 to the workers' compensation reserve.

Interest of \$23,029 was also allocated to the reserves as follows: \$18,152 to the tax certiorari reserve, \$1,102 to the employee benefit accrued liability reserve, \$789 to the unemployment reserve, \$2,811 to the retirement contribution reserves and \$175 to the workers' compensation reserve.

The assigned, appropriated fund balance of \$450,000 for the June 30, 2022 budget is the amount the District has chosen to use to fund its operating budget for 2021-2022.

The District will close the 2020-2021 fiscal year with \$2,586,469 in unassigned fund balance. NYS Real Property Tax Law §1318 restricts this number to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The District's unassigned fund balance is within the legal limit.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A) Capital Assets:

The District paid for equipment, and various building additions and renovations during the fiscal year 2021. A summary of the District's capital assets net of depreciation are as follows:

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

Capital Assets (Net of Depreciation)

Category	Fiscal Year 2021	Fiscal Year 2020	Net Increase/ (Decrease)	Percentage Change
Land	\$ 1,632,800	\$ 1,632,800	\$ -	0.00%
Construction in Progress	37,650,959	27,201,463	10,449,496	38.42%
Buildings & Improvements	36,085,815	36,085,815	-	0.00%
Machinery & Equipment	1,011,511	990,082	21,429	2.16%
Subtotal	76,381,085	65,910,160	10,470,925	15.89%
Less: Accumulated Depreciation	16,903,707	16,269,302	634,405	3.90%
Total Net Capital Assets	<u>\$ 59,477,378</u>	<u>\$ 49,640,858</u>	<u>\$ 9,836,520</u>	19.82%

The District's capital outlay for the year was \$10,449,196 from the capital project fund and \$21,429 from the general fund. The District also recorded depreciation expense of \$634,405. See Note 10 to the financial statements for detail.

B) Long-Term Debt:

At June 30, 2021, the District had total bonds payable of \$40,670,000. The increase in construction bonds is due to the issuance of bonds offset by principal payments. More detailed information about the District's long-term debt is presented in the Note 13 to the Financial Statements. A summary of outstanding debt at June 30, 2021 and 2020 is as follows:

	2021	2020	Increase (Decrease)
Construction bonds	\$ 37,065,000	\$ 24,415,000	\$ 12,650,000
Tax certiorari bonds	3,605,000	4,185,000	(580,000)
Total bonds payable	<u>\$ 40,670,000</u>	<u>\$ 28,600,000</u>	<u>\$ 12,070,000</u>

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

- A) The general fund budget for the 2021-2022 school year in the amount of \$67,161,000 was approved by voters. This is an increase of \$1,701,425 or 2.60% over the previous year's budget. The tax cap discussed below, as well as uncertainty in state aid and federal funds, as well as potential operating adjustments that may be needed due to COVID-19 may impact the District's future budgets.
- B) The NYS Legislature introduced and approved a property tax cap beginning in the 2012-2013 school year, which was made permanent. This bill limits tax levy growth to the lesser of two percent or the annual increase in the CPI. Limited exemptions to exceed the levy cap are provided for taxes needed to pay for voter-approved capital expenditures, pension rate increases,

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT 1

court orders and torts over five percent of the prior year's levy. If the tax levy proposed to the voters is within the district's tax levy cap, then a majority vote would be required for approval. If the proposed tax levy exceeds the district's tax levy cap, the threshold required for approval would be 60 percent of the vote.

- C) The federal government has passed several laws in the past year to address the economic and health consequences of the COVID-19 pandemic, including the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan (ARP) Act. The District expects to receive non-recurring revenues to be used to fund expenditures that meet the requirements set forth by the U.S. Department of Education.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, contact:

Mount Pleasant Central School District
Ms. Margaret Modugno
Director of Business Administration
825 West Lake Drive
Thornwood, NY 10594
(914)-769-5500

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	
Current assets	
Cash	
Unrestricted	\$ 19,671,041
Restricted	11,146,067
Receivables	
Accounts receivable	3,680
State and federal aid	852,705
Due from other governments	783,087
Non-current assets	
Capital assets	
Capital assets, not being depreciated	39,283,759
Capital assets being depreciated, net of accumulated depreciation	20,193,619
TOTAL ASSETS	91,933,958
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refundings	566,224
Pensions	18,288,713
Other post-employment benefits obligation	48,771,643
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	159,560,538
LIABILITIES	
Payables	
Accounts payable	1,435,356
Accrued liabilities	146,433
Due to teachers' retirement system	2,767,806
Due to employees' retirement system	201,693
Due to other governments	411,737
Accrued interest payable	39,824
Unearned credits	
Collections in advance	123,889
Long-term liabilities	
Due and payable within one year	
Bonds payable (Including deferred bond premium of \$42,011)	4,202,011
Compensated absences payable	45,274
Due and payable after one year	
Bonds payable (Including deferred bond premium of \$179,062)	36,647,051
Compensated absences payable	407,469
Total other post-employment benefits obligation	140,654,359
Net pension liability-proportionate share - teachers' retirement system	4,397,140
Net pension liability-proportionate share - employees' retirement system	13,685
TOTAL LIABILITIES	191,493,727
DEFERRED INFLOWS OF RESOURCES	
Pensions	6,625,721
Other post-employment benefits obligation	15,732,908
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	213,852,356
NET POSITION	
Net investment in capital assets	28,606,101
Restricted:	
Retirement contribution	
Employees' retirement system	557,281
Teachers' retirement system	1,262,199
Tax certiorari	8,319,798
Employee benefit accrued liability	452,246
Unemployment	316,207
Workers' compensation	170,175
Debt service	363,568
Scholarships and donations	68,161
	11,509,635
Unrestricted (deficit)	(94,407,554)
TOTAL NET POSITION (DEFICIT)	\$ (54,291,818)

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
FUNCTIONS / PROGRAMS				
General support	\$ (10,119,126)			\$ (10,119,126)
Instruction	(61,027,911)	\$ 63,167	\$ 902,573	(60,062,171)
Pupil transportation	(2,831,918)		19,228	(2,812,690)
Food service program	(253,713)		280,772	27,059
Debt service - interest	(805,567)			(805,567)
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ (75,038,235)</u>	<u>\$ 63,167</u>	<u>\$ 1,202,573</u>	<u>\$ (73,772,495)</u>
 GENERAL REVENUES				
Real property taxes				52,271,851
Other tax items - including STAR reimbursement				6,124,473
Use of money & property				20,331
Sale of property & compensation for loss				19,278
Miscellaneous				908,991
State sources				6,379,798
TOTAL GENERAL REVENUES				<u>65,724,722</u>
 CHANGE IN NET POSITION				(8,047,773)
 TOTAL NET POSITION - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 20)				<u>(46,244,045)</u>
 TOTAL NET POSITION - END OF YEAR				<u>\$ (54,291,818)</u>

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS							
Cash							
Unrestricted	\$ 13,943,757		\$ 146,008	\$ 116,756		\$ 5,464,520	\$ 19,671,041
Restricted	11,077,906			68,161			11,146,067
Receivables							
Accounts receivable	3,680						3,680
Due from state and federal aid	300,670	\$ 448,650	103,385				852,705
Due from other governments	783,087						783,087
Due from other funds	3,536,482	3,149,450	7,817		\$ 363,568	7,122,235	14,179,552
TOTAL ASSETS	\$ 29,645,582	\$ 3,598,100	\$ 257,210	\$ 184,917	\$ 363,568	\$ 12,586,755	\$ 46,636,132
LIABILITIES AND FUND BALANCES							
Payables							
Accounts payable	\$ 432,262	\$ 55,980	\$ 42,886			\$ 904,228	\$ 1,435,356
Accrued liabilities	146,433						146,433
Due to other governments	411,737						411,737
Due to other funds	10,667,920	3,478,085	33,547				14,179,552
Due to teachers' retirement system	2,767,806						2,767,806
Due to employees' retirement system	201,693						201,693
Unearned credits							
Collections in advance	25,444	64,035	34,410				123,889
TOTAL LIABILITIES	14,653,295	3,598,100	110,843	-	-	904,228	19,266,466
FUND BALANCES							
Restricted:							
Retirement contribution							
Employees' retirement system	\$ 557,281						\$ 557,281
Teachers' retirement system	1,262,199						1,262,199
Tax certiorari	8,319,798						8,319,798
Employee benefit accrued liability	452,246						452,246
Unemployment	316,207						316,207
Workers compensation	170,175						170,175
Debt service					\$ 363,568		363,568
Unspent bond proceeds						\$ 5,892,549	5,892,549
Scholarship and donations				\$ 68,161			68,161
Assigned:							
Appropriated fund balance	450,000						450,000
Unappropriated fund balance	877,912		\$ 146,367	116,756		5,789,978	6,931,013
Unassigned	2,586,469						2,586,469
TOTAL FUND BALANCES	14,992,287	-	146,367	184,917	363,568	11,682,527	27,369,666
TOTAL LIABILITIES AND FUND BALANCES	\$ 29,645,582	\$ 3,598,100	\$ 257,210	\$ 184,917	\$ 363,568	\$ 12,586,755	\$ 46,636,132

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2021**

Total Governmental Fund Balances	\$ 27,369,666
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Amounts reported for governmental activities in the Statement of Net Position are different because:

The cost of building and acquiring capital assets (land, buildings, 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 Position include those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	\$ 76,381,085	
Accumulated depreciation	<u>(16,903,707)</u>	59,477,378

Governmental funds report the effect of discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Deferred charges on refunding amounted to:

566,224

Deferred inflows of resources- The Statement of Net Position recognizes revenues and expenditures under the full accrual method. Governmental funds recognize revenues and expenditures under the modified accrual method. These amounts will be amortized in future years.

Deferred inflows related to pensions	(6,625,721)	
Deferred inflows related to total other post-employment benefits liability	(15,732,908)	

Payables that are associated with long-term liabilities that are not payable in the current period are not reported as liabilities in the funds. Additional payables relating to long-term liabilities at year end consisted of accrued interest payable of:

(39,824)

Deferred outflows of resources - The Statement of Net Position recognizes expenditures incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows related to pensions that will be recognized as expenditures in future periods amounted to

Deferred outflows related to pensions	18,288,713	
Deferred outflows related to total other post-employment benefits liability	48,771,643	

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:

Bonds payable (including premiums)	\$ (40,849,062)	
Compensated absences payable	(452,743)	
Total other post-employment benefits obligation	(140,654,359)	
Net pension liability - proportionate share - teachers' retirement system	(4,397,140)	
Net pension liability - proportionate share - employees' retirement system	<u>(13,685)</u>	(186,366,989)

Total Net Position	<u>\$ (54,291,818)</u>
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MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES							
Real property taxes	\$ 52,271,851						\$ 52,271,851
Other tax items - including STAR reimbursement	6,124,473						6,124,473
Charges for services	14,299			\$ 48,868			63,167
Use of money and property	20,233		\$ 42	56			20,331
Sale of property and compensation for loss	19,278						19,278
Miscellaneous	439,050		397	36,940			476,387
Local sources		\$ 26,162					26,162
State sources	6,512,732	124,755	11,225				6,648,712
Federal sources	109,275	624,669	269,547				1,003,491
TOTAL REVENUES	65,511,191	775,586	281,211	85,864	-	-	66,653,852
EXPENDITURES							
General support	7,030,818						7,030,818
Instruction	33,771,049	816,585		74,942			34,662,576
Pupil transportation	2,695,790	19,228					2,715,018
Employee benefits	13,279,939						13,279,939
Cost of sales			251,937				251,937
Debt service - Principal	4,520,000						4,520,000
Debt service - Interest	700,401						700,401
Capital outlay						\$ 10,449,196	10,449,196
TOTAL EXPENDITURES	61,997,997	835,813	251,937	74,942	-	10,449,196	73,609,885
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,513,194	(60,227)	29,274	10,922	-	(10,449,196)	(6,956,033)
OTHER FINANCING SOURCES AND (USES)							
Bond anticipation notes redeemed from appropriations						1,470,000	1,470,000
Proceeds from serial bonds						15,120,000	15,120,000
Bond premium					339,544	130,000	469,544
Operating transfers in		60,227	7,817			1,600,000	1,668,044
Operating transfers (out)	(1,668,044)						(1,668,044)
TOTAL OTHER FINANCING SOURCES AND (USES)	(1,668,044)	60,227	7,817	-	339,544	18,320,000	17,059,544
NET CHANGE IN FUND BALANCES	1,845,150	-	37,091	10,922	339,544	7,870,804	10,103,511
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 20)	13,147,137	-	109,276	173,995	24,024	3,811,723	17,266,155
FUND BALANCES - END OF YEAR	\$ 14,992,287	\$ -	\$ 146,367	\$ 184,917	\$ 363,568	\$ 11,682,527	\$ 27,369,666

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances \$ 10,103,511

Amounts reported for governmental activities in the Statement of Activities are different because:

Long-Term Revenue and Expense Differences

In the Statement of Activities, compensated absences are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Compensated absences payable for the year ended June 30, 2021 changed by: (10,403)

Deferred inflows of resources - The Statement of Net Position recognized revenue received under the full accrual method. Governmental funds recognize revenue under the modified accrual method. (132,934)

Increases/decreases in proportionate share of net pension asset/liability and the total OPEB liability and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Employees' retirement system	\$ 322,906	
Teachers' retirement system	(3,405,804)	
Other post-employment benefits obligation	<u>(12,586,403)</u>	(15,669,301)

Capital Related Items

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the statement of net position and allocated over their useful lives as annual depreciation expense in the Statement of Activities.

Capital outlays	\$ 10,470,925	
Depreciation expense	<u>(634,405)</u>	9,836,520

Long-Term Debt Transactions

Proceeds from the issuance of bonds is an other funding source in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. (15,120,000)

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amount of amortization on the bond premium and deferred charges is: (96,664)

Repayment of a bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities 3,050,000

Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statements of Activities, however, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest from June 30, 2020 to June 30, 2021 changed by: (8,502)

Change in Net Position \$ (8,047,773)

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Mount Pleasant Central 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 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 7 members. The Board of Education serves as the legislative body and has the authority to make decisions, power to appoint management, and primary accountability for all fiscal matters. In addition, the Board is responsible for, and controls all activities related to public school education within the District. The Superintendent is the chief executive officer.

The reporting entity of the District is based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*. 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, there are no other entities that would be included in the District's reporting entity.

B) Joint venture:

The District is a component district in the Board of Cooperative Educational Services of Southern Westchester ("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 is 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

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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, program, and capital costs 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.

C) Basis of presentation:

District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column include capital specific grants, if applicable.

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

Fund Financial Statements

The Fund Financial Statements provide information about the District's funds. 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 fund 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.

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

School Lunch Fund: This fund is used to account for the activities of the District's food service operations. The school lunch operations are supported by federal and state grants and charges to participants for its services.

Miscellaneous Special Revenue Fund: This fund is used to account for assets held by the District in accordance with grantor or contributor stipulations. Other activities included in this fund are extraclassroom activities.

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.

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

D) Measurement focus and basis of accounting:

The District-Wide Financial Statements is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly, receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year 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 Fund Financial 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, except for real property taxes, which are considered to be available if they are collected within 60 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, compensated absences, net pension liability, and other post-employment benefits obligation, 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) Real property taxes:

Calendar

Real property taxes are levied annually by the Board of Education, and become a lien on July 1st. Taxes are collected by the Town of Mount Pleasant and Town of North Castle and are remitted to the District throughout the year.

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Enforcement

Uncollected real property taxes are subsequently enforced by Town of Mount Pleasant ("the Town") in which the District is located. The Town pays an amount representing uncollected real property taxes to the District no later than the following April 1st.

F) Restricted resources:

When an expense is incurred for purposes for which both restricted and unrestricted net position 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.

G) Interfund transactions:

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

In the District-Wide Financial Statements, the amounts reported on the Statement of Net Position for inter-fund receivables and payables represent amounts due between different fund types (governmental activities). Eliminations have been made for all inter-fund receivables and payables between the funds.

The governmental funds report all inter-fund transactions as originally recorded. Inter-fund 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 11 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 deferred outflows, liabilities and deferred inflows, disclosure of contingent items 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 compensated absences, other post-employment benefits, potential contingent liabilities, net pension liability, and useful lives of capital assets.

I) Cash and cash equivalents:

The District's cash and cash equivalents consist of cash on hand, and demand deposits.

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J) Receivables:

Receivables 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) Prepaid items and inventories:

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis. Purchases of inventorable items in other funds are recorded as expenses/expenditures at the time of purchase, and are considered immaterial in amount.

Non-spendable fund balance for these non-liquid assets (inventories) has been recognized in the school lunch fund to signify that a portion of fund balance is not available for other subsequent expenditures.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to prepay workers' compensation expenses reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-Wide and Fund Financial Statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. The District had no prepaid items at June 30, 2021.

L) Capital assets:

Capital assets are reflected in the District-Wide Financial Statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the time received.

All capital assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds (the individual 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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building & Building Improvements	\$5,000	Straight-line	50 years
Improvements other than Buildings	\$5,000	Straight-line	20 years
Machinery & Equipment	\$5,000	Straight-line	5-20 years

M) Collections in advance:

Collections in advance arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim

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to the resources, the liability for collections in advance is removed and revenues are recorded. Collections in advance as of June 30, 2021 consisted of health insurance for the subsequent year received in the general fund, unearned revenues from state and local grants in the special aid fund and prepaid balances for meals in the school lunch fund.

N) Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first item is deferred charges on refundings. A deferred charge results from the difference in carrying amount of the debt over its reacquisition price. This amount is deferred and amortized over the life of the refunding debt. The other amounts are related to pensions and other post-employment benefits reported in the District-Wide Statement of Net Position, which are detailed further in Notes 14, 15 and 17.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are related to pensions and the other post-employment benefits liability reported in the District-Wide Statement of Net Position, and are detailed further in Notes 15 and 17.

O) Vested employee benefits:

Compensated absences:

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time:

Vacation and 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 vacation or sick leave. Certain collectively bargained agreements may require these termination payments to be paid in the form of non-elective contributions into the employees' 403(b) plan.

The 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 within varying time periods.

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting 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 Fund Financial 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. The liability is reported only for payments due for unused

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compensated absences for those employees who have obligated themselves to separate from service with the District by June 30th.

P) Other benefits:

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Section 403(b).

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision 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 District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payments). In the District-Wide Financials Statements, the cost of postemployment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Q) 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 liabilities of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent liabilities 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.

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 BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

R) 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. Compensated absences, net pension liability, and other post-employment benefit obligations that will be paid from governmental funds, are reported as a liability in the fund's financial statements only to the extent that they are due for payment in the current year. Bonds, energy performance contract debt, and other long-

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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 Position.

S) Equity Classifications:

i) District-Wide Financial Statements

In the District-Wide Financial Statements there are three classes of net position:

Net investment in capital assets- 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 (net of unspent proceeds), including the deferred outflows of resources for the deferred charges and the premiums on the bond refundings.

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

ii) Fund Financial Statements

There are five classifications of fund balance as detailed below; however, the District only has four classifications of fund balance presented in the fund financial statements as follows:

- 1) Non-spendable fund balance** – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The District has no non-spendable fund balances as of June 30, 2021.
- 2) Restricted fund balance** - includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

The District has classified the following reserves as restricted:

Retirement Contribution Reserve

Retirement Contribution Reserve (GML§6-r), must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions to the New York State Teachers' Retirement System. The reserve must be

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accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The Teachers' Retirement System subfund is subject to contribution limits. This reserve is accounted for in the general fund under restricted fund balance.

Tax Certiorari Reserve

According to Education Law §3651.1-a, the Tax Certiorari Reserve must be 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.

Employee Benefit Accrued Liability Reserve

Employee benefit accrued liability reserve (GML §6-p), must be used for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the general fund under restricted fund balance.

Unemployment Insurance Reserve

Unemployment insurance reserve (GML §6-m), must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund under the restricted fund balance.

Workers' Compensation Reserve

Workers' compensation reserve (GML§6-j), is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the

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appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the general fund as restricted fund balance.

Debt Service

Debt service is used to account for the accumulation of resources that are restricted to pay debt service. The fund includes all unused debt proceeds and interest and earnings on temporary investment of debt proceeds. This reserve is accounted for in the debt service fund.

Unspent Bond Proceeds

Unspent long-term bond proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects fund.

Scholarships and Donations

Amounts restricted for scholarships and donations are used to account for monies donated for scholarship purposes, net of earnings and awards. These restricted funds are accounted in the miscellaneous special revenue fund.

- 3) **Committed fund balance** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, (i.e., the Board). The District has no committed fund balances as of June 30, 2021.
- 4) **Assigned fund balance**- Includes amounts that are subject to a purpose constraint that represents an intended use established by the District's Board of Education. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance includes an amount appropriated to partially fund the subsequent year's budget in the amount of \$450,000. This assignment is made when the tax levy is set by the Board of Education pursuant to the District's annual budget policy.
- 5) **Unassigned fund balance** – Includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in the assigned fund balance are also excluded from the 4% limitation. Please refer to supplemental schedule #5 for this calculation.

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Order of Use of Fund Balance:

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (i.e. expenditures related to reserves) the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

T) New accounting pronouncements:

GASB has issued Statement No. 84, *Fiduciary Activities* (GASB Statement No. 84), effective for the fiscal year ended June 30, 2021. It provides guidance for identifying fiduciary activities, primarily based on whether the government is controlling the assets, and the beneficiaries with whom the fiduciary relationship exists, and on how different fiduciary activities should be reported. The District has adopted and implemented GASB Statement No. 84, *Fiduciary Activities*, in 2021. See Note 20 for further consideration.

U) Future accounting pronouncements:

GASB has issued Statement No. 87, *Leases*, effective for fiscal year ended June 30, 2022. This Statement establishes a single model for lease accounting based on the idea that leases are financings of the right-to-use an underlying asset. As such, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources.

These are the statements that the District feels may have an impact on these financial statements and are not an all-inclusive list of GASB statements issued. The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND FINANCIAL STATEMENTS AND DISTRICT-WIDE FINANCIAL STATEMENTS:

Due to the differences in the measurement focus and basis of accounting used in the Fund Financial Statements and the District-Wide Financial 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 position of governmental activities:

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

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B) Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities:

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

i) Long-term revenue and expense differences:

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

ii) 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 reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii) Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

The District administration prepares a proposed budget for approval by the Board 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), which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board 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 the other supplemental information – schedule of change from adopted budget to final budget.

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

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 assignments or restrictions 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.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Company (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 the United States and its agencies and obligations of the state and its municipalities and districts.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

- A) Uncollateralized;
- B) Collateralized with securities held by the pledging financial institution in the District's name; or
- C) Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

All of the District's aggregate bank balances were covered by depository insurance or collateralized with securities held by the pledging financial institution in the District's name at year end.

Restricted Cash and Cash Equivalents:

Restricted cash and cash equivalents represent cash and cash equivalents where use is limited by the legal requirements. These assets represent amounts required by statute to be reserved for

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various purposes. Restricted cash and cash equivalents at June 30, 2021 included \$11,146,067 within the governmental funds for general reserve, miscellaneous special revenue and capital projects purposes.

Investments:

The District does not typically purchase investments for 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.

NOTE 5 – PARTICIPATION IN BOCES:

During the year ended June 30, 2021, the District was billed \$2,928,694 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,025,801. Financial statements for the BOCES of Southern Westchester are available from their administrative office at 17 Berkley Drive, Rye Brook, NY 10573.

NOTE 6 – STATE AND FEDERAL AID RECEIVABLES:

State and federal aid receivables at June 30, 2021 consisted of the following:

General Fund	
Excess Cost Aid	\$ 236,941
CARES Act	63,729
Total General Fund	<u>300,670</u>
Special Aid Fund	
Federal grants	\$ 371,723
State grants	76,927
Total Special Aid Fund	<u>448,650</u>
School Lunch Fund	
Federal aid	\$ 99,272
State aid	4,113
Total School Lunch Fund	<u>103,385</u>
Total State and Federal Aid Receivable	<u>\$ 852,705</u>

District management has deemed these receivables as fully collectible.

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
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NOTE 7 – DUE FROM OTHER GOVERNMENTS:

Due from other governments at June 30, 2021 consisted of the following:

General Fund	
PILOT	\$ 4,090
BOCES Aid	461,611
Miscellaneous	2,035
Westchester County- sales tax	315,351
Total Due From Other Governments	<u>\$ 783,087</u>

District management has deemed these receivables as fully collectible.

NOTE 8 – DUE TO OTHER GOVERNMENTS:

Due to other governments in the general fund at June 30, 2021 consisted of the following:

Tuition and health services	<u>\$ 411,737</u>
	<u>411,737</u>
Total Due to Other Governments	<u>\$ 411,737</u>

NOTE 9 – COLLECTIONS IN ADVANCE:

Collections in advance at June 30, 2021 consisted of the following:

General fund	
Health insurance	<u>\$ 25,444</u>
Special aid fund	
Unearned revenues from state and local grants	<u>64,035</u>
School lunch fund	
Prepaid meals and charged meals	<u>34,410</u>
Total Collections in Advance	<u>\$ 123,889</u>

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
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NOTE 10 - CAPITAL ASSETS:

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 1,632,800			\$ 1,632,800
Construction in progress	<u>27,201,463</u>	<u>\$ 10,449,496</u>		<u>37,650,959</u>
Total capital assets not being depreciated	<u>28,834,263</u>	<u>10,449,496</u>	<u>-</u>	<u>39,283,759</u>
Capital assets being depreciated:				
Buildings and improvements	36,085,815			36,085,815
Machinery and equipment	<u>990,082</u>	<u>21,429</u>		<u>1,011,511</u>
Total capital assets being depreciated	<u>37,075,897</u>	<u>21,429</u>	<u>-</u>	<u>37,097,326</u>
Less accumulated depreciation:				
Building and improvements	15,513,487	602,840		16,116,327
Machinery and equipment	<u>755,815</u>	<u>31,565</u>		<u>787,380</u>
Total accumulated depreciation	<u>16,269,302</u>	<u>634,405</u>	<u>-</u>	<u>16,903,707</u>
Total capital assets being depreciated, net	<u>20,806,595</u>	<u>(612,976)</u>	<u>-</u>	<u>20,193,619</u>
Total capital assets, net	<u>\$ 49,640,858</u>	<u>\$ 9,836,520</u>	<u>\$ -</u>	<u>\$ 59,477,378</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 72,841
General support	559,788
Food service program	<u>1,776</u>
Total depreciation expense	<u>\$ 634,405</u>

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
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NOTE 11 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 3,536,482	\$10,667,920		\$ 1,668,044
Special aid fund	3,149,450	3,478,085	\$ 60,227	
School lunch fund	7,817	33,547	7,817	
Debt service fund	363,568			
Capital projects fund	7,122,235		1,600,000	
Miscellaneous special revenue	-			
Total government activities	<u>\$14,179,552</u>	<u>\$14,179,552</u>	<u>\$ 1,668,044</u>	<u>\$ 1,668,044</u>

The District typically transfers from the general fund to the special aid fund to fund the District's local share of summer program for students with disabilities. The District transferred to the school lunch fund to eliminate negative student account balances. The District typically transfers from the general fund to the capital projects fund to finance capital construction projects.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. It is expected that all interfund payables should be repaid within one year.

NOTE 12 - SHORT-TERM DEBT:

Transactions in short term debt for the year as summarized below:

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	06/25/21	0.86%	\$ 8,000,000	\$ -	\$ 8,000,000	\$ -
Total			<u>\$ 8,000,000</u>	<u>\$ -</u>	<u>\$ 8,000,000</u>	<u>\$ -</u>

The BAN was issued for interim financing for the bond projects in the capital projects fund. Interest on short-term debt for the year was \$68,800.

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NOTE 13 – LONG-TERM LIABILITIES:

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Bonds payable					
Construction bonds	\$ 24,415,000	\$ 15,120,000	\$ (2,470,000)	\$ 37,065,000	\$ 3,560,000
Tax certiorari bonds	4,185,000		(580,000)	3,605,000	600,000
Total bonds payable	28,600,000	15,120,000	(3,050,000)	40,670,000	4,160,000
Premium on refunding	221,073		(42,011)	179,062	42,011
Total bonds payable (including premiums)	28,821,073	15,120,000	(3,092,011)	40,849,062	4,202,011
Other liabilities					
Compensated absences payable	442,340	10,403		452,743	45,274
Total other post-employment benefits liability	146,008,481		(5,354,122)	140,654,359	
Net pension liability - proportionate share - TRS		6,790,145	(2,393,005)	4,397,140	
Net pension liability - proportionate share - ERS	3,791,979		(3,778,294)	13,685	
Total long-term liabilities	<u>\$ 179,063,873</u>	<u>\$ 21,920,548</u>	<u>\$ (14,617,432)</u>	<u>\$ 186,366,989</u>	<u>\$ 4,247,285</u>

The general fund has typically been used to liquidate long-term liabilities such as bonds payable, compensated absences, other post-employment benefits obligation, and net pension liabilities.

A) Bonds Payable

Bonds payable is comprised of the following:

<u>Description</u>	<u>Issue Date</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Outstanding at Year End</u>
Tax Certiorari Refunds	2010	\$1,350,000	June 2025	3.250-4.000%	\$ 440,000
Refunding Bonds- Construction	2012	\$7,145,000	June 2025	2.000-2.250%	2,630,000
Refunding Bonds- Construction	2013	\$6,305,000	May 2025	2.000-3.000%	2,290,000
Refunding Bonds- Tax Certiorari	2015	\$5,145,000	June 2027	2.000-3.000%	3,165,000
Serial Bonds- Construction	2019	\$20,000,000	June 2035	2.000-3.000%	17,025,000
Serial Bonds- Construction	2021	\$15,120,000	June 2037	2.000-2.000%	15,120,000
					<u>\$40,670,000</u>

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2022	\$ 4,160,000	\$ 864,321	\$ 5,024,321
2023	4,545,000	784,643	5,329,643
2024	3,820,000	689,831	4,509,831
2025	3,715,000	607,969	4,322,969
2026	2,520,000	526,016	3,046,016
2027-2031	11,170,000	1,910,919	13,080,919
2032-2036	10,400,000	704,163	11,104,163
2037	340,000	6,800	346,800
	<u>\$ 40,670,000</u>	<u>\$ 6,094,662</u>	<u>\$ 46,764,662</u>

Upon default of the payment of principal or interest on the serial bond holders of the District, the bond holders have the right to litigate and the New York State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the New York State Finance Law, to withhold state aid and assistance of the District and apply the amount so withheld to the payment of the defaulted principal or interest with respect to the serial bonds.

B) Long-Term Interest

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

	Total
Interest paid	\$ 631,601
Less interest accrued in the prior year	(31,322)
Plus interest accrued in the current year	39,824
Plus amortization of deferred amounts on refunding	138,675
Less amortization of premium	(42,011)
Total expense	<u>\$ 736,767</u>

C) Premiums on Bonds:

Premiums on bonds, net of amortization, reported as a component of bonds payable, amounted to \$179,062 at June 30, 2021. This represents premiums received on the 2012, 2013 and 2015 bond refundings. These premiums are being amortized using the straight-line method over the respective lives of the bonds. Amortization is recorded as a reduction in interest expense on the District-Wide Statement of Activities.

Unissued Debt

On October 18, 2016, voters approved a bond authorization for a total estimated cost not to exceed \$39,621,180 to finance the reconstruction of various District buildings and facilities. The District has issued serial bonds in the amount of \$20,000,000 and 15,120,000 as of June 30, 2021, leaving authorized but unissued debt in the amount of \$4,501,180.

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NOTE 14 – DEFERRED OUTFLOWS OF RESOURCES

A) Deferred Charges on Refunding:

The deferred charges pertaining to the 2012, 2013 and 2015 bond refundings, as recorded in the District-Wide Financial Statements as deferred outflows of resources at June 30, 2021 consisted of the following:

	<u>2012 Refunding</u>	<u>2013 Refunding</u>	<u>2015 Refundings</u>	<u>Total</u>
Deferred charges	\$ 680,484	\$ 567,168	\$ 516,241	\$ 1,763,893
Accumulated amortization	(492,455)	(402,771)	(302,442)	(1,197,668)
Net deferred charges	<u>\$ 188,029</u>	<u>\$ 164,397</u>	<u>\$ 213,799</u>	<u>\$ 566,225</u>

These deferred charges on refundings are being amortized on the District-Wide Financial Statements using the straight-line method over the time to maturity of the refunding bonds, at the point of refunding, and is recorded as an increase to interest expense on the District-Wide Statement of Activities. Amortization for the fiscal year ended June 30, 2021 amounted to \$138,675.

NOTE 15– PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS) (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany NY 12211-2395 or by referring to the TRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

ii) Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System (ERS) (the System). This is a cost-sharing multiple –employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position

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of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all new assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany NY 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

B) Funding Policies:

The Systems are noncontributory, except as follows:

1. New York State Teachers' Retirement System:
 - a. Employees who joined the system after July 27, 1976
 - i. Employees contribute 3% of their salary, except that employees in the system more than ten years are no longer required to contribute.
 - b. Employees who joined the system on or after January 1, 2010 before April 1, 2012
 - i. Employees contribute 3.5% of their salary throughout active membership.
 - c. Employees who joined the system on or after April 1, 2012
 - i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.
2. New York State Employees' Retirement System
 - a. Employees who joined the system after July 27, 1976
 - i. Employees contribute 3% of their salary, except that employees in the system more than ten years are no longer required to contribute.
 - b. Employees who joined the system on or after January 1, 2010 before April 1, 2012
 - i. Employees contribute 3% of their salary throughout active membership.
 - c. Employees who joined the system on or after April 1, 2012
 - i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31st. The District's contribution rates for ERS' fiscal year ended March 31, 2021 for covered payroll was 16.2% for Tiers 3 & 4, 13.5% for Tier 5, and 9.7% for Tier 6.

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Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2020 was 9.53% of covered payroll.

The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years based on covered payroll for the District's year end were:

	<u>NYSERS</u>	<u>NYSTRS</u>
2021	\$ 649,626	\$ 2,559,403
2020	\$ 589,359	\$ 2,393,005
2019	\$ 573,939	\$ 2,719,831

C) Pension Assets, Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions:

At June 30, 2021, the District reported the following liability for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Net pension liability	\$ 13,685	\$ 4,397,140
District's portion of the Plan's total		
Net pension liability	0.0137435%	0.159128%
Change in proportion since the prior		
measurement date	0.0005763%	0.005695%

For the year ended June 30, 2021, the District recognized pension expense of \$327,840 for ERS, and \$5,966,585 for TRS. At June 30, 2021 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflow of Resources</u>		<u>Deferred Inflow of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 167,130	\$ 3,852,775		\$ 225,345
Net difference between projected and actual earnings on pension plan investments		2,871,718	\$ 3,931,123	
Changes of assumptions	2,516,221	5,561,359	47,457	1,982,334
Changes in proportion and differences between the District's contributions and proportionate share of contributions	88,314	470,099	60,393	379,069
District's contributions subsequent to the measurement date	<u>201,693</u>	<u>2,559,404</u>	<u></u>	<u></u>
	<u>\$ 2,973,358</u>	<u>\$ 15,315,355</u>	<u>\$ 4,038,973</u>	<u>\$ 2,586,748</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
Year ended:		
2021	\$ -	\$ 1,759,414
2022	(224,911)	3,504,308
2023	(71,689)	2,900,791
2024	(208,505)	1,778,994
2025	(762,203)	69,467
Thereafter	-	156,229
	<u>\$ (1,267,308)</u>	<u>\$ 10,169,203</u>

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

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	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Interest rate	5.9%	7.10%
Salary scale	4.40%	4.72% - 1.90%
Cost of living adjustments	1.4% annually	1.3% annually
Decrement tables	April 1, 2015 - March 31, 2020	July 1, 2009 - June 30, 2014
	System's Experience	System's Experience
Inflation rate	2.70%	2.20%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2018, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014

The long-term rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, *Selections of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of investment expense and inflation) for each major asset class, as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the valuation date are summarized below:

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<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	<u>March 31, 2021</u>		<u>June 30, 2020</u>	
<u>Asset type</u>	<u>Target</u>	<u>Long-term</u>	<u>Target</u>	<u>Long-term</u>
	<u>Allocation</u>	<u>expected real rate</u>	<u>Allocation</u>	<u>expected real</u>
		<u>of return</u>		<u>rate of return</u>
Domestic equity	32%	4.05%	33%	7.10%
International equity	15%	6.30%	16%	7.70%
Global equity			4%	7.40%
Private equity	10%	6.75%	8%	10.40%
Real estate	9%	4.95%	11%	6.80%
Opportunistic/Absolute return strate	3%	4.50%		
Credit	4%	3.63%		
Real assets	3%	5.95%		
Fixed income	23%	0.00%		
Cash	1%	0.50%		
Domestic fixed income securities			16%	1.80%
Global bonds			2%	1.00%
High-yield bonds			1%	3.90%
Private debt			1%	5.20%
Real estate debt			7%	3.60%
Cash equivalents			1%	0.70%
	<u>100%</u>		<u>100%</u>	

The expected real rate of return is net of the long-term inflation assumptions of 2.00% for ERS, and 2.20% for TRS.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.90% for ERS and 7.10% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.90% for ERS and 6.10% for TRS) or 1-percentagepoint higher (6.900% for ERS and 8.10% for TRS) than the current rate:

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	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
ERS			
District's proportionate share of the net pension asset (liability)	<u>(\$3,798,413)</u>	<u>(\$13,685)</u>	<u>(\$3,476,720)</u>
	1% Decrease (6.10%)	Current Assumption (7.10%)	1% Increase (8.10%)
TRS			
District's proportionate share of the net pension asset (liability)	<u>(\$27,775,220)</u>	<u>(\$4,397,140)</u>	<u>\$15,222,993</u>

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective measurement dates, were as follows:

	(Dollars in Thousands)	
	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Employers' total pension liability	\$ (220,680,157)	\$ (123,242,776)
Plan Net Position	<u>220,580,583</u>	<u>120,479,505</u>
Employers' net pension asset/(liability)	<u>\$ (99,574)</u>	<u>\$ (2,763,271)</u>

Ratio of plan net position to the		
Employers' total pension asset/(liability)	99.95%	97.76%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$201,693.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to \$2,767,806.

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NOTE 16- RETIREMENT PLANS – OTHER:

A) Tax Sheltered Annuities:

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the year ended June 30, 2021, totaled \$45,060 and \$1,883,192, respectively.

NOTE 17 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):

A) General Information about the OPEB Plan:

Plan Description

The District's OPEB Plan (the "OPEB Plan"), defined as a defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through the State-Wide Schools Cooperative Health Plan (SWSCHP), a consortium of 23 school districts, jointly administered by WESCO, Systemed, and ALICARE. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute between 74% and 100% of premiums for retirees, 74% and 100% for spouses and 0% of the premiums for surviving spouses, depending on the coverage selected and date of retirement. The District recognizes the cost of the Plan annually as expenditures in the fund financial statements as payments are accrued. For fiscal year 2021, the District contributed an estimated \$2,590,875 to the Plan, including \$2,590,875 for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the "pay as you go" method.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefit payments	178
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	278
	<u>456</u>

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B) Total OPEB Liability:

The District's total OPEB liability of \$140,654,359 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2021. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Varied by years of service and retirement system
Discount rate	2.16%
Healthcare cost trend rates:	
Medical and vision	5.70% for 2020-2021, decreasing to an ultimate rate of 4.04% by 2075
Dental	4.00% decreasing by .25% annually to an ultimate rate of 3.00%
Part B reimbursement	2.70% for 2020-2021, increasing to an ultimate rate of 4.04% by 2075

The discount rate was based on Bond Buyer General Obligation 20-year Municipal Bond Index.

Mortality rates were based on Pub-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS group) projected fully generationally using the Society of Actuaries' Scale MP-2019.

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C) Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at June 30, 2020	<u>\$ 146,008,481</u>
Changes for the fiscal year:	
Service cost	6,964,420
Interest	3,352,228
Changes of benefit terms	(628,320)
Differences between expected and actual experience	(4,034,110)
Changes in assumptions or other inputs	(8,417,465)
Benefit payments	<u>(2,590,875)</u>
Net changes	<u>(5,354,122)</u>
Balance at June 30, 2021	<u><u>\$ 140,654,359</u></u>

Changes in assumptions or other inputs include a change in the discount rate from 2.21% to 2.16%, the update of mortality rates based on Pub-2010 Teachers and General Employees Headcount-Weighted table projected fully generationally using MP-2020 and update of termination and retirement rates to reflect NYS ERS assumptions first adopted on April 1, 2015 and NYS TRS assumptions first adopted on June 30, 2015.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	<u>\$179,764,626</u>	<u>\$140,654,359</u>	<u>\$123,854,750</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

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	<u>1% Decrease</u>	Healthcare Cost Trend Rates Current	<u>1% Increase</u>
Total OPEB liability	<u>\$118,379,981</u>	<u>\$140,654,359</u>	<u>\$188,915,034</u>

D) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$15,177,278. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,734,122	\$ (6,394,857)
Changes of assumptions or other inputs	43,037,521	(9,338,051)
	<u>\$ 48,771,643</u>	<u>\$ (15,732,908)</u>

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

Fiscal Year ended June 30:	
2022	\$ 5,488,950
2023	5,488,950
2024	5,488,950
2025	5,488,950
2026	5,488,950
Thereafter	5,593,985
	<u>\$ 33,038,735</u>

NOTE 18 – RISK MANAGEMENT:

A) 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

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purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

B) Pool, Risk Sharing:

The District participates in a risk-sharing pool, the Southern Westchester Cooperative Workers' Compensation Self- Insurance Plan, 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 pays an annual premium to the pool for its workers' compensation claims coverage. The Plan has obtained an excess compensation insurance policy to buffer the effect that a single large claim may have on the Plan. Although excess compensation insurance permits recovery of a portion of such losses from the insurance carrier, it does not discharge the Plan's responsibility for payment of the claim.

The Plan established a liability for both reported and unreported insured events, which includes estimates of both future payments or losses and related claim adjustment expenses. However, because actual claim costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The Plan's total liability for unbilled and opened claims at June 30, 2021, is \$20,387,966. Of this total undiscounted liability, \$539,539 is associated with the District. During the year ended June 30, 2021, the District's contribution to the Plan was \$177,299. The District has transferred all related risk to the plan.

The Plan has issued financial statements for the year ended June 30, 2021. Copies of these statements can be obtained from the District's administrative office.

C) Health and Accident Insurance:

For some of the employee health and accident insurance coverage, the District is a participant in the Statewide Schools Cooperative Health Plan, a public entity risk pool operated for the benefit of 20 individual governmental units located within Westchester County. The District pays an annual premium to the Plan for this health and accident insurance coverage. The Statewide Schools Cooperative Health Plan is considered a self-sustaining risk pool that will provide coverage for its members up to \$100,000 per employee. The Statewide Schools Cooperative Health Plan obtains independent coverage for insured events in excess of the \$100,000 limit and the District has essentially transferred all related risk to the Plan.

NOTE 19- TAX ABATEMENTS:

The Town of Mount Pleasant, under the authority of Section 577(1)(a) of the New York Private Housing Finance Law, entered into a tax abatement program for the purpose of economic development, and general prosperity and economic welfare of the town. The District's property tax revenue was reduced

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

by \$26,388 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling \$5,200 for these programs during the fiscal year.

NOTE 20 – RESTATEMENT OF FUND BALANCES/NET POSITION

During the year ended June 30, 2021, the District implemented GASB Statement No. 84. The adoption and implementation of this Statement resulted in a restatement of the governmental fund's general fund, and extraclassroom activities fund balances to properly reflect the opening value of respective assets and liabilities as of July 1, 2020 based on the reclassification of previously presented fiduciary fund balances.

	<u>General Fund</u>	<u>Miscellaneous Special Revenue Fund</u>	<u>Statement of Net Position</u>
Fund Balance/Net Position (Deficit)			
Beginning of Year as Reported	\$ 13,147,137	\$ -	\$ (46,369,337)
Assets			
Cash	690,490	125,292	815,782
Due From Fiduciary	(678,788)	-	(678,788)
	<u>11,702</u>	<u>125,292</u>	<u>136,994</u>
Liabilities			
Current Liabilities	<u>11,702</u>		<u>11,702</u>
Fund Balance/Net Position (Deficit)			
Assigned appropriated fund balance	<u>-</u>	<u>(125,292)</u>	<u>(125,292)</u>
Fund Balance/Net Position (Deficit)			
Beginning of Year, as Restated	<u>\$ 13,147,137</u>	<u>\$ 125,292</u>	<u>\$ (46,244,045)</u>

NOTE 21 – COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

All encumbrances are classified as assigned fund balance. At June 30, 2021 the District had encumbered the following amounts:

Assigned: Unappropriated Fund Balance

General fund:

General support	\$ 559,888
Instructional	<u>318,024</u>
Total general fund	<u>\$ 877,912</u>

B) Grants:

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 audits, the District's administration believes disallowances, if any, will be immaterial.

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

C) Litigation:

As of June 30, 2021, the District is unaware of any pending or threatened litigation or unasserted claims or assessments against the District which require disclosure. However, there are pending tax certiorari proceedings, which may result in the District having to pay future tax refunds. The District has a reserve established to pay future payments for this.

D) Operating Leases:

The District leases copiers under non-cancelable operating leases. Rental expense for the fiscal year was \$94,808. The following is a summary of obligations of government activities under operating lease payments:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2022	\$ 94,808
Total Lease Payments	<u>\$ 94,808</u>

NOTE 22 – SUBSEQUENT EVENTS:

Management of the District evaluated events through October 6, 2021 which is the date the financial statements were available to be issued, and noted the following:

The federal government has passed several laws in the past year to address the economic and health consequences of the COVID-19 pandemic, including the Coronavirus Response Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan (ARP) Act. The District expects to receive non-recurring revenues to be used to fund expenditures that meet the requirements set forth by the U.S. Department of Education.

SUPPLEMENTARY INFORMATION

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL- GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUES				
Local sources				
Real property taxes	\$ 57,236,600	\$ 57,236,600	\$ 52,271,851	\$ (4,964,749)
Other tax items	653,900	653,900	6,124,473	5,470,573
Charges for services	128,000	128,000	14,299	(113,701)
Use of money and property	95,000	95,000	20,233	(74,767)
Sale of property and compensation for loss	5,500	5,500	19,278	13,778
Miscellaneous	211,600	211,600.00	439,050	227,450
State sources				
Basic formula	5,309,765	5,309,765	3,341,015	(1,968,750)
Excess cost aid			1,201,493	1,201,493
Lottery aid			540,365	540,365
BOCES aid	1,021,003	1,021,003	1,025,801	4,798
Tuition aid			90,270	90,270
Textbook aid	173,207	173,207	118,481	(54,726)
Computer software aid			46,284	46,284
Library A/V loan program aid			16,087	16,087
Other state aid			132,936	132,936
Federal sources				
CARES act education stabilization fund			79,661	79,661
Emergency disaster assistance (FEMA)			29,614	29,614
TOTAL REVENUES	\$ 64,834,575	\$ 64,834,575	\$ 65,511,191	\$ 676,616
Appropriated fund balance	625,000	625,000		
Appropriated reserves	706,210	1,998,628		
TOTAL REVENUES, OTHER SOURCES & APPROPRIATED FUND BALANCE	\$ 66,165,785	\$ 67,458,203		

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL- GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Year-End Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual and Encumbrances</u>
EXPENDITURES					
General support					
Board of education	\$ 187,462	\$ 181,702	\$ 145,881	\$ -	\$ 35,821
Central administration	389,452	410,452	398,663	-	11,789
Finance	590,447	598,147	587,996	343	9,808
Staff	449,475	438,926	398,536	-	40,390
Central services	4,001,517	4,437,830	3,688,615	559,545	189,670
Special items	661,697	1,837,605	1,811,127	-	26,478
Total General Support	<u>6,280,050</u>	<u>7,904,662</u>	<u>7,030,818</u>	<u>559,888</u>	<u>313,956</u>
Instructional					
Instruction, adm. & imp.	2,292,557	2,290,871	2,204,042	7,806	79,023
Teaching - regular school	18,798,665	18,574,045	18,170,310	18,250	385,485
Programs for children with handicapping conditions	9,521,373	9,187,373	8,382,777	-	804,596
Occupational education	410,460	413,460	361,683	-	51,777
Teaching special schools	45,000	3,000	-	-	3,000
Instructional media	1,420,414	1,838,718	1,485,306	291,968	61,444
Pupil services	3,430,494	3,442,516	3,166,931	-	275,585
Total Instructional	<u>35,918,963</u>	<u>35,749,983</u>	<u>33,771,049</u>	<u>318,024</u>	<u>1,660,910</u>
Pupil transportation	<u>3,086,769</u>	<u>2,981,769</u>	<u>2,695,790</u>	<u>-</u>	<u>285,979</u>
Employee benefits	<u>13,992,184</u>	<u>13,933,269</u>	<u>13,279,939</u>	<u>-</u>	<u>653,330</u>
Debt service					
Debt service principal	4,206,180	4,520,000	4,520,000	-	-
Debt service interest	956,639	700,401	700,401	-	-
Total Debt Service	<u>5,162,819</u>	<u>5,220,401</u>	<u>5,220,401</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	64,440,785	65,790,084	61,997,997	877,912	2,914,175
Other financing uses					
Transfers to other funds	<u>1,725,000</u>	<u>1,668,119</u>	<u>1,668,044</u>	<u>-</u>	<u>75</u>
TOTAL EXPENDITURES AND OTHER USES	\$ 66,165,785	\$ 67,458,203	63,666,041	\$ 877,912	\$ 2,914,250
Net change in fund balance			1,845,150		
Fund balance - beginning of year			13,147,137		
Fund balance - end of year			<u>\$ 14,992,287</u>		

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 6,964,420	\$ 4,682,913	\$ 2,940,323	\$ 3,056,921
Interest	3,352,228	4,094,380	2,840,802	2,530,371
Changes of benefit terms	(628,320)	-	(120,564)	-
Differences between expected and actual experience	(4,034,110)	(4,111,868)	8,191,605	-
Changes of assumptions or other inputs	(8,417,465)	30,721,119	30,134,091	(3,587,661)
Benefit payments	<u>(2,590,875)</u>	<u>(2,665,314)</u>	<u>(2,306,920)</u>	<u>(2,144,930)</u>
Net change in total OPEB liability	(5,354,122)	32,721,230	41,679,337	(145,299)
Total OPEB liability - beginning	<u>146,008,481</u>	<u>113,287,251</u>	<u>71,607,914</u>	<u>71,753,213</u>
Total OPEB liability - ending	<u>\$ 140,654,359</u>	<u>\$ 146,008,481</u>	<u>\$ 113,287,251</u>	<u>\$ 71,607,914</u>
 Covered-employee payroll	 \$ 28,777,150	 \$ 28,832,582	 \$ 27,218,968	 \$ 27,181,679
 Total OPEB liability as a percentage of covered-employee payroll	 488.77%	 506.40%	 416.21%	 263.44%

Notes to Schedule:*Trust Assets*

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75 to pay related benefits.

Change of Assumptions and Other Inputs

The discount rate was 3.87% as of June 30, 2018.

The discount rate was 3.51% as of June 30, 2019.

The discount rate was 2.21% as of June 30, 2020.

The discount rate was 2.16% as of June 30, 2021.

Mortality rates were updated to reflect Pub-2010 Teachers and General Employees Headcount-Weighted table projected using MP-2019 from MP-2018. Termination and retirement rates have been updated based on NYS ERS assumptions first adopted on April 1, 2015 and NYS TRS assumptions first adopted on June 30, 2015.

	NYSPERS Pension Plan						
	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension (liability) asset	0.0137435%	0.0143198%	0.0139167%	0.0138999%	0.0146647%	0.0147050%	0.014902%
District's proportionate share of the net pension (liability) asset	(13,685)	(3,791,979)	(986,042)	\$ (448,609)	\$ (1,377,930)	\$ (2,360,201)	\$ (421,949)
District's covered payroll	\$ 4,465,170	\$ 4,442,176	\$ 4,408,723	\$ 4,368,161	\$ 4,131,792	\$ 3,678,606	\$ 3,330,469
District's proportionate share of the net pension (liability) asset as a percentage of its covered payroll	0.31%	85.36%	22.37%	10.27%	33.35%	64.16%	12.67%
Plan fiduciary net position as a percentage of the total pension (liability) asset	99.95%	86.59%	96.27%	98.24%	94.70%	90.70%	97.95%

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension(liability) asset	0.159128%	0.153433%	0.156944%	0.160105%	0.165236%	0.1627520%	0.1600170%
District's proportionate share of the net pension (liability) asset	(4,397,140)	3,986,300	2,838,874	\$ 1,216,954	\$ (1,769,747)	\$ 16,904,781	\$ 17,824,875
District's covered payroll	\$ 27,387,280	\$ 25,610,465	\$ 26,308,327	\$ 26,280,573	\$ 25,772,752	\$ 24,589,144	\$ 23,790,145
District's proportionate share of the net pension (liability) asset as a percentage of its covered payroll	16.06%	15.56%	10.79%	4.63%	6.88%	68.75%	74.93%
Plan fiduciary net position as a percentage of the total pension(liability) asset	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

* The amounts presented for each fiscal year were determined as of the measurement dates of the plans

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED JUNE 30,

NYSERS Pension Plan

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 649,626	\$ 589,359	\$ 573,939	\$ 563,834	\$ 586,700	\$ 714,379	\$ 576,212
Contributions in relation to the contractually required contribution	649,626	589,359	573,939	563,834	586,700	714,379	576,212
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 4,653,312	\$ 4,397,069	\$ 4,444,060	\$ 4,408,269	\$ 4,146,800	\$ 3,779,737	\$ 3,583,067
Contributions as a percentage of covered payroll	13.96%	13.40%	12.91%	12.79%	14.15%	18.90%	16.08%

NYTRS Pension Plan

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,559,403	\$ 2,393,005	\$ 2,719,831	\$ 2,506,119	\$ 2,973,517	\$ 3,410,837	\$ 4,312,055
Contributions in relation to the contractually required contribution	2,559,403	2,393,005	2,719,831	2,506,119	2,973,517	3,410,837	4,312,055
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 27,432,416	\$ 27,387,280	\$ 25,610,465	\$ 26,308,327	\$ 26,280,573	\$ 25,722,752	\$ 24,598,144
Contributions as a percentage of covered payroll	9.33%	8.74%	10.62%	9.53%	11.31%	13.26%	17.53%

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET-GENERAL FUND
AND SECTION 1318 OF THE REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$ 65,459,575
Add: Prior year's encumbrances		<u>706,210</u>
Original Budget		66,165,785
Budget revisions:		
Employee Benefits	\$ 41,510	
Tax Certiorari	1,205,908	
Unemployment	<u>45,000</u>	
		<u>1,292,418</u>
Final Budget		<u><u>\$ 67,458,203</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-22 voter-approved expenditure budget		<u><u>\$ 67,161,000</u></u>
Maximum allowed (4% of 2021-22 budget)		<u><u>\$ 2,686,440</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance:	\$ 1,327,912	
Unassigned fund balance	<u>2,586,469</u>	
Total unrestricted fund balance		3,914,381
Less:		
Appropriated fund balance	450,000	
Encumbrances included in assigned fund balance	<u>877,912</u>	
Total adjustments		<u>1,327,912</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u><u>\$ 2,586,469</u></u>
Actual percentage		<u><u>3.85%</u></u>

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES- CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Project Title	SED Project #	Original Appropriation	Revised Appropriation	Expenditures		Unexpended Balance	Methods of Financing		Total	Fund Balance June 30, 2021
				Prior Year's	Current Year		State Aid	Local Sources		
Construction - Bleachers/Fields		\$ 256,254	\$ 281,435	\$ 256,254		\$ 25,181		\$ 281,435	\$ 281,435	\$ 25,181
Gas Line - District Wide		250,000	215,348	213,901		1,447		215,348	215,348	1,447
Columbus Boiler, HVAC & Gas Line	0-004-009	2,934,195	2,972,848	2,835,777		137,071		2,972,848	2,972,848	137,071
Columbus Roof	0-004-010	1,097,000	1,097,000	1,049,469		47,531		1,097,000	1,097,000	47,531
Hawthorne Elementary Construction Project 15-16	0-002-010	488,350	496,000	483,731		6,269		496,000	496,000	6,269
Elevator - 2016-2017	0-006-011	512,000	512,000	439,577		72,423		512,000	512,000	72,423
Ceiling Tile & Lighting - WHS		297,000	297,000	10,249	\$ 267,921	18,830		297,000	297,000	18,830
Steam Maker Space		2,058,980	2,058,980	-		2,058,980		2,058,980	2,058,980	2,058,980
Theater Rigging - WHS		263,250	263,250	18,384	33,406	211,460		263,250	263,250	211,460
Track Repair WHS		193,050	193,050	990		192,060		193,050	193,050	192,060
Unallocated - CES/HES		90,720	90,720	-		90,720		90,720	90,720	90,720
Athletic and PE Space		2,335,729	2,335,729	66,983	162,851	2,105,895		2,335,729	2,335,729	2,105,895
Maintenance Building		864,271	864,271	-	42,160	822,111		864,271	864,271	822,111
2016 Bond Referendum Projects	various	39,621,180	38,070,000	22,234,593	9,942,838	5,892,549		38,070,000	38,070,000	5,892,549
		\$ 51,265,979	\$ 49,741,631	\$ 27,609,908	\$ 10,449,196	\$ 11,682,527	\$ -	\$ 11,671,631	\$ 49,741,631	\$ 11,682,527

**MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
NET INVESTMENTS IN CAPITAL ASSETS
JUNE 30, 2021**

Capital assets, net		\$ 59,477,378
Add:	Unamortized deferred charges on refundings	352,425
Deduct:		
	Premium	\$ 51,251
	Short-term portion of bonds payable	3,560,000
	Long-term portion of bonds payable	33,505,000
	Less: Unspent bond proceeds	<u>(5,892,549)</u>
		<u>31,223,702</u>
Net investment in capital assets		<u>\$ 28,606,101</u>

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

To the Board of Education
Mount Pleasant Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Mount Pleasant Central School District (the "District"), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Mount Pleasant Central School District's basic financial statements, and have issued our report thereon dated October 6, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Mount Pleasant Central School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Mount Pleasant Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mount Pleasant Central School District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mount Pleasant Central School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
October 6, 2021