

Mount Pleasant Central School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2014



Mount Pleasant Central School District, New York

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Mount Pleasant Central School District, New York ("School District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2014, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General and Special Aid funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

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Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133 *Audits of State, Local Governments and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 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 1, 2014 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
October 1, 2014

Mt. Pleasant Central School District, New York

Management's Discussion and Analysis (MD&A) June 30, 2014

Introduction

Our discussion and analysis of the Mt. Pleasant Central School District, New York's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2014. It should be read in conjunction with the basic financial statements, which immediately follows this section, to enhance understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year ended June 30, 2014 are as follows:

- At the end of the last fiscal year 2012-2013, the total fund balance of the General Fund was \$8,711,113 and the restricted fund balance was \$6,217,091, the assigned fund balance was \$393,422, and the unassigned fund balance was \$2,100,600. At the end of the current fiscal year the fund balance was \$9,826,374 and the restricted balance was \$6,675,159, the assigned fund balance was \$921,216, and the unassigned fund balance was \$2,229,999. New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated from the subsequent year's budget. The increase in fund balance, \$1,115,261, was primarily due to an unexpected increase in revenues. Expenditures overall were \$180,146 less than the final budget. Revenues exceeded the final budget by \$952,892.
- Our revenues exceeded the anticipated amount due to an increase in tuition received from other districts. The District enrolled a greater number of tuition-paying students than anticipated. Also, several districts participate in a consortium with a reduced tuition rate. There were a greater number of students attending our programs in the current year from districts not participating in this consortium, therefore paying a higher tuition rate. There was also a significant increase in E-Rate rebates, which are technology subsidies for Internet access, telecommunications services, internal infrastructure and basic maintenance of internal connections to schools. As a result of increased revenues, the fund balance was increased for the eighth year in a row, which in turn allowed the District to increase the reserves for future tax certiorari settlements.
- On the district-wide financial statements, the liabilities of the School District exceeded assets by \$601,955. Of this amount, the unrestricted portion is a deficit of \$18,232,822. This deficit results from the recognition of the other post employment benefit obligations ("OPEB") as required under the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 45. The GASB is charged with developing the accounting rules that apply to governments, including school districts and BOCES. These obligations include any benefits provided to retirees, other than a pension, including health insurance, life insurance, vision, dental, etc. GASB Statement No. 45 establishes standards for an accrual based measurement and recognition of OPEB expenses over periods that approximate employees' years of active service, as well as the required note disclosures. For the year ending June 30, 2014, the School District's OPEB obligations of \$13,916,219 are reflected as a liability on the district-wide financial statements, and accordingly were a major factor in the decrease in total net position.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) district-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

District-Wide Financial Statements

- The *district-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.
 - The *statement of net position* presents information on all of the School District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
 - The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
 - The *governmental activities* of the School District include general support, instruction, pupil transportation, community services, cost of food sales, interest, other and general administrative support.

The district-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

- The School District maintains five individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund, and Capital Projects Fund. The General, Special Aid and Capital Projects funds are considered major funds and information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for these funds. The remaining funds are non-major and their information is aggregated and presented in a single column as other governmental funds.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the respective budget.
- The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statements section of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements section of this report.

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the Mount Pleasant Central School District, New York, liabilities exceeded assets by \$601,955 at the close of the current fiscal year.

Net Position

	June 30,	
	2014	2013
Current Assets	\$ 15,821,621	\$ 13,156,133
Capital Assets, net	<u>25,618,351</u>	<u>26,120,915</u>
Total Assets	<u>41,439,972</u>	<u>39,277,048</u>
Deferred Outflows of Resources	<u>1,020,371</u>	<u>-</u>
Current Liabilities	5,228,960	3,788,328
Long-term Liabilities	<u>37,833,338</u>	<u>36,939,990</u>
Total Liabilities	<u>43,062,298</u>	<u>40,728,318</u>
Net Position		
Net Investment in Capital Assets	10,452,828	9,680,946
Restricted for		
Capital Projects	537,374	361,852
Tax Certiorari	6,024,959	5,024,303
Debt service	-	544,210
Unemployment Benefits	167,470	167,052
Retirement Contribution	178,386	177,941
Special Purposes	52,779	54,917
School Lunch	217,071	169,947
Unrestricted	<u>(18,232,822)</u>	<u>(17,632,438)</u>
Total Net Position	<u>\$ (601,955)</u>	<u>\$ (1,451,270)</u>

By far, the largest component of the School District's net position is its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions constitute \$7,178,039 of the total net position. The balance of unrestricted net position, a deficit of (\$18,232,822) is related recognition of OPEB expenses in accordance with GASB Statement No. 45.

Changes in Net Position

	Year Ended June 30,	
	2014	2013
REVENUES		
Program Revenues		
Charges for Services	\$ 1,489,469	\$ 931,208
Operating Grants and Contributions	1,154,767	1,199,720
Capital Grants and Contributions	1,361	300,154
Total Program Revenues	2,645,597	2,431,082
General Revenues		
Real Property Taxes	40,613,554	39,509,054
Other Tax Items	5,793,117	5,730,349
Non-Property Taxes	671,119	629,191
Unrestricted Use of Money and Property	12,639	25,236
Sale of Property and Compensation for Loss	1,542	10,345
Unrestricted State Aid	4,324,642	4,159,947
Miscellaneous	412,240	268,784
Insurance Recoveries	100,247	-
Total General Revenues	51,929,100	50,332,906
Total Revenues	54,574,697	52,763,988
PROGRAM EXPENSES		
General Support	6,835,717	7,876,394
Instruction	43,360,443	40,618,014
Pupil Transportation	2,209,196	2,320,290
Community Services	26,585	21,027
Cost of Food Sales	450,145	402,768
Other	8,100	7,400
Interest	835,196	841,729
Total Expenses	53,725,382	52,087,622
Change in Net Position	849,315	676,366
NET POSITION		
Beginning	(1,451,270)	(2,127,636)
Ending	\$ (601,955)	\$ (1,451,270)

The major changes are as follows:

Revenues:

- Real property taxes increased by \$1,104,500. This was a result of a higher tax levy associated with the 2013-14 school budget.
- Other tax items include the reimbursement received from the School Tax Relief Reimbursement Program (STAR). The STAR Program provides tax relief to homeowners through New York State reimbursement to the District.
- Program revenues increased \$214,515 over the prior year due to an increase in tuition received from other districts.

Expenses:

- General Support decreased \$1,040,677 due to no refunds of real property taxes from tax certiorari proceedings.

Financial Analysis of the School District's Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the School District's financing requirements.

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$9,826,374. The fund balance includes \$2,299,999 for the unassigned fund balance. The District has managed both 2013-14 budget revenues and expenditures to be better than budgeted. For the 2013-14 fiscal year, revenues exceeded budgetary estimates by \$952,892 and expenditures were \$180,146 less than the final budget, inclusive of encumbrances of \$375,645. This budgetary control contributed to the increase in fund balance.

Capital Assets

At June 30, 2014, the School District had \$25,618,351 net of accumulated depreciation invested in capital assets, including land, improvements other than buildings, buildings and improvements and machinery and equipment. The change in capital assets is reflected below.

	June 30,	
	2014	2013
Land	\$ 1,632,800	\$ 1,632,800
Improvements Other than Buildings	32,016	34,963
Buildings and Improvements	23,740,678	24,234,215
Machinery and Equipment	212,857	218,937
Total Capital Assets, net of Accumulated Depreciation	<u>\$ 25,618,351</u>	<u>\$ 26,120,915</u>

The statement of capital assets reflects the asset categories net of accumulated depreciation. More detailed information about the School District's capital assets is presented in the notes to the financial statements.

Long-Term Debt

At June 30, 2014, the School District has \$37,833,338 in general obligation and other debt outstanding, as follows:

	June 30,	
	2014	2013
Bonds Payable	\$ 23,585,894	\$ 24,631,145
Compensated Absences	331,225	338,926
Other Post Employment benefit Obligations Payable	13,916,219	11,969,919
	<u>\$ 37,833,338</u>	<u>\$ 36,939,990</u>

More detailed information about the School District's long-term liabilities is presented in the notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Mt. Pleasant Central School District
Attn: Lisa Sanfilippo
Director of Business Administration
825 Westlake Drive
Thornwood, New York 10594

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Mount Pleasant Central School District, New York

**Statement of Net Position
June 30, 2014**

ASSETS

Cash and equivalents	\$ 13,904,955
Receivables	
Accounts	38,440
State and Federal aid	1,407,102
Due from other governments	468,583
Inventories	2,541
Capital assets	
Not being depreciated	1,671,902
Being depreciated, net	<u>23,946,449</u>
Total Assets	<u>41,439,972</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred amounts on refunding bonds	<u>1,020,371</u>
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LIABILITIES

Accounts payable	427,160
Accrued liabilities	123,088
Retainages payable	13,522
Due to other governments	246,092
Unearned revenues	159,963
Due to retirement systems	4,218,198
Accrued interest payable	40,937
Non-current liabilities	
Due within one year	2,203,000
Due in more than one year	<u>35,630,338</u>
Total Liabilities	<u>43,062,298</u>

NET POSITION

Net investment in capital assets	10,452,828
Restricted	
Tax certiorari	6,024,959
Unemployment benefits	167,470
Retirement contribution	178,386
Capital projects	537,374
School lunch	217,071
Special purposes	52,779
Unrestricted	<u>(18,232,822)</u>
Total Net Position	<u>\$ (601,955)</u>

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

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Mount Pleasant Central School District, New York

Statement of Activities Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 6,835,717	\$ 31,444	\$ 14,183	\$ -	\$ (6,790,090)
Instruction	43,360,443	1,062,212	1,034,596	-	(41,263,635)
Pupil transportation	2,209,196	-	-	-	(2,209,196)
Community services	26,585	-	-	-	(26,585)
Cost of food sales	450,145	395,813	100,026	-	45,694
Other	8,100	-	5,962	-	(2,138)
Interest	835,196	-	-	1,361	(833,835)
Total Governmental Activities	\$ 53,725,382	\$ 1,489,469	\$ 1,154,767	\$ 1,361	(51,079,785)
General revenues					
Real property taxes					40,613,554
Other tax items					
School tax relief reimbursement					5,793,117
Non-property taxes					
Non-property tax distribution from County					671,119
Unrestricted use of money and property					12,639
Sale of property and compensation for loss					1,542
Unrestricted State aid					4,324,642
Miscellaneous					412,240
Insurance recoveries					100,247
Total General Revenues					51,929,100
Change in Net Position					849,315
Net Position - Beginning of Year					(1,451,270)
Net Position - Ending					\$ (601,955)

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

Mount Pleasant Central School District, New York

Balance Sheet
Governmental Funds
June 30, 2014

	General	Capital Projects
ASSETS		
Cash and equivalents	\$ 13,607,024	\$ -
Receivables		
Accounts	36,842	-
State and Federal aid	632,713	313,039
Due from other governments	463,004	-
Due from other funds	409,228	239,232
Inventories	-	-
Total Assets	<u>\$ 15,148,811</u>	<u>\$ 552,271</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 387,449	\$ 1,375
Accrued liabilities	123,088	-
Retainages payable	-	13,522
Due to other governments	245,904	-
Unearned revenues	13,403	-
Due to other funds	334,395	-
Due to retirement systems	4,218,198	-
Total Liabilities	<u>5,322,437</u>	<u>14,897</u>
Fund balances		
Nonspendable	-	-
Restricted	6,675,159	537,374
Assigned	921,216	-
Unassigned	2,229,999	-
Total Fund Balances	<u>9,826,374</u>	<u>537,374</u>
Total Liabilities and Fund Balances	<u>\$ 15,148,811</u>	<u>\$ 552,271</u>

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

Special Aid	Other Governmental	Total Governmental Funds
\$ -	\$ 297,931	\$ 13,904,955
-	1,598	38,440
453,968	7,382	1,407,102
5,579	-	468,583
95,163	-	743,623
-	2,541	2,541
<u>\$ 554,710</u>	<u>\$ 309,452</u>	<u>\$ 16,565,244</u>
 \$ 35,738	 \$ 2,598	 \$ 427,160
-	-	123,088
-	-	13,522
-	188	246,092
138,299	8,261	159,963
380,673	28,555	743,623
-	-	4,218,198
<u>554,710</u>	<u>39,602</u>	<u>5,931,646</u>
 -	 2,541	 2,541
-	52,779	7,265,312
-	214,530	1,135,746
-	-	2,229,999
<u>-</u>	<u>269,850</u>	<u>10,633,598</u>
<u>\$ 554,710</u>	<u>\$ 309,452</u>	<u>\$ 16,565,244</u>

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Mount Pleasant Central School District, New York

**Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2014**

Fund Balances - Total Governmental Funds	\$ 10,633,598
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>25,618,351</u>
Governmental funds do not report the effects of losses on refunding bonds whereas these amounts are deferred and amortized in the statement of activities	
Deferred amounts on refunding bonds	<u>1,020,371</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(40,937)
Bonds payable	(23,585,894)
Compensated absences	(331,225)
Other post employment benefit obligations payable	<u>(13,916,219)</u>
	<u>(37,874,275)</u>
Net Position of Governmental Activities	\$ (601,955)

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

Mount Pleasant Central School District, New York**Statement of Revenues, Expenditures and Changes in Fund Balances****Governmental Funds****Year Ended June 30, 2014**

	General	Capital Projects	Special Aid
REVENUES			
Real property taxes	\$ 40,613,554	\$ -	\$ -
Other tax items	5,793,117	-	-
Non-property taxes	671,119	-	-
Charges for services	1,062,212	-	-
Use of money and property	59,627	-	-
Sale of property and compensation for loss	1,542	-	-
State aid	4,612,691	-	167,191
Federal aid	19,646	-	512,747
Food sales	-	-	-
Miscellaneous	419,370	-	39,833
Total Revenues	53,252,878	-	719,771
EXPENDITURES			
Current			
General support	5,171,582	-	-
Instruction	29,132,881	-	838,299
Pupil transportation	2,172,886	-	-
Community services	17,555	-	-
Employee benefits	12,418,351	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	2,145,000	-	-
Interest	761,081	-	-
Capital outlay	-	124,478	-
Total Expenditures	51,819,336	124,478	838,299
Excess (Deficiency) of Revenues Over Expenditures	1,433,542	(124,478)	(118,528)
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	100,247	-	-
Transfers in	-	300,000	118,528
Transfers out	(418,528)	-	-
Total Other Financing Sources (Uses)	(318,281)	300,000	118,528
Net Change in Fund Balances	1,115,261	175,522	-
FUND BALANCES			
Beginning of Year	8,711,113	361,852	-
End of Year	\$ 9,826,374	\$ 537,374	\$ -

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

<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 40,613,554
-	5,793,117
-	671,119
-	1,062,212
318	59,945
-	1,542
5,307	4,785,189
88,256	620,649
395,813	395,813
12,107	471,310
<u>501,801</u>	<u>54,474,450</u>
-	5,171,582
-	29,971,180
-	2,172,886
-	17,555
-	12,418,351
448,715	448,715
8,100	8,100
-	2,145,000
-	761,081
-	124,478
<u>456,815</u>	<u>53,238,928</u>
<u>44,986</u>	<u>1,235,522</u>
-	100,247
-	418,528
-	(418,528)
-	100,247
44,986	1,335,769
<u>224,864</u>	<u>9,297,829</u>
<u>\$ 269,850</u>	<u>\$ 10,633,598</u>

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Mount Pleasant Central School District, New York

**Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2014**

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

Net Change in Fund Balances - Total Governmental Funds	\$ 1,335,769
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount may be less than the total capital outlay since capital outlay includes amounts under the capitalization threshold. This is the amount by which depreciation expense exceeded capital outlay in the current period.

Capital outlay	158,315
Depreciation expense	(660,879)
	<u>(502,564)</u>

Bond and other debt proceeds provide current financial resources to governmental funds while issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, 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.

Principal paid on bonds	2,145,000
Amortization of premium and loss on refunding bonds	(195,554)
	<u>1,949,446</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	5,263
Compensated absences	7,701
Other post employment benefit obligations	(1,946,300)
	<u>(1,933,336)</u>

Change in Net Position of Governmental Activities	<u>\$ 849,315</u>
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The notes to the financial statements are an integral part of this statement.

Mount Pleasant Central School District, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Special Aid Funds
Year Ended June 30, 2014

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 40,615,883	\$ 40,615,883	\$ 40,613,554	\$ (2,329)
Other tax items	5,797,017	5,797,017	5,793,117	(3,900)
Non-property taxes	600,000	600,000	671,119	71,119
Charges for services	481,000	481,000	1,062,212	581,212
Use of money and property	50,000	50,000	59,627	9,627
Sale of property and compensation for loss	500	500	1,542	1,042
State aid	4,580,600	4,580,600	4,612,691	32,091
Federal aid	20,000	20,000	19,646	(354)
Miscellaneous	165,000	165,000	419,370	254,370
Total Revenues	52,310,000	52,310,000	53,252,878	942,878
EXPENDITURES				
Current				
General support	5,101,590	5,570,191	5,171,582	398,609
Instruction	28,866,451	29,261,965	29,132,881	129,084
Pupil transportation	2,435,620	2,189,796	2,172,886	16,910
Community services	7,480	17,665	17,555	110
Employee benefits	12,991,200	12,429,429	12,418,351	11,078
Debt service				
Principal	2,145,000	2,145,000	2,145,000	-
Interest	761,081	761,081	761,081	-
Total Expenditures	52,308,422	52,375,127	51,819,336	555,791
Excess (Deficiency) of Revenues Over Expenditures	1,578	(65,127)	1,433,542	1,498,669
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	5,000	90,233	100,247	10,014
Transfers in	-	-	-	-
Transfers out	(400,000)	(418,528)	(418,528)	-
Total Other Financing Sources (Uses)	(395,000)	(328,295)	(318,281)	10,014
Net Change in Fund Balances	(393,422)	(393,422)	1,115,261	1,508,683
FUND BALANCES				
Beginning of Year	393,422	393,422	8,711,113	8,317,691
End of Year	\$ -	\$ -	\$ 9,826,374	\$ 9,826,374

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

Special Aid Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
167,191	167,191	167,191	-
599,577	599,070	512,747	(86,323)
181,069	181,070	39,833	(141,237)
947,837	947,331	719,771	(227,560)
-	-	-	-
1,047,837	1,065,859	838,299	227,560
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,047,837	1,065,859	838,299	227,560
(100,000)	(118,528)	(118,528)	-
-	-	-	-
100,000	118,528	118,528	-
-	-	-	-
100,000	118,528	118,528	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Mount Pleasant Central School District, New York

**Statement of Assets and Liabilities
Fiduciary Fund
June 30, 2014**

	<u>Agency Fund</u>
ASSETS	
Cash and equivalents	<u>\$ 129,624</u>
LIABILITIES	
Accounts payable	\$ 30,785
Deposits	1,031
Student activity funds	<u>97,808</u>
 Total Liabilities	 <u>\$ 129,624</u>

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

Note 1 - Summary of Significant Accounting Policies

The Mount Pleasant Central School District, New York ("School District") as presently constituted, was established in 1912 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The accounting policies of the School District conform to generally accepted accounting principles for local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the School District's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the School District, b) organizations for which the School District is financially accountable and c) other organizations for which the nature and significance of their relationship with the School District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the School District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the School District's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

The School District participates in the Southern Westchester Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating district's governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined by Education Law. Copies of BOCES' financial statement can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

B. District-Wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the School District as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. **Governmental Funds** - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following represents the School District's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for

Note 1 - Summary of Significant Accounting Policies (Continued)

capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Special Revenue Funds - Special revenue funds are used to account for an report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal, State or local funds.

The School District also reports the following non-major governmental funds:

Special Revenue Funds:

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs of the School District.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with the terms of a trust agreement.

- b. **Fiduciary Funds** (Not Included in District-Wide Statements) - Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. Among the activities included in the Agency Fund are the student activity funds. The Agency Fund is also utilized to account for payroll tax withholdings that are payable to other jurisdictions.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other

Note 1 - Summary of Significant Accounting Policies (Continued)

governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The School District's deposit and investment policies are governed by State statutes. The School District has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2014.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable in September and January. The towns included in the levy are responsible for the billing and collection of the taxes. The towns guarantee the full payment of the School District warrant and assume responsibility for uncollected taxes.

Note 1 - Summary of Significant Accounting Policies (Continued)

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the School District. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2014, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of food and supplies and are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at a stated value, which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by a reservation of fund balance, which indicates that these amounts do not constitute "available spendable resources", even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the School District are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Improvements Other than Buildings	20
Buildings and Improvements	50
Machinery and Equipment	5-20

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In district-wide financial statements, unearned revenues consist of amounts received in advance and/or revenue from grants received before the eligibility requirements have been met.

Note 1 - Summary of Significant Accounting Policies (Continued)

Unearned revenues in fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$13,403 for amounts received in advance for various programs in the General Fund, \$8,261 in the School Lunch Fund for prepaid lunch cards and \$138,299 for State and Federal aid received in advance in the Special Aid Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial 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.

In addition to liabilities, the statement of financial 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 and so will not be recognized as an inflow of resources (revenue) until that time.

The School District reported deferred outflows of resources of \$1,020,371 for a deferred loss on refunding bonds in the district-wide Statement of Net Position. The amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

Long-Term Liabilities - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable premium or discount. Bond issuance costs are expended as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide Statement of Net Assets as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Position - Net position represent the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for tax certiorari, unemployment benefits, retirement contribution, capital projects, school lunch and special purposes. The balance is classified as unrestricted.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York or Education Law.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Education is the highest level of decision making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain designations established and approved by the Board of Education.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and

Note 1 - Summary of Significant Accounting Policies (Continued)

unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General and Special Aid funds. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 1, 2014.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The School District generally follows the procedures enumerated below in establishing the budgetary data reflected in the fund financial statements:

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for General and Special Aid funds.
- g) Budgets for General and Special Aid funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the School Lunch or Special Purpose funds.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in General and Special Aid funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Education.

B. Limitation on Unreserved Fund Balance

The School District is limited to the amount of committed, assigned and unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount of fund balance to 4% of the ensuing year's budget.

C. Property Tax Limitation

The School District is not limited as to the maximum amount of real property taxes which may be raised. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This law applies to all local governments, including school districts.

Note 2 - Stewardship, Compliance and Accountability (Continued)

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a school district in a particular year, beginning with the 2012-2013 fiscal year. It expires on June 16, 2016.

Pursuant to the Tax Levy Limitation Law, the tax levy of a school district can not increase by more than the lesser of two percent or the annual increase in the consumer price index. Certain adjustments would be permitted as defined by Section 1220 of the Real Property Tax Law. A school district could exceed the tax levy limitation only if the budget is approved by at least 60% of the vote. There are certain exemptions to the tax levy limitation, such as expenditures made on account of certain tort settlements and certain increases in the actuarial contribution rates of the various public employee retirement systems.

C. Application of Accounting Standards

For the year ended June 30, 2014, the School District implemented GASB Statement No. 65, *"Items Previously Reported as Assets and Liabilities."* This statement established accounting and financial reporting standards that reclassify, as deferred outflows/inflows of resources, certain items that were previously reported as assets and liabilities. This statement also recognized as outflows of resources (expenses or expenditures) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities.

Note 3 - Detailed Notes on All Funds

A. Due From/To Other Funds

The balances reflected as due from/to other funds at June 30, 2014 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 409,228	\$ 334,395
Capital Projects	239,232	-
Special Aid	95,163	380,673
Other Governmental	-	28,555
	<u>\$ 743,623</u>	<u>\$ 743,623</u>

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

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

B. Capital Assets

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

<u>Class</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
Capital Assets, not being depreciated:				
Land	\$ 1,632,800	\$ -	\$ -	\$ 1,632,800
Construction in Progress	282,497	39,102	282,497	39,102
Total Capital Assets, not being depreciated	<u>\$ 1,915,297</u>	<u>\$ 39,102</u>	<u>282,497</u>	<u>\$ 1,671,902</u>
Capital Assets, being depreciated:				
Improvements Other than Buildings	\$ 752,987	\$ -	\$ -	\$ 752,987
Buildings and Improvements	34,214,518	367,873	-	34,582,391
Machinery and Equipment	810,910	33,837	-	844,747
Total Capital Assets, being depreciated	<u>35,778,415</u>	<u>401,710</u>	<u>-</u>	<u>36,180,125</u>
Less Accumulated Depreciation for:				
Improvements Other than Buildings	718,024	2,947	-	720,971
Buildings and Improvements	10,262,800	618,015	-	10,880,815
Machinery and Equipment	591,973	39,917	-	631,890
Total Accumulated Depreciation	<u>11,572,797</u>	<u>660,879</u>	<u>-</u>	<u>12,233,676</u>
Total Capital Assets, being depreciated, net	<u>\$ 24,205,618</u>	<u>\$ (259,169)</u>	<u>\$ -</u>	<u>\$ 23,946,449</u>
Capital Assets, net	<u>\$ 26,120,915</u>	<u>\$ (220,067)</u>	<u>\$ 282,497</u>	<u>\$ 25,618,351</u>

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

General Support	\$ 619,823
Instruction	39,626
Cost of food sales	<u>1,430</u>
Total Depreciation Expense	<u>\$ 660,879</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2014 were as follows:

Payroll and Employee Benefits	<u>\$ 123,088</u>
-------------------------------	-------------------

Note 3 - Detailed Notes on All Funds (Continued)

D. Pension Plans

The School District participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS") ("Systems"). These Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by Education Law and the New York State Retirement and Social Security Law. The Systems issue publicly available financial reports that include financial statements and required supplementary information for the Systems. These reports may be obtained by writing to the New York State and Local Employee's Retirement System, 110 State Street, Albany, New York 12224 and the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary for ERS and 3.5% for TRS without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions to ERS are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions to ERS consist of a life insurance portion and regular pension contributions. Pursuant to Article 11 of Education Law, actuarial contributions are established annually for TRS by the New York State Teachers' Retirement Board. Contribution rates for the plans' year's ending in 2014 are as follows:

ERS		TRS	
Tier/Plan	Rate	Tiers	Rate
1 75I	28.8%	1-6	11.84%
3 A14	21.1		
4 A15	21.1		
5 A15	17.0		
6 A15	11.5-11.6		

Contributions made or accrued to the Systems for the current and two preceding years were as follows:

	ERS	TRS
2014	\$ 665,546	\$ 3,859,716
2013	653,343	2,683,444
2012	568,997	2,549,109

The ERS and TRS contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current year ERS and TRS contributions were charged to the General Fund.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued) June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2014:

	Balance July 1, 2013	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2014	Due Within One-Year
Bonds Payable - Construction	\$ 17,380,000	\$ -	\$ 1,470,000	\$ 15,910,000	\$ 1,520,000
Bonds Payable - Tax Certiorari Plus	8,075,000	-	675,000	7,400,000	650,000
Unamortized premium on bonds	305,477	-	29,583	275,894	-
	<u>25,760,477</u>	<u>-</u>	<u>2,174,583</u>	<u>23,585,894</u>	<u>2,170,000</u>
Other Non-Current Liabilities:					
Compensated Absences	338,926	26,299	34,000	331,225	33,000
Other Post Employment Benefit Obligations Payable	11,969,919	3,738,780	1,792,480	13,916,219	-
	<u>12,308,845</u>	<u>3,765,079</u>	<u>1,826,480</u>	<u>14,247,444</u>	<u>33,000</u>
Total Long-Term Liabilities	<u>\$ 38,069,322</u>	<u>\$ 3,765,079</u>	<u>\$ 4,001,063</u>	<u>\$ 37,833,338</u>	<u>\$ 2,203,000</u>

Each governmental fund's liability for bonds, compensated absences and other post employment benefit obligations is liquidated by the General Fund.

Bonds Payable

Bonds payable at June 30, 2014 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2014
Building Construction	2005	\$ 10,155,000	May, 2025	4.000-4.250 %	\$ 520,000
Building Construction	2006	4,740,000	December, 2019	3.650-3.700	2,320,000
Tax Certiorari Refunds	2006	861,000	June, 2015	4.000	115,000
Tax Certiorari Refunds	2008	7,655,819	June, 2027	4.250-4.375	5,880,000
Tax Certiorari Refunds	2008	1,027,110	June, 2015	4.250-4.500	355,000
Tax Certiorari Refunds	2010	1,350,000	June, 2025	3.250-4.000	1,050,000
Refunding Bonds - Construction	2012	7,145,000	June, 2025	0.300-2.250	6,905,000
Refunding Bonds - Construction	2013	6,305,000	June, 2025	2.000-3.000	6,165,000
					<u>\$ 23,310,000</u>

Interest expenditures of \$761,081 were recorded in the fund financial statements in the General Fund. Interest expense of \$835,196 was recorded in the district-wide financial statements.

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

The annual requirements to amortize all outstanding bonded debt as of June 30, 2014 including interest payments of \$4,161,297 are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 2,170,000	\$ 677,577	\$ 2,847,577
2016	2,125,000	603,964	2,728,964
2017	2,190,000	543,181	2,733,181
2018	2,125,000	480,142	2,605,142
2019	2,200,000	416,362	2,616,362
2020-2024	9,585,000	1,264,771	10,849,771
2025-2027	2,915,000	175,300	3,090,300
	<u>\$ 23,310,000</u>	<u>\$ 4,161,297</u>	<u>\$ 27,471,297</u>

The above general obligation bonds are direct obligations of the School District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the School District.

Prior Year Defeasance of Debt

In prior years, the School District defeased certain bonds by placing the proceeds of new bonds or certain defined revenues in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and the liability for the defeased bonds are not included in the School District's financial statements. At June 30, 2014, \$5,785,000 of the bonds are considered defeased.

Compensated Absences

Pursuant to collective bargaining agreements, upon separation of service, the School District is required to compensate administrators, clerical staff and custodians for unused vacation time. The District is required to make a contribution to a 403B Plan of up to \$12,000 for a maximum of 200 days to all teachers and administrators upon retirement in compensation for accumulated unused sick days. The School District is not required to compensate other employees for accumulated sick leave. The value of the compensated absences has been reflected in the district-wide financial statements.

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing post employment health care benefits is shared between the School District and the retired employee. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the

Note 3 - Detailed Notes on All Funds (Continued)

School District. The cost of retiree health care benefits is recognized as an expenditure/expense as claims are paid.

The School District's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The School District is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the expected rate of return on the School District's general assets. Funding for the Plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits are as follows:

<u>Year Ended June 30,</u>	<u>Cost Trend Rate</u>
2015	7.35 %
2016	5.01
2017	5.78
2018	5.76
2019	5.73
2020+	4.24-6.27

The amortization basis is the level dollar method with a closed amortization approach with 25 years remaining in the amortization period. The actuarial assumptions included a 5% discount rate, 4.24% ultimate health care trend rate and a payroll growth rate of 4%. The School District currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the unit credit method.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

The number of participants as of June 30, 2014 was as follows:

Active Employees	262
Retired Employees	<u>144</u>
Total	<u><u>406</u></u>

Amortization Component:

Actuarial Accrued Liability as of July 1, 2013	\$ 45,488,093
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u><u>\$ 45,488,093</u></u>
Funded Ratio	<u><u>0.00%</u></u>
Covered Payroll (active plan members)	<u><u>\$ 26,190,567</u></u>
UAAL as a Percentage of Covered Payroll	<u><u>173.68%</u></u>
Annual Required Contribution	\$ 3,588,612
Interest on Net OPEB Obligation	598,496
Annual Required Contribution Adjustment	<u>(448,328)</u>
Annual OPEB Cost	3,738,780
Contributions Made	<u>(1,792,480)</u>
Increase in Net OPEB Obligation	1,946,300
Net OPEB Obligation - Beginning of Year	<u>11,969,919</u>
Net OPEB Obligation - End of Year	<u><u>\$ 13,916,219</u></u>

The School District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for the current and two preceding years are as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 4,065,611	39.6 %	\$ 10,169,684
2013	3,533,158	49.0	11,969,919
2014	3,738,780	47.9	13,916,219

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

Note 3 - Detailed Notes on All Funds (Continued)

F. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return. The interfund transfers reflected below have been reported as transfers.

Transfers Out	Transfers In		Total
	Capital Projects Fund	Special Aid Fund	
General Fund	\$ 300,000	\$ 118,528	\$ 418,528

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

G. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Tax Certiorari - the component of net position that has been established in accordance with Education Law to provide funding for court ordered tax refunds which are currently in process.

Restricted for Unemployment Benefits - the component of net position established to set aside funds to be used for a specific purpose in accordance with Section 6m of General Municipal Law.

Restricted for Retirement Contribution - the component of net position that reports the amounts set aside to be used for retirement costs in accordance with Section 6-r of General Municipal Law.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, less unexpended bond proceeds and unrestricted interest earnings.

Restricted for School Lunch - the component of net position that reports the difference between assets and liabilities in the School Lunch Fund with constraints placed on their use.

Restricted for Special Purposes - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by either external parties and/or statute.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2014

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2014				2013			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable Inventories	\$ -	\$ -	\$ 2,541	\$ 2,541	\$ -	\$ -	\$ 1,544	\$ 1,544
Restricted:								
Tax certiorari	6,024,959	-	-	6,024,959	5,024,303	-	-	5,024,303
Employee benefit accrued liability	304,344	-	-	304,344	303,585	-	-	303,585
Unemployment benefits	167,470	-	-	167,470	167,052	-	-	167,052
Retirement contribution	178,386	-	-	178,386	177,941	-	-	177,941
Capital Projects	-	537,374	-	537,374	-	361,852	-	361,852
Debt service	-	-	-	-	544,210	-	-	544,210
Special purposes	-	-	52,779	52,779	-	-	54,917	54,917
Total Restricted	6,675,159	537,374	52,779	7,265,312	6,217,091	361,852	54,917	6,633,860
Assigned								
Purchases on order								
General government support	317,647	-	-	317,647	159,030	-	-	159,030
Instruction	57,998	-	-	57,998	34,392	-	-	34,392
Subsequent year's expenditures								
School Lunch Fund	375,645	-	-	375,645	193,422	-	-	193,422
	545,571	-	-	545,571	200,000	-	-	200,000
	-	-	214,530	214,530	-	-	168,403	168,403
Total Assigned	921,216	-	214,530	1,135,746	393,422	-	168,403	561,825
Unassigned								
	2,229,999	-	-	2,229,999	2,100,600	-	-	2,100,600
Total Fund Balances	\$ 9,826,374	\$ 537,374	\$ 269,850	\$ 10,633,598	\$ 8,711,113	\$ 361,852	\$ 224,864	\$ 9,297,829

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to General Municipal Law to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination of or separation of services.

Purchases on order are assigned and represent the School District's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Subsequent year's expenditures represent that at June 30, 2014, the School Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the School District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

B. Contingencies

The School District participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

The School District is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid to the School District which may be disallowed cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

The School District and other school districts have formed a reciprocal insurance company to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote. The Company is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million per occurrence and in the aggregate and an excess catastrophe liability policy with coverage up to \$12 million. The School District also maintains liability coverage for school board members up to \$1 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District and neighboring school districts in Southern Westchester County, participate in the Southern Westchester Schools Cooperative Self-Insurance Plan for Workers' Compensation. The purpose of the Plan is to provide efficient and economical evaluation, processing, administration, defense and payment of claims against plan members for workers' compensation and to provide for risk management to reduce future liability for workers' compensation and employers' liability payments. The Plan is managed and governed by a Board of Trustees comprised of a representative from each district. Billings are based upon the participants' experience rating. The School District has transferred all related risk to the Plan.

The School District and neighboring school districts in Southern Westchester County participate in the State-Wide Schools Cooperative Health Plan. This Plan operates under an agreement, as amended, dated December 12, 1985. The purposes of the Plan are to effect cost savings in members' expenses for health coverage; to provide for centralized administration, funding and disbursements for health coverage; and to provide for such risk management services as may be appropriate to reduce future expense and liability for health coverage. The governance of the Plan shall be in all respects in the hands of the Board of Trustees. The Board of Trustees shall consist of seven trustees elected by the general membership of the Plan. No action may be taken by the Board of Trustees except by a vote of a majority of the total number of trustees. Billings to participants are based upon coverage provided to each participant's employees. The School District has transferred all related risk to the Plan.

Mount Pleasant Central School District, New York

Required Supplementary Information - Schedule of Funding Progress
Other Post Employment Benefits
Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
July 1, 2011	\$ -	\$ 47,374,388	\$ 47,374,388	- %	23,590,825	200.82 %
July 1, 2012	-	43,224,750	43,224,750	-	24,821,455	174.14
July 1, 2013	-	45,488,093	45,488,093	-	26,190,567	173.68

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Mount Pleasant Central School District, New York**General Fund
Comparative Balance Sheet
June 30,**

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	<u>\$ 13,607,024</u>	<u>\$ 10,667,315</u>
Receivables		
Accounts	36,842	419,727
State and Federal aid	632,713	359,777
Due from other governments	463,004	333,371
Due from other funds	<u>409,228</u>	<u>538,425</u>
	<u>1,541,787</u>	<u>1,651,300</u>
Total Assets	<u><u>\$ 15,148,811</u></u>	<u><u>\$ 12,318,615</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 387,449	\$ 196,253
Accrued liabilities	123,088	115,356
Due to other governments	245,904	114,343
Due to other funds	334,395	77,110
Unearned revenues	13,403	17,412
Due to retirement systems	<u>4,218,198</u>	<u>3,087,028</u>
Total Liabilities	<u>5,322,437</u>	<u>3,607,502</u>
Fund balance		
Restricted	6,675,159	6,217,091
Assigned	921,216	393,422
Unassigned	<u>2,229,999</u>	<u>2,100,600</u>
Total Fund Balance	<u>9,826,374</u>	<u>8,711,113</u>
Total Liabilities and Fund Balance	<u><u>\$ 15,148,811</u></u>	<u><u>\$ 12,318,615</u></u>

Mount Pleasant Central School District, New York

**General Fund
Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended June 30,**

	2014				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Encumbr- ances	
REVENUES					
Real property taxes	\$ 40,615,883	\$ 40,615,883	\$ 40,613,554	\$	\$ (2,329)
Other tax items	5,797,017	5,797,017	5,793,117		(3,900)
Non-property taxes	600,000	600,000	671,119		71,119
Charges for services	481,000	481,000	1,062,212		581,212
Use of money and property	50,000	50,000	59,627		9,627
Sale of property and compensation for loss	500	500	1,542		1,042
State aid	4,580,600	4,580,600	4,612,691		32,091
Federal aid	20,000	20,000	19,646		(354)
Miscellaneous	165,000	165,000	419,370		254,370
Total Revenues	52,310,000	52,310,000	53,252,878		942,878
EXPENDITURES					
Current					
General support					
Board of education	121,648	112,267	110,516	-	1,751
Central administration	369,148	400,501	399,282	-	1,219
Finance	496,430	528,296	525,982	741	1,573
Staff	347,120	371,214	362,066	-	9,148
Central services	3,226,244	3,620,952	3,238,479	316,906	65,567
Special items	541,000	536,961	535,257	-	1,704
Total General Support	5,101,590	5,570,191	5,171,582	317,647	80,962
Instruction					
Instruction, administration and improvement	2,100,432	1,966,214	1,947,523	11,697	6,994
Teaching - Regular school	15,483,293	15,861,487	15,825,786	10,087	25,614
Programs for children with handicapping conditions	7,068,257	7,359,661	7,345,680	-	13,981
Occupational education	212,620	211,420	209,380	-	2,040
Teaching - Special school	45,000	36,735	36,735	-	-
Instructional media	1,129,965	1,088,914	1,053,900	31,672	3,342
Pupil services	2,826,884	2,737,534	2,713,877	4,542	19,115
Total Instruction	28,866,451	29,261,965	29,132,881	57,998	71,086
Pupil transportation	2,435,620	2,189,796	2,172,886	-	16,910
Community services	7,480	17,665	17,555	-	110
Employee benefits	12,991,200	12,429,429	12,418,351	-	11,078
Debt service					
Principal	2,145,000	2,145,000	2,145,000	-	-
Interest	761,081	761,081	761,081	-	-
Total Expenditures	52,308,422	52,375,127	51,819,336	375,645	180,146
Excess (Deficiency) of Revenues Over Expenditures	1,578	(65,127)	1,433,542	(375,645)	1,123,024
OTHER FINANCING SOURCES (USES)					
Insurance recoveries	5,000	90,233	100,247	-	10,014
Transfers out	(400,000)	(418,528)	(418,528)	-	-
Total Other Financing Sources (Uses)	(395,000)	(328,295)	(318,281)	-	10,014
Net Change in Fund Balance	(393,422)	(393,422)	1,115,261	\$ (375,645)	\$ 1,133,038
FUND BALANCE					
Beginning of Year	393,422	393,422	8,711,113		
End of Year	\$ -	\$ -	\$ 9,826,374		

2013				
Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
\$ 39,529,053	\$ 39,529,053	\$ 39,509,054	\$	\$ (19,999)
5,726,403	5,726,403	5,730,349		3,946
600,000	600,000	629,191		29,191
320,000	326,984	539,051		212,067
75,000	75,000	70,730		(4,270)
500	500	483		(17)
4,480,000	4,480,000	4,449,877		(30,123)
20,000	20,000	31,272		11,272
179,044	179,044	270,784		91,740
50,930,000	50,936,984	51,230,791		293,807
129,343	132,821	119,054	48	13,719
350,954	356,704	351,901	-	4,803
528,470	531,941	487,145	96	44,700
347,539	417,539	392,282	-	25,257
3,076,130	3,204,777	2,871,731	158,886	174,160
532,100	1,970,805	1,958,739	-	12,066
4,964,536	6,614,587	6,180,852	159,030	274,705
1,891,557	1,983,359	1,823,843	7,649	151,867
15,330,964	15,409,319	15,223,190	2,835	183,294
7,456,464	7,274,094	6,889,809	2,780	381,505
242,922	242,922	187,550	-	55,372
45,000	47,430	47,430	-	-
1,141,595	1,159,368	1,107,256	19,627	32,485
2,736,214	2,854,303	2,710,846	1,501	141,956
28,844,716	28,970,795	27,989,924	34,392	946,479
2,501,534	2,441,142	2,288,243	-	152,899
-	14,610	14,275	-	-
11,521,200	11,262,803	10,900,852	-	361,951
1,985,000	2,050,000	2,050,000	-	-
966,432	847,932	847,819	-	113
50,783,418	52,201,869	50,271,965	193,422	1,736,147
146,582	(1,264,885)	958,826	(193,422)	2,029,954
5,000	5,000	9,862	-	4,862
(350,000)	(362,973)	(362,973)	-	-
(345,000)	(357,973)	(353,111)	-	4,862
(198,418)	(1,622,858)	605,715	\$ (193,422)	\$ 2,034,816
198,418	1,622,858	8,105,398		
\$ -	\$ -	\$ 8,711,113		

Mount Pleasant Central School District, New York

General Fund

**Schedule of Revenues and Other Financing Sources Compared to Budget
Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 40,615,883	\$ 40,615,883	\$ 40,613,554	\$ (2,329)
OTHER TAX ITEMS				
School tax relief reimbursement	5,793,117	5,793,117	5,793,117	-
Payments in lieu of taxes	3,900	3,900	-	(3,900)
	5,797,017	5,797,017	5,793,117	(3,900)
NON-PROPERTY TAXES				
Non-property tax distribution from County	600,000	600,000	671,119	71,119
CHARGES FOR SERVICES				
Other student fees and charges	56,000	56,000	57,088	1,088
Day school tuition - Other districts	400,000	400,000	990,124	590,124
Other charges - Other governments	25,000	25,000	15,000	(10,000)
	481,000	481,000	1,062,212	581,212
USE OF MONEY AND PROPERTY				
Earnings on investments	25,000	25,000	28,183	3,183
Rental of real property - Individuals	25,000	25,000	31,444	6,444
	50,000	50,000	59,627	9,627

SALE OF PROPERTY AND COMPENSATION FOR LOSS

Other	<u>500</u>	<u>500</u>	<u>1,542</u>	<u>1,042</u>
	<u>500</u>	<u>500</u>	<u>1,542</u>	<u>1,042</u>
STATE AID				
Basic formula	3,615,454	3,615,454	3,511,966	(103,488)
Textbook aid	129,800	129,800	121,160	(8,640)
Lottery aid	175,446	175,446	175,446	-
Computer software aid	21,925	21,925	21,914	(11)
Library aid	12,275	12,275	12,275	-
Tuition aid	132,700	132,700	132,700	-
BOCES aid	493,000	493,000	583,770	90,770
Tax limitation aid	-	-	53,460	53,460
	<u>4,580,600</u>	<u>4,580,600</u>	<u>4,612,691</u>	<u>32,091</u>
FEDERAL AID				
Medical assistance	20,000	20,000	19,646	(354)
MISCELLANEOUS				
Refund of prior year's expenditures	25,000	25,000	118,029	93,029
Refund of BOCES aided services	90,000	90,000	57,031	(32,969)
Gifts and donations	-	-	7,130	7,130
Other	50,000	50,000	237,180	187,180
	<u>165,000</u>	<u>165,000</u>	<u>419,370</u>	<u>254,370</u>
TOTAL REVENUES	<u>52,310,000</u>	<u>52,310,000</u>	<u>53,252,878</u>	<u>942,878</u>
OTHER FINANCING SOURCES				
Insurance recoveries	5,000	90,233	100,247	10,014
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 52,315,000</u>	<u>\$ 52,400,233</u>	<u>\$ 53,353,125</u>	<u>\$ 952,892</u>

Mount Pleasant Central School District, New York

General Fund

**Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 39,500	\$ 31,400	\$ 30,753	\$ -	\$ 647
District clerk	72,148	74,321	73,461	-	860
District meeting	10,000	6,546	6,302	-	244
Total Board of Education	121,648	112,267	110,516	-	1,751
CENTRAL ADMINISTRATION					
Chief school administrator	369,148	400,501	399,282	-	1,219
FINANCE					
Business administration	339,170	379,358	377,499	741	1,118
Auditing	59,000	52,625	52,170	-	455
Treasurer	98,260	96,313	96,313	-	-
Total Finance	496,430	528,296	525,982	741	1,573
STAFF					
Legal	177,700	202,700	195,544	-	7,156
Personnel	108,320	108,609	108,463	-	146
Public information and services	61,100	59,905	58,059	-	1,846
Total Staff	347,120	371,214	362,066	-	9,148
CENTRAL SERVICES					
Operation of plant	2,353,745	2,396,877	2,321,506	41,211	34,160
Central data processing	241,432	298,432	297,852	-	580
Maintenance of plant	631,067	925,643	619,121	275,695	30,827
Total Central Services	3,226,244	3,620,952	3,238,479	316,906	65,567

SPECIAL ITEMS

Unallocated insurance
Taxes and assessments on school property
Administrative charge - BOCES

206,000	214,946	214,946	-	-
145,000	132,015	132,015	-	-
190,000	190,000	188,296	-	1,704

Total Special Items

541,000	536,961	535,257	-	1,704
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Total General Support

5,101,590	5,570,191	5,171,582	317,647	80,962
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INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision
Supervision - Regular school

535,088	415,882	400,045	11,360	4,477
1,565,344	1,550,332	1,547,478	337	2,517

Total Instruction, Administration and Improvement

2,100,432	1,966,214	1,947,523	11,697	6,994
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TEACHING - REGULAR SCHOOL

PROGRAMS FOR CHILDREN WITH
HANDICAPPING CONDITIONS

Programs for students with disabilities

7,068,257	7,359,661	7,345,680	-	13,981
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TEACHING - SPECIAL SCHOOLS

45,000	36,735	36,735	-	-
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OCCUPATIONAL EDUCATION

212,620	211,420	209,380	-	2,040
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INSTRUCTIONAL MEDIA

School library and audiovisual
Computer assisted instruction

397,486	392,070	387,031	1,833	3,206
732,479	696,844	666,869	29,839	136

Total Instructional Media

1,129,965	1,088,914	1,053,900	31,672	3,342
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(Continued)

Mount Pleasant Central School District, New York

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
Year Ended June 30, 2014

INSTRUCTION (Continued)	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
PUPIL SERVICES					
Guidance - Regular school	\$ 821,514	\$ 850,733	\$ 848,345	\$ -	\$ 2,388
Health services - Regular school	420,273	458,971	453,178	-	5,793
Psychological services - Regular school	473,137	411,527	410,827	-	700
Social work services - Regular school	105,911	-	-	-	-
Co-curricular activities - Regular school	190,000	199,397	198,103	-	1,294
Interscholastic activities - Regular school	816,049	816,906	803,424	4,542	8,940
Total Pupil Services	2,826,884	2,737,534	2,713,877	4,542	19,115
Total Instruction	28,866,451	29,261,965	29,132,881	57,998	71,086
PUPIL TRANSPORTATION					
District transportation	73,220	78,570	76,501	-	2,069
Contract transportation	2,362,400	2,111,226	2,096,385	-	14,841
Total Pupil Transportation	2,435,620	2,189,796	2,172,886	-	16,910
COMMUNITY SERVICES					
Recreation	7,480	17,665	17,555	-	110
EMPLOYEE BENEFITS					
State retirement	765,000	665,644	665,546	-	98
Teachers' retirement	3,790,000	3,859,750	3,859,716	-	34
Social security	2,000,000	2,027,231	2,024,162	-	3,069
Workers' compensation benefits	147,000	147,769	147,769	-	-
Hospital, medical and dental insurance	5,235,000	5,163,666	5,162,154	-	1,512
Union welfare benefits	450,000	495,910	489,834	-	6,076
Unemployment benefits	200,000	15,264	14,985	-	279
Employee benefit fund	404,200	54,195	54,185	-	10
Total Employee Benefits	12,991,200	12,429,429	12,418,351	-	11,078

DEBT SERVICE

Serial bonds

Principal

Interest

Total Debt Service

TOTAL EXPENDITURES**OTHER FINANCING USES**

Transfers out

Special Aid Fund

Capital Projects Fund

TOTAL OTHER FINANCING USES**TOTAL EXPENDITURES AND
OTHER FINANCING USES**

2,145,000	2,145,000	2,145,000	2,145,000	-	-
761,081	761,081	761,081	761,081	-	-
2,906,081	2,906,081	2,906,081	2,906,081	-	-
52,308,422	52,375,127	51,819,336	375,645	180,146	
100,000	118,528	118,528	-	-	-
300,000	300,000	300,000	-	-	-
400,000	418,528	418,528	-	-	-
\$ 52,708,422	\$ 52,793,655	\$ 52,237,864	\$ 375,645	\$ 180,146	

Mount Pleasant Central School District, New York**Capital Projects Fund
Comparative Balance Sheet
June 30,**

	<u>2014</u>	<u>2013</u>
ASSETS		
Receivables		
State and Federal aid	\$ 313,039	\$ 313,039
Due from other funds	239,232	77,110
	<u>552,271</u>	<u>390,149</u>
Total Assets		
	<u>\$ 552,271</u>	<u>\$ 390,149</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,375	\$ 1,375
Retainages payable	13,522	26,922
	<u>14,897</u>	<u>28,297</u>
Total Liabilities		
	14,897	28,297
Fund balance		
Restricted	537,374	361,852
	<u>537,374</u>	<u>361,852</u>
Total Liabilities and Fund Balance		
	<u>\$ 552,271</u>	<u>\$ 390,149</u>

Mount Pleasant Central School District, New York**Capital Projects Fund
Comparative Statement of Revenues,
Expenditures and Changes in Fund Balance
Years Ended June 30,**

	2014	2013
REVENUES		
State aid	\$ -	\$ 298,797
EXPENDITURES		
Debt service		
Refunding bond issuance costs	-	102,528
Capital outlay	124,478	623,902
Total Expenditures	124,478	726,430
Deficiency of Revenues Over Expenditures	(124,478)	(427,633)
OTHER FINANCING SOURCES (USES)		
Refunding bonds issued	-	6,305,000
Issuance premium	-	147,719
Payment to refunded bond escrow agent	-	(6,350,191)
Transfers in	300,000	300,000
Total Other Financing Sources	300,000	402,528
Net Change in Fund Balance	175,522	(25,105)
FUND BALANCE		
Beginning of Year	361,852	386,957
End of Year	\$ 537,374	\$ 361,852

Mount Pleasant Central School District, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through June 30, 2014

Project	Authoriza- tion	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
District-Wide Construction 2009-2010	\$ 284,852	\$ 269,776	\$ -	\$ 269,776
Security District-Wide	376,000	371,463	-	371,463
Roof Project	400,000	299,004	85,376	384,380
Oil Tank Replacement	561,400	-	39,102	39,102
Totals	<u>\$ 1,622,252</u>	<u>\$ 940,243</u>	<u>\$ 124,478</u>	<u>\$ 1,064,721</u>

Unexpended Balance	Methods of Financing			Fund Balance at June 30, 2014
	Interfund Transfers	State Aid	Totals	
\$ 15,076	\$ 284,852	\$ -	\$ 284,852	\$ 15,076
4,537	58,424	313,039	371,463	-
15,620	384,380	-	384,380	-
<u>522,298</u>	<u>561,400</u>	<u>-</u>	<u>561,400</u>	<u>522,298</u>
<u>\$ 557,531</u>	<u>\$ 1,289,056</u>	<u>\$ 313,039</u>	<u>\$ 1,602,095</u>	<u>\$ 537,374</u>

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Mount Pleasant Central School District, New York

**Special Aid Fund
Comparative Balance Sheet
June 30,**

	<u>2014</u>	<u>2013</u>
ASSETS		
Receivables		
Accounts	\$ -	\$ 5,399
State and Federal aid	453,968	654,228
Due from other governments	5,579	2,463
Due from other funds	<u>95,163</u>	<u>32,435</u>
Total Assets	<u>\$ 554,710</u>	<u>\$ 694,525</u>
LIABILITIES		
Accounts payable	\$ 35,738	\$ 21,771
Accrued liabilities	-	3,960
Due to other funds	380,673	518,182
Unearned revenues	<u>138,299</u>	<u>150,612</u>
Total Liabilities	<u>\$ 554,710</u>	<u>\$ 694,525</u>

Mount Pleasant Central School District, New York**Special Aid Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,**

	2014			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
State aid	\$ 167,191	\$ 167,191	\$ 167,191	\$ -
Federal aid	599,577	599,070	512,747	(86,323)
Miscellaneous	181,069	181,070	39,833	(141,237)
Total Revenues	947,837	947,331	719,771	(227,560)
EXPENDITURES				
Current				
Instruction	1,047,837	1,065,859	838,299	227,560
Deficiency of Revenues Over Expenditures	(100,000)	(118,528)	(118,528)	-
OTHER FINANCING SOURCES				
Transfers in	100,000	118,528	118,528	-
Net Change in Fund Balance	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 281,445	\$ 281,445	\$ 210,422	\$ (71,023)
528,822	575,799	501,279	(74,520)
84,967	84,967	57,100	(27,867)
895,234	942,211	768,801	(173,410)
945,234	1,005,184	831,774	173,410
(50,000)	(62,973)	(62,973)	-
50,000	62,973	62,973	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Mount Pleasant Central School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014
(With Comparative Totals for 2013)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds	
			2014	2013
ASSETS				
Cash and equivalents	\$ 245,152	\$ 52,779	\$ 297,931	\$ 276,278
Receivables				
Accounts	1,598	-	1,598	1,259
State and Federal aid	7,382	-	7,382	5,557
Inventories	2,541	-	2,541	1,544
Total Assets	<u>\$ 256,673</u>	<u>\$ 52,779</u>	<u>\$ 309,452</u>	<u>\$ 284,638</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,598	\$ -	\$ 2,598	\$ -
Due to other governments	188	-	188	236
Due to other funds	28,555	-	28,555	52,678
Unearned revenues	8,261	-	8,261	6,860
Total Liabilities	<u>39,602</u>	<u>-</u>	<u>39,602</u>	<u>59,774</u>
Fund balances				
Nonspendable	2,541	-	2,541	1,544
Restricted	-	52,779	52,779	54,917
Assigned	214,530	-	214,530	168,403
Total Fund Balances	<u>217,071</u>	<u>52,779</u>	<u>269,850</u>	<u>224,864</u>
Total Liabilities and Fund Balances	<u>\$ 256,673</u>	<u>\$ 52,779</u>	<u>\$ 309,452</u>	<u>\$ 284,638</u>

Mount Pleasant Central School District, New York**Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2014
(With Comparative Totals for 2013)**

			Total Non-Major Governmental Funds	
	School Lunch	Special Purpose	2014	2013
REVENUES				
Use of money and property	\$ 264	\$ 54	\$ 318	\$ 162
State aid	5,307	-	5,307	4,855
Federal aid	88,256	-	88,256	81,484
Food sales	395,813	-	395,813	361,337
Miscellaneous	6,199	5,908	12,107	7,899
Total Revenues	495,839	5,962	501,801	455,737
EXPENDITURES				
Current				
Cost of food sales	448,715	-	448,715	408,763
Other	-	8,100	8,100	7,400
Total Expenditures	448,715	8,100	456,815	416,163
Excess (Deficiency) of Revenues Over Expenditures	47,124	(2,138)	44,986	39,574
FUND BALANCES				
Beginning of Year	169,947	54,917	224,864	185,290
End of Year	\$ 217,071	\$ 52,779	\$ 269,850	\$ 224,864

Mount Pleasant Central School District, New York**School Lunch Fund
Comparative Balance Sheet
June 30,**

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 245,152	\$ 220,811
Receivables		
Accounts	1,598	1,259
State and Federal aid	7,382	5,557
Inventories	<u>2,541</u>	<u>1,544</u>
 Total Assets	 <u>\$ 256,673</u>	 <u>\$ 229,171</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 2,598	\$ -
Due to other governments	188	236
Due to other funds	28,555	52,128
Unearned revenues	<u>8,261</u>	<u>6,860</u>
 Total Liabilities	 <u>39,602</u>	 <u>59,224</u>
 Fund balance		
Nonspendable	2,541	1,544
Assigned	<u>214,530</u>	<u>168,403</u>
 Total Fund Balance	 <u>217,071</u>	 <u>169,947</u>
 Total Liabilities and Fund Balance	 <u>\$ 256,673</u>	 <u>\$ 229,171</u>

Mount Pleasant Central School District, New York

**School Lunch Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,**

	<u>2014</u>	<u>2013</u>
REVENUES		
Use of money and property	\$ 264	\$ 124
State aid	5,307	4,855
Federal aid	88,256	81,484
Food sales	395,813	361,337
Miscellaneous	<u>6,199</u>	<u>800</u>
 Total Revenues	 495,839	 448,600
 EXPENDITURES		
Current		
Cost of food sales	<u>448,715</u>	<u>408,763</u>
 Excess of Revenues Over Expenditures	 47,124	 39,837
 FUND BALANCE		
Beginning of Year	<u>169,947</u>	<u>130,110</u>
End of Year	<u><u>\$ 217,071</u></u>	<u><u>\$ 169,947</u></u>

Mount Pleasant Central School District, New York

**Special Purpose Fund
Comparative Balance Sheet
June 30,**

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	<u>\$ 52,779</u>	<u>\$ 55,467</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ -	\$ 550
Fund balance		
Restricted	<u>52,779</u>	<u>54,917</u>
Total Liabilities and Fund Balance	<u>\$ 52,779</u>	<u>\$ 55,467</u>

Mount Pleasant Central School District, New York

**Special Purpose Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years Ended June 30,**

	<u>2014</u>	<u>2013</u>
REVENUES		
Use of money and property	\$ 54	\$ 38
Miscellaneous	<u>5,908</u>	<u>7,099</u>
Total Revenues	5,962	7,137
EXPENDITURES		
Current		
Other	<u>8,100</u>	<u>7,400</u>
Deficiency of Revenues Over Expenditures	(2,138)	(263)
FUND BALANCE		
Beginning of Year	<u>54,917</u>	<u>55,180</u>
End of Year	<u>\$ 52,779</u>	<u>\$ 54,917</u>

Mount Pleasant Central School District, New York

General Fund

Analysis Of Change From Adopted Budget To Final Budget Year Ended June 30, 2014

Adopted Budget	\$ 52,515,000
Additions	
Encumbrances	<u>193,422</u>
Original Budget	52,708,422
Budget Amendments	<u>85,233</u>
Final Budget	<u><u>\$ 52,793,655</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

2014-15 Expenditure Budget	<u>\$ 55,750,000</u>
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General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law

Unrestricted fund balance	
Assigned fund balance	921,216
Unassigned fund balance	<u>2,229,999</u>
Total Unrestricted Fund Balance	<u>3,151,215</u>

Less

Appropriated for subsequent year's budget	545,571
Encumbrances	<u>375,645</u>
Total Adjustments	<u>921,216</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law

\$ 2,229,999

Actual Percentage

4%

Mount Pleasant Central School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2014

Capital Assets, net		\$ 25,618,351
Less		
Bonds payable - Capital construction	(15,910,000)	
Unamortized portion of premium on refunding bonds	<u>(275,894)</u>	(16,185,894)
Plus		
Unamortized portion of loss on refunding bonds		<u>1,020,371</u>
Net Investment in Capital Assets		<u><u>\$ 10,452,828</u></u>

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Mount Pleasant Central School District, New York ("School District") as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 1, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the School District in a separate letter.

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.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

October 1, 2014

**Report on Compliance For Each Major Federal Program and
Report on Internal Control Over Compliance**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited Mount Pleasant Central School District, New York's ("School District") compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance *Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2014. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
October 1, 2014

Mount Pleasant Central School District, New York**Schedule of Expenditures of Federal Awards****Year Ending June 30, 2014**

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Agriculture</u>		
Indirect Programs - Passed through New York State Department of Education		
<i>Child Nutrition Cluster</i>		
School Breakfast Program	10.553	\$ 5,543
National School Lunch Program - Commodities	10.555	22,993
National School Lunch Program - Cash	10.555	<u>59,720</u>
Total U.S. Department of Agriculture		<u>88,256</u>
<u>U.S. Department of Education</u>		
Indirect Programs - Passed through New York State Department of Education		
<i>Special Education - Cluster (IDEA)</i>		
Special Education - Grants to States (IDEA, Part B)	84.027	381,339
Special Education - Preschool Grants (IDEA Preschool)	84.173	<u>11,234</u>
Subtotal Special Education Cluster		392,573
Title I Grants - Local Educational Agencies	84.010	51,830
Improving Teacher Quality State Grants	84.367	64,216
Immigrant Education	84.365	<u>4,128</u>
Total U.S. Department of Education		<u>512,747</u>
Total		<u>\$ 601,003</u>

(1) Catalog of Federal Domestic Assistance number

(2) American Reinvestment and Recovery Act

The accompanying notes are an integral part of this schedule.

Mount Pleasant Central School District, New York

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Mount Pleasant Central School District, New York ("School District") under programs of the federal government for the year ended June 30, 2014. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, which establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments.

Mount Pleasant Central School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
____ Yes X None reported

Noncompliance material to financial statements noted?

____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
____ Yes X None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

____ Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027
84.173

Special Education Cluster:
Special Education – State Grants
Special Education – Preschool Grants

Dollar threshold used to distinguish between Type A and Type B programs:
Auditee qualified as low-risk auditee?

 \$300,000
 X Yes ____ No

Mount Pleasant Central School District, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended June 30, 2014

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Mount Pleasant Central School District, New York

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014

None

