

Mount Pleasant Central School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2015

Mount Pleasant Central School District, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
District-Wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet - Governmental Funds	12
Reconciliation of the Governmental Funds Balance Sheet to the	
Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances -	
Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes	
in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances -	
Budget and Actual - General and Special Aid Funds	18
Statement of Assets and Liabilities - Fiduciary Fund	20
Notes to Financial Statements	21
Required Supplementary Information	
Other Post Employment Benefits	
Schedule of Funding Progress - Last Three Fiscal Years	48
New York State Teachers' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability	49
Schedule of Contributions	50
New York State and Local Employees Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability	51
Schedule of Contributions	52
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	53
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual	54
Schedule of Revenues and Other Financing Sources Compared to Budget	56
Schedule of Expenditures and Other Financing Uses Compared to Budget	58
Capital Projects Fund	
Comparative Balance Sheet	62
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	63
Project-Length Schedule	64
Special Aid Fund	
Comparative Balance Sheet	66
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual	67

Mount Pleasant Central School District, New York

Table of Contents (Concluded)

	<u>Page No.</u>
Non-Major Governmental Funds	
Combining Balance Sheet	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	70
School Lunch Fund	
Comparative Balance Sheet	71
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	72
Special Purpose Fund	
Comparative Balance Sheet	73
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	74
Supplementary Information	
Analysis of Change from Adopted Budget to Final Budget	75
Section 1318 of Real Property Tax Law Limit Calculation	75
Schedule of Net Investment in Capital Assets	76
Federal Programs	
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	77
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance	79
Schedule of Expenditures of Federal Awards	81
Notes to Schedule of Expenditures of Federal Awards	82
Schedule of Findings and Questioned Costs	83
Summary Schedule of Prior Audit Findings	84

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, 2015, 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, 2015, 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
500 Mamaroneck Avenue, Suite 301, Harrison, NY 10528 | Tel: 914.381.8900 | Fax: 914.381.8910 | www.odpkf.com

O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Emphasis of Matter

We draw attention to Note 2,D and Note 3,D in the notes to financial statements which disclose the effects of the School District's adoption of the provisions of GASB Statement Nos. 68 "*Accounting and Financial Reporting for Pensions*" and 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date*". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents 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 September 22, 2015 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
September 22, 2015

Mt. Pleasant Central School District, New York

Management's Discussion and Analysis (MD&A) June 30, 2015

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, 2015. 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, 2015 are as follows:

- At the end of the last fiscal year 2013-2014, the total fund balance of the General Fund was \$9,826,374 and the restricted fund balance was \$6,675,159, the assigned fund balance was \$921,216, and the unassigned fund balance was \$2,229,999. At the end of the current fiscal year the fund balance was \$9,757,742 and the restricted balance was \$4,691,847, the assigned fund balance was \$2,721,951, and the unassigned fund balance was \$2,343,944. 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 decrease in fund balance, \$68,632, was primarily due to total revenues falling below the budget by \$115,185.
- Our revenues were lower than the anticipated amount due to a decrease in state and federal aid.
- On the district-wide financial statements, the assets of the School District exceeded liabilities by \$9,084,835. Of this amount, the unrestricted portion is a deficit of \$7,829,516. 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, 2015, the School District's OPEB obligations of \$15,640,127 are reflected as a liability on the district-wide financial statements, and accordingly contribute to the total net position.
- For the year ended June 30, 2015, the School District implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". The intended purpose of these statements is to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expenses/expenditures. These statements also require that methods and assumptions to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service must be disclosed. As a result of adopting these standards, the district-wide

financial statements reflect a cumulative effect for the change in accounting principle of \$4,506,343.

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

Changes in Net Position

	Year Ended June 30,	
	2015	2014
REVENUES		
Program Revenues		
Charges for Services	\$ 1,515,520	\$ 1,489,469
Operating Grants and Contributions	1,147,267	1,154,767
Capital Grants and Contributions	-	1,361
Total Program Revenues	2,662,787	2,645,597
General Revenues		
Real Property Taxes	42,148,087	40,613,554
Other Tax Items	5,999,933	5,793,117
Non-Property Taxes	665,314	671,119
Unrestricted Use of Money and Property	1,400	12,639
Sale of Property and Compensation for Loss	868	1,542
Unrestricted State Aid	4,539,811	4,324,642
Miscellaneous	277,619	412,240
Insurance Recoveries	8,586	100,247
Total General Revenues	53,641,618	51,929,100
Total Revenues	56,304,405	54,574,697
PROGRAM EXPENSES		
General Support	7,806,441	6,835,717
Instruction	39,930,529	43,360,443
Pupil Transportation	2,236,598	2,209,196
Community Services	25,465	26,585
Cost of Food Sales	432,818	450,145
Other	8,070	8,100
Interest	684,037	835,196
Total Expenses	51,123,958	53,725,382
Change in Net Position	5,180,447	849,315
NET POSITION		
Beginning	(601,955)	(1,451,270)
Cumulative Effect of Change in Accounting Principle	4,506,343	-
Net Position - Beginning, as restated	3,904,388	(1,451,270)
Ending	\$ 9,084,835	\$ (601,955)

The major changes are as follows:

Revenues:

- Real property taxes increased by \$1,534,533. 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) and Payments in Lieu of Taxes (PILOT). The STAR Program provides tax relief to homeowners through New York State reimbursement to the District. PILOT's represent an alternate source of compensation for the loss of tax revenue due to a property's non-taxable status.
- Program revenues increased \$17,190 over the prior year due to an increase in tuition received from other districts.

Expenses:

- General Support increased \$970,724 due to refunds of real property taxes from tax certiorari proceedings and a greater number of repair and maintenance projects throughout district wide facilities.

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 \$9,757,742. The fund balance includes \$2,343,944 for the unassigned fund balance. The District has managed 2014-15 expenditures to be better than budgeted. For the 2014-15 fiscal year, expenditures were \$601,263 less than the final budget, inclusive of encumbrances of \$721,951.

Capital Assets

At June 30, 2015, the School District had \$25,815,082 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,	
	2015	2014
Land	\$ 1,632,800	\$ 1,632,800
Improvements Other than Buildings	29,069	32,016
Buildings and Improvements	23,839,648	23,701,576
Machinery and Equipment	285,457	212,857
Construction in Progress	28,108	39,102
Total Capital Assets, net of Accumulated Depreciation	<u>\$ 25,815,082</u>	<u>\$ 25,618,351</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, 2015, the School District has \$38,360,856 in general obligation and other debt outstanding, as follows:

	June 30,	
	2015	2014
Bonds Payable	\$ 21,909,439	\$ 23,585,894
Compensated Absences	389,341	331,225
Net Pension Liability	421,949	-
Other Post Employment benefit Obligations Payable	15,640,127	13,916,219
	<u>\$ 38,360,856</u>	<u>\$ 37,833,338</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: Andrew Lennon
Director of Business Administration
825 Westlake Drive
Thornwood, New York 10594

(This page intentionally left blank)

Mount Pleasant Central School District, New York

Statement of Net Position
June 30, 2015

ASSETS

Cash and equivalents	\$ 13,926,939
Receivables	
Accounts	52,064
State and Federal aid	1,252,933
Due from other governments	509,414
Inventories	3,189
Net pension asset	17,824,875
Capital assets	
Not being depreciated	1,660,908
Being depreciated, net	24,154,174
	<hr/>
Total Assets	59,384,496

DEFERRED OUTFLOWS OF RESOURCES

5,920,831

LIABILITIES

Accounts payable	479,059
Accrued liabilities	78,318
Due to other governments	172,322
Unearned revenues	186,059
Due to retirement systems	4,620,665
Accrued interest payable	32,516
Non-current liabilities	
Due within one year	2,209,000
Due in more than one year	36,151,856
	<hr/>
Total Liabilities	43,929,795

DEFERRED INFLOWS OF RESOURCES

12,290,697

NET POSITION

Net investment in capital assets	12,077,235
Restricted	
Tax certiorari	4,040,021
Unemployment benefits	167,889
Retirement contribution	178,832
Capital projects	211,092
School lunch	181,868
Special purposes	57,414
Unrestricted	(7,829,516)
	<hr/>
Total Net Position	\$ 9,084,835

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

(This page intentionally left blank)

Mount Pleasant Central School District, New York

Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
General support	\$ 7,806,441	\$ 37,041	\$ 16,688	\$ (7,752,712)
Instruction	39,930,529	1,155,325	998,666	(37,776,538)
Pupil transportation	2,236,598	-	-	(2,236,598)
Community services	25,465	-	-	(25,465)
Cost of food sales	432,818	323,154	119,208	9,544
Other	8,070	-	12,705	4,635
Interest	684,037	-	-	(684,037)
Total Governmental Activities	\$ 51,123,958	\$ 1,515,520	\$ 1,147,267	(48,461,171)
General revenues				
Real property taxes				42,148,087
Other tax items				
School tax relief reimbursement				5,991,963
Payments in lieu of taxes				7,970
Non-property taxes				
Non-property tax distribution from County				665,314
Unrestricted use of money and property				1,400
Sale of property and compensation for loss				868
Unrestricted State aid				4,539,811
Miscellaneous				277,619
Insurance recoveries				8,586
Total General Revenues				53,641,618
Change in Net Position				5,180,447
Net Position - Beginning, as reported				(601,955)
Cumulative Effect of Change in Accounting Principle				4,506,343
Net Position - Beginning, as restated				3,904,388
Net Position - Ending				\$ 9,084,835

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, 2015

	<u>General</u>	<u>Capital Projects</u>
ASSETS		
Cash and equivalents	\$ 13,700,343	\$ -
Receivables		
Accounts	23,039	-
State and Federal aid	657,493	-
Due from other governments	509,414	-
Due from other funds	439,587	273,585
Inventories	-	-
	<hr/>	<hr/>
Total Assets	<u>\$ 15,329,876</u>	<u>\$ 273,585</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 337,518	\$ 62,493
Accrued liabilities	78,318	-
Due to other governments	172,180	-
Unearned revenues	21,255	-
Due to other funds	342,198	-
Due to retirement systems	4,620,665	-
	<hr/>	<hr/>
Total Liabilities	<u>5,572,134</u>	<u>62,493</u>
Fund balances		
Nonspendable	-	-
Restricted	4,691,847	211,092
Assigned	2,721,951	-
Unassigned	2,343,944	-
	<hr/>	<hr/>
Total Fund Balances	<u>9,757,742</u>	<u>211,092</u>
	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 15,329,876</u>	<u>\$ 273,585</u>

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

Special Aid	Other Governmental	Total Governmental Funds
\$ -	\$ 226,596	\$ 13,926,939
-	29,025	52,064
589,537	5,903	1,252,933
-	-	509,414
68,613	-	781,785
-	3,189	3,189
<u>\$ 658,150</u>	<u>\$ 264,713</u>	<u>\$ 16,526,324</u>

\$ 79,048	\$ -	\$ 479,059
-	-	78,318
-	142	172,322
152,748	12,056	186,059
426,354	13,233	781,785
-	-	4,620,665
<u>658,150</u>	<u>25,431</u>	<u>6,318,208</u>

-	3,189	3,189
-	57,414	4,960,353
-	178,679	2,900,630
-	-	2,343,944
-	239,282	10,208,116
<u>\$ 658,150</u>	<u>\$ 264,713</u>	<u>\$ 16,526,324</u>

(This page intentionally left blank)

Special Aid	Other Governmental	Total Governmental Funds
\$ -	\$ 226,596	\$ 13,926,939
-	29,025	52,064
589,537	5,903	1,252,933
-	-	509,414
68,613	-	781,785
-	3,189	3,189
<u>\$ 658,150</u>	<u>\$ 264,713</u>	<u>\$ 16,526,324</u>

\$ 79,048	\$ -	\$ 479,059
-	-	78,318
-	142	172,322
152,748	12,056	186,059
426,354	13,233	781,785
-	-	4,620,665
<u>658,150</u>	<u>25,431</u>	<u>6,318,208</u>

-	3,189	3,189
-	57,414	4,960,353
-	178,679	2,900,630
-	-	2,343,944
<u>-</u>	<u>239,282</u>	<u>10,208,116</u>
<u>\$ 658,150</u>	<u>\$ 264,713</u>	<u>\$ 16,526,324</u>

(This page intentionally left blank)

Mount Pleasant Central School District, New York

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2015

Fund Balances - Total Governmental Funds	\$ 10,208,116
--	---------------

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.	25,815,082
---	------------

Governmental funds do not report the effects of losses on refunding bonds and assets or liabilities related to net pension assets (obligations) whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on refunding bonds	1,352,128
Deferred amounts on net pension assets (obligations)	(7,721,994)
	(6,369,866)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Pension assets	17,824,875

Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(32,516)
Bonds payable	(21,909,439)
Compensated absences	(389,341)
Net pension liability	(421,949)
Other post employment benefit obligations payable	(15,640,127)
	(38,393,372)

Net Position of Governmental Activities	\$ 9,084,835
---	--------------

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, 2015

	General	Capital Projects	Special Aid
REVENUES			
Real property taxes	\$ 42,148,087	\$ -	\$ -
Other tax items	5,999,933	-	-
Non-property taxes	665,314	-	-
Charges for services	1,155,325	-	-
Use of money and property	55,129	-	-
Sale of property and compensation for loss	868	-	-
State aid	4,771,189	-	150,062
Federal aid	6,238	-	496,263
Food sales	-	-	-
Miscellaneous	278,575	-	113,769
Total Revenues	55,080,658	-	760,094
EXPENDITURES			
Current			
General support	6,184,201	-	-
Instruction	30,373,757	-	798,516
Pupil transportation	2,200,160	-	-
Community services	16,931	-	-
Employee benefits	13,085,414	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	2,225,000	-	-
Interest	583,991	-	-
Refunding bond issuance costs	84,395	23,926	-
Capital outlay	-	776,282	-
Total Expenditures	54,753,849	800,208	798,516
Excess (Deficiency) of Revenues Over Expenditures	326,809	(800,208)	(38,422)
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	5,145,000	1,245,000	-
Issuance premium	173,529	79,495	-
Payment to refunded bond escrow agent	(5,234,134)	(1,300,569)	-
Insurance recoveries	8,586	-	-
Transfers in	-	450,000	38,422
Transfers out	(488,422)	-	-
Total Other Financing Sources (Uses)	(395,441)	473,926	38,422
Net Change in Fund Balances	(68,632)	(326,282)	-
FUND BALANCES			
Beginning of Year	9,826,374	537,374	-
End of Year	\$ 9,757,742	\$ 211,092	\$ -

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

Other Governmental	Total Governmental Funds
\$ -	\$ 42,148,087
-	5,999,933
-	665,314
-	1,155,325
173	55,302
-	868
4,995	4,926,246
85,269	587,770
323,154	323,154
41,476	433,820
<u>455,067</u>	<u>56,295,819</u>
-	6,184,201
-	31,172,273
-	2,200,160
-	16,931
-	13,085,414
477,565	477,565
8,070	8,070
-	2,225,000
-	583,991
-	108,321
-	776,282
<u>485,635</u>	<u>56,838,208</u>
<u>(30,568)</u>	<u>(542,389)</u>
-	6,390,000
-	253,024
-	(6,534,703)
-	8,586
-	488,422
-	(488,422)
<u>-</u>	<u>116,907</u>
<u>(30,568)</u>	<u>(425,482)</u>
<u>269,850</u>	<u>10,633,598</u>
<u>\$ 239,282</u>	<u>\$ 10,208,116</u>

(This page intentionally left blank)

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, 2015

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

Net Change in Fund Balances - Total Governmental Funds	\$ (425,482)
--	--------------

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 capital outlay exceeded depreciation expense in the current period.

Capital outlay	880,885
Depreciation expense	(684,154)
	<u>196,731</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.

Refunding bonds issued	(6,390,000)
Issuance premium	(253,024)
Payment to refunded bond escrow agent	6,534,703
Principal paid on bonds	2,225,000
Amortization of premium and loss on refunding bonds	(108,467)
	<u>2,008,212</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	8,421
Compensated absences	(58,116)
Pension assets (liabilities)	5,174,589
Other post employment benefit obligations	(1,723,908)
	<u>3,400,986</u>

Change in Net Position of Governmental Activities	<u>\$ 5,180,447</u>
---	---------------------

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, 2015

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 42,148,087	\$ 42,148,087	\$ 42,148,087	\$ -
Other tax items	5,995,863	5,995,863	5,999,933	4,070
Non-property taxes	660,000	660,000	665,314	5,314
Charges for services	1,032,500	1,032,500	1,155,325	122,825
Use of money and property	50,000	50,000	55,129	5,129
Sale of property and compensation for loss	500	500	868	368
State aid	5,090,479	5,090,479	4,771,189	(319,290)
Federal aid	30,000	30,000	6,238	(23,762)
Miscellaneous	192,000	192,000	278,575	86,575
Total Revenues	55,199,429	55,199,429	55,080,658	(118,771)
EXPENDITURES				
Current				
General support	5,578,814	6,961,819	6,184,201	777,618
Instruction	31,194,268	30,699,489	30,373,757	325,732
Pupil transportation	2,326,305	2,240,786	2,200,160	40,626
Community services	7,480	16,975	16,931	44
Employee benefits	13,621,200	13,202,993	13,085,414	117,579
Debt service				
Principal	2,170,000	2,225,019	2,225,000	19
Interest	677,578	584,009	583,991	18
Refunding bond issuance cost	-	84,395	84,395	-
Total Expenditures	55,575,645	56,015,485	54,753,849	1,261,636
Excess (Deficiency) of Revenues Over Expenditures	(376,216)	(816,056)	326,809	1,142,865
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	5,145,000	5,145,000	-
Issuance premium	-	173,529	173,529	-
Payment to refunded bond escrow agent	-	(5,234,134)	(5,234,134)	-
Insurance recoveries	5,000	5,000	8,586	3,586
Transfers in	-	-	-	-
Transfers out	(550,000)	(550,000)	(488,422)	61,578
Total Other Financing Sources (Uses)	(545,000)	(460,605)	(395,441)	65,164
Net Change in Fund Balances	(921,216)	(1,276,661)	(68,632)	1,208,029
FUND BALANCES				
Beginning of Year	921,216	1,276,661	9,826,374	8,549,713
End of Year	\$ -	\$ -	\$ 9,757,742	\$ 9,757,742

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)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
88,484	150,062	150,062	-
600,394	606,625	496,263	(110,362)
173,024	173,024	113,769	(59,255)
861,902	929,711	760,094	(169,617)
-	-	-	-
961,902	1,029,711	798,516	231,195
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
961,902	1,029,711	798,516	231,195
(100,000)	(100,000)	(38,422)	61,578
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
100,000	100,000	38,422	(61,578)
-	-	-	-
100,000	100,000	38,422	(61,578)
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Mount Pleasant Central School District, New York

Statement of Assets and Liabilities

Fiduciary Fund

June 30, 2015

	<u>Agency Fund</u>
ASSETS	
Cash and equivalents	<u>\$ 109,968</u>
LIABILITIES	
Accounts payable	\$ 11,842
Deposits	3,000
Student activity funds	<u>95,126</u>
 Total Liabilities	 <u>\$ 109,968</u>

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

Mount Pleasant Central School District, New York

Notes to Financial Statements
June 30, 2015

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

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

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 most other

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

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, net pension liability 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, 2015.

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.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

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, 2015, 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.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

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 \$21,255 for amounts received in advance for various programs in the General Fund, \$12,056 in the School Lunch Fund for prepaid lunch cards and \$152,748 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 \$1,352,128 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.

The School District also reports deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the School District's pension plans in Note 3,D.

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 Pension Liability (Asset) - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date"*.

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.

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.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 generally 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 September 22, 2015.

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.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2015

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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.
- 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.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 2 - Stewardship, Compliance and Accountability (Continued)

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.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a School District in a particular year. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot 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.

D. Cumulative Effect of Change in Accounting Principle

For the year ended June 30, 2015, the School District implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". These statements seek to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expenses/expenditures. These statements also require the identification of the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. As a result of adopting these standards, the district-wide financial statements reflect a cumulative effect for the change in accounting principle of \$4,506,343.

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, 2015 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 439,587	\$ 342,198
Capital Projects	273,585	-
Special Aid	68,613	426,354
Other Governmental	-	13,233
	<u>\$ 781,785</u>	<u>\$ 781,785</u>

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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.

B. Capital Assets

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

Class	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Capital Assets, not being depreciated:				
Land	\$ 1,632,800	\$	\$	\$ 1,632,800
Construction in Progress	39,102	28,108	39,102	28,108
Total Capital Assets, not being depreciated	<u>\$ 1,671,902</u>	<u>\$ 28,108</u>	<u>39,102</u>	<u>\$ 1,660,908</u>
Capital Assets, being depreciated:				
Improvements Other than Buildings	\$ 752,987	\$ -	\$ -	\$ 752,987
Buildings and Improvements	34,582,391	775,618	-	35,358,009
Machinery and Equipment	844,747	116,261	-	961,008
Total Capital Assets, being depreciated	<u>36,180,125</u>	<u>891,879</u>	<u>-</u>	<u>37,072,004</u>
Less Accumulated Depreciation for:				
Improvements Other than Buildings	720,971	2,947	-	723,918
Buildings and Improvements	10,880,815	637,546	-	11,518,361
Machinery and Equipment	631,890	43,661	-	675,551
Total Accumulated Depreciation	<u>12,233,676</u>	<u>684,154</u>	<u>-</u>	<u>12,917,830</u>
Total Capital Assets, being depreciated, net	<u>\$ 23,946,449</u>	<u>\$ 207,725</u>	<u>\$ -</u>	<u>\$ 24,154,174</u>
Capital Assets, net	<u>\$ 25,618,351</u>	<u>\$ 235,833</u>	<u>\$ 39,102</u>	<u>\$ 25,815,082</u>

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

General Support	\$ 607,958
Instruction	73,484
Cost of food sales	<u>2,712</u>
Total Depreciation Expense	<u>\$ 684,154</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2015 were as follows:

Payroll and Employee Benefits	<u>\$ 78,318</u>
-------------------------------	------------------

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued) June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

D. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2015:

	Balance, as Reported July 1, 2014	Cumulative Effect of Change in Accounting Principle	Balance, as Restated July 1, 2014	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2015	Due Within One-Year
Bonds Payable - Construction	\$ 15,910,000	-	15,910,000	\$ 1,245,000	\$ 2,755,000	\$ 14,400,000	\$ 1,570,000
Bonds Payable - Tax Certiorari	7,400,000	-	7,400,000	5,145,000	5,495,000	7,050,000	600,000
Plus							
Unamortized premium on bonds	275,894	-	275,894	253,024	69,479	459,439	-
	<u>23,585,894</u>	<u>-</u>	<u>23,585,894</u>	<u>6,643,024</u>	<u>8,319,479</u>	<u>21,909,439</u>	<u>2,170,000</u>
Other Non-Current Liabilities:							
Compensated Absences	331,225	-	331,225	91,116	33,000	389,341	39,000
Net Pension Liability	-	564,313	564,313	-	142,364	421,949	-
Other Post Employment Benefit Obligations Payable	13,916,219	-	13,916,219	3,568,052	1,844,144	15,640,127	-
	<u>14,247,444</u>	<u>564,313</u>	<u>14,811,757</u>	<u>3,659,168</u>	<u>2,019,508</u>	<u>16,451,417</u>	<u>39,000</u>
Total Long-Term Liabilities	<u>\$ 37,833,338</u>	<u>564,313</u>	<u>38,397,651</u>	<u>\$ 10,302,192</u>	<u>\$ 10,338,987</u>	<u>\$ 38,360,856</u>	<u>\$ 2,209,000</u>

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

Bonds Payable

Bonds payable at June 30, 2015 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2015
Building Construction	2006	\$ 4,740,000	December, 2019	3.700 %	\$ 745,000
Tax Certiorari Refunds	2008	7,655,819	December, 2026	4.250-4.375	735,000
Tax Certiorari Refunds	2008	1,027,110	June, 2017	4.250-4.500	240,000
Tax Certiorari Refunds	2010	1,350,000	June, 2025	3.250-4.000	975,000
Refunding Bonds - Construction	2012	7,145,000	June, 2025	2.000-2.250	6,330,000
Refunding Bonds - Construction	2013	6,305,000	May, 2025	2.000-3.000	6,090,000
Refunding Bonds - Construction	2015	1,245,000	December, 2019	4.000-1.000	1,235,000
Refunding Bonds - Tax Certiorari	2015	5,145,000	December, 2026	2.000-3.000	5,100,000
					<u>\$ 21,450,000</u>

Interest expenditures of \$583,991 were recorded in the fund financial statements in the General Fund. Interest expense of \$684,037 was recorded in the district-wide financial statements.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of June 30, 2015 including interest payments of \$2,753,226 are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 2,170,000	\$ 519,576	\$ 2,689,576
2017	2,240,000	458,319	2,698,319
2018	2,175,000	391,787	2,566,787
2019	2,250,000	331,525	2,581,525
2020	2,300,000	274,401	2,574,401
2021-2025	9,205,000	747,159	9,952,159
2026-2027	1,110,000	30,459	1,140,459
	<u>\$ 21,450,000</u>	<u>\$ 2,753,226</u>	<u>\$ 24,203,226</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.

Advance Refunding

During the 2015 fiscal year, the District issued \$5,145,000 of refunding bonds in General Fund for tax certiorari with interest rates ranging from 1.0% to 4.0%, depending on maturity. The proceeds were used to advance refund \$4,800,000 of outstanding 2008 tax certiorari serial bonds bearing interest at a rate ranging from 4.250 – 4.375%. The net proceeds of \$5,234,134 (including \$173,529 of issuance premium and after \$84,395 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the 2008 serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$434,134 in the governmental activities. These amounts and the premiums are being amortized over the remaining life of the refunded debt. The District advance refunded the 2008 tax certiorari serial bonds to reduce its total debt service payments over 13 years by \$440,186 and to obtain a net present value economic gain of \$352,933. As of June 30, 2015, \$4,800,000 of bonds have not yet been called and are still outstanding.

During the 2015 fiscal year, the District also issued \$1,245,000 of refunding serial bond with interest rates ranging from 1.0% to 4.0%, depending on maturity. The proceeds were used to advance refund \$1,225,000 of outstanding 2006 various purpose serial bonds bearing interest at a rate of 3.700%. The net proceeds of \$1,300,569 (including \$79,495 of issuance premium and after \$23,926 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the 2006 various purpose serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

debt by \$75,569 in the governmental activities. These amounts and the premiums are being amortized over the remaining life of the refunded debt. The District advance refunded the 2006 various purpose serial bonds to reduce its total debt service payments over 6 years by \$25,432 and to obtain a net present value economic gain of \$24,626. As of June 30, 2015, \$1,225,000 of bonds have not yet been called and are still outstanding.

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.

Pension Plans

Employees' Retirement System

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The ERS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2015 are as follows:

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

<u>Tier/Plan</u>	<u>Rate</u>
1 75I	27.7 %
2 75I	25.4
3 A15	20.4
4 A15	20.4
5 A15	16.7
6 A15	11.0

At June 30, 2015, the School District reported a liability of \$421,949 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At June 30, 2015, the School District's proportion was .0124902 %. For this first year of implementation, the ERS reported no change in the allocation percentage measured as of March 31, 2014.

For the year ended June 30, 2015, the School District recognized pension expense/expenditures of \$374,886 and \$538,346, respectively. The pension expenditures of \$537,927 and \$419 were charged to the General and Special Aid Funds, respectively. At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 13,507	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	73,287	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	27,932
School District contributions subsequent to the measurement date	172,637	-
	<u>\$ 259,431</u>	<u>\$ 27,932</u>

\$172,637 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

	Year Ended March 31,	
2016	\$	14,716
2017		14,716
2018		14,716
2019		14,714

The total pension liability for the March 31, 2015 measurement date was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liability to March 31, 2015. The total pension liability for the March 31, 2014 measurement date was determined by using an actuarial valuation as of April 1, 2014. Significant actuarial assumptions used in the April 1, 2014 valuation were as follows:

Actuarial cost method	Entry age normal
Inflation	2.7%
Salary scale	4.9%, indexed by service
Investment rate of return	7.5% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.4% annually

Annuitant mortality rates are based on the April 1, 2005 – March 31, 2010 ERS's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2010.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 and 2014 are summarized below.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	<u>100 %</u>	

The discount rate used to calculate the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Assumption (7.5%)</u>	<u>1% Increase (8.5%)</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 2,812,470</u>	<u>\$ 421,949</u>	<u>\$ (1,596,244)</u>

The components of the collective net pension liability of ERS as of the March 31, 2015 measurement date were as follows:

Total pension liability	\$ 164,591,504,000
ERS fiduciary net position	<u>161,213,259,000</u>
Employers' net pension liability	<u>\$ 3,378,245,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>97.9%</u>

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2015 represent the projected employer contribution for the period of April 1, 2015 through June 30, 2015 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS as of June 30, 2015 were \$172,637.

Teachers' Retirement System

The School District participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

The TRS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% depending on salary levels for their entire length of service. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rate for the plan's year ending in 2015 was 17.53%.

At June 30, 2015, the School District reported an asset of \$17,824,875 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The School District's proportion of the net pension asset was based on the School District's contributions to the pension plan relative to the contributions of all participating members. At June 30, 2014, the School District's proportion was .160017%, which was an increase of .005218% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the School District recognized pension expense/expenditure of \$(702,132) and \$4,309,272, respectively. The pension expenditures of \$4,309,272 was charged to the General Fund. At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 260,656
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	11,971,341
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	30,768
School District contributions subsequent to the measurement date	<u>4,309,272</u>	<u>-</u>
	<u>\$ 4,309,272</u>	<u>\$ 12,262,765</u>

\$4,309,272 reported as deferred outflows of resources related to TRS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to TRS will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2015	\$ 3,026,722
2016	3,026,722
2017	3,026,722
2018	3,026,722
2019	33,887
Thereafter	121,990

The total pension liability for the June 30, 2014 measurement date was determined by using an actuarial valuation as of June 30, 2013, with update procedures used to roll forward the total pension liability to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by using an actuarial valuation as of June 30, 2012, with update procedures used to roll forward the total pension liability to June 30, 2013. These actuarial valuations used the following actuarial assumptions:

Inflation	3.0%
Projected salary increases	Rates of increase differ based on age and gender. They have been calculated based upon recent TRS member experience.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Age	Female	Male
25	10.35 %	10.91 %
35	6.26	6.27
45	5.39	5.04
55	4.42	4.01

Projected COLAs	1.625% compounded annually
Investment rate of return	8.0% compounded annually, net of pension plan investment expense, including inflation

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale AA.

The actuarial assumptions used in the June 30, 2013 and 2012 valuations were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of the valuation dates of June 30, 2013 and 2012 are summarized in the following table:

Asset Class:	Target Allocation		Long-Term Expected Real Rate of Return*	
	2013	2012	2013	2012
Equities:				
Domestic equities	37 %	37 %	7.3 %	7.0 %
International equities	18	18	8.5	9.1
Real estate	10	10	5.0	4.9
Alternative investments	7	7	11.0	10.2
Total Equities	72	72		
Fixed Income:				
Domestic fixed income securities	18	18	1.5	2.0
Global fixed income securities	2	2	1.4	1.7
Mortgages	8	8	3.4	4.0
Short-term	-	-	0.8	1.2
Total Fixed Income	28	28		
Total	100 %	100 %		

* Real rates of return are net of the long-term inflation assumption of 2.3% for 2013 and 2012.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension asset calculated using the discount rate of 8.0%, as well as what the School District's proportionate share of the net pension asset would be if it were calculated using a discount rate that is one percentage point lower (7.0%) or one percentage point higher (9.0%) than the current rate:

	1% Decrease (7.0%)	Current Assumption (8.0%)	1% Increase (9.0%)
School District's proportionate share of the net pension asset	<u>\$ 384,508</u>	<u>\$ 17,824,875</u>	<u>\$ 32,686,490</u>

The components of the collective net pension asset of TRS as of the June 30, 2014 measurement date were as follows:

Total pension liability	\$ 97,015,706,548
TRS fiduciary net position	<u>108,155,083,127</u>
Employers' net pension asset	<u>\$ 11,139,376,579</u>
TRS fiduciary net position as a percentage of total pension liability	<u>111.48%</u>

Employer and employee contributions for the year ended June 30, 2015 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2015 represent employee and employer contributions for the fiscal year ended June 30, 2015 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS. Accrued retirement contributions to TRS as of June 30, 2015 were \$4,448,028.

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

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

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>Health Care Cost Trend Rate</u>
2016	5.30 %
2017	5.40
2018	5.50
2019	5.46
2020	5.43
2021+	5.39-3.84

The amortization basis is the level dollar method with a closed amortization approach with 30 years remaining in the amortization period. The actuarial assumptions included a 5% discount rate, 3.84% 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, 2015

Note 3 - Detailed Notes on All Funds (Continued)

The number of participants as of June 30, 2015 was as follows:

Active Employees	246
Retired Employees	<u>147</u>
Total	<u><u>393</u></u>

Amortization Component:	
Actuarial Accrued Liability as of July 1, 2014	\$ 45,271,321
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 45,271,321</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (active plan members)	<u>\$ 24,143,622</u>
UAAL as a Percentage of Covered Payroll	<u>187.51%</u>
Annual Required Contribution	\$ 3,393,467
Interest on Net OPEB Obligation	695,811
Annual Required Contribution Adjustment	<u>(521,226)</u>
Annual OPEB Cost	3,568,052
Contributions Made	<u>(1,844,144)</u>
Increase in Net OPEB Obligation	1,723,908
Net OPEB Obligation - Beginning of Year	<u>13,916,219</u>
Net OPEB Obligation - End of Year	<u>\$ 15,640,127</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
2013	\$ 3,533,158	49.0 %	\$ 11,969,919
2014	3,738,780	47.9	13,916,219
2015	3,568,052	51.7	15,640,127

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.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

E. 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	\$ 450,000	\$ 38,422	\$ 488,422

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

F. 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, 2015

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

	2015					2014				
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total		General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	
Nonspendable Inventories	\$ -	\$ -	\$ 3,189	\$ 3,189	\$	\$ -	\$ -	\$ 2,541	\$ 2,541	\$
Restricted										
Tax certiorari	4,040,021	-	-	4,040,021		6,024,959	-	-	6,024,959	
Employee benefit accrued liability	305,105	-	-	305,105		304,344	-	-	304,344	
Unemployment benefits	167,889	-	-	167,889		167,470	-	-	167,470	
Retirement contribution	178,832	-	-	178,832		178,386	-	-	178,386	
Capital Projects	-	211,092	-	211,092		-	537,374	-	537,374	
Special purposes	-	-	57,414	57,414		-	-	52,779	52,779	
Total Restricted	4,691,847	211,092	57,414	4,960,353		6,675,159	537,374	52,779	7,265,312	
Assigned										
Purchases on order										
General government support	671,658	-	-	671,658		317,647	-	-	317,647	
Instruction	50,293	-	-	50,293		57,998	-	-	57,998	
	721,951	-	-	721,951		375,645	-	-	375,645	
Subsequent year's expenditures	2,000,000	-	-	2,000,000		545,571	-	-	545,571	
School Lunch Fund	-	-	178,679	178,679		-	-	214,530	214,530	
Total Assigned	2,721,951	-	178,679	2,900,630		921,216	-	214,530	1,135,746	
Unassigned	2,343,944	-	-	2,343,944		2,229,999	-	-	2,229,999	
Total Fund Balances	\$ 9,757,742	\$ 211,092	\$ 239,282	\$ 10,208,116	\$	\$ 9,826,374	\$ 537,374	\$ 269,850	\$ 10,633,598	\$

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2015

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, 2015, 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**

Actuarial			Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
Valuation Date	Value of Assets	Accrued Liability				
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
July 1, 2014	-	45,271,321	45,271,321	-	24,143,622	187.51

Mount Pleasant Central School District, New York

**Required Supplementary Information - Schedule of the
School District's Proportionate Share of the Net Pension Liability
New York State Teachers' Retirement System
Last Ten Fiscal Years (1)**

	<u>2015</u>
School District's proportion of the net pension liability (asset)	<u>0.160017%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (17,824,875)</u>
School District's covered-employee payroll	<u>\$ 24,598,144</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>(72.46)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>111.48%</u>

Note - The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Mount Pleasant Central School District, New York

Required Supplementary Information - Schedule of Contributions
New York State Teachers' Retirement System
Last Ten Fiscal Years (1)

	<u>2015</u>
Contractually required contribution	\$ 4,309,272
Contributions in relation to the contractually required contribution	<u>(4,309,272)</u>
Contribution deficiency (excess)	<u>\$ -</u>
School District's covered-employee payroll	<u>\$ 24,598,144</u>
Contributions as a percentage of covered-employee payroll	<u>17.52%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Mount Pleasant Central School District, New York

**Required Supplementary Information - Schedule of the
School District's Proportionate Share of the Net Pension Liability
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)**

	<u>2015</u>
School District's proportion of the net pension liability (asset)	<u>0.0124902%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 421,949</u>
School District's covered-employee payroll	<u>\$ 3,583,067</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>11.78%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.90%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Mount Pleasant Central School District, New York

**Required Supplementary Information - Schedule of Contributions
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)**

	<u>2015</u>
Contractually required contribution	\$ 576,212
Contributions in relation to the contractually required contribution	<u>(576,212)</u>
Contribution deficiency (excess)	<u>\$ -</u>
School District's covered-employee payroll	<u>\$ 3,583,067</u>
Contributions as a percentage of covered-employee payroll	<u>16.08%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

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

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 13,700,343</u>	<u>\$ 13,607,024</u>
Receivables		
Accounts	23,039	36,842
State and Federal aid	657,493	632,713
Due from other governments	509,414	463,004
Due from other funds	<u>439,587</u>	<u>409,228</u>
	<u>1,629,533</u>	<u>1,541,787</u>
Total Assets	<u><u>\$ 15,329,876</u></u>	<u><u>\$ 15,148,811</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 337,518	\$ 387,449
Accrued liabilities	78,318	123,088
Due to other governments	172,180	245,904
Unearned revenues	21,255	13,403
Due to other funds	342,198	334,395
Due to retirement systems	<u>4,620,665</u>	<u>4,218,198</u>
Total Liabilities	<u>5,572,134</u>	<u>5,322,437</u>
Fund balance		
Restricted	4,691,847	6,675,159
Assigned	2,721,951	921,216
Unassigned	<u>2,343,944</u>	<u>2,229,999</u>
Total Fund Balance	<u>9,757,742</u>	<u>9,826,374</u>
Total Liabilities and Fund Balance	<u><u>\$ 15,329,876</u></u>	<u><u>\$ 15,148,811</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,

	2015				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Encumbr- ances	
REVENUES					
Real property taxes	\$ 42,148,087	\$ 42,148,087	\$ 42,148,087	\$	\$ -
Other tax items	5,995,863	5,995,863	5,999,933		4,070
Non-property taxes	660,000	660,000	665,314		5,314
Charges for services	1,032,500	1,032,500	1,155,325		122,825
Use of money and property	50,000	50,000	55,129		5,129
Sale of property and compensation for loss	500	500	868		368
State aid	5,090,479	5,090,479	4,771,189		(319,290)
Federal aid	30,000	30,000	6,238		(23,762)
Miscellaneous	192,000	192,000	278,575		86,575
Total Revenues	55,199,429	55,199,429	55,080,658		(118,771)
EXPENDITURES					
Current					
General support					
Board of education	132,542	150,743	148,869	-	1,874
Central administration	391,428	396,386	395,003	-	1,383
Finance	513,425	508,637	496,042	-	12,595
Staff	444,317	415,571	395,253	-	20,318
Central services	3,550,102	4,570,150	3,829,484	671,658	69,008
Special items	547,000	920,332	919,550	-	782
Total General Support	5,578,814	6,961,819	6,184,201	671,658	105,960
Instruction					
Instruction, administration and improvement	2,210,570	2,166,244	2,116,667	18,519	31,058
Teaching - Regular school	16,271,676	15,982,095	15,923,143	12,628	46,324
Programs for children with handicapping conditions	8,074,318	7,901,295	7,793,153	-	108,142
Occupational education	286,649	281,149	276,912	-	4,237
Teaching - Special school	45,000	45,000	42,770	-	2,230
Instructional media	1,240,659	1,313,788	1,294,640	3,486	15,662
Pupil services	3,065,396	3,009,918	2,926,472	15,660	67,786
Total Instruction	31,194,268	30,699,489	30,373,757	50,293	275,439
Pupil transportation	2,326,305	2,240,786	2,200,160	-	40,626
Community services	7,480	16,975	16,931	-	44
Employee benefits	13,621,200	13,202,993	13,085,414	-	117,579
Debt service					
Principal	2,170,000	2,225,019	2,225,000	-	19
Interest	677,578	584,009	583,991	-	18
Refunding bond issuance cost	-	84,395	84,395	-	-
Total Expenditures	55,575,645	56,015,485	54,753,849	721,951	539,685
Excess (Deficiency) of Revenues Over Expenditures	(376,216)	(816,056)	326,809	(721,951)	420,914
OTHER FINANCING SOURCES (USES)					
Refunding bonds issued	-	5,145,000	5,145,000	-	-
Issuance premium	-	173,529	173,529	-	-
Payment to refunded bond escrow agent	-	(5,234,134)	(5,234,134)	-	-
Insurance recoveries	5,000	5,000	8,586	-	3,586
Transfers out	(550,000)	(550,000)	(488,422)	-	61,578
Total Other Financing Uses	(545,000)	(460,605)	(395,441)	-	65,164
Net Change in Fund Balance	(921,216)	(1,276,661)	(68,632)	\$ (721,951)	\$ 486,078
FUND BALANCE					
Beginning of Year	921,216	1,276,661	9,826,374		
End of Year	\$ -	\$ -	\$ 9,757,742		

2014				
Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
\$ 40,615,883	\$ 40,615,883	\$ 40,613,554	\$	\$ (2,329)
5,797,017	5,797,017	5,793,117		(3,900)
600,000	600,000	671,119		71,119
481,000	481,000	1,062,212		581,212
50,000	50,000	59,627		9,627
500	500	1,542		1,042
4,580,600	4,580,600	4,612,691		32,091
20,000	20,000	19,646		(354)
165,000	165,000	419,370		254,370
52,310,000	52,310,000	53,252,878		942,878
121,648	112,267	110,516	-	1,751
369,148	400,501	399,282	-	1,219
496,430	528,296	525,982	741	1,573
347,120	371,214	362,066	-	9,148
3,226,244	3,620,952	3,238,479	316,906	65,567
541,000	536,961	535,257	-	1,704
5,101,590	5,570,191	5,171,582	317,647	80,962
2,100,432	1,966,214	1,947,523	11,697	6,994
15,483,293	15,861,487	15,825,786	10,087	25,614
7,068,257	7,359,661	7,345,680	-	13,981
212,620	211,420	209,380	-	2,040
45,000	36,735	36,735	-	-
1,129,965	1,088,914	1,053,900	31,672	3,342
2,826,884	2,737,534	2,713,877	4,542	19,115
28,866,451	29,261,965	29,132,881	57,998	71,086
2,435,620	2,189,796	2,172,886	-	16,910
7,480	17,665	17,555	-	-
12,991,200	12,429,429	12,418,351	-	11,078
2,145,000	2,145,000	2,145,000	-	-
761,081	761,081	761,081	-	-
-	-	-	-	-
52,308,422	52,375,127	51,819,336	375,645	180,036
1,578	(65,127)	1,433,542	(375,645)	1,122,914
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,000	90,233	100,247	-	10,014
(400,000)	(418,528)	(418,528)	-	-
(395,000)	(328,295)	(318,281)	-	10,014
(393,422)	(393,422)	1,115,261	\$ (375,645)	\$ 1,132,928
393,422	393,422	8,711,113		
\$ -	\$ -	\$ 9,826,374		

Mount Pleasant Central School District, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 42,148,087	\$ 42,148,087	\$ 42,148,087	\$ -
OTHER TAX ITEMS				
School tax relief reimbursement	5,991,963	5,991,963	5,991,963	-
Payments in lieu of taxes	3,900	3,900	7,970	4,070
	5,995,863	5,995,863	5,999,933	4,070
NON-PROPERTY TAXES				
Non-property tax distribution from County	660,000	660,000	665,314	5,314
CHARGES FOR SERVICES				
Other student fees and charges	57,500	57,500	54,234	(3,266)
Day school tuition - Other districts	950,000	950,000	1,083,641	133,641
Other charges - Other governments	25,000	25,000	17,450	(7,550)
	1,032,500	1,032,500	1,155,325	122,825
USE OF MONEY AND PROPERTY				
Earnings on investments	25,000	25,000	18,088	(6,912)
Rental of real property - Individuals	25,000	25,000	37,041	12,041
	50,000	50,000	55,129	5,129

SALE OF PROPERTY AND COMPENSATION FOR LOSS

Other	500	500	868	368
-------	-----	-----	-----	-----

STATE AID

Basic formula	3,971,779	3,971,779	3,692,757	(279,022)
Textbook aid	121,102	121,102	121,102	-
Lottery aid	192,400	192,400	192,376	(24)
Computer software aid	30,655	30,655	30,769	114
Library aid	12,243	12,243	12,243	-
Tuition aid	67,300	67,300	67,264	(36)
BOCES aid	695,000	695,000	654,678	(40,322)

FEDERAL AID

Medical assistance	5,090,479	5,090,479	4,771,189	(319,290)
	30,000	30,000	6,238	(23,762)

MISCELLANEOUS

Refund of prior year's expenditures	50,000	50,000	90,299	40,299
Refund of BOCES aided services	90,000	90,000	82,856	(7,144)
Gifts and donations	-	-	956	956
Other	52,000	52,000	104,464	52,464

TOTAL REVENUES

	55,199,429	55,199,429	55,080,658	(118,771)
--	------------	------------	------------	-----------

OTHER FINANCING SOURCES

Refunding bonds issued	-	5,145,000	5,145,000	-
Issuance premium	-	173,529	173,529	-
Insurance recoveries	5,000	5,000	8,586	3,586

TOTAL OTHER FINANCING SOURCES

	5,000	5,323,529	5,327,115	3,586
--	-------	-----------	-----------	-------

TOTAL REVENUES AND OTHER FINANCING SOURCES

	\$ 55,204,429	\$ 60,522,958	\$ 60,407,773	\$ (115,185)
--	---------------	---------------	---------------	--------------

Mount Pleasant Central School District, New York

General Fund

**Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2015**

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 39,400	\$ 50,601	\$ 49,479	\$ -	\$ 1,122
District clerk	73,142	78,742	78,165	-	577
District meeting	20,000	21,400	21,225	-	175
Total Board of Education	132,542	150,743	148,869	-	1,874
CENTRAL ADMINISTRATION					
Chief school administrator	391,428	396,386	395,003	-	1,383
FINANCE					
Business administration	358,276	360,796	349,503	-	11,293
Auditing	54,000	46,088	45,345	-	743
Treasurer	101,149	101,753	101,194	-	559
Total Finance	513,425	508,637	496,042	-	12,595
STAFF					
Legal	232,700	165,700	147,651	-	18,049
Personnel	107,517	110,012	107,824	-	2,188
Public information and services	104,100	139,859	139,778	-	81
Total Staff	444,317	415,571	395,253	-	20,318
CENTRAL SERVICES					
Operation of plant	2,337,395	2,429,739	2,387,522	-	42,217
Central data processing	298,565	364,543	362,755	-	1,788
Maintenance of plant	914,142	1,775,868	1,079,207	671,658	25,003
Total Central Services	3,550,102	4,570,150	3,829,484	671,658	69,008

SPECIAL ITEMS

Unallocated insurance	206,000	235,887	235,884	-	3
Taxes and assessments on school property	145,000	133,000	132,641	-	359
Refunds of real property taxes	-	355,445	355,445	-	-
Administrative charge - BOCES	196,000	196,000	195,580	-	420
Total Special Items	547,000	920,332	919,550	-	782
Total General Support	5,578,814	6,961,819	6,184,201	671,658	105,960

INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	538,420	523,767	479,714	18,519	25,534
Supervision - Regular school	1,672,150	1,642,477	1,636,953	-	5,524
Total Instruction, Administration and Improvement	2,210,570	2,166,244	2,116,667	18,519	31,058
TEACHING - REGULAR SCHOOL	16,271,676	15,982,095	15,923,143	12,628	46,324

PROGRAMS FOR CHILDREN WITH HANDICAPPING CONDITIONS

Programs for students with disabilities	8,074,318	7,901,295	7,793,153	-	108,142
---	-----------	-----------	-----------	---	---------

TEACHING - SPECIAL SCHOOLS

	45,000	45,000	42,770	-	2,230
--	--------	--------	--------	---	-------

OCCUPATIONAL EDUCATION

	286,649	281,149	276,912	-	4,237
--	---------	---------	---------	---	-------

INSTRUCTIONAL MEDIA

School library and audiovisual	399,306	530,080	514,022	1,730	14,328
Computer assisted instruction	841,353	783,708	780,618	1,756	1,334

Total Instructional Media	1,240,659	1,313,788	1,294,640	3,486	15,662
---------------------------	-----------	-----------	-----------	-------	--------

(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, 2015

INSTRUCTION (Continued)	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
<i>PUPIL SERVICES</i>					
Guidance - Regular school	\$ 855,985	\$ 855,215	\$ 850,284	\$ -	\$ 4,931
Health services - Regular school	508,613	531,580	508,726	4,080	18,774
Psychological services - Regular school	552,500	440,316	434,417	-	5,899
Social work services - Regular school	108,918	85,712	85,044	-	668
Co-curricular activities - Regular school	197,000	200,206	192,175	-	8,031
Interscholastic activities - Regular school	842,380	896,889	855,826	11,580	29,483
Total Pupil Services	3,065,396	3,009,918	2,926,472	15,660	67,786
Total Instruction	31,194,268	30,699,489	30,373,757	50,293	275,439
PUPIL TRANSPORTATION					
District transportation	71,042	74,543	74,043	-	500
Contract transportation	2,255,263	2,166,243	2,126,117	-	40,126
Total Pupil Transportation	2,326,305	2,240,786	2,200,160	-	40,626
COMMUNITY SERVICES					
Recreation	7,480	16,975	16,931	-	44
EMPLOYEE BENEFITS					
State retirement	795,000	551,699	537,927	-	13,772
Teachers' retirement	4,325,000	4,325,000	4,306,409	-	18,591
Social security	2,135,000	2,105,000	2,099,263	-	5,737
Workers' compensation benefits	147,000	159,678	159,678	-	-
Hospital, medical and dental insurance	5,510,000	5,489,150	5,478,617	-	10,533
Union welfare benefits	450,000	467,372	457,791	-	9,581
Unemployment benefits	50,000	50,000	30,669	-	19,331
Employee benefit fund	209,200	55,094	15,060	-	40,034
Total Employee Benefits	13,621,200	13,202,993	13,085,414	-	117,579

DEBT SERVICE

Serial bonds					
Principal	2,170,000	2,225,019	2,225,000	-	19
Interest	677,578	584,009	583,991	-	18
Refunding bond issuance costs	-	84,395	84,395	-	-
Total Debt Service	2,847,578	2,893,423	2,893,386	-	37
TOTAL EXPENDITURES	55,575,645	56,015,485	54,753,849	721,951	539,685

OTHER FINANCING USES

Payment to refunded bond escrow agent	-	5,234,134	5,234,134	-	-
Transfers out					
Special Aid Fund	100,000	100,000	38,422	-	61,578
Capital Projects Fund	450,000	450,000	450,000	-	-
TOTAL OTHER FINANCING USES	550,000	5,784,134	5,722,556	-	61,578

**TOTAL EXPENDITURES AND
OTHER FINANCING USES**

\$	56,125,645	\$	61,799,619	\$	60,476,405	\$	721,951	\$	601,263
----	------------	----	------------	----	------------	----	---------	----	---------

Mount Pleasant Central School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Receivables		
State and Federal aid	\$ -	\$ 313,039
Due from other funds	<u>273,585</u>	<u>239,232</u>
Total Assets	<u><u>\$ 273,585</u></u>	<u><u>\$ 552,271</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 62,493	\$ 1,375
Retainages payable	<u>-</u>	<u>13,522</u>
Total Liabilities	62,493	14,897
Fund balance		
Restricted	<u>211,092</u>	<u>537,374</u>
Total Liabilities and Fund Balance	<u><u>\$ 273,585</u></u>	<u><u>\$ 552,271</u></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,**

	<u>2015</u>	<u>2014</u>
REVENUES	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES		
Debt service		
Refunding bond issuance costs	23,926	-
Capital outlay	<u>776,282</u>	<u>124,478</u>
Total Expenditures	<u>800,208</u>	<u>124,478</u>
Deficiency of Revenues Over Expenditures	<u>(800,208)</u>	<u>(124,478)</u>
OTHER FINANCING SOURCES (USES)		
Refunding bonds issued	1,245,000	-
Issuance premium	79,495	-
Payment to refunded bond escrow agent	(1,300,569)	-
Transfers in	<u>450,000</u>	<u>300,000</u>
Total Other Financing Sources	<u>473,926</u>	<u>300,000</u>
Net Change in Fund Balance	<u>(326,282)</u>	<u>175,522</u>
FUND BALANCE		
Beginning of Year	<u>537,374</u>	<u>361,852</u>
End of Year	<u>\$ 211,092</u>	<u>\$ 537,374</u>

Mount Pleasant Central School District, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project Through June 30, 2015

Project	Authoriza- tion	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
District-Wide Construction 2009-2010	\$ 284,852	\$ 269,776	\$ 11,659	\$ 281,435
Oil Tank Replacement	561,400	39,102	376,741	415,843
Door Security	207,582	-	207,582	207,582
Gas Line	<u>250,000</u>	<u>-</u>	<u>180,300</u>	<u>180,300</u>
Totals	<u>\$ 1,303,834</u>	<u>\$ 308,878</u>	<u>\$ 776,282</u>	<u>\$ 1,085,160</u>

<u>Unexpended Balance</u>	<u>Method of Financing Interfund Transfers</u>	<u>Fund Balance at June 30, 2015</u>
\$ 3,417	\$ 281,435	\$ -
145,557	557,235	141,392
-	207,582	-
<u>69,700</u>	<u>250,000</u>	<u>69,700</u>
<u>\$ 218,674</u>	<u>\$ 1,296,252</u>	<u>\$ 211,092</u>

(This page intentionally left blank)

Mount Pleasant Central School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Receivables		
State and Federal aid	\$ 589,537	\$ 453,968
Due from other governments	-	5,579
Due from other funds	<u>68,613</u>	<u>95,163</u>
 Total Assets	 <u>\$ 658,150</u>	 <u>\$ 554,710</u>
 LIABILITIES		
Accounts payable	\$ 79,048	\$ 35,738
Unearned revenues	152,748	138,299
Due to other funds	<u>426,354</u>	<u>380,673</u>
 Total Liabilities	 <u>\$ 658,150</u>	 <u>\$ 554,710</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,**

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 88,484	\$ 150,062	\$ 150,062	\$ -
Federal aid	600,394	606,625	496,263	(110,362)
Miscellaneous	173,024	173,024	113,769	(59,255)
Total Revenues	861,902	929,711	760,094	(169,617)
EXPENDITURES				
Current				
Instruction	961,902	1,029,711	798,516	231,195
Deficiency of Revenues Over Expenditures	(100,000)	(100,000)	(38,422)	61,578
OTHER FINANCING SOURCES				
Transfers in	100,000	100,000	38,422	(61,578)
Net Change in Fund Balance	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

2014

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
(100,000)	(118,528)	(118,528)	-
100,000	118,528	118,528	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Mount Pleasant Central School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015
(With Comparative Totals for 2014)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds	
			2015	2014
ASSETS				
Cash and equivalents	\$ 169,182	\$ 57,414	\$ 226,596	\$ 297,931
Receivables				
Accounts	29,025	-	29,025	1,598
State and Federal aid	5,903	-	5,903	7,382
Inventories	3,189	-	3,189	2,541
 Total Assets	<u>\$ 207,299</u>	<u>\$ 57,414</u>	<u>\$ 264,713</u>	<u>\$ 309,452</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,598
Due to other governments	142	-	142	188
Unearned revenues	12,056	-	12,056	8,261
Due to other funds	13,233	-	13,233	28,555
 Total Liabilities	<u>25,431</u>	<u>-</u>	<u>25,431</u>	<u>39,602</u>
 Fund balances				
Nonspendable	3,189	-	3,189	2,541
Restricted	-	57,414	57,414	52,779
Assigned	178,679	-	178,679	214,530
 Total Fund Balances	<u>181,868</u>	<u>57,414</u>	<u>239,282</u>	<u>269,850</u>
 Total Liabilities and Fund Balances	<u>\$ 207,299</u>	<u>\$ 57,414</u>	<u>\$ 264,713</u>	<u>\$ 309,452</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, 2015
(With Comparative Totals for 2014)

			Total Non-Major Governmental Funds	
	School Lunch	Special Purpose	2015	2014
REVENUES				
Use of money and property	\$ 143	\$ 30	\$ 173	\$ 318
State aid	4,995	-	4,995	5,307
Federal aid	85,269	-	85,269	88,256
Food sales	323,154	-	323,154	395,813
Miscellaneous	28,801	12,675	41,476	12,107
Total Revenues	442,362	12,705	455,067	501,801
EXPENDITURES				
Current				
Cost of food sales	477,565	-	477,565	448,715
Other	-	8,070	8,070	8,100
Total Expenditures	477,565	8,070	485,635	456,815
Excess (Deficiency) of Revenues Over Expenditures	(35,203)	4,635	(30,568)	44,986
FUND BALANCES				
Beginning of Year	217,071	52,779	269,850	224,864
End of Year	\$ 181,868	\$ 57,414	\$ 239,282	\$ 269,850

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

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 169,182	\$ 245,152
Receivables		
Accounts	29,025	1,598
State and Federal aid	5,903	7,382
Inventories	<u>3,189</u>	<u>2,541</u>
 Total Assets	 <u>\$ 207,299</u>	 <u>\$ 256,673</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 2,598
Due to other governments	142	188
Unearned revenues	12,056	8,261
Due to other funds	<u>13,233</u>	<u>28,555</u>
 Total Liabilities	 <u>25,431</u>	 <u>39,602</u>
 Fund balance		
Nonspendable	3,189	2,541
Assigned	<u>178,679</u>	<u>214,530</u>
 Total Fund Balance	 <u>181,868</u>	 <u>217,071</u>
 Total Liabilities and Fund Balance	 <u>\$ 207,299</u>	 <u>\$ 256,673</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>2015</u>	<u>2014</u>
REVENUES		
Use of money and property	\$ 143	\$ 264
State aid	4,995	5,307
Federal aid	85,269	88,256
Food sales	323,154	395,813
Miscellaneous	<u>28,801</u>	<u>6,199</u>
Total Revenues	442,362	495,839
EXPENDITURES		
Current		
Cost of food sales	<u>477,565</u>	<u>448,715</u>
Excess (Deficiency) of Revenues Over Expenditures	(35,203)	47,124
FUND BALANCE		
Beginning of Year	<u>217,071</u>	<u>169,947</u>
End of Year	<u>\$ 181,868</u>	<u>\$ 217,071</u>

Mount Pleasant Central School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 57,414</u>	<u>\$ 52,779</u>
 Fund Balance		
Restricted	<u>\$ 57,414</u>	<u>\$ 52,779</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>2015</u>	<u>2014</u>
REVENUES		
Use of money and property	\$ 30	\$ 54
Miscellaneous	<u>12,675</u>	<u>5,908</u>
Total Revenues	12,705	5,962
EXPENDITURES		
Current		
Other	<u>8,070</u>	<u>8,100</u>
Excess (Deficiency) of Revenues Over Expenditures	4,635	(2,138)
FUND BALANCE		
Beginning of Year	<u>52,779</u>	<u>54,917</u>
End of Year	<u>\$ 57,414</u>	<u>\$ 52,779</u>

Mount Pleasant Central School District, New York

General Fund

Analysis Of Change From Adopted Budget To Final Budget Year Ended June 30, 2015

Adopted Budget	\$ 55,750,000
Additions	
Encumbrances	<u>375,645</u>
Original Budget	56,125,645
Budget Amendments	<u>5,673,974</u>
Final Budget	<u>\$ 61,799,619</u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

2015-16 Expenditure Budget	\$ 59,127,000
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	2,721,951
Unassigned fund balance	<u>2,343,944</u>
Total Unrestricted Fund Balance	<u>5,065,895</u>
Less	
Appropriated for subsequent year's budget	2,000,000
Encumbrances	<u>721,951</u>
Total Adjustments	<u>2,721,951</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 2,343,944</u>
Actual Percentage	<u>3.96%</u>

Mount Pleasant Central School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2015

Capital Assets, net		\$ 25,815,082
Less		
Bonds payable - Capital construction	(14,400,000)	
Unamortized portion of premium on refunding bonds	<u>(305,933)</u>	(14,705,933)
Plus		
Unamortized portion of loss on refunding bonds		<u>968,086</u>
Net Investment in Capital Assets		<u>\$ 12,077,235</u>

(This page intentionally left blank)

**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, 2015 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 September 22, 2015.

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
September 22, 2015

**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, 2015. 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, 2015.

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

September 22, 2015

Mount Pleasant Central School District, New York

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

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, 2015. 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 Expenditures of Federal Awards

Year Ending June 30, 2015

<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	\$ 3,664
National School Lunch Program - Commodities	10.555	15,630
National School Lunch Program - Cash	10.555	<u>65,975</u>
Total U.S. Department of Agriculture		<u>85,269</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	336,504
Special Education - Preschool Grants (IDEA Preschool)	84.173	<u>9,983</u>
Subtotal Special Education Cluster		<u>346,487</u>
Title I Grants - Local Educational Agencies	84.010	92,506
Improving Teacher Quality State Grants	84.367	32,802
Immigrant Education	84.365	19,210
Indirect Program - Passed through Valhalla Union Free School District		
Title III - English Language Acquisition Grant	84.365	<u>5,258</u>
Total U.S. Department of Education		<u>496,263</u>
Total		<u>\$ 581,532</u>

(1) Catalog of Federal Domestic Assistance number

The accompanying notes are an integral part of this schedule.

Mount Pleasant Central School District, New York

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

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, 2015

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, 2015

None

