

Mount Pleasant Central School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2016

Mount Pleasant Central School District, New York

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Mount Pleasant Central School District, New York

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Mount Pleasant Central School District, New York ("School District") as of and for the year ended June 30, 2016, 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, 2016, 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.

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 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 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 28, 2016 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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 28, 2016



**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, 2016 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 28, 2016.

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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 28, 2016

Mt. Pleasant Central School District, New York

Management's Discussion and Analysis (MD&A) June 30, 2016

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, 2016. 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, 2016 are as follows:

- At the end of the last fiscal year 2014-2015, the total fund balance of the General Fund was \$9,757,742 and the restricted fund balance was \$4,691,847, the assigned fund balance was \$2,721,951, and the unassigned fund balance was \$2,343,944. At the end of the current fiscal year the fund balance was \$7,453,769 and the restricted balance was \$4,471,525, the assigned fund balance was \$637,877, and the unassigned fund balance was \$2,344,367. 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, \$2,303,973, was primarily due to the planned reduction of the Tax Certiorari Reserve by \$2,000,000 as part of the 2015-2016 voter approved budget.
- Our revenues were lower than the anticipated amount due to a decrease in state aid and tuition charged to other districts.
- On the district-wide financial statements, the assets of the School District exceeded liabilities by \$13,751,904. Of this amount, the unrestricted portion is a deficit of \$6,711,096. 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, 2016, the School District's OPEB obligations of \$17,450,792 are reflected as a liability on the district-wide financial statements, and accordingly contribute to the total net position.

Overview of the Financial Statements

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

District-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

Notes to the Financial Statements

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

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the Mount Pleasant Central School District, New York, assets exceeded liabilities by \$13,751,904 at the close of the current fiscal year.

Net Position

	June 30,	
	2016	2015
Current Assets	\$ 15,935,280	\$ 15,744,539
Pension Asset, net	16,904,781	17,824,875
Capital Assets, net	<u>25,270,937</u>	<u>25,815,082</u>
Total Assets	<u>58,110,998</u>	<u>59,384,496</u>
 Deferred Outflows of Resources	 <u>6,911,899</u>	 <u>5,920,831</u>
Current Liabilities	5,237,486	5,568,939
Long-term Liabilities	<u>39,807,973</u>	<u>38,360,856</u>
Total Liabilities	<u>45,045,459</u>	<u>43,929,795</u>
 Deferred Inflows of Resources	 <u>6,225,534</u>	 <u>12,290,697</u>
 Net Position		
Net Investment in Capital Assets	13,024,367	12,077,235
Restricted for		
Capital Projects	3,079,748	211,092
Tax Certiorari	3,818,069	4,040,021
Unemployment Benefits	168,309	167,889
Retirement Contribution	179,279	178,832
Special Purposes	46,916	57,414
School Lunch	146,312	181,868
Unrestricted	<u>(6,711,096)</u>	<u>(7,829,516)</u>
 Total Net Position	 <u><u>\$ 13,751,904</u></u>	 <u><u>\$ 9,084,835</u></u>

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

Those assets subject to external restrictions constitute \$7,438,633 of the total net position. The balance of unrestricted net position, a deficit of (\$6,711,096) is related recognition of OPEB expenses in accordance with GASB Statement No. 45 and pension obligations in accordance with GASB Statement No. 68.

Changes in Net Position

	Year Ended June 30,	
	2016	2015
REVENUES		
Program Revenues		
Charges for Services	\$ 1,463,805	\$ 1,515,520
Operating Grants and Contributions	1,024,006	1,147,267
Total Program Revenues	2,487,811	2,662,787
General Revenues		
Real Property Taxes	43,534,354	42,148,087
Other Tax Items	5,921,827	5,999,933
Non-Property Taxes	682,017	665,314
Unrestricted Use of Money and Property	4,967	1,400
Sale of Property and Compensation for Loss	952	868
Unrestricted State Aid	5,040,368	4,539,811
Miscellaneous	408,304	277,619
Insurance Recoveries	-	8,586
Total General Revenues	55,592,789	53,641,618
Total Revenues	58,080,600	56,304,405
PROGRAM EXPENSES		
General Support	8,136,977	7,806,441
Instruction	41,811,683	39,930,529
Pupil Transportation	2,316,709	2,236,598
Community Services	25,443	25,465
Cost of Food Sales	488,664	432,818
Other	19,275	8,070
Interest	614,780	684,037
Total Expenses	53,413,531	51,123,958
Change in Net Position	4,667,069	5,180,447
NET POSITION		
Beginning	9,084,835	(601,955)
Cumulative Effect of Change in Accounting Principle	-	4,506,343
Net Position - Beginning, as restated	9,084,835	3,904,388
Ending	\$ 13,751,904	\$ 9,084,835

The major changes are as follows:

Revenues:

- Real property taxes increased by \$1,386,267. This was a result of a higher tax levy associated with the 2015-2016 school budget.
- Program revenues decreased \$174,976 over the prior year due to a decrease in tuition received from other districts.

Expenses:

- General Support increased \$330,536 due to refunds of real property taxes from tax certiorari proceedings and a greater number of repair and maintenance projects throughout district wide facilities.
- Instructional Support increased by \$1,881,154 primarily due to contractual obligations for staff and increases in out of district tuition pertaining to student with disabilities placed out of the district.

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 \$7,453,769. The fund balance includes \$2,344,367 for the unassigned fund balance. The District has managed 2015-16 expenditures to be better than budgeted. For the 2015-16 fiscal year, expenditures were \$1,174,778 less than the final budget, inclusive of encumbrances of \$62,877.

Capital Assets

At June 30, 2016, the School District had \$25,270,937 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,	
	2016	2015
Land	\$ 1,632,800	\$ 1,632,800
Improvements Other than Buildings	26,122	29,069
Buildings and Improvements	23,181,390	23,839,648
Machinery and Equipment	272,369	285,457
Construction in Progress	158,256	28,108
Total Capital Assets, net of Accumulated Depreciation	<u>\$ 25,270,937</u>	<u>\$ 25,815,082</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, 2016, the School District has \$39,807,973 in general obligation and other debt outstanding, as follows:

	June 30,	
	2016	2015
Bonds Payable	\$ 19,683,258	\$ 21,909,439
Compensated Absences	313,722	389,341
Net Pension Liability	2,360,201	421,949
Other Post Employment benefit Obligations Payable	17,450,792	15,640,127
	<u>\$ 39,807,973</u>	<u>\$ 38,360,856</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

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Mount Pleasant Central School District, New YorkStatement of Net Position
June 30, 2016

ASSETS

Cash and equivalents	\$ 12,954,724
Receivables	
Accounts	810,057
State and Federal aid	1,407,988
Due from other governments	752,687
Inventories	9,824
Net pension asset	16,904,781
Capital assets	
Not being depreciated	1,791,056
Being depreciated, net	23,479,881
	<hr/>
Total Assets	58,110,998

DEFERRED OUTFLOWS OF RESOURCES

6,911,899**LIABILITIES**

Accounts payable	790,070
Accrued liabilities	336,325
Due to other governments	178,663
Unearned revenues	191,387
Due to retirement systems	3,712,090
Accrued interest payable	28,951
Non-current liabilities	
Due within one year	2,271,000
Due in more than one year	37,536,973
	<hr/>
Total Liabilities	45,045,459

DEFERRED INFLOWS OF RESOURCES

6,225,534**NET POSITION**

Net investment in capital assets	13,024,367
Restricted	
Tax certiorari	3,818,069
Unemployment benefits	168,309
Retirement contribution	179,279
Capital projects	3,079,748
School lunch	146,312
Special purposes	46,916
Unrestricted	(6,711,096)
	<hr/>
Total Net Position	\$ 13,751,904

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

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Mount Pleasant Central School District, New York

Statement of Activities
Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
General support	\$ 8,136,977	\$ 36,905	\$ 11,730	\$ (8,088,342)
Instruction	41,811,683	977,048	1,003,337	(39,831,298)
Pupil transportation	2,316,709	-	-	(2,316,709)
Community services	25,443	-	-	(25,443)
Cost of food sales	488,664	449,852	162	(38,650)
Other	19,275	-	8,777	(10,498)
Interest	614,780	-	-	(614,780)
Total Governmental Activities	\$ 53,413,531	\$ 1,463,805	\$ 1,024,006	(50,925,720)
General revenues				
Real property taxes				43,534,354
Other tax items				
School tax relief reimbursement				5,917,801
Payments in lieu of taxes				4,026
Non-property taxes				
Non-property tax distribution from County				682,017
Unrestricted use of money and property				4,967
Sale of property and compensation for loss				952
Unrestricted State aid				5,040,368
Miscellaneous				408,304
Total General Revenues				55,592,789
Change in Net Position				4,667,069
Net Position - Beginning				9,084,835
Net Position - Ending				\$ 13,751,904

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, 2016

	General	Capital Projects
ASSETS		
Cash and equivalents	\$ 12,718,052	\$ -
Receivables		
Accounts	808,507	-
State and Federal aid	782,998	-
Due from other governments	738,709	-
Due from other funds	501,735	3,106,376
Inventories	-	-
Total Assets	<u>\$ 15,550,001</u>	<u>\$ 3,106,376</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 667,093	\$ 26,628
Accrued liabilities	336,325	-
Due to other governments	178,456	-
Unearned revenues	26,501	-
Due to other funds	3,175,767	-
Due to retirement systems	3,712,090	-
Total Liabilities	<u>8,096,232</u>	<u>26,628</u>
Fund balances		
Nonspendable	-	-
Restricted	4,471,525	3,079,748
Assigned	637,877	-
Unassigned	2,344,367	-
Total Fund Balances	<u>7,453,769</u>	<u>3,079,748</u>
Total Liabilities and Fund Balances	<u>\$ 15,550,001</u>	<u>\$ 3,106,376</u>

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

Special Aid	Other Governmental	Total Governmental Funds
\$ -	\$ 236,672	\$ 12,954,724
-	1,550	810,057
624,990	-	1,407,988
13,978	-	752,687
69,391	-	3,677,502
-	9,824	9,824
<u>\$ 708,359</u>	<u>\$ 248,046</u>	<u>\$ 19,612,782</u>
\$ 57,290	\$ 39,059	\$ 790,070
-	-	336,325
-	207	178,663
149,345	15,541	191,387
501,724	11	3,677,502
-	-	3,712,090
<u>708,359</u>	<u>54,818</u>	<u>8,886,037</u>
-	9,824	9,824
-	46,916	7,598,189
-	136,488	774,365
-	-	2,344,367
<u>-</u>	<u>193,228</u>	<u>10,726,745</u>
<u>\$ 708,359</u>	<u>\$ 248,046</u>	<u>\$ 19,612,782</u>

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Mount Pleasant Central School District, New York

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2016

Fund Balances - Total Governmental Funds	\$ 10,726,745
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Amounts Reported for Governmental Activities in the Statement of Net
Position are Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>25,270,937</u>
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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	1,197,177
Deferred amounts on net pension assets (obligations)	<u>(510,812)</u>

686,365

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

Pension assets	<u>16,904,781</u>
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Long-term liabilities that are not due and payable in the current
period are not reported in the funds.

Accrued interest payable	(28,951)
Bonds payable	(19,683,258)
Compensated absences	(313,722)
Net pension liability	(2,360,201)
Other post employment benefit obligations payable	<u>(17,450,792)</u>

(39,836,924)

Net Position of Governmental Activities	<u><u>\$ 13,751,904</u></u>
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The notes to the financial statements are an integral part of this statement.

Mount Pleasant Central School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2016

	General	Capital Projects	Special Aid
REVENUES			
Real property taxes	\$ 43,534,354	\$ -	\$ -
Other tax items	5,921,827	-	-
Non-property taxes	682,017	-	-
Charges for services	938,405	-	-
Use of money and property	53,602	-	-
Sale of property and compensation for loss	952	-	-
State aid	5,307,181	-	153,369
Federal aid	233	-	483,429
Food sales	-	-	-
Miscellaneous	409,304	-	137,136
Total Revenues	56,847,875	-	773,934
EXPENDITURES			
Current			
General support	6,296,237	-	-
Instruction	31,959,771	-	800,714
Pupil transportation	2,279,022	-	-
Community services	17,137	-	-
Employee benefits	12,883,326	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	2,170,000	-	-
Interest	519,575	-	-
Capital outlay	-	131,344	-
Total Expenditures	56,125,068	131,344	800,714
Excess (Deficiency) of Revenues Over Expenditures	722,807	(131,344)	(26,780)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	3,000,000	26,780
Transfers out	(3,026,780)	-	-
Total Other Financing Sources (Uses)	(3,026,780)	3,000,000	26,780
Net Change in Fund Balances	(2,303,973)	2,868,656	-
FUND BALANCES			
Beginning of Year	9,757,742	211,092	-
End of Year	\$ 7,453,769	\$ 3,079,748	\$ -

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

<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 43,534,354
-	5,921,827
-	682,017
-	938,405
203	53,805
-	952
-	5,460,550
-	483,662
449,852	449,852
8,736	555,176
<u>458,791</u>	<u>58,080,600</u>
-	6,296,237
-	32,760,485
-	2,279,022
-	17,137
-	12,883,326
485,570	485,570
19,275	19,275
-	2,170,000
-	519,575
-	131,344
<u>504,845</u>	<u>57,561,971</u>
<u>(46,054)</u>	<u>518,629</u>
-	3,026,780
-	(3,026,780)
-	-
<u>(46,054)</u>	<u>518,629</u>
<u>239,282</u>	<u>10,208,116</u>
<u>\$ 193,228</u>	<u>\$ 10,726,745</u>

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Mount Pleasant Central School District, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2016

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

Net Change in Fund Balances - Total Governmental Funds	\$ 518,629
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount may be less than the total capital outlay since capital outlay includes amounts under the capitalization threshold.

Capital outlay	168,230
Depreciation expense	<u>(712,375)</u>
	<u>(544,145)</u>

Bond and other debt proceeds provide current financial resources to governmental funds while issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal paid on bonds	2,170,000
Amortization of premium and loss on refunding bonds	<u>(98,770)</u>
	<u>2,071,230</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	3,565
Compensated absences	75,619
Pension assets (liabilities)	4,352,836
Other post employment benefit obligations	<u>(1,810,665)</u>
	<u>2,621,355</u>

Change in Net Position of Governmental Activities	<u>\$ 4,667,069</u>
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The notes to the financial statements are an integral part of this statement.

Mount Pleasant Central School District, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Special Aid Funds
Year Ended June 30, 2016

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 43,535,199	\$ 43,535,199	\$ 43,534,354	\$ (845)
Other tax items	5,921,701	5,921,701	5,921,827	126
Non-property taxes	675,000	675,000	682,017	7,017
Charges for services	1,208,000	1,208,000	938,405	(269,595)
Use of money and property	50,000	50,000	53,602	3,602
Sale of property and compensation for loss	500	500	952	452
State aid	5,530,000	5,535,000	5,307,181	(227,819)
Federal aid	-	-	233	233
Miscellaneous	201,600	201,600	409,304	207,704
Total Revenues	57,122,000	57,127,000	56,847,875	(279,125)
EXPENDITURES				
Current				
General support	6,074,624	6,609,457	6,296,237	313,220
Instruction	32,696,079	32,739,080	31,959,771	779,309
Pupil transportation	2,356,777	2,333,738	2,279,022	54,716
Community services	7,696	17,281	17,137	144
Employee benefits	12,894,200	12,970,372	12,883,326	87,046
Debt service				
Principal	2,170,000	2,170,000	2,170,000	-
Interest	519,575	519,575	519,575	-
Total Expenditures	56,718,951	57,359,503	56,125,068	1,234,435
Excess (Deficiency) of Revenues Over Expenditures	403,049	(232,503)	722,807	955,310
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	5,000	68,500	-	(68,500)
Transfers in	-	-	-	-
Transfers out	(3,130,000)	(3,030,000)	(3,026,780)	3,220
Total Other Financing Sources (Uses)	(3,125,000)	(2,961,500)	(3,026,780)	(65,280)
Net Change in Fund Balances	(2,721,951)	(3,194,003)	(2,303,973)	890,030
FUND BALANCES				
Beginning of Year	2,721,951	3,194,003	9,757,742	6,563,739
End of Year	\$ -	\$ -	\$ 7,453,769	\$ 7,453,769

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)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
70,000	153,369	153,369	-
537,346	537,346	483,429	(53,917)
207,926	207,927	137,136	(70,791)
815,272	898,642	773,934	(124,708)
-	-	-	-
945,272	928,642	800,714	127,928
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
945,272	928,642	800,714	127,928
(130,000)	(30,000)	(26,780)	3,220
-	-	-	-
130,000	30,000	26,780	(3,220)
-	-	-	-
130,000	30,000	26,780	(3,220)
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Mount Pleasant Central School District, New York

Statement of Assets and Liabilities
Fiduciary Fund
June 30, 2016

	Agency Fund
ASSETS	
Cash and equivalents	<u>\$ 918,148</u>
LIABILITIES	
Accounts payable	\$ 790,460
Deposits	3,136
Student activity funds	<u>124,552</u>
Total Liabilities	<u>\$ 918,148</u>

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

Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

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

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Fund Categories

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Special Revenue Funds:

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

other 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, 2016.

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, 2016

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, 2016, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Unearned revenues in fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$26,501 for amounts received in advance for various programs in the General Fund, \$15,541 in the School Lunch Fund for prepaid lunch cards and \$149,345 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 \$1,197,177 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 3D.

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 expensed 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

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.

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 28, 2016.

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.

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, 2016

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.

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, 2016 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 501,735	\$ 3,175,767
Capital Projects	3,106,376	-
Special Aid	69,391	501,724
Other Governmental	-	11
	<u>\$ 3,677,502</u>	<u>\$ 3,677,502</u>

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

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)**B. Capital Assets**

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

Class	Balance July 1, 2015	Additions	Balance June 30, 2016
Capital Assets, not being depreciated:			
Land	\$ 1,632,800	\$ -	\$ 1,632,800
Construction in Progress	28,108	130,148	158,256
Total Capital Assets, not being depreciated	<u>\$ 1,660,908</u>	<u>\$ 130,148</u>	<u>\$ 1,791,056</u>
Capital Assets, being depreciated:			
Improvements Other than Buildings	\$ 752,987	\$ -	\$ 752,987
Buildings and Improvements	35,358,009	-	35,358,009
Machinery and Equipment	961,008	38,082	999,090
Total Capital Assets, being depreciated	<u>37,072,004</u>	<u>38,082</u>	<u>37,110,086</u>
Less Accumulated Depreciation for:			
Improvements Other than Buildings	723,918	2,947	726,865
Buildings and Improvements	11,518,361	658,258	12,176,619
Machinery and Equipment	675,551	51,170	726,721
Total Accumulated Depreciation	<u>12,917,830</u>	<u>712,375</u>	<u>13,630,205</u>
Total Capital Assets, being depreciated, net	<u>\$ 24,154,174</u>	<u>\$ (674,293)</u>	<u>\$ 23,479,881</u>
Capital Assets, net	<u>\$ 25,815,082</u>	<u>\$ (544,145)</u>	<u>\$ 25,270,937</u>

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

General Support	\$ 615,532
Instruction	93,749
Cost of food sales	<u>3,094</u>
Total Depreciation Expense	<u>\$ 712,375</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2016 were as follows:

Payroll and Employee Benefits	<u>\$ 336,325</u>
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Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

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, 2016:

	Balance, as of July 1, 2015	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2016	Due Within One-Year
Bonds Payable - Construction	\$ 14,400,000	\$ -	\$ 1,570,000	\$ 12,830,000	\$ 1,615,000
Bonds Payable - Tax Certiorari	7,050,000	-	600,000	6,450,000	625,000
Plus					
Unamortized premium on bonds	459,439	-	56,181	403,258	-
	<u>21,909,439</u>	<u>-</u>	<u>2,226,181</u>	<u>19,683,258</u>	<u>2,240,000</u>
Other Non-Current Liabilities:					
Compensated Absences	389,341	-	75,619	313,722	31,000
Net Pension Liability	421,949	1,938,252	-	2,360,201	-
Other Post Employment					
Benefit Obligations Payable	15,640,127	3,763,910	1,953,245	17,450,792	-
	<u>16,451,417</u>	<u>5,702,162</u>	<u>2,028,864</u>	<u>20,124,715</u>	<u>31,000</u>
Total Long-Term Liabilities	<u>\$ 38,360,856</u>	<u>\$ 5,702,162</u>	<u>\$ 4,255,045</u>	<u>\$ 39,807,973</u>	<u>\$ 2,271,000</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, 2016 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2016
Building Construction	2006	\$ 4,740,000	December, 2019	3.700 %	\$ 380,000
Tax Certiorari Refunds	2008	7,655,819	December, 2026	4.250-4.375	375,000
Tax Certiorari Refunds	2008	1,027,110	June, 2017	4.250-4.500	120,000
Tax Certiorari Refunds	2010	1,350,000	June, 2025	3.250-4.000	895,000
Refunding Bonds - Construction	2012	7,145,000	June, 2025	2.000-2.250	5,745,000
Refunding Bonds - Construction	2013	6,305,000	May, 2025	2.000-3.000	5,475,000
Refunding Bonds - Construction	2015	1,245,000	December, 2019	4.000-1.000	1,230,000
Refunding Bonds - Tax Certiorari	2015	5,145,000	December, 2026	2.000-3.000	5,060,000
					<u>\$ 19,280,000</u>

Interest expenditures of \$519,575 were recorded in the fund financial statements in the General Fund. Interest expense of \$614,780 was recorded in the district-wide financial statements.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of June 30, 2016 including interest payments of \$2,233,650 are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,790,000	228,975	2,018,975
2022-2026	7,960,000	540,875	8,500,875
2027	565,000	7,768	572,768
	<u>\$ 19,280,000</u>	<u>\$ 2,233,650</u>	<u>\$ 21,513,650</u>

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

Prior Year Defeasance of Debt

In a prior year, the School District defeased general obligation serial bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. At June 30, 2016, \$6,025,000 of outstanding general obligation bonds are considered defeased.

Compensated Absences

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

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

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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/about_us/financial_statements_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 2016 are as follows:

<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, 2016, the School District reported a liability of \$2,360,201 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2016, 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 March 31, 2016, the School District's proportion was 0.0147050%, which was an increase of 0.0022148% from its proportion measured as of March 31, 2015.

For the year ended June 30, 2016June 30, 2016June 30, 2016June 30, 2016June 30, 2016June 30, 2016, the School District recognized pension expense in the district-wide financial statements of \$863,043. Pension expenditures of \$703,925 and \$262 were recorded in the fund financial statements and were charged to the General and Special Aid funds, respectively. At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

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	\$ 11,927	\$ 279,762
Changes of assumptions	629,394	-
Net difference between projected and actual earnings on pension plan investments	1,400,201	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	107,594	20,949
School District contributions subsequent to the measurement date	<u>162,490</u>	<u>-</u>
	<u><u>\$ 2,311,606</u></u>	<u><u>\$ 300,711</u></u>

\$162,490 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	
2017	\$ 466,742
2018	466,742
2019	466,742
2020	448,179

The total pension liability for the March 31, 2016 measurement date was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. The total pension liability for the March 31, 2015 measurement date was determined by using an actuarial valuation as of April 1, 2015. Significant actuarial assumptions used in the April 1, 2015 valuation were as follows:

Actuarial cost method Entry age normal

Inflation	2.5%
Salary scale	3.8%, indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

Annuitant mortality rates are based on the April 1, 2010 - March 31, 2015 ERS's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

<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 7.0%. 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 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Assumption (7.0%)</u>	<u>1% Increase (8.0%)</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 5,322,081</u>	<u>\$ 2,360,201</u>	<u>\$ (142,462)</u>

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability of ERS as of the March 31, 2016 measurement date were as follows:

Total pension liability	\$ 172,303,544,000
ERS fiduciary net position	<u>156,253,265,000</u>
Employers' net pension liability	<u>\$ 16,050,279,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>90.7%</u>

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, 2016 represent the projected employer contribution for the period of April 1, 2016 through June 30, 2016 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS as of June 30, 2016 were \$162,490.

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 2016 was 13.26%.

At June 30, 2016, the School District reported an asset of \$16,904,781 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, 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, 2015, the School District's proportion was 0.162752%, which was an increase of 0.002735% from its proportion measured as of June 30, 2014.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended June 30, 2016, the School District recognized pension expense in the district-wide financial statements of \$1,108,576. Pension expenditures of \$3,399,025 and \$4,091 were recorded in the fund financial statements and were charged to the General and Special Aid funds, respectively. At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 468,504
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	5,343,689
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	112,630
School District contributions subsequent to the measurement date	<u>3,403,116</u>	<u>-</u>
	<u>\$ 3,403,116</u>	<u>\$ 5,924,823</u>

\$4,303,116 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:

Year Ended June 30,	
2016	\$ (2,169,381)
2017	(2,169,381)
2018	(2,169,381)
2019	874,617
2020	(72,459)
Thereafter	(218,838)

The total pension liability for the June 30, 2015 measurement date was determined by using an actuarial valuation as of June 30, 2014, with update procedures used to roll forward the total pension liability to June 30, 2015. 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. These actuarial valuations used the following actuarial assumptions:

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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.

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, 2014 and 2013 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, 2014 and 2013 are summarized in the following table:

Asset Class:	Target Allocation		Long-Term Expected Real Rate of Return*	
	2013	2012	2014	2013
Equities:				
Domestic equities	37 %	37 %	6.5 %	7.3 %
International equities	18	18	7.7	8.5
Real estate	10	10	4.6	5.0
Alternative investments	7	7	9.9	11.0
Total Equities	72	72		
Fixed Income:				
Domestic fixed income securities	17	18	2.1	1.5
Global fixed income securities	2	2	1.9	1.4
Mortgages	8	8	3.4	3.4
Short-term	1	-	1.2	0.8
Total Fixed Income	28	28		
Total	100 %	100 %		

* Real rates of return are net of the long-term inflation assumption of 2.3% for 2014 and 2013.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

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>\$ 1,153,124</u>	<u>\$ (16,904,781)</u>	<u>\$ (32,304,381)</u>

The components of the collective net pension asset of TRS as of the June 30, 2015 measurement date were as follows:

Total pension liability	\$ 99,332,103,743
TRS fiduciary net position	<u>109,718,916,659</u>
Employers' net pension asset	<u>\$ 10,386,812,916</u>
TRS fiduciary net position as a percentage of total pension liability	<u>110.46%</u>

Employer and employee contributions for the year ended June 30, 2016 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, 2016 represent employee and employer contributions for the fiscal year ended June 30, 2016 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, 2016 were \$3,549,600.

Voluntary Defined Contribution Plan

The School District also offers a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

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 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>
2017	5.40 %
2018	5.50
2019	5.46
2020	5.43
2021	5.40
2022+	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

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the unit credit method.

The number of participants as of June 30, 2016 was as follows:

Active Employees	281
Retired Employees	<u>148</u>
Total	<u><u>429</u></u>

Amortization Component:

Actuarial Accrued Liability as of July 1, 2015	\$ 47,429,946
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u><u>\$ 47,429,946</u></u>
Funded Ratio	<u><u>0.00%</u></u>
Covered Payroll (active plan members)	<u><u>\$ 27,609,127</u></u>
UAAL as a Percentage of Covered Payroll	<u><u>171.79%</u></u>
Annual Required Contribution	\$ 3,567,699
Interest on Net OPEB Obligation	782,006
Annual Required Contribution Adjustment	<u>(585,795)</u>
Annual OPEB Cost	3,763,910
Contributions Made	<u>(1,953,245)</u>
Increase in Net OPEB Obligation	1,810,665
Net OPEB Obligation - Beginning of Year	<u>15,640,127</u>
Net OPEB Obligation - End of Year	<u><u>\$ 17,450,792</u></u>

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

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 3,738,780	47.9 %	\$ 13,916,219
2015	3,568,052	51.7	15,640,127
2016	3,763,910	51.9	17,450,792

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, 2016

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	\$ 3,000,000	\$ 26,780	\$ 3,026,780

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, 2016

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

	2016				2015			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable								
Inventories	\$ -	\$ -	\$ 9,824	\$ 9,824	\$ -	\$ -	\$ 3,189	\$ 3,189
Restricted								
Tax certiorari	3,818,069	-	-	3,818,069	4,040,021	-	-	4,040,021
Employee benefit accrued liability	305,868	-	-	305,868	305,105	-	-	305,105
Unemployment benefits	168,309	-	-	168,309	167,889	-	-	167,889
Retirement contribution	179,279	-	-	179,279	178,832	-	-	178,832
Capital Projects	-	3,079,748	-	3,079,748	-	211,092	-	211,092
Special purposes	-	-	46,916	46,916	-	-	57,414	57,414
Total Restricted	4,471,525	3,079,748	46,916	7,598,189	4,691,847	211,092	57,414	4,960,353
Assigned								
Purchases on order								
General government support	52,821	-	-	52,821	671,658	-	-	671,658
Instruction	10,056	-	-	10,056	50,293	-	-	50,293
	62,877	-	-	62,877	721,951	-	-	721,951
Subsequent year's expenditures	575,000	-	-	575,000	2,000,000	-	-	2,000,000
School Lunch Fund	-	-	136,488	136,488	-	-	178,679	178,679
Total Assigned	637,877	-	136,488	774,365	2,721,951	-	178,679	2,900,630
Unassigned	2,344,367	-	-	2,344,367	2,343,944	-	-	2,343,944
Total Fund Balances	\$ 7,453,769	\$ 3,079,748	\$ 193,228	\$ 10,726,745	\$ 9,757,742	\$ 211,092	\$ 239,282	\$ 10,208,116

Mount Pleasant Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

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, 2016, the School Board has assigned the above amounts to be appropriated for the ensuing year's budget.

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

B. Contingencies

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

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

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

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

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

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

Mount Pleasant Central School District, New York**Required Supplementary Information - Schedule of Funding Progress
Other Post Employment Benefits
Last Three Fiscal Years**

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
July 1, 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
July 1, 2015	-	47,429,946	47,429,946	-	27,609,127	171.79

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)

	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.162752%</u>	<u>0.160017%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (16,904,781)</u>	<u>\$ (17,824,875)</u>
School District's covered-employee payroll	<u>\$ 24,598,144</u>	<u>\$ 23,790,145</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>(68.72)%</u>	<u>(74.93)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>110.46%</u>	<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>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,410,837	\$ 4,312,055
Contributions in relation to the contractually required contribution	<u>(3,410,837)</u>	<u>(4,312,055)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
School District's covered-employee payroll	<u>\$ 25,722,752</u>	<u>\$ 24,598,144</u>
Contributions as a percentage of covered-employee payroll	<u>13.26%</u>	<u>17.53%</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)

	2016 (2)	2015
School District's proportion of the net pension liability (asset)	<u>0.0147050%</u>	<u>0.0124902%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 2,360,201</u>	<u>\$ 421,949</u>
School District's covered-employee payroll	<u>\$ 3,678,606</u>	<u>\$ 3,330,469</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>64.16%</u>	<u>12.67%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.70%</u>	<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*.

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

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>2016</u>	<u>2015</u>
Contractually required contribution	\$ 714,379	\$ 576,212
Contributions in relation to the contractually required contribution	<u>(714,379)</u>	<u>(576,212)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
School District's covered-employee payroll	<u>\$ 3,779,737</u>	<u>\$ 3,583,067</u>
Contributions as a percentage of covered-employee payroll	<u>18.90%</u>	<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*.

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Mount Pleasant Central School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2016	2015
ASSETS		
Cash and equivalents	\$ 12,718,052	\$ 13,700,343
Receivables		
Accounts	808,507	23,039
State and Federal aid	782,998	657,493
Due from other governments	738,709	509,414
Due from other funds	501,735	439,587
	2,831,949	1,629,533
Total Assets	\$ 15,550,001	\$ 15,329,876
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 667,093	\$ 337,518
Accrued liabilities	336,325	78,318
Due to other governments	178,456	172,180
Unearned revenues	26,501	21,255
Due to other funds	3,175,767	342,198
Due to retirement systems	3,712,090	4,620,665
Total Liabilities	8,096,232	5,572,134
Fund balance		
Restricted	4,471,525	4,691,847
Assigned	637,877	2,721,951
Unassigned	2,344,367	2,343,944
Total Fund Balance	7,453,769	9,757,742
Total Liabilities and Fund Balance	\$ 15,550,001	\$ 15,329,876

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,

	2016				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Encumbr- ances	
REVENUES					
Real property taxes	\$ 43,535,199	\$ 43,535,199	\$ 43,534,354	\$	\$ (845)
Other tax items	5,921,701	5,921,701	5,921,827		126
Non-property taxes	675,000	675,000	682,017		7,017
Charges for services	1,208,000	1,208,000	938,405		(269,595)
Use of money and property	50,000	50,000	53,602		3,602
Sale of property and compensation for loss	500	500	952		452
State aid	5,530,000	5,535,000	5,307,181		(227,819)
Federal aid	-	-	233		233
Miscellaneous	201,600	201,600	409,304		207,704
Total Revenues	57,122,000	57,127,000	56,847,875		(279,125)
EXPENDITURES					
Current					
General support					
Board of education	156,633	181,333	153,595	9,913	17,825
Central administration	403,479	408,338	407,704	-	634
Finance	506,760	546,665	533,777	9,712	3,176
Staff	407,812	480,048	458,398	2,833	18,817
Central services	4,025,270	3,981,327	3,737,222	30,363	213,742
Special items	574,670	1,011,746	1,005,541	-	6,205
Total General Support	6,074,624	6,609,457	6,296,237	52,821	260,399
Instruction					
Instruction, administration and improvement	2,285,340	2,311,672	2,180,570	-	131,102
Teaching - Regular school	16,902,955	16,849,431	16,751,295	4,016	94,120
Programs for children with handicapping conditions	8,336,141	8,492,658	8,108,107	-	384,551
Occupational education	315,780	331,780	330,309	-	1,471
Teaching - Special school	45,000	45,000	41,360	-	3,640
Instructional media	1,505,751	1,494,510	1,426,090	559	67,861
Pupil services	3,305,112	3,214,029	3,122,040	5,481	86,508
Total Instruction	32,696,079	32,739,080	31,959,771	10,056	769,253
Pupil transportation	2,356,777	2,333,738	2,279,022	-	54,716
Community services	7,696	17,281	17,137	-	144
Employee benefits	12,894,200	12,970,372	12,883,326	-	87,046
Debt service					
Principal	2,170,000	2,170,000	2,170,000	-	-
Interest	519,575	519,575	519,575	-	-
Refunding bond issuance cost	-	-	-	-	-
Total Expenditures	56,718,951	57,359,503	56,125,068	62,877	1,171,558
Excess (Deficiency) of Revenues Over Expenditures	403,049	(232,503)	722,807	(62,877)	892,433
OTHER FINANCING SOURCES (USES)					
Refunding bonds issued	-	-	-	-	-
Issuance premium	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Insurance recoveries	5,000	68,500	-	-	(68,500)
Transfers out	(3,130,000)	(3,030,000)	(3,026,780)	-	3,220
Total Other Financing Uses	(3,125,000)	(2,961,500)	(3,026,780)	-	(65,280)
Net Change in Fund Balance	(2,721,951)	(3,194,003)	(2,303,973)	\$ (62,877)	\$ 827,153
FUND BALANCE					
Beginning of Year	2,721,951	3,194,003	9,757,742		
End of Year	\$ -	\$ -	\$ 7,453,769		

2015				
Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
\$ 42,148,087	\$ 42,148,087	\$ 42,148,087	\$	\$ -
5,995,863	5,995,863	5,999,933		4,070
660,000	660,000	665,314		5,314
1,032,500	1,032,500	1,155,325		122,825
50,000	50,000	55,129		5,129
500	500	868		368
5,090,479	5,090,479	4,771,189		(319,290)
30,000	30,000	6,238		(23,762)
192,000	192,000	278,575		86,575
55,199,429	55,199,429	55,080,658		(118,771)
132,542	150,743	148,869	-	1,874
391,428	396,386	395,003	-	1,383
513,425	508,637	496,042	-	12,595
444,317	415,571	395,253	-	20,318
3,550,102	4,570,150	3,829,484	671,658	69,008
547,000	920,332	919,550	-	782
5,578,814	6,961,819	6,184,201	671,658	105,960
2,210,570	2,166,244	2,116,667	18,519	31,058
16,271,676	15,982,095	15,923,143	12,628	46,324
8,074,318	7,901,295	7,793,153	-	108,142
286,649	281,149	276,912	-	4,237
45,000	45,000	42,770	-	2,230
1,240,659	1,313,788	1,294,640	3,486	15,662
3,065,396	3,009,918	2,926,472	15,660	67,786
31,194,268	30,699,489	30,373,757	50,293	275,439
2,326,305	2,240,786	2,200,160	-	40,626
7,480	16,975	16,931	-	-
13,621,200	13,202,993	13,085,414	-	117,579
2,170,000	2,225,019	2,225,000	-	19
677,578	584,009	583,991	-	18
-	84,395	84,395	-	-
55,575,645	56,015,485	54,753,849	721,951	539,641
(376,216)	(816,056)	326,809	(721,951)	420,870
-	5,145,000	5,145,000	-	-
-	173,529	173,529	-	-
-	(5,234,134)	(5,234,134)	-	-
5,000	5,000	8,586	-	3,586
(550,000)	(550,000)	(488,422)	-	61,578
(545,000)	(460,605)	(395,441)	-	65,164
(921,216)	(1,276,661)	(68,632)	\$ (721,951)	\$ 486,034
921,216	1,276,661	9,826,374		
\$ -	\$ -	\$ 9,757,742		

Mount Pleasant Central School District, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	<u>\$ 43,535,199</u>	<u>\$ 43,535,199</u>	<u>\$ 43,534,354</u>	<u>\$ (845)</u>
OTHER TAX ITEMS				
School tax relief reimbursement	5,917,801	5,917,801	5,917,801	-
Payments in lieu of taxes	<u>3,900</u>	<u>3,900</u>	<u>4,026</u>	<u>126</u>
	<u>5,921,701</u>	<u>5,921,701</u>	<u>5,921,827</u>	<u>126</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	<u>675,000</u>	<u>675,000</u>	<u>682,017</u>	<u>7,017</u>
CHARGES FOR SERVICES				
Other student fees and charges	53,000	53,000	44,880	(8,120)
Day school tuition - Individuals	-	-	38,643	38,643
Day school tuition - Other districts	1,130,000	1,130,000	878,525	(251,475)
Other charges - Other governments	<u>25,000</u>	<u>25,000</u>	<u>15,000</u>	<u>(10,000)</u>
	<u>1,208,000</u>	<u>1,208,000</u>	<u>977,048</u>	<u>(230,952)</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	25,000	25,000	16,697	(8,303)
Rental of real property - Individuals	<u>25,000</u>	<u>25,000</u>	<u>36,905</u>	<u>11,905</u>
	<u>50,000</u>	<u>50,000</u>	<u>53,602</u>	<u>3,602</u>

SALE OF PROPERTY AND COMPENSATION FOR LOSS

Other	<u>500</u>	<u>500</u>	<u>952</u>	<u>452</u>
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STATE AID

Basic formula	4,202,000	4,202,000	3,984,116	(217,884)
Textbook aid	160,000	160,000	118,597	(41,403)
Lottery aid	180,000	180,000	203,339	23,339
Computer software aid	40,000	40,000	40,053	53
Library aid	15,000	15,000	15,987	987
Tuition aid	50,000	50,000	53,533	3,533
BOCES aid	883,000	883,000	847,913	(35,087)
Tax limitation aid	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
	<u>5,530,000</u>	<u>5,535,000</u>	<u>5,268,538</u>	<u>(266,462)</u>

FEDERAL AID

Medical assistance	<u>-</u>	<u>-</u>	<u>233</u>	<u>233</u>
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MISCELLANEOUS

Refund of prior year's expenditures	50,000	50,000	177,531	127,531
Refund of BOCES aided services	90,000	90,000	124,656	34,656
Gifts and donations	-	-	1,000	1,000
Other	<u>61,600</u>	<u>61,600</u>	<u>106,117</u>	<u>44,517</u>
	<u>201,600</u>	<u>201,600</u>	<u>409,304</u>	<u>207,704</u>

TOTAL REVENUES

	57,122,000	57,127,000	56,847,875	(279,125)
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OTHER FINANCING SOURCES

Insurance recoveries	<u>5,000</u>	<u>68,500</u>	<u>-</u>	<u>(68,500)</u>
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TOTAL REVENUES AND OTHER FINANCING SOURCES

	<u>\$ 57,127,000</u>	<u>\$ 57,195,500</u>	<u>\$ 56,847,875</u>	<u>\$ (347,625)</u>
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Mount Pleasant Central School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 62,400	\$ 82,302	\$ 64,489	\$ 9,913	\$ 7,900
District clerk	74,233	83,209	82,828	-	381
District meeting	20,000	15,822	6,278	-	9,544
Total Board of Education	156,633	181,333	153,595	9,913	17,825
CENTRAL ADMINISTRATION					
Chief school administrator	403,479	408,338	407,704	-	634
FINANCE					
Business administration	350,607	373,262	368,629	2,212	2,421
Auditing	52,000	63,059	55,559	7,500	-
Treasurer	104,153	110,344	109,589	-	755
Total Finance	506,760	546,665	533,777	9,712	3,176
STAFF					
Legal	178,000	242,600	226,809	2,500	13,291
Personnel	113,037	121,864	118,327	333	3,204
Public information and services	116,775	115,584	113,262	-	2,322
Total Staff	407,812	480,048	458,398	2,833	18,817
CENTRAL SERVICES					
Operation of plant	2,352,769	2,207,167	2,125,600	6,600	74,967
Central data processing	349,548	366,247	361,765	-	4,482
Maintenance of plant	1,322,953	1,407,913	1,249,857	23,763	134,293
Total Central Services	4,025,270	3,981,327	3,737,222	30,363	213,742

SPECIAL ITEMS

Unallocated insurance	220,000	221,086	221,086	-	-
Taxes and assessments on school property	145,000	108,938	104,050	-	4,888
Refunds of real property taxes	-	472,052	470,823	-	1,229
Administrative charge - BOCES	209,670	209,670	209,582	-	88
	<u>574,670</u>	<u>1,011,746</u>	<u>1,005,541</u>	<u>-</u>	<u>6,205</u>
Total Special Items					
	<u>574,670</u>	<u>1,011,746</u>	<u>1,005,541</u>	<u>-</u>	<u>6,205</u>
Total General Support	6,074,624	6,609,457	6,296,237	52,821	260,399
	<u>6,074,624</u>	<u>6,609,457</u>	<u>6,296,237</u>	<u>52,821</u>	<u>260,399</u>

INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	627,355	619,392	506,148	-	113,244
Supervision - Regular school	1,657,985	1,692,280	1,674,422	-	17,858
	<u>2,285,340</u>	<u>2,311,672</u>	<u>2,180,570</u>	<u>-</u>	<u>131,102</u>
Total Instruction, Administration and Improvement					
	<u>2,285,340</u>	<u>2,311,672</u>	<u>2,180,570</u>	<u>-</u>	<u>131,102</u>

TEACHING - REGULAR SCHOOL

	<u>16,902,955</u>	<u>16,849,431</u>	<u>16,751,295</u>	<u>4,016</u>	<u>94,120</u>
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PROGRAMS FOR CHILDREN WITH HANDICAPPING CONDITIONS

Programs for students with disabilities	8,336,141	8,492,658	8,108,107	-	384,551
	<u>8,336,141</u>	<u>8,492,658</u>	<u>8,108,107</u>	<u>-</u>	<u>384,551</u>

TEACHING - SPECIAL SCHOOLS

	<u>45,000</u>	<u>45,000</u>	<u>41,360</u>	<u>-</u>	<u>3,640</u>
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OCCUPATIONAL EDUCATION

	<u>315,780</u>	<u>331,780</u>	<u>330,309</u>	<u>-</u>	<u>1,471</u>
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INSTRUCTIONAL MEDIA

School library and audiovisual	540,575	536,115	507,244	559	28,312
Computer assisted instruction	965,176	958,395	918,846	-	39,549
	<u>1,505,751</u>	<u>1,494,510</u>	<u>1,426,090</u>	<u>559</u>	<u>67,861</u>
Total Instructional Media					
	<u>1,505,751</u>	<u>1,494,510</u>	<u>1,426,090</u>	<u>559</u>	<u>67,861</u>

(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, 2016

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
INSTRUCTION (Continued)					
PUPIL SERVICES					
Guidance - Regular school	\$ 969,382	\$ 1,007,696	\$ 1,003,140	\$ -	\$ 4,556
Health services - Regular school	527,000	574,700	552,870	-	21,830
Psychological services - Regular school	559,981	275,334	267,329	-	8,005
Social work services - Regular school	112,922	112,922	112,922	-	-
Co-curricular activities - Regular school	202,000	211,383	206,493	-	4,890
Interscholastic activities - Regular school	933,827	1,031,994	979,286	5,481	47,227
Total Pupil Services	3,305,112	3,214,029	3,122,040	5,481	86,508
Total Instruction	32,696,079	32,739,080	31,959,771	10,056	769,253
PUPIL TRANSPORTATION					
District transportation	74,543	81,329	81,221	-	108
Contract transportation	2,282,234	2,252,409	2,197,801	-	54,608
Total Pupil Transportation	2,356,777	2,333,738	2,279,022	-	54,716
COMMUNITY SERVICES					
Recreation	7,696	17,281	17,137	-	144
EMPLOYEE BENEFITS					
State retirement	770,000	736,910	703,925	-	32,985
Teachers' retirement	3,420,000	3,403,116	3,399,025	-	4,091
Social security	2,200,000	2,214,968	2,214,927	-	41
Workers' compensation benefits	175,000	173,514	173,513	-	1
Hospital, medical and dental insurance	5,610,000	5,675,390	5,675,001	-	389
Union welfare benefits	460,000	489,700	478,663	-	11,037
Unemployment benefits	50,000	32,430	27,519	-	4,911
Employee benefit fund	209,200	244,344	210,753	-	33,591
Total Employee Benefits	12,894,200	12,970,372	12,883,326	-	87,046

DEBT SERVICE

Serial bonds

Principal

Interest

2,170,000

2,170,000

2,170,000

-

-

519,575

519,575

519,575

-

-

Total Debt Service

2,689,575

2,689,575

2,689,575

-

-

TOTAL EXPENDITURES

56,718,951

57,359,503

56,125,068

62,877

1,171,558

OTHER FINANCING USES

Transfers out

Special Aid Fund

Capital Projects Fund

130,000

30,000

26,780

-

3,220

3,000,000

3,000,000

3,000,000

-

-

TOTAL OTHER FINANCING USES

3,130,000

3,030,000

3,026,780

-

3,220

**TOTAL EXPENDITURES AND
OTHER FINANCING USES**

\$ 59,848,951

\$ 60,389,503

\$ 59,151,848

\$ 62,877

\$ 1,174,778

Mount Pleasant Central School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Receivables		
Due from other funds	<u>\$ 3,106,376</u>	<u>\$ 273,585</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 26,628	\$ 62,493
Fund balance		
Restricted	<u>3,079,748</u>	<u>211,092</u>
Total Liabilities and Fund Balance	<u>\$ 3,106,376</u>	<u>\$ 273,585</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>2016</u>	<u>2015</u>
REVENUES	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES		
Debt service		
Refunding bond issuance costs	-	23,926
Capital outlay	<u>131,344</u>	<u>776,282</u>
Total Expenditures	<u>131,344</u>	<u>800,208</u>
Deficiency of Revenues Over Expenditures	<u>(131,344)</u>	<u>(800,208)</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>3,000,000</u>	<u>450,000</u>
Total Other Financing Sources	<u>3,000,000</u>	<u>473,926</u>
Net Change in Fund Balance	2,868,656	(326,282)
FUND BALANCE		
Beginning of Year	<u>211,092</u>	<u>537,374</u>
End of Year	<u>\$ 3,079,748</u>	<u>\$ 211,092</u>

Mount Pleasant Central School District, New YorkCapital Projects Fund
Project-Length ScheduleInception of Project Through June 30, 2016

Project	Authoriza- tion	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
Oil Tank Replacement	\$ 561,400	\$ 415,843	\$ 1,196	\$ 417,039
Gas Line	250,000	180,300	35,048	215,348
Columbus Roof Replacement	1,000,000	-	30,750	30,750
Columbus Elementary Heating Plant	1,500,000	-	64,350	64,350
Hawthorne Elementary Construction Project	500,000	-	-	-
Totals	<u>\$ 3,811,400</u>	<u>\$ 596,143</u>	<u>\$ 131,344</u>	<u>\$ 727,487</u>

<u>Unexpended Balance</u>	<u>Method of Financing Interfund Transfers</u>	<u>Fund Balance at June 30, 2016</u>
\$ 144,361	\$ 557,235	\$ 140,196
34,652	250,000	34,652
969,250	1,000,000	969,250
1,435,650	1,500,000	1,435,650
<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
<u><u>\$ 3,083,913</u></u>	<u><u>\$ 3,807,235</u></u>	<u><u>\$ 3,079,748</u></u>

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Mount Pleasant Central School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Receivables		
State and Federal aid	\$ 624,990	\$ 589,537
Due from other governments	13,978	-
Due from other funds	<u>69,391</u>	<u>68,613</u>
 Total Assets	 <u>\$ 708,359</u>	 <u>\$ 658,150</u>
 LIABILITIES		
Accounts payable	\$ 57,290	\$ 79,048
Unearned revenues	149,345	152,748
Due to other funds	<u>501,724</u>	<u>426,354</u>
 Total Liabilities	 <u>\$ 708,359</u>	 <u>\$ 658,150</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,

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 70,000	\$ 153,369	\$ 153,369	\$ -
Federal aid	537,346	537,346	483,429	(53,917)
Miscellaneous	207,926	207,927	137,136	(70,791)
Total Revenues	815,272	898,642	773,934	(124,708)
EXPENDITURES				
Current				
Instruction	945,272	928,642	800,714	127,928
Deficiency of Revenues Over Expenditures	(130,000)	(30,000)	(26,780)	3,220
OTHER FINANCING SOURCES				
Transfers in	130,000	30,000	26,780	(3,220)
Net Change in Fund Balance	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

2015

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
(100,000)	(100,000)	(38,422)	61,578
100,000	100,000	38,422	(61,578)
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Mount Pleasant Central School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2016
(With Comparative Totals for 2015)

			Total Non-Major Governmental Funds	
	School Lunch	Special Purpose	2016	2015
ASSETS				
Cash and equivalents	\$ 189,756	\$ 46,916	\$ 236,672	\$ 226,596
Receivables				
Accounts	1,550	-	1,550	29,025
State and Federal aid	-	-	-	5,903
Inventories	9,824	-	9,824	3,189
Total Assets	<u>\$ 201,130</u>	<u>\$ 46,916</u>	<u>\$ 248,046</u>	<u>\$ 264,713</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 39,059	\$ -	\$ 39,059	\$ -
Due to other governments	207	-	207	142
Unearned revenues	15,541	-	15,541	12,056
Due to other funds	11	-	11	13,233
Total Liabilities	<u>54,818</u>	<u>-</u>	<u>54,818</u>	<u>25,431</u>
Fund balances				
Nonspendable	9,824	-	9,824	3,189
Restricted	-	46,916	46,916	57,414
Assigned	136,488	-	136,488	178,679
Total Fund Balances	<u>146,312</u>	<u>46,916</u>	<u>193,228</u>	<u>239,282</u>
Total Liabilities and Fund Balances	<u>\$ 201,130</u>	<u>\$ 46,916</u>	<u>\$ 248,046</u>	<u>\$ 264,713</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, 2016
(With Comparative Totals for 2015)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds	
			2016	2015
REVENUES				
Use of money and property	\$ 162	\$ 41	\$ 203	\$ 173
State aid	-	-	-	4,995
Federal aid	-	-	-	85,269
Food sales	449,852	-	449,852	323,154
Miscellaneous	-	8,736	8,736	41,476
Total Revenues	450,014	8,777	458,791	455,067
EXPENDITURES				
Current				
Cost of food sales	485,570	-	485,570	477,565
Other	-	19,275	19,275	8,070
Total Expenditures	485,570	19,275	504,845	485,635
Deficiency of Revenues Over Expenditures	(35,556)	(10,498)	(46,054)	(30,568)
FUND BALANCES				
Beginning of Year	181,868	57,414	239,282	269,850
End of Year	\$ 146,312	\$ 46,916	\$ 193,228	\$ 239,282

Mount Pleasant Central School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 189,756	\$ 169,182
Receivables		
Accounts	1,550	29,025
State and Federal aid	-	5,903
Inventories	<u>9,824</u>	<u>3,189</u>
 Total Assets	 <u>\$ 201,130</u>	 <u>\$ 207,299</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 39,059	\$ -
Due to other governments	207	142
Unearned revenues	15,541	12,056
Due to other funds	<u>11</u>	<u>13,233</u>
 Total Liabilities	 <u>54,818</u>	 <u>25,431</u>
 Fund balance		
Nonspendable	9,824	3,189
Assigned	<u>136,488</u>	<u>178,679</u>
 Total Fund Balance	 <u>146,312</u>	 <u>181,868</u>
 Total Liabilities and Fund Balance	 <u>\$ 201,130</u>	 <u>\$ 207,299</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,

	2016	2015
REVENUES		
Use of money and property	\$ 162	\$ 143
State aid	-	4,995
Federal aid	-	85,269
Food sales	449,852	323,154
Miscellaneous	-	28,801
Total Revenues	450,014	442,362
EXPENDITURES		
Current		
Cost of food sales	485,570	477,565
Deficiency of Revenues Over Expenditures	(35,556)	(35,203)
FUND BALANCE		
Beginning of Year	181,868	217,071
End of Year	\$ 146,312	\$ 181,868

Mount Pleasant Central School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	<u>\$ 46,916</u>	<u>\$ 57,414</u>
 Fund Balance		
Restricted	<u>\$ 46,916</u>	<u>\$ 57,414</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,

	2016	2015
REVENUES		
Use of money and property	\$ 41	\$ 30
Miscellaneous	8,736	12,675
Total Revenues	8,777	12,705
EXPENDITURES		
Current		
Other	19,275	8,070
Excess (Deficiency) of Revenues Over Expenditures	(10,498)	4,635
FUND BALANCE		
Beginning of Year	57,414	52,779
End of Year	\$ 46,916	\$ 57,414

Mount Pleasant Central School District, New York

General Fund

Analysis Of Change From Adopted Budget To Final Budget

Year Ended June 30, 2016

Adopted Budget	\$ 59,127,000
Additions	
Encumbrances	<u>721,951</u>
Original Budget	59,848,951
Budget Amendments	<u>540,552</u>
Final Budget	<u><u>\$ 60,389,503</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

2016-17 Expenditure Budget	<u>\$ 58,931,394</u>
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General Fund Fund Balance Subject to Section 1318
of Real Property Tax Law

Unrestricted fund balance

Assigned fund balance

637,877

Unassigned fund balance

2,344,367

Total Unrestricted Fund Balance

2,982,244

Less

Appropriated for subsequent year's budget

575,000

Encumbrances

62,877

Total Adjustments

637,877

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

\$ 2,344,367

Actual Percentage

3.98%

Mount Pleasant Central School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2016

Capital Assets, net		\$ 25,270,937
Less		
Bonds payable - Capital construction	(12,830,000)	
Unamortized portion of premium on refunding bonds	<u>(263,100)</u>	(13,093,100)
Plus		
Unamortized portion of loss on refunding bonds		<u>846,530</u>
Net Investment in Capital Assets		<u><u>\$ 13,024,367</u></u>