MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Mount Pleasant Central School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Mount Pleasant Central School District (the "District") as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, during the fiscal year ended June 30, 2025. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension asset/(liability), the schedule of District's pension contributions, and the schedule of changes in District's total other post-employment benefits liability and related ratios on pages 4 through 20 and 62 through 66, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary financial information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

R.S. Abrams + Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 16, 2025

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The following is a discussion and analysis of the Mount Pleasant Central School District's (the "District") financial performance for the fiscal year ended June 30, 2025. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

- The District's total net deficit, as reflected in the District-Wide Financial Statements, decreased by $3,801,446, or 7.29%.

- On the District-Wide Financial Statements, revenues totaled $81,891,780. This represents an increase of 3.26% primarily due to an increase in real property taxes, use of money and property, state sources, and operating grants and contributions.

- On the District-Wide Financial Statements, expenses totaled $78,090,334. This represents a decrease of 3.28% primarily due to a decrease in general support and instruction expenses. The decrease in general support and instruction expenses were primarily related to the pension systems and other post-employment benefits obligation actuarial valuations, with the majority of the associated expenses being allocated to these functions.

- The general fund total fund balance, as reflected in the Fund Financial Statements, increased by $1,580,393. This was due to an excess of revenues and other financing sources over expenditures and other financing uses based on the modified accrual basis of accounting.

- New York State Law limits the amount of assigned and unassigned fund balance, excluding encumbrances and amounts designated for the subsequent year's budget, which can be retained by the general fund up to 4.00% of the ensuing year's budget. At the end of the current fiscal year, the District was within the statutory limit.

- On May 20, 2025, the proposed 2025-2026 budget in the amount of $79,527,212 was authorized by the District's residents.

- The District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* (GASB 101), effective July 1, 2024. See accompanying notes to financial statements for additional information regarding the effects of the change in accounting principle.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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

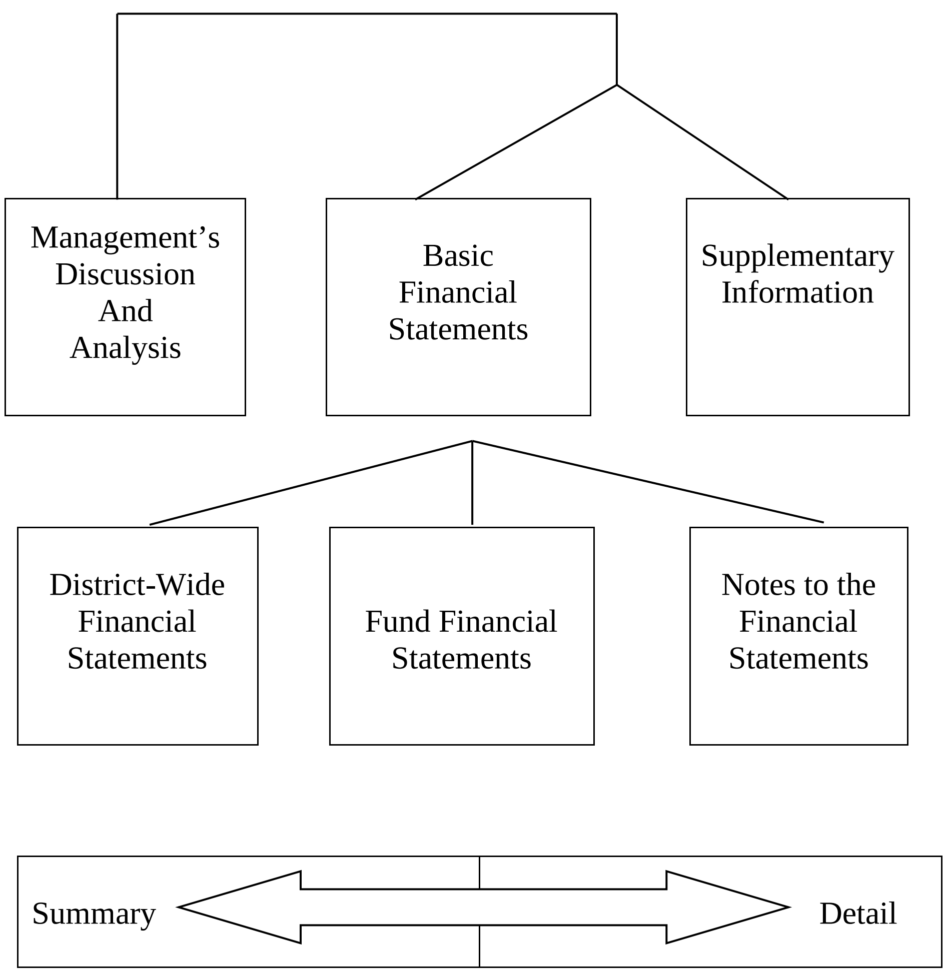
- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.

- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Financial Statements.

    - The *Governmental Fund Statements* tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.

The notes to the basic financial statements provide additional information about the basic financial statements and the balances reported. The basic financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. The following Table shows how the various parts of this annual report are arranged and related to one another.

Organization of the District's Annual Financial Report



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

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

	District-Wide Financial Statements	Fund Financial Statements
		Governmental
Scope	Entire entity	The day-to-day operating activities of the District, such as special education and instruction
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus
Type of asset/deferred outflow of resources and liability/deferred inflow of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Current assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets, intangible lease assets, or long-term liabilities included
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable

A) <u>District-Wide Financial Statements:</u>

The District-Wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two District-Wide Financial Statements report the District's net position and how it has changed. Net position, the difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the District's financial health or position.

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

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

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

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

B) Fund Financial Statements:

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

The District has one kind of fund:

- *Governmental funds*: Most of the basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental Fund Financial Statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide Financial Statements, additional information in a separate reconciliation schedule explains the relationship (or differences) between them. In summary, the Governmental Fund Financial Statements focus primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Included are the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund, debt service fund, and capital projects fund. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position:

The District's net deficit decreased by $3,801,446 in the fiscal year ended June 30, 2025, as detailed in the Table that follows. The balances presented as of June 30, 2025 include the effects of the implementation of GASB Statement No. 101. The balances presented as of June 30, 2024 reflect the balances as previously reported and do not reflect the effects of the change in accounting principle.

Condensed Statement of Net Position

	2025	2024	Change	Total Percentage Change
Current and other assets	$ 33,014,228	$ 33,031,053	$ (16,825)	(0.05%)
Non-current assets	85,629,023	78,120,466	7,508,557	9.61%
Total assets	118,643,251	111,151,519	7,491,732	6.74%
Deferred outflows of resources	29,178,596	39,364,314	(10,185,718)	(25.88%)
Total assets and deferred outflows of resources	147,821,847	150,515,833	(2,693,986)	(1.79%)
Current liabilities	5,263,375	5,217,186	46,189	0.89%
Long-term liabilities	143,215,051	156,755,828	(13,540,777)	(8.64%)
Total liabilities	148,478,426	161,973,014	(13,494,588)	(8.33%)
Deferred inflows of resources	47,720,812	40,478,191	7,242,621	17.89%
Total liabilities and deferred inflows of resources	196,199,238	202,451,205	(6,251,967)	(3.09%)
Net position				
Net investment in capital assets	49,389,190	40,690,880	8,698,310	21.38%
Restricted	22,908,630	14,780,287	8,128,343	54.99%
Unrestricted (deficit)	(120,675,211)	(107,406,539)	(13,268,672)	12.35%
Total net position (deficit)	$ (48,377,391)	$ (51,935,372)	$ 3,557,981	(6.85%)

Net position (deficit), beginning of year, as previously reported	$ (51,935,372)
Change in accounting principle	(243,465)
Net position (deficit), beginning of year, as restated	$ (52,178,837)

Current and other assets decreased by $16,825 from 2024 to 2025. This change is primarily related to decreases in due from other governments and accounts receivable, partially offset by an increase in cash and cash equivalents and state and federal aid receivable.

Non-current assets increased $7,508,557, primarily as a result of changes in the actuarial valuations for the Teachers' Retirement System pension plan (was a net pension liability in the prior year and is now a net pension asset in the current year), as well as current year capital asset additions exceeding current year depreciation expense, partially offset by a amortization expense exceeding intangible lease asset purchases.

The changes in deferred outflows of resources represent amortization on the deferred amounts on refunding, as discussed in the accompanying notes to the financial statements, as well as the amortization of the pension related items and the change in the District's contributions subsequent to the measurement date, as discussed in the accompanying notes to the financial statements, and outflows related to the total other post-employment benefits obligation as discussed in the accompanying notes to the financial statements.

Current liabilities increased by $46,189. This is primarily attributable to increases in due to teachers' retirement system, due to employees' retirement system, and compensated absences payable, partially offset by decreases primarily in accounts payable, accrued liabilities, and due to other governments.

Long-term liabilities decreased by $13,540,777, primarily due to decreases in bonds payable, lease liability, and changes in the actuarial valuations for the net pension liabilities, and total other post-employment benefits obligation, partially offset by increases in net pension liability - proportionate share - employees' retirement system, and compensated absences payable. Of note, the compensated absences payable balance included within the long-term liabilities balance as of June 30, 2025 includes the effects of the change in accounting principle in connection with the implementation of GASB Statement No. 101. See accompanying notes to the financial statements for further detail.

The change in deferred inflows of resources represents amortization of pension related items, and the amortization of deferred inflows related to other post-employment benefits obligation, as discussed in the accompanying notes to the financial statements.

The net investment in capital assets relates to the investment in capital assets (at cost) and intangible lease assets (at the present value of future lease payments remaining on the lease term) such as land, construction in progress, buildings and improvements, and machinery and equipment, net of accumulated depreciation, accumulated amortization, and related debt. This number increased from the prior year by $8,698,310.

The restricted net position balance in the amount of $22,908,630 is comprised of amounts with constraints placed on the use externally imposed by creditors, grantors and contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions of enabling legislation. This amount increased from that of the prior year by $8,128,343 or 54.99%, primarily related to changes in reserve balances as well as the results of the actuarial valuations for the Teachers' Retirement System pension plan, which is reported as a net pension asset as of June 30, 2025.

The unrestricted net deficit at June 30, 2025 of $120,675,211 relates to the balance of the District's net position. The unrestricted net deficit increased by $13,268,672. Of note, the unrestricted deficit balance as of June 30, 2025 includes the effects of the change in accounting principle in connections with the implementation of GASB Statement No. 101.

B) <u>Changes in Net Position</u>:

The results of operations as a whole are reported in the Statement of Activities. The activity for fiscal year 2025 reflects the effects of the implementation of GASB Statement No. 101 as detailed in the accompanying notes to financial statements. A summary of the results of operations for the fiscal years ended June 30, 2025, and 2024 is as follows:

Change in Net Position from Operating Results

	Fiscal Year 2025	Fiscal Year 2024	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	$ 963,671	$ 955,326	$ 8,345	0.87%
Operating grants and contributions	1,877,002	1,638,528	238,474	14.55%
General Revenues				
Real property taxes and other tax items	63,613,858	61,957,580	1,656,278	2.67%
State sources	13,479,345	12,977,773	501,572	3.86%
Use of money and property	1,568,848	1,442,476	126,372	8.76%
Other	389,056	335,021	54,035	16.13%
Total Revenues	$ 81,891,780	$ 79,306,704	$ 2,585,076	3.26%
Expenses				
General support	$ 10,705,462	$ 11,868,405	$ (1,162,943)	(9.80%)
Instruction	60,981,588	62,304,377	(1,322,789)	(2.12%)
Pupil transportation	4,222,016	4,251,760	(29,744)	(0.70%)
Food service program	1,140,365	1,091,247	49,118	4.50%
Debt service - interest	1,040,903	1,219,975	(179,072)	(14.68%)
Total Expenses	$ 78,090,334	$ 80,735,764	$ (2,645,430)	(3.28%)
Total Change in Net Position	$ 3,801,446	$ (1,429,060)	$ 5,230,506	(366.01%)

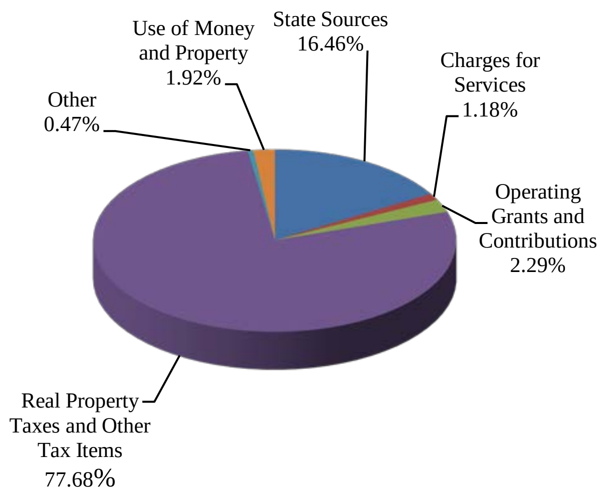
The District's fiscal year 2025 revenues totaled $81,891,780. Real property taxes and other tax items and state sources accounted for most of the District's revenue by contributing 77.68% and 16.46%, respectively, of total revenue. The remainder came from fees charged for services, operating grants and contributions, use of money and property, and other miscellaneous sources. Total revenues increased by $2,585,076, or 3.26%. This was primarily attributable to increases in real property taxes and other tax items and state sources.

The cost of all programs and services totaled $78,090,334 for fiscal year 2025. These expenses are predominantly related to instruction, which account for 78.09% of District expenses. The District's general support activities accounted for 13.71% of total costs. Total expenses decreased by $2,645,430, or 3.28%. This was primarily attributable to a decrease in general support and instruction expenses, which was primarily the result of the current year's actuarial valuations for pensions and total other post-employment benefits obligation, with the majority of the associated expense being allocated to instruction as well as general support.

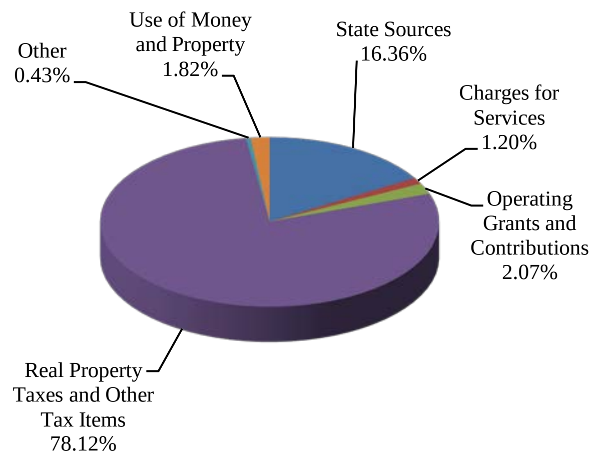
The users of the District's programs financed $963,671 of the cost, as shown in charges for services. The federal and state governments subsidized certain programs with operating grants and contributions of $1,877,002, which includes grants, scholarships and donations received. The remainder of the District's net costs of $75,249,661 were financed primarily by District taxpayers and state sources.

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

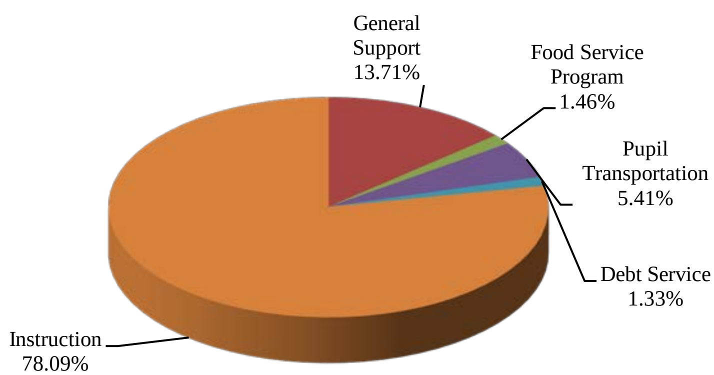
Revenues for Fiscal Year 2025



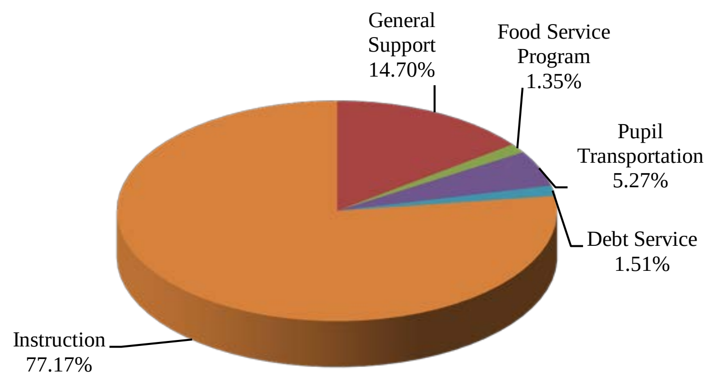
Revenues Fiscal Year 2024



Expenses for Fiscal Year 2025



Expenses Fiscal Year 2024



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As of June 30, 2025, the District's combined governmental funds reported a total fund balance of $27,785,252. See Table on the following page for more information.

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

	Fiscal Year 2025	Fiscal Year 2024	Increase/ (Decrease)	Total Percentage Change
General Fund				
Restricted for employees' retirement system contribution	$ 2,703,072	$ 2,461,000	$ 242,072	9.84%
Restricted for teachers' retirement system contribution	3,276,093	3,120,089	156,004	5.00%
Restricted for tax certiorari	8,546,137	5,784,028	2,762,109	47.75%
Restricted for employee benefit accrued liability	555,504	479,653	75,851	15.81%
Restricted for unemployment insurance	292,101	287,715	4,386	1.52%
Restricted for workers' compensation	187,040	178,133	8,907	5.00%
Restricted for liability	600,000	500,000	100,000	20.00%
Restricted for insurance	1,045,000	1,000,000	45,000	4.50%
Assigned - general support	617,273	501,799	115,474	23.01%
Assigned - instruction	222,798	291,103	(68,305)	(23.46%)
Assigned - designated for subsequent year's expenditures	100,000	1,951,403	(1,851,403)	(94.88%)
Unassigned	3,181,087	3,190,789	(9,702)	(0.30%)
Total Fund Balance - General Fund	$ 21,326,105	$ 19,745,712	$ 1,580,393	8.00%
School Lunch Fund				
Assigned - unappropriated fund balance	$ 529,983	$ 489,017	$ 40,966	8.38%
Total Fund Balance - School Lunch Fund	$ 529,983	$ 489,017	$ 40,966	8.38%
Miscellaneous Special Revenue Fund				
Restricted for scholarships and donations	$ 67,076	$ 54,479	$ 12,597	23.12%
Assigned for extraclassroom activities	192,758	180,413	12,345	6.84%
Total Fund Balance - Miscellaneous Special Revenue Fund	$ 259,834	$ 234,892	$ 24,942	10.62%
Debt Service Fund				
Restricted for debt service	$ 945,963	$ 915,190	$ 30,773	3.36%
Total Fund Balance - Debt Service Fund	$ 945,963	$ 915,190	$ 30,773	3.36%
Capital Projects Fund				
Restricted - unspent bond proceeds	$ 110,751	$ 708,817	$ (598,066)	(84.38%)
Assigned - unappropriated fund balance	4,612,616	5,746,786	(1,134,170)	(19.74%)
Total Fund Balance - Capital Projects Fund	$ 4,723,367	$ 6,455,603	$ (1,732,236)	(26.83%)
Total Fund Balance - All Funds	$ 27,785,252	$ 27,840,414	$ (55,162)	(0.20%)

A) <u>General Fund</u>

The net change in fund balance in the general fund is an increase of $1,580,393 as a result of revenues and other financing sources of $79,300,120 exceeding expenditures and other financing uses of $77,719,727.

A summary of changes in revenues, expenditures, and other financing uses for the general fund for the fiscal years ended June 30, 2025 and 2024 is as follows:

	Fiscal Year 2025	Fiscal Year 2024	Increase/ (Decrease)	Total Percentage Change
Revenues				
Real property taxes	$ 59,076,590	$ 56,921,283	$ 2,155,307	3.79%
Other tax items - including STAR	4,537,268	5,036,297	(499,029)	(9.91%)
Charges for services	37,926	22,115	15,811	71.49%
Use of money and property	1,518,365	1,400,737	117,628	8.40%
Sale of property and compensation for loss	45,290	(55,108)	100,398	(182.18%)
Miscellaneous	343,766	390,129	(46,363)	(11.88%)
State sources	13,479,345	12,977,773	501,572	3.86%
Total Revenues	79,038,550	76,693,226	2,345,324	3.06%
Other Financing Sources				
Operating transfers in	261,570	-	261,570	N/A
Total Other Financing Sources	261,570	-	261,570	N/A
Expenditures				
General support	8,020,935	8,942,313	(921,378)	(10.30%)
Instruction	39,047,620	38,548,400	499,220	1.30%
Pupil transportation	4,003,526	4,028,015	(24,489)	(0.61%)
Employee benefits	16,395,016	15,208,174	1,186,842	7.80%
Debt service - principal	5,677,080	5,421,134	255,946	4.72%
Debt service - interest	1,002,665	1,169,987	(167,322)	(14.30%)
Total Expenditures	74,146,842	73,318,023	828,819	1.13%
Other Financing Uses				
Operating transfers out	3,572,885	1,700,415	1,872,470	110.12%
Total Other Financing Uses	3,572,885	1,700,415	1,872,470	110.12%
Net Change in Fund Balances	$ 1,580,393	$ 1,674,788	$ (94,395)	(5.64%)

Revenues increased when compared to the prior year, primarily due to the following:

- Real property taxes increased due to a rise in the tax levy in accordance with the 2024/2025 voter approved budget.
- Use of money and property increased due to an increase in interest rates.
- State sources increased due to the District receiving more general and excess cost aid.

Expenditures increased when compared to the prior year, primarily due to the following:

- Instruction increased due to salary increases, and the District needed to hire additional teachers and teacher aides due to additional self-contained classes in the current year.

- Employee benefits increased due to higher premium costs for medical insurance and higher pension contributions for the employee retirement system and teachers' retirement system.

The following is a summary of the general fund's restricted fund balance activity for the fiscal year ended June 30, 2025:

	Beginning Balance	Funding	Interest	Use	Ending Balance
Retirement contribution					
Employees' retirement system	$ 2,461,000	$ 219,022	$ 123,050	$ (100,000)	$ 2,703,072
Teachers' retirement system	3,120,089		156,004		3,276,093
Tax certiorari	5,784,028	2,494,936	289,201	(22,028)	8,546,137
Employee benefit accrued liability	479,653	170,950	23,983	(119,082)	555,504
Unemployment insurance	287,715		14,386	(10,000)	292,101
Workers' compensation	178,133		8,907		187,040
Liability	500,000	120,000	25,000	(45,000)	600,000
Insurance	1,000,000		50,000	(5,000)	1,045,000
Total Restricted Fund Balance	$ 13,810,618	$ 3,004,908	$ 690,531	$ (301,110)	$ 17,204,947

B) Special Aid Fund

Revenues and expenditures in the special aid fund increased by $295,135. This is primarily due to the District receiving federal universal preschool grant monies in the current fiscal year, partially offset by a decrease in COVID-19 grants.

C) School Lunch Fund

The fund balance in the school lunch fund increased by $40,966. This increase is due an increase in student participation in the school lunch program. Revenues and other financing sources exceeded cost of sales.

D) Miscellaneous Special Revenue Fund

The fund balance in the miscellaneous special revenue fund increased by $24,942. This increase is primarily due to extraclassroom and scholarship and donation revenues exceeding expenditures.

E) Debt Service Fund

The fund balance in the debt service fund increased by $30,773 due to interest earnings.

F) Capital Projects Fund

The fund balance in the capital projects fund decreased by $1,732,236, due to expenditures and other financing uses exceeding revenue and other financing sources. The District recognized

$3,450,000 from general fund budgetary transfers and $265,000 from proceeds of new leases. This was offset by capital outlays of $5,185,666. The District transferred $261,570 from the capital projects fund to the general fund for unspent appropriations on completed capital projects.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2024-2025 Budget:

The District's general fund adopted budget for the fiscal year ended June 30, 2025, was $79,769,660. This amount was increased by encumbrances carried forward from the prior year in the amount of $792,902, and budget revisions of $243,517, bringing the final budget to $80,806,079. The majority of the funding was real property taxes and other tax items budget of $63,677,018.

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

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

Opening, unassigned fund balance	$ 3,190,789
Revenues and other financing sources over budget	1,539,456
Expenditures, other financing uses, and encumbrances under budget	2,246,281
Funding of reserves	(3,004,908)
Interest allocated to reserves	(690,531)
Assigned, appropriated for June 30, 2026 Budget	(100,000)
Closing, unassigned fund balance	$ 3,181,087

The opening unassigned fund balance of $3,190,789 is the June 30, 2024, unassigned fund balance.

The revenues and other financing sources over budget of $1,539,456 are due to variances in use of money and property and state sources. Refer to Supplemental Schedule #1 for more details.

The expenditures, other financing uses, and encumbrances under budget of $2,246,281 were primarily related to general support, instruction, and employee benefits expenditures. Refer to Supplemental Schedule #1 for more details.

The District funded the reserves in the amount of $3,004,908 as detailed above.

Interest of $690,531 was also allocated to the reserves as detailed on page 16.

The District assigned $100,000 to partially fund the 2025-2026 budget.

The District will close the 2024-2025 fiscal year with $3,181,087 in unassigned fund balance. NYS Real Property Tax Law §1318 restricts this number to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The District's unassigned fund balance is within the legal limit.

6. CAPITAL ASSETS, INTANGIBLE LEASE ASSETS, AND DEBT ADMINISTRATION

A) Capital Assets and Intangible Lease Assets:

The District paid for and financed equipment, various building additions, and renovations during the fiscal year 2025. A summary of the District's net capital assets and intangible lease assets is as follows:

Capital Assets and Intangible Lease Assets (Net of Accumulated Depreciation and Amortization)

Category	Fiscal Year 2025	Fiscal Year 2024	Net Increase/ (Decrease)	Percentage Change
Land	$ 1,632,800	$ 1,632,800	$ -	0.00%
Construction in progress	7,000,335	13,675,933	(6,675,598)	(48.81%)
Buildings and improvements	93,394,048	81,797,784	11,596,264	14.18%
Machinery and equipment	1,287,075	1,238,489	48,586	3.92%
Subtotal	103,314,258	98,345,006	4,969,252	5.05%
Less: Accumulated depreciation	23,055,836	20,978,573	2,077,263	9.90%
Total Net Capital Assets, Net	$ 80,258,422	$ 77,366,433	$ 2,891,989	3.74%
Intangible Lease Assets, Net	$ 679,957	$ 754,033	$ (74,076)	(9.82%)

Depreciation expense was $2,077,263 and amortization expense was $339,076 for fiscal year ended June 30, 2025. See the accompanying notes to the financial statements for additional detail.

B) Long-Term Debt:

At June 30, 2025, the District had total bonds payable, including of unamortized premium, and a lease liability of $32,798,271. The decrease in bonds payable is due to principal payments and amortization of premiums during the year. The decrease in lease liabilities represents principal payments, partially offset by additional leases entered into during the year. More detailed information about the District's long-term debt is presented in the accompanying notes to the financial statements.

A summary of outstanding debt at June 30, 2025 and 2024 is as follows:

	2025	2024	Increase (Decrease)
Bonds payable (including unamortized premium)	$ 32,078,386	$ 37,471,934	$ (5,393,548)
Lease liability	719,885	786,965	(67,080)
Total	$ 32,798,271	$ 38,258,899	($5,460,628)

C) <u>Other Long-Term Liabilities:</u>

A summary of the other long-term liabilities at June 30, 2025 and 2024 is as follows:

	2025	2024	Increase (Decrease)
Compensated absences payable	$ 729,387	$ 478,926	$ 250,461
Net pension liabilities - proportionate share	2,225,367	3,765,664	(1,540,297)
Total other post-employment benefits obligation	107,462,026	114,252,339	(6,790,313)
	$ 110,416,780	$ 118,496,929	$ (8,080,149)

The change in other long-term liabilities is primarily due to changes in actuarial valuations for pensions and total other-post employment benefits obligation. The compensated absences payable balance included within the other long-term liabilities balance as of June 30, 2025 includes the effects of the change in accounting principle in connection with the implementation of GASB Statement No. 101. More detailed information about the District's other long-term liabilities is presented in the accompanying notes to financial statements.

7. <u>FACTORS BEARING ON THE DISTRICT'S FUTURE</u>

A) The general fund budget for the 2025-2026 school year in the amount of $79,527,212 was approved by voters. This is a decrease of $242,448, or 0.30%, below the previous year's budget.

B) Future budgets may be negatively affected by certain trends impacting school districts. These factors include the following:

- Student enrollment trends
- Rising costs in employee salaries and health benefits, as well as contributions to pension programs.
- Increased costs associated with meeting the requirements for instructional services.
- Uncertainty with state and federal aid, including new state mandates that may bring changes to state aid formulas that could negatively impact school districts.
- Rising inflation as well as interest rates, which can affect all areas of the budget.
- The property tax cap as discussed below.

C) New York State law limits the increase in property taxes levied to the lesser of two percent, or the rate of inflation. The law does allow school districts to levy an additional amount for certain excludable expenditures. An override of the levy limit is also permitted. If the proposed tax levy is within the District's tax levy cap, then the budget is presented and approved by voters. If the proposed tax levy exceeds the District's tax levy cap, the threshold required for approval would be 60 percent of the vote.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS		
Current assets		
Cash and cash equivalents		
Unrestricted	$	13,415,838
Restricted		17,272,023
Receivables		
Accounts receivable		35,721
State and federal aid		1,332,428
Due from other governments		958,218
Non-current assets		
Capital assets		
Capital assets, not being depreciated		8,633,135
Capital assets being depreciated, net of accumulated depreciation		71,625,287
Intangible lease asset, net of accumulated amortization		679,957
Net pension asset-proportionate share - teachers' retirement system		4,690,644
TOTAL ASSETS		118,643,251
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts on refunding		71,266
Pensions		12,344,087
Other post-employment benefits obligation		16,763,243
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		147,821,847
LIABILITIES		
Payables		
Accounts payable		763,776
Accrued liabilities		115,924
Other liabilities		17,377
Due to other governments		393,845
Due to teachers' retirement system		3,506,599
Due to employees' retirement system		254,418
Compensated absences payable		92,108
Accrued interest payable		34,399
Unearned credits		
Collections in advance		84,929
Long-term liabilities		
Due and payable within one year		
Bonds payable (Including unamortized bond premium)		3,293,016
Lease liability		290,522
Compensated absences payable		72,939
Total other post-employment benefits obligation		2,881,346
Due and payable after one year		
Bonds payable (Including unamortized bond premium)		28,785,370
Lease liability		429,363
Compensated absences payable		656,448
Net pension liability - proportionate share - employees' retirement system		2,225,367
Total other post-employment benefits obligation		104,580,680
TOTAL LIABILITIES		148,478,426
DEFERRED INFLOWS OF RESOURCES		
Pensions		5,858,922
Other post-employment benefits obligation		41,861,890
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		196,199,238
NET POSITION		
Net investment in capital assets		49,389,190
Restricted		22,908,630
Unrestricted (deficit)		(120,675,211)
TOTAL NET POSITION (DEFICIT)	$	(48,377,391)

See Accompanying Notes to Financial Statements

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS / PROGRAMS				
General support	$ (10,705,462)	$ -	$ -	$ (10,705,462)
Instruction	(60,981,588)	192,187	1,423,512	(59,365,889)
Pupil transportation	(4,222,016)		67,184	(4,154,832)
Food service program	(1,140,365)	771,484	386,306	17,425
Debt service - interest	(1,040,903)			(1,040,903)
TOTAL FUNCTIONS AND PROGRAMS	$ (78,090,334)	$ 963,671	$ 1,877,002	$ (75,249,661)
GENERAL REVENUES				
Real property taxes				59,076,590
Other tax items - including STAR reimbursement				4,537,268
Use of money and property				1,568,848
Sale of property and compensation for loss				45,290
Miscellaneous				343,766
State sources				13,479,345
TOTAL GENERAL REVENUES				79,051,107
CHANGE IN NET POSITION				3,801,446
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED				(51,935,372)
CHANGE IN ACCOUNTING PRINCIPLE				(243,465)
TOTAL NET POSITION - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 23)				(52,178,837)
TOTAL NET POSITION - END OF YEAR				$ (48,377,391)

See Accomanying Notes to Financial Statements

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS							
Cash and cash equivalents							
Unrestricted	$ 11,177,969	$ -	$ 561,124	$ 192,758	$ -	$ 1,483,987	$ 13,415,838
Restricted	17,204,947			67,076			17,272,023
Receivables							
Accounts receivable	30,741		4,980				35,721
State and federal aid	659,610	641,012	31,806				1,332,428
Due from other governments	958,218						958,218
Due from other funds	2,864,726	37,588	45,713		945,963	6,105,757	9,999,747
TOTAL ASSETS	$ 32,896,211	$ 678,600	$ 643,623	$ 259,834	$ 945,963	$ 7,589,744	43,013,975
LIABILITIES							
Payables							
Accounts payable	$ 543,823	$ 137,189	$ 82,764	$ -	$ -	$ -	$ 763,776
Accrued liabilities	115,924						115,924
Other liabilities	17,377						17,377
Due to other governments	393,607		238				393,845
Due to other funds	6,614,735	518,635	-			2,866,377	9,999,747
Due to teachers' retirement system	3,506,599						3,506,599
Due to employees' retirement system	254,418						254,418
Compensated absences	92,108						92,108
Unearned credits							
Collections in advance	31,515	22,776	30,638				84,929
TOTAL LIABILITIES	11,570,106	678,600	113,640	-	-	2,866,377	15,228,723
FUND BALANCES							
Restricted:							
Retirement contribution							
Employees' retirement system	2,703,072						2,703,072
Teachers' retirement system	3,276,093						3,276,093
Tax certiorari	8,546,137						8,546,137
Employee benefit accrued liability	555,504						555,504
Unemployment insurance	292,101						292,101
Workers' compensation	187,040						187,040
Liability	600,000						600,000
Insurance	1,045,000						1,045,000
Debt service					945,963		945,963
Unspent bond proceeds						110,751	110,751
Scholarships and donations				67,076			67,076
Assigned:							
Appropriated fund balance	100,000						100,000
Unappropriated fund balance	840,071		529,983	192,758		4,612,616	6,175,428
Unassigned	3,181,087						3,181,087
TOTAL FUND BALANCES	21,326,105	-	529,983	259,834	945,963	4,723,367	27,785,252
TOTAL LIABILITIES AND FUND BALANCES	$ 32,896,211	$ 678,600	$ 643,623	$ 259,834	$ 945,963	$ 7,589,744	$ 43,013,975

See Accompanying Notes to Financial Statements

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2025

Total Governmental Fund Balances		$ 27,785,252
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The cost of building and acquiring capital assets (land, buildings and improvements, machinery and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.		
Original cost of capital assets	$ 103,314,258	
Accumulated depreciation	(23,055,836)	80,258,422
The present value cost of leasing capital assets (buildings and improvements, machinery and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position include those intangible lease assets among the assets of the District as a whole, and their original present value costs are expensed annually over the shorter of their useful lives or the length of the lease agreements.		
Original present value cost of intangible leased assets	$ 1,439,894	
Accumulated amortization	(759,937)	679,957
Governmental funds report the effect of discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Deferred amounts on refunding amounted to:		71,266
Deferred outflows of resources - The Statement of Net Position recognizes expenditures incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows related to pensions that will be recognized as expenditures in future periods amounted to		
Deferred outflows related to pensions	$ 12,344,087	
Deferred outflows related to total other post-employement benefits obligation	16,763,243	29,107,330
Deferred inflows of resources- The Statement of Net Position recognizes revenues and expenditures under the full accrual method. Governmental funds recognize revenues and expenditures under the modified accrual method. These amounts will be amortized in future years.		
Deferred inflows related to pensions	$ (5,858,922)	
Deferred inflows related to total other post-employment benefits obligation	(41,861,890)	(47,720,812)
Payables that are associated with long-term liabilities that are not payable in the current period are not reported as liabilities in the funds. Additional payables relating to long-term liabilities at year end consisted of accrued interest payable of:		(34,399)
Certain disbursements previously expended in the governmental funds relating to pensions are treated as long term assets and increase net position. The net pension asset-proportionate share for teachers' retirement system was		4,690,644
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:		
Bonds payable (including unamortized bond premium)	$ (32,078,386)	
Lease liability	(719,885)	
Compensated absences payable	(729,387)	
Net pension liability - proportionate share - employees' retirement system	(2,225,367)	
Total other post-employment benefits obligation	(107,462,026)	(143,215,051)
Total Net Position		$ (48,377,391)

See Accompanying Notes to Financial Statements

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES							
Real property taxes	$ 59,076,590	$ -	$ -	$ -	$ -	$ -	$ 59,076,590
Other tax items - including STAR reimbursement	4,537,268						4,537,268
Charges for services	37,926			154,261			192,187
Use of money and property	1,518,365		18,440	1,270	30,773		1,568,848
Sale of property and compensation for loss	45,290						45,290
Miscellaneous	343,766			25,327			369,093
Local sources		44,186					44,186
State sources	13,479,345	702,411	13,944				14,195,700
Federal sources		718,772	372,362				1,091,134
Sales			771,484				771,484
TOTAL REVENUES	79,038,550	1,465,369	1,176,230	180,858	30,773	-	81,891,780
EXPENDITURES							
General support	8,020,935						8,020,935
Instruction	39,047,620	1,521,070		155,916			40,724,606
Pupil transportation	4,003,526	67,184					4,070,710
Employee benefits	16,395,016						16,395,016
Debt service - principal	5,677,080						5,677,080
Debt service - interest	1,002,665						1,002,665
Cost of sales			1,135,264				1,135,264
Capital outlay						5,185,666	5,185,666
TOTAL EXPENDITURES	74,146,842	1,588,254	1,135,264	155,916	-	5,185,666	82,211,942
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,891,708	(122,885)	40,966	24,942	30,773	(5,185,666)	(320,162)
OTHER FINANCING SOURCES AND (USES)							
Proceeds from leases						265,000	265,000
Operating transfers in	261,570	122,885				3,450,000	3,834,455
Operating transfers (out)	(3,572,885)					(261,570)	(3,834,455)
TOTAL OTHER FINANCING SOURCES AND (USES)	(3,311,315)	122,885	-	-	-	3,453,430	265,000
NET CHANGE IN FUND BALANCES	1,580,393	-	40,966	24,942	30,773	(1,732,236)	(55,162)
FUND BALANCES - BEGINNING OF YEAR	19,745,712	-	489,017	234,892	915,190	6,455,603	27,840,414
FUND BALANCES - END OF YEAR	$ 21,326,105	$ -	$ 529,983	$ 259,834	$ 945,963	$ 4,723,367	$ 27,785,252

See Accompanying Notes to Financial Statements

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances		$ (55,162)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Long-Term Revenue and Expense Differences		
In the Statement of Activities, compensated absences are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Compensated absences payable for the year ended June 30, 2025 changed by:		(6,996)
Increases/decreases in proportionate share of net pension asset/liability and the total OPEB liability and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as reveues or expenditures in the governmental funds.		
Employees' retirement system	$ 235,800	
Teachers' retirement system	479,400	
Total other post-employment benefits obligation	(5,043,351)	(4,328,151)
Capital Related Differences		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the statement of net position and allocated over their useful lives as annual depreciation expense in the Statement of Activities.		
Capital outlays	$ 4,969,252	
Depreciation expense	(2,077,263)	2,891,989
Capital outlays to lease intangible assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual amortization expense in the Statement of Activities.		
Intangible lease capital outlays	$ 265,000	
Amortization expense	(339,076)	(74,076)
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amount of amortization on the bond premium and deferred amounts is:		(30,386)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities		5,345,000
Proceeds from leases are recorded as revenue in the governmental funds but not in the Statement of Activities.		(265,000)
Repayment of lease obligations principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		332,080
Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statements of Activities, however, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest from June 30, 2024 to June 30, 2025 changed by:		(7,852)
Change in Net Position		$ 3,801,446

See Accompanying Notes to Financial Statements

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Mount Pleasant Central School District (the "District") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board ("GASB"), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies utilized by the District are described below:

A) Reporting Entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education (the "Board") consisting of seven members. The Board serves as the legislative body and has the authority to make decisions, power to appoint management, and primary accountability for all fiscal matters. In addition, the Board is responsible for, and controls all activities related to, public school education within the District. The Superintendent is the chief executive officer.

The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities that would be included in the District's reporting entity.

B) Joint Venture:

The District is a component district in the Board of Cooperative Educational Services of Southern Westchester ("BOCES"). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs, which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES is organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative, program, and capital costs is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

C) **Basis of Presentation:**

District-Wide Financial Statements

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

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

Fund Financial Statements

The Fund Financial Statements provide information about the District's funds. The emphasis of Fund Financial Statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

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

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

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

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

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

D) Measurement Focus and Basis of Accounting:

The District-Wide Financial Statements is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly, receiving or giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on bonds payable, lease liability, compensated absences, pension costs, other post-employment benefits obligation, and claims and judgments, if applicable, which are recognized as expenditures to the extent they have matured. Capital asset and intangible lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions of leases with terms greater than one year under leases are reported as other financing sources.

E) Real Property Taxes:

Calendar

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

Enforcement

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

F) **Restricted Resources:**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

G) **Interfund Transactions:**

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

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

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to the accompanying notes for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H) **Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent items at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas including, computation of useful lives of capital assets and intangible lease assets, lease liability, compensated absences, net pension asset/liability, other post-employment benefits, and potential contingent liabilities, if applicable.

I) **Cash and Cash Equivalents:**

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

Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

J) Receivables:

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

K) Inventory:

Inventory of food in the school lunch fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's stated value, which approximates market. Inventory is accounted for on the consumption method. Under the consumption method, a current asset for the inventory is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed. At June 30, 2025, the District had no inventory.

Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

A portion of fund balance has been classified as nonspendable to indicate that inventory does not constitute available spendable resources, if applicable.

L) Capital Assets:

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

All capital assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds (the individual dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide Financial Statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building and building improvements	$5,000	Straight-line	50 years
Improvements other than buildings	$5,000	Straight-line	20 years
Machinery and equipment	$5,000	Straight-line	5-20 years

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The District's policy is to record an impairment loss in the period when the District determines that the carrying amount of the asset will not be recoverable. At June 30, 2025, the District has not recorded any such impairment losses.

M) **Intangible Lease Assets:**

Intangible lease assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease agreement, or if not readily determinable, the District's estimated incremental borrowing rate. These intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Capitalization thresholds (the dollar value above which intangible lease asset acquisitions are added to the intangible lease asset accounts), amortization methods, and estimated useful lives of intangible lease assets reported in the District-Wide Financial Statements follow the same thresholds as noted above for capital assets.

N) **Deferred Outflows and Inflows of Resources:**

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

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

O) **Short-Term Debt:**

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

The District may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date, seven years if originally issued during calendar year 2015 through, and including, 2021. The notes, or renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve-month period thereafter.

See the accompanying notes for further detail.

P) <u>Collections in Advance:</u>

Collections in advance arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded. Collections in advance as of June 30, 2025, consisted of prepaid health insurance payments in the general fund, state and local grant monies received prior to incurring qualifying revenues in the special aid fund, and prepaid meals in the school lunch fund.

Q) <u>Employee Benefits- Compensated Absences:</u>

Compensated absences consist of unused accumulated annual sick leave, vacation, and sabbatical time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, employees may contractually receive a payment based on unused accumulated sick leave. Certain collectively bargained agreements require these termination payments to be paid in the form of non-elective contributions into the employee's 403(b) plan.

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

In accordance with the provisions of GASB Statement No. 101, *Compensated Absences*, compensated absences are recognized as a liability when the obligation is attributable to services already rendered, the payment is probable, and the amount can be reasonably estimated. This includes both:

- Leave that is expected to be used in future periods, and
- Leave that will be paid out upon termination or retirement, per contractual agreements.

The liability is calculated based on employees' current pay rates and any additional salary-related costs that are directly associated with the payment of compensated absences.

In the Fund Financial Statements, only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are reported for those employees who have obligated themselves to separate from service with the District by June 30th.

R) <u>Other Benefits:</u>

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

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the District-Wide Financial Statements, the cost of post-employment health insurance coverage is recognized on the accrual basis of accounting.

S) <u>Long - Term Debt:</u>

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The repayment of principal and interest will be in the general fund.

In the Fund Financial Statements, governmental funds recognize bond premiums during the current period, with the face amount of debt issued reported as other financing sources. Premiums received on long-term debt issuances are reported as other financing sources. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

In the District-Wide Financial Statements, premiums received on long-term debt issuances are netted with bonds payable and amortized over the life of the bonds.

T) <u>Equity Classifications:</u>

<u>District-Wide Financial Statements</u>

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

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) and intangible lease assets (present value of future lease payments remaining on the lease term less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets (net of unspent proceeds), including the deferred inflows of resources, for deferred amounts on debt refunding and unamortized bond premiums.

Restricted net position – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

As of June 30, 2025 the governmental activities reported a deficit in unrestricted net position of $120,675,211. This deficit is primarily the result of unfunded liabilities such as the District recognizing its proportionate share of the net pension liabilities and total other post-employment benefit liabilities on the statement of net position. The accumulated effect of these required recognitions, coupled with the limitations from the state on funding the other post-employment benefit liabilities on a "pay s you go" basis, has resulted in a deficit in unrestricted net position.

Fund Financial Statements

There are five classifications of fund balance as detailed below; however, the District only has three classifications of fund balance presented in the Fund Financial Statements as follows:

1) Non-spendable fund balance - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The District has no non-spendable fund balances as of June 30, 2025.

2) Restricted fund balance - includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

The District has classified the following reserves as restricted:

Retirement Contribution Reserve
Retirement Contribution Reserve (GML§6-r) must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions to the New York State Teachers' Retirement System. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The Teachers' Retirement System subfund is subject to contribution limits. This reserve is accounted for in the general fund.

Tax Certiorari Reserve
According to Education Law §3651.1-a, the Tax Certiorari Reserve must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the general fund.

Employee Benefit Accrued Liability Reserve
Employee benefit accrued liability reserve (GML §6-p) must be used for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve

may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the general fund.

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

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

Liability Reserve
Liability reserve (EL §1709(8)(c) is used to pay for liability claims incurred. Liability reserve may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This reserve is accounted for in the general fund.

Insurance Reserve
Insurance reserve (GML§6-n) is used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value, and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve however, the annual contribution to this reserve may not exceed the greater of $30,000 or 5% of the budget. Settled or compromised claims up to$25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the general fund.

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

Restricted for Unspent Bond Proceeds

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

Restricted for Scholarships and Donations

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

Unrestricted Resources:

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

3) Committed fund balance - includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, (i.e., the Board). The District has no committed fund balances as of June 30, 2025.

4) Assigned fund balance - includes amounts that are subject to a purpose constraint that represents an intended use established by the District's Board. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, the assigned fund balance represents the residual amount of fund balance. This assignment is made when the tax levy is set by the Board pursuant to the District's annual budget policy.

5) Unassigned fund balance - Includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in the assigned fund balance are also excluded from the 4% limitation. Please refer to supplemental schedule #5 for this calculation. The District's unassigned fund balance in the general fund at June 30, 2025, is within the legal limits.

Order of Use of Fund Balance:

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

U) New Accounting Pronouncements:

GASB has issued Statement No. 101, *Compensated Absences* (GASB Statement No. 101), effective for the District for the year ended June 30, 2025. This Statement establishes updated recognition and measurement guidance for liabilities related to compensated absences. Under GASB Statement No. 101, liabilities for compensated absences are recognized when leave is attributable to services already rendered, payment is probable, and the amount can be reasonably estimated. This includes both accumulated leave expected to be used in future periods and leave payable upon an employee's separation from service. The liability is measured using current pay rates as of the financial statement date, including any applicable salary-related costs.

As disclosed in the accompanying notes, the cumulative effect of the adoption of GASB Statement No. 101 (change in accounting principle) was an increase of the compensated absences payable balance of $243,465 and a decrease to net position of $243,465 in the Statement of Net Position as of July 1, 2024.

V) Future Accounting Pronouncements:

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, to improve the key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for the fiscal year ended June 30, 2026.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, requiring certain types of capital assets to be disclosed separately in the capital assets note disclosure such as intangible lease assets, subscription assets, and assets held for sale. The requirements of this Statement are effective for the fiscal year ended June 30, 2026.

The Statement above is not an all-inclusive list of all future GASB statements impacting the District. The District will evaluate the impact and materiality of the Statement above and implement the provisions as applicable.

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

Due to the differences in the measurement focus and basis of accounting used in the Fund Financial Statements and the District-Wide Financial Statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

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

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

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

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

Long-term revenue and expense differences:

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

Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets reported on the Statement of Activities, and the difference between recording an expenditure for the purchase or financing of capital items or intangible lease assets in the Fund Financial Statements and depreciation and/or amortization expense on those items as recorded in the Statement of Activities.

Long-term debt transaction differences:

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

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

A) Budgets:

The District administration prepares a proposed budget for approval by the Board for the following governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line-item level.

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

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

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

B) <u>Encumbrances:</u>

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as assignments or restrictions of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) <u>Cash and Cash Equivalents:</u>

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Company (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

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

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

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

B) Restricted Cash and Cash Equivalents:

Restricted cash and cash equivalents represent cash and cash equivalents where use is limited by the legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and cash equivalents at June 30, 2025 included $17,272,023 within the governmental funds for general reserves, and amounts restricted for unspent bond proceeds, capital projects, and scholarships and donations.

C) Investments:

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

D) Investment Pool:

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. At June 30, 2025, the District held $16,794,639 in investments consisting of various investments in securities issued by the United States and its agencies.

Total investments of the cooperative at June 30, 2025, are $13,530,190,970, which consisted of $3,819,691,492 in repurchase agreements and $9,710,499,478 in U.S. Treasury Securities in U.S. Government Guaranteed Securities at various interest rates with various due dates. Total collateralized bank deposits of the cooperative at June 30, 2025 are $591,627,356.

Fund	Bank Balance	Carrying Amount
General Fund	$ 16,794,639	$ 16,794,639
	$ 16,794,639	$ 16,794,639

The above amounts represent the cost of the investment pool shares and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. CLASS is rated AAAm by S&P Global ratings. Additional information concerning the cooperative is presented in the annual report of the New York Cooperative Liquid Assets Securities System (NYCLASS), which may be obtained from their website www.newyorkclass.org or by contacting their registered investment advisor, Public Trust Advisors, LLC at 717 17th Street, Suite 1850, Denver, CO 80202.

NOTE 5 – PARTICIPATION IN BOCES:

During the year ended June 30, 2025, the District was billed $4,046,244 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $1,364,161. Financial statements for the BOCES of Southern Westchester are available from their administrative office at 17 Berkley Drive, Rye Brook, NY 10573.

NOTE 6 – STATE AND FEDERAL AID RECEIVABLES:

State and federal aid receivables at June 30, 2025, consisted of the following:

General Fund		
Excess cost aid	$	232,618
General aid		426,992
Total General Fund	$	659,610
Special Aid Fund		
Federal grants	$	378,116
State grants		262,896
Total Special Aid Fund	$	641,012
School Lunch Fund		
Federal reimbursements - meals	$	30,716
State reimbursements - meals		1,090
Total School Lunch Fund	$	31,806
Total State and Federal Aid Receivable	$	1,332,428

District management has deemed these receivables as fully collectible.

NOTE 7 – DUE FROM OTHER GOVERNMENTS:

Due from other governments in the general fund at June 30, 2025, consisted of the following:

BOCES aid	$	658,218
Westchester County- sales tax		300,000
Total Due From Other Governments	$	958,218

District management has deemed these receivables as fully collectible.

NOTE 8 – DUE TO OTHER GOVERNMENTS:

Due to other governments at June 30, 2025, consisted of the following:

General Fund		
Tuition and health services due to other districts	$	393,607
School Lunch Fund		
School lunch sales tax	$	238
Total Due to Other Governments	$	393,845

NOTE 9 – COLLECTIONS IN ADVANCE:

Collections in advance at June 30, 2025, consisted of the following:

General Fund		
Health insurance	$	31,515
Special Aid Fund		
Unearned revenues from state and local grants	$	22,776
School Lunch Fund		
Prepaid meals	$	30,638
Total Collections in Advance	$	84,929

NOTE 10 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS:

A) Capital Assets

Capital asset balances and activity for the year ended June 30, 2025, were as follows:

	Beginning Balance	Additions	Disposals/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 1,632,800			$ 1,632,800
Construction in progress	13,675,933	$ 4,322,600	($10,998,198)	7,000,335
Total capital assets not being depreciated	15,308,733	4,322,600	(10,998,198)	8,633,135
Capital assets being depreciated:				
Buildings and improvements	81,797,784	598,066	10,998,198	93,394,048
Machinery and equipment	1,238,489	48,586		1,287,075
Total capital assets being depreciated	83,036,273	646,652	10,998,198	94,681,123
Less accumulated depreciation:				
Building and improvements	20,092,773	2,029,880		22,122,653
Machinery and equipment	885,800	47,383		933,183
Total accumulated depreciation	20,978,573	2,077,263	-	23,055,836
Total capital assets being depreciated, net	62,057,700	(1,430,611)	10,998,198	71,625,287
Total capital assets, net	$ 77,366,433	$ 2,891,989	$ -	$ 80,258,422

Depreciation expense was charged to governmental functions as follows:

General support	$ 559,091
Instruction	1,513,071
Food service program	5,101
Total depreciation expense	$ 2,077,263

B) Intangible Lease Assets

The following schedule summarizes the District's intangible lease asset activity for the fiscal year ended June 30, 2025:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Intangible lease assets				
Machinery and equipment	$ 1,379,282	$ 265,000	$ (204,388)	$ 1,439,894
Total intangible lease assets being amortized	1,379,282	265,000	(204,388)	1,439,894
Less accumulated amortization:				
Machinery and equipment	625,249	339,076	(204,388)	759,937
Total accumulated amortization	625,249	339,076	(204,388)	759,937
Total intangible lease assets, net	$ 754,033	$ (74,076)	$ (408,776)	$ 679,957

Amortization expense of $339,076 was charged to the governmental functions as general support.

NOTE 11 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	$ 2,864,726	$ 6,614,735	$ 261,570	$ 3,572,885
Special aid fund	37,588	518,635	122,885	
School lunch fund	45,713			
Debt service fund	945,963			
Capital projects fund	6,105,757	2,866,377	3,450,000	261,570
Total government activities	$ 9,999,747	$ 9,999,747	$ 3,834,455	$ 3,834,455

The District typically transfers from the general fund to the special aid fund to fund the District's local share of summer program for students with disabilities. The District typically transfers from the general fund to the capital projects fund to finance capital construction projects. The District transferred from the capital projects fund to the general fund for unspent appropriations on completed capital projects.

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

NOTE 12 - SHORT-TERM DEBT:

The District did not issue or redeem any short-term debt during the year.

NOTE 13 – DEFERRED OUTFLOWS OF RESOURCES: DEFFERED AMOUNTS ON REFUNDING

The deferred amounts pertaining to the 2012, 2013, and 2015 bond refundings, as recorded in the District-Wide Financial Statements as deferred outflows of resources at June 30, 2025, consisted of the following:

	2012 Refunding	2013 Refunding	2015 Refundings	Total
Deferred amounts	$ 680,484	$ 567,168	$ 516,241	$1,763,893
Accumulated amortization	(680,484)	(567,168)	(444,975)	(1,692,627)
Net deferred charges	$ -	$ -	$ 71,266	$ 71,266

These deferred amounts on refunding are being amortized on the District-Wide Financial Statements using the straight-line method over the time to maturity of the refunding bonds, at the point of refunding, and is recorded as an increase to interest expense on the District-Wide Statement of Activities.

Amortization of deferred amounts on refunding for the fiscal year ended June 30, 2025, amounted to $78,934.

NOTE 14– LONG-TERM LIABILITIES:

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

	As Restated Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Bonds payable					
Construction bonds	$ 35,330,000	$ -	$ (4,700,000)	$ 30,630,000	$ 2,710,000
Tax certiorari bonds	1,755,000		(645,000)	1,110,000	545,000
Total bonds payable	37,085,000	-	(5,345,000)	31,740,000	3,255,000
Bond premium	386,934		(48,548)	338,386	38,016
Total bonds payable, inclusive of unamortized premium on obligations	37,471,934	-	(5,393,548)	32,078,386	3,293,016
Other liabilities:					
Lease liability	786,965	265,000	(332,080)	719,885	290,522
Compensated absences payable*	722,391	6,996		729,387	72,939
Net pension liability-proportionate share - ERS	1,967,437	257,930		2,225,367	
Net pension liability-proportionate share - TRS	1,798,227		(1,798,227)	-	
Total other post-employment benefits obligation	114,252,339	10,063,639	(16,853,952)	107,462,026	2,881,346
Total long-term liabilities	$ 156,999,293	$ 10,593,565	$ (24,377,807)	$ 143,215,051	$ 6,537,823

*Beginning balance as restated. See accompanying notes for further details.

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

A) Bonds Payable

Bonds payable is comprised of the following:

Description	Issue Date	Original Issue Amount	Final Maturity	Interest Rates	Outstanding at Year End
Refunding Bonds- Tax Certiorari	2015	$5,145,000	December 2026	2.000-3.000%	$ 1,110,000
Serial Bonds- Construction	2019	$20,000,000	June 2035	2.000-3.000%	12,690,000
Serial Bonds- Construction	2021	$15,120,000	June 2037	2.000-3.000%	10,630,000
Serial Bonds- Construction	2024	$8,940,000	June 2038	4.00%	7,310,000
					$ 31,740,000

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2026	$ 3,255,000	$ 818,416	$ 4,073,416
2027	3,275,000	734,594	4,009,594
2028	2,820,000	658,625	3,478,625
2029	2,890,000	587,525	3,477,525
2030	2,960,000	514,525	3,474,525
2031-2035	14,260,000	1,414,512	15,674,512
2036-2038	2,280,000	95,100	2,375,100
	$ 31,740,000	$ 4,823,297	$ 36,563,297

The bonds are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and remedies for enforcement of payment are not expressly included in the District's contract with such owners. Upon default in the payment of principal of or interest on the bonds at the suit of the owner, a court has the power, in proper and appropriate proceedings, to render judgment against the District. A court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy.

Section 99-b of the State Finance Law provides for a covenant between New York State and the purchasers and the holders and owners from time to time of the bonds issued by school districts in New York State. In the event a holder or owner of any bond issued by a school district for school purposes shall file with the Office of the New York State Comptroller (OSC), a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both. The OSC shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such state aid or assistance due to such school district such amount thereof as may be required to pay the principal of and interest on such bonds of such school district then in default. In the event such state aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the OSC shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such state aid or assistance due such school district such amount or amounts thereof as may be required to cure such default.

B) Premiums on Bonds:

Premiums on bonds, net of accumulated amortization, reported as a component of bonds payable, amounted to $338,386 at June 30, 2025. This represents premiums received on the 2015 bond refunding and on the 2025 serial bond. These premiums are being amortized using the straight-line method over the respective lives of the bonds. Amortization is recorded as a reduction in interest expense on the District-Wide Statement of Activities.

C) Lease Liability

The District recognizes a lease liability obligation and an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's use for a period of one year or greater. The District has entered into such lease agreements for various copiers and other equipment items with interest rates ranging from 2.50% to 4.50%.

Principal and interest expense paid on the District's lease liability amounted to $332,080 and $48,023, respectively, for the fiscal year ended June 30, 2025.

The following is a summary of the principal and interest requirements to maturity for the District's leases:

Fiscal Year Ended June 30,	Principal	Interest	Total
2026	$ 290,522	$ 33,652	$ 324,174
2027	243,305	20,837	264,142
2028	123,731	10,119	133,850
2029	62,327	2,907	65,234
	$ 719,885	$ 67,515	$ 787,400

D) Long-Term Interest

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

	Total
Interest paid	$ 1,002,665
Less interest accrued in the prior year	(26,547)
Plus interest accrued in the current year	34,399
Plus amortization of deferred amounts on refunding	78,934
Less amortization of premium	(48,548)
Total expense	$ 1,040,903

NOTE 15– PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System

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

ii) Employees' Retirement System

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

B) Funding Policies:

The Systems are noncontributory, except as follows:

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

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

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31st. The District's contribution rates for ERS' fiscal year ended March 31, 2025, for covered payroll was 19.60% for Tiers 3 and 4, 16.60% for Tier 5, and 12.80% for Tier 6.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2025, was 10.11% of covered payroll.

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

	NYSERS	NYSTRS
2025	$ 786,359	$ 3,077,318
2024	$ 715,951	$ 2,929,725
2023	$ 530,920	$ 2,988,394

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

At June 30, 2025, the District reported the following asset/ (liability) for its proportionate share of the net pension asset/ (liability) for each of the Systems. The net pension asset/ (liability) was measured as of March 31, 2025, for ERS and June 30, 2024, for TRS. The total pension asset/ (liability) used to calculate the net pension asset/ (liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/ (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Net pension asset/(liability)	$ (2,225,367)	$ 4,690,644
District's portion of the Plan's total Net pension asset/ (liability)	0.0129791%	0.157214%
Change in proportion since the prior measurement date	-0.0003830%	-0.0000310%

For the year ended June 30, 2025, the District recognized pension expense of $550,823 for ERS, and $2,615,101 for TRS. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 552,351	$ 5,050,962	$ 26,055	$ -
Net difference between projected and actual earnings on pension plan investments	174,596	-	-	5,211,705
Changes of assumptions	93,327	2,805,956	-	471,988
Changes in proportion and differences between the District's contributions and proportionate share of contributions	240,396	94,763	51,589	97,585
District's contributions subsequent to the measurement date	254,418	3,077,318	-	-
	$ 1,315,088	$ 11,028,999	$ 77,644	$ 5,781,278

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/ (liability) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Year ended:		
2025	$ -	$ (2,407,130)
2026	450,893	5,717,135
2027	632,359	(933,586)
2028	(143,769)	(1,051,796)
2029	43,543	609,830
Thereafter	-	235,950
	$ 983,026	$ 2,170,403

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Investment rate of return (net of pension plan investment expense, including inflation)	5.90%	6.95%
Salary increases	4.30%	1.95% - 5.18%
Cost of Living Adjustments	1.5% annually	1.3% annually
Decrements	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2019 - June 30, 2023 System's Experience
Inflation	2.90%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020, System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

For ERS, the actuarial assumptions used in the April 1, 2024, valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2023.

For ERS, 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 expense 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.

For TRS, 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 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 the arithmetic real rates of return for each major asset class included in the target asset allocation as of the valuation date are summarized below:

	ERS		TRS	
Measurement Date	March 31, 2025		June 30, 2024	
Asset type	Target Allocation	Long-term expected real rate of return	Target Allocation	Long-term expected real rate of return
Domestic equity	25%	3.54%	33%	6.6%
International equity	14%	6.57%	15%	7.4%
Global equity			4%	6.9%
Private equity	15%	7.25%	9%	10.0%
Real estate	12%	4.95%	11%	6.3%
Opportunistic/ absolute return strategy	3%	5.25%		
Real assets	4%	5.55%		
Credit	4%	5.40%		
Cash	1%	0.25%		
Fixed income	22%	2.00%	16%	2.6%
Global bonds			2%	2.5%
High-yield bonds			1%	4.8%
Private debt			2%	5.9%
Real estate debt			6%	3.9%
Cash equivalents			1%	0.5%
	100%		100%	

The expected real rate of return is net of the long-term inflation assumptions of 2.90% for ERS, and 2.40% for TRS.

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

Sensitivity of the Proportionate Share of the Net Pension Asset/(Liability) to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.90% for ERS and 5.95% for TRS) or 1-percentagepoint higher (6.90% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
District's proportionate share of the net pension asset/(liability)	($6,440,493)	($2,225,367)	$1,294,265

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension asset/(liability)	($21,666,355)	$4,690,644	$26,857,587

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Employers' total pension liability	$ (247,600,239)	$ (142,837,827)
Plan fiduciary net position	230,454,512	145,821,435
Employers' net pension asset/(liability)	$ (17,145,727)	$ 2,983,608
Ratio of plan fiduciary net position to the Employers' total pension liability	93.08%	102.09%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2025, represent the projected employer contribution for the period of April 1, 2025, through June 30, 2025, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025, amounted to $254,418.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025, are paid to the System in September, October and November 2025 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2025, represent employee and employer contributions for the fiscal year ended June 30, 2025, based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025, amounted to $3,506,599.

NOTE 16– PENSION PLANS – OTHER:

A) Tax Sheltered Annuities:

The District has adopted a 403(b)-plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the year ended June 30, 2025, totaled $116,108 and $1,972,709, respectively.

B) Deferred Compensation Plan:

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for eligible employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2025 totaled $135,207.

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

A) General Information about the OPEB Plan:

Plan Description

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

Benefits Provided

The Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute 100% of premiums for retirees and their spouses, and 0% of the premiums for surviving spouses, depending on the coverage selected and date of retirement. The District recognizes the cost of the Plan annually as expenditures in the fund financial statements as payments are accrued. For fiscal year 2025, the District contributed an estimated $2,756,100 to the Plan, including $2,756,100 for current premiums and $0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the "pay as you go" method.

Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	185
Active employees	296
	481

B) Total OPEB Liability:

The District's total OPEB liability of $107,462,026 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary increases	Varied by years of service and retirement system
Discount rate	4.81%
Healthcare cost trend rates:	
Medical and vision	6.75% decreasing to an ultimate rate of 4.04% by 2075
Dental	3% annually
Part B reimbursement	5.90% decrease for 2024-2025, decreasing to an ultimate rate of 4.04% by 2075

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

Mortality rates were based on Pub-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS group) projected fully generationally using the Society of Actuaries' Scale MP-2021.

C) Changes in the Total OPEB Liability:

Balance at June 30, 2024	$ 114,252,339
Changes for the fiscal year:	
Service cost	4,656,672
Interest	4,948,652
Changes of benefit terms	458,315
Differences between expected and actual experience	(3,383,960)
Changes in assumptions or other inputs	(10,713,892)
Benefit payments	(2,756,100)
Net changes	(6,790,313)
Balance at June 30, 2025	$ 107,462,026

Changes in assumptions or other inputs include a change in the discount rate from 4.21% to 4.81%, the update of mortality rates based on Pub-2010 Teachers and General Employees Headcount-Weighted table projected fully generationally using MP-2021 and update of termination and retirement rates to reflect NYS ERS assumptions first adopted on April 1, 2015, and NYS TRS assumptions first adopted on June 30, 2015.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.81%) or 1-percentage-point higher (5.81%) than the current discount rate:

	1% Decrease (3.81%)	Discount Rate (4.81%)	1% Increase (5.81%)
Total OPEB liability	$125,296,951	$107,462,026	$93,108,745

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

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

	1% Decrease	Healthcare Cost Trend Rates Current	1% Increase
Total OPEB liability	$90,535,437	$107,462,026	$129,232,638

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of $7,799,451. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,334,282	$ (7,969,714)
Changes of assumptions or other inputs	13,428,961	(33,892,176)
	$ 16,763,243	$ (41,861,890)

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

Fiscal Year ended June 30:	
2026	$ (2,264,184)
2027	(5,991,723)
2028	(3,920,572)
2029	(7,753,133)
2030	(3,155,057)
Thereafter	(2,013,978)
	$ (25,098,647)

NOTE 18 – RISK MANAGEMENT:

A) General Information:

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

B) Public Entity Risk Pool:

The District participates in New York Schools Insurance Reciprocal (NYSIR), a non-risk-retained public entity risk pool, for its property and liability insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool's geographic area and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events in excess of certain defined limits, and the District has essentially transferred all related risk to the pool.

The District participates in the Southern Westchester Cooperative Workers' Compensation Self-Insurance Plan (the Workers' Compensation Plan, or the "Plan"), a risk-sharing pool, to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to administer claims, finance liability, and manage risks related to workers' compensation claims. The District pays an annual assessment determined by the Plan's Board of Trustees. In the event the Plan has insufficient funds to meet its obligations, the Plan's Board of Trustees may issue supplemental assessments to the Plan's members. Plan members who withdraw or are terminated from the Plan's membership will assume responsibilities for all open and unpaid claims associated with them. As of June 30, 2025, the discounted Workers' Compensation Plan's total liability for unbilled and open claims was $17,918,303 at a 2.0% discount rate. The Workers' Compensation Plan has assets of $33,419,230 as of June 30, 2025, to pay these liabilities. The District's contribution to the Plan was $153,329.

C) <u>Health and Accident Insurance:</u>

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

NOTE 19- TAX ABATEMENTS:

The Town, under the authority of Section 577(1)(a) of the New York Private Housing Finance Law, entered into a tax abatement program for the purpose of economic development, and general prosperity and economic welfare of the Town. The District's property tax revenue was reduced by $28,238 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling $4,117 for these programs during the fiscal year.

NOTE 20 – RESTRICTED FUND BALANCE – APPROPRIATED RESERVES

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2025 restricted fund balances, to fund the budget and reduce taxes for the year ending June 30, 2026:

Retirement Contribution	
Employees' retirement system	$ 100,000
	$ 100,000

NOTE 21 – ASSIGNED: APPROPRIATED FUND BALANCE

The amount of $100,000 has been appropriated to reduce taxes for the year ending June 30, 2026.

NOTE 22 – COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

All encumbrances are classified as assigned or restricted fund balance. At June 30, 2025, the District had encumbered the following amounts:

General fund:		
General support	$	617,273
Instruction		222,798
Total general fund	$	840,071
School lunch fund	$	17,213
Total school lunch fund	$	17,213
Capital projects fund	$	3,216,452
Total capital projects fund	$	3,216,452

B) Grants:

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

C) Litigation:

As of June 30, 2025, the District is unaware of any pending or threatened litigation or unasserted claims or assessments against the District which require disclosure. However, there are pending tax certiorari proceedings, which may result in the District having to pay future tax refunds. The District has a reserve established to pay future payments for this.

NOTE 23 – RESTATEMENT OF NET POSITION:

During the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. The implementation of GASB Statement No. 101 (change in accounting principle) required the restatement of beginning net position as of July 1, 2024. The cumulative effect of this change is summarized as follows:

	Statement of Net Position
Net Position (Deficit), Beginning of Year, as Reported	$ (51,935,372)
Long-term liabilities	
Compensated absences payable	243,465
Total Long-Term Liabilities	243,465
Net Position (Deficit), Beginning of Year, as Restated	$ (52,178,837)

NOTE 24 – SUBSEQUENT EVENTS:

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued, must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management evaluated the activity of the District through October 16, 2025 and concluded that there were no events which took place that would have a material impact on its financial statements.

SUPPLEMENTARY INFORMATION

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL- GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUES				
Local sources				
Real property taxes	$ 62,372,908	$ 62,372,908	$ 59,076,590	$ (3,296,318)
Other tax items	1,304,110	1,304,110	4,537,268	3,233,158
Charges for services	5,000	5,000	37,926	32,926
Use of money and property	570,000	570,000	1,518,365	948,365
Sale of property and compensation for loss	5,500	47,907	45,290	(2,617)
Miscellaneous	245,000	245,000	343,766	98,766
State sources	12,954,169	12,954,169	13,479,345	525,176
TOTAL REVENUES	$ 77,456,687	$ 77,499,094	$ 79,038,550	$ 1,539,456
Other financing uses				
Transfers from other funds	261,570	261,570	261,570	-
TOTAL REVENUES AND OTHER SOURCES	77,718,257	77,760,664	$ 79,300,120	$ 1,539,456
Appropriated fund balance	1,951,403	1,951,403		
Appropriated reserves	892,902	1,094,012		
TOTAL REVENUES AND APPROPRIATED FUND BALANCE	$ 80,562,562	$ 80,806,079		

Budget Basis of Accounting

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

See Paragraph on Required Supplementary Information Included in Auditor's Report

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL- GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General support					
Board of education	$ 183,680	$ 183,680	$ 163,114	$ 440	$ 20,126
Central administration	442,596	442,596	432,252	-	10,344
Finance	740,183	740,183	668,694	56,770	14,719
Staff	557,911	557,911	493,618	-	64,293
Central services	6,227,613	6,287,995	5,491,752	560,063	236,180
Special items	752,237	774,265	771,505	-	2,760
Total General Support	8,904,220	8,986,630	8,020,935	617,273	348,422
Instruction					
Instruction, adm. and imp.	2,847,748	2,847,748	2,729,677	40,425	77,646
Teaching - regular school	20,587,714	20,587,714	20,231,670	181,161	174,883
Programs for children with		-			
handicapping conditions	10,450,667	10,495,667	10,197,033	1,077	297,557
Occupational education	608,296	608,296	593,387	-	14,909
Instructional media	1,304,221	1,304,221	1,254,979	-	49,242
Pupil services	4,137,395	4,137,395	4,040,874	135	96,386
Total Instruction	39,936,041	39,981,041	39,047,620	222,798	710,623
Pupil transportation	4,404,548	4,404,548	4,003,526	-	401,022
Employee benefits	17,056,908	17,173,015	16,395,016	-	777,999
Debt service					
Debt service - principal	5,679,725	5,679,725	5,677,080	-	2,645
Debt service - interest	1,006,120	1,006,120	1,002,665	-	3,455
Total Debt Service	6,685,845	6,685,845	6,679,745	-	6,100
TOTAL EXPENDITURES	76,987,562	77,231,079	74,146,842	840,071	2,244,166
Other financing uses					
Transfers to other funds	3,575,000	3,575,000	3,572,885	-	2,115
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 80,562,562	$ 80,806,079	77,719,727	$ 840,071	$ 2,246,281
Net change in fund balance			1,580,393		
Fund balance - beginning of year			19,745,712		
Fund balance - end of year			$ 21,326,105		

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

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)
FOR THE YEARS ENDED JUNE 30,*

NYSERS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset/(liability)	0.0129791%	0.0133621%	0.0135368%	0.0134941%	0.0137435%	0.0143198%	0.0139167%	0.0138999%	0.0146647%	0.0147050%
Distric'ts proportionate share of the net pension asset/(liability)	$ (2,225,367)	$ (1,967,437)	$ (2,902,830)	$ 1,103,089	$ (13,685)	$ (3,791,979)	$ (986,042)	$ (448,609)	$ (1,377,930)	$ (2,360,201)
District's covered payroll	$ 6,639,179	$ 6,046,201	$ 5,771,719	$ 5,011,645	$ 4,465,170	$ 4,442,176	$ 4,408,723	$ 4,368,161	$ 4,131,792	$ 3,678,606
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	33.52%	32.54%	50.29%	22.01%	0.31%	85.36%	22.37%	10.27%	33.35%	64.16%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%
Discount rate	5.90%	5.90%	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

NYTRS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset/(liability)	0.157214%	0.157245%	0.157953%	0.158279%	0.159128%	0.153433%	0.156944%	0.160105%	0.165236%	0.1627520%
Distric'ts proportionate share of the net pension asset/(liability)	$ 4,690,644	$ (1,798,227)	$ (3,030,950)	$ 27,428,213	$ (4,397,140)	$ 3,986,200	$ 2,838,874	$ 1,216,954	$ (1,769,747)	$ 16,904,781
District's covered payroll	$ 30,707,659	$ 29,313,288	$ 28,273,436	$ 27,432,416	$ 27,387,280	$ 25,610,465	$ 26,308,327	$ 26,280,573	$25,722,752	$ 24,589,144
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	15.28%	6.13%	10.72%	99.98%	16.06%	15.56%	10.79%	4.63%	6.88%	68.75%
Plan fiduciary net position as a percentage of the total pension liability	102.09%	99.17%	98.57%	113.20%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%
Discount rate	6.95%	6.95%	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%

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

See Paragraph on Required Supplementary Information Included in Auditor's Report

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

NYSERS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 786,359	$ 715,951	$ 530,920	$ 629,557	$ 649,626	$ 589,359	$ 573,939	$ 563,834	$ 586,700	$ 714,379
Contributions in relation to the contractually required contribution	786,359	715,951	530,920	629,557	649,626	589,359	573,939	563,834	586,700	714,379
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 6,642,620	$ 6,316,964	$ 5,731,597	$ 4,817,272	$ 4,653,312	$ 4,397,069	$ 4,444,060	$ 4,408,269	$ 4,146,800	$ 3,779,737
Contributions as a percentage of covered payroll	11.84%	11.33%	9.26%	13.07%	13.96%	13.40%	12.91%	12.79%	14.15%	18.90%

NYTRS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 3,077,318	$ 2,929,725	$ 2,988,394	$ 2,742,220	$ 2,559,403	$ 2,393,005	$ 2,719,831	$ 2,506,119	$ 2,973,517	$ 3,410,837
Contributions in relation to the contractually required contribution	3,077,318	2,929,725	2,988,394	2,742,220	2,559,403	2,393,005	2,719,831	2,506,119	2,973,517	3,410,837
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 31,151,120	$ 30,707,659	$ 29,313,288	$ 28,273,436	$ 27,432,416	$ 27,387,280	$ 25,610,465	$ 26,308,327	$ 26,280,573	$ 25,722,752
Contributions as a percentage of covered payroll	9.88%	9.54%	10.19%	9.70%	9.33%	8.74%	10.62%	9.53%	11.31%	13.26%

See Paragraph on Required Supplementary Information Included in Auditor's Report

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

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 4,656,672	$ 4,534,304	$ 4,752,381	$ 7,169,879	$ 6,964,420	$ 4,682,913	$ 2,940,323	$ 3,056,921
Interest	4,948,652	4,600,560	4,069,222	3,164,745	3,352,228	4,094,380	2,840,802	2,530,371
Changes of benefit terms	458,315	-	(397,726)	-	(628,320)	-	(120,564)	-
Differences between expected and actual experience	(3,383,960)	1,227,526	(717,343)	(5,761,653)	(4,034,110)	(4,111,868)	8,191,605	-
Changes of assumptions or other inputs	(10,713,892)	(1,450,956)	(8,155,933)	(31,022,990)	(8,417,465)	30,721,119	30,134,091	(3,587,661)
Benefit payments	(2,756,100)	(3,006,591)	(2,776,835)	(2,630,610)	(2,590,875)	(2,665,314)	(2,306,920)	(2,144,930)
Net change in total OPEB liability	(6,790,313)	5,904,843	(3,226,234)	(29,080,629)	(5,354,122)	32,721,230	41,679,337	(145,299)
Total OPEB liability - beginning	114,252,339	108,347,496	111,573,730	140,654,359	146,008,481	113,287,251	71,607,914	71,753,213
Total OPEB liability - ending	$ 107,462,026	$ 114,252,339	$ 108,347,496	$ 111,573,730	$ 140,654,359	$ 146,008,481	$ 113,287,251	$ 71,607,914
Covered-employee payroll	$ 31,390,792	$ 31,390,792	$ 30,479,815	$ 29,298,850	$ 28,777,150	$ 28,832,582	$ 27,218,968	$ 27,181,679
Total OPEB liability as a percentage of covered-employee payroll	342.34%	363.97%	355.47%	380.81%	488.77%	506.40%	416.21%	263.44%
Discount rate	4.81%	4.21%	4.13%	3.54%	2.16%	2.21%	3.51%	3.87%

Notes to Schedule:

Trust Assets

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

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET-GENERAL FUND
AND SECTION 1318 OF THE REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		$ 79,769,660
Add: Prior year's encumbrances		792,902
Original Budget		80,562,562
Budget revisions:		
Insurance recoveries	$ 42,407	
Appropriated use of tax certiorari reserve	22,028	
Appropriated use of employee benefit accrued liability reserve	119,082	
Appropriated use of unemployment reserve	10,000	
Appropriated use of insurance reserve	5,000	
Appropriated use of liability reserve	45,000	
		243,517
Final Budget		$ 80,806,079

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-2026 voter-approved expenditure budget		$ 79,527,212
Maximum allowed (4% of 2025-2026 budget)		$ 3,181,088
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance:	$ 940,071	
Unassigned fund balance	3,181,087	
Total unrestricted fund balance		4,121,158
Less:		
Appropriated fund balance	100,000	
Encumbrances included in assigned fund balance	840,071	
Total adjustments		940,071
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 3,181,087
Actual percentage		4.00%

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES- CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

				Expenditures				Methods of Financing						Fund
Project Title	SED Project #	Original Appropriation	Revised Appropriation	Prior Year's	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Other Financing Sources Leases	Total	Balance June 30, 2025
Construction - Bleachers/Fields		$ 256,254	$ 281,435	$ 256,254	$ -	$ 256,254	$ 25,181	$ -	$ -	$ 281,435	$ -	$ 281,435	$ 25,181
Gas Line - District Wide	various	250,000	216,998	213,901	3,097	216,998	-	-	-	216,998	-	216,998	-
Columbus Boiler, HVAC and Gas Line	0-004-009	2,938,195	2,972,848	2,835,777	137,070	2,972,847	1	-	-	2,972,848	-	2,972,848	1
Columbus Roof	0-004-010	1,097,000	1,097,000	1,049,469	47,531	1,097,000	-	-	-	1,097,000	-	1,097,000	-
Hawthorne Elementary Construction Project 15-16	0-002-010	488,350	488,350	417,169	71,180	488,349	1	-	-	488,350	-	488,350	1
Elevator - 2016-2017	0-006-011	512,000	499,722	439,577	60,145	499,722	-	-	-	499,722	-	499,722	-
Ceiling Tile and Lighting - WHS		297,000	297,000	283,273	13,727	297,000	-	-	-	297,000	-	297,000	-
WMS Steam Maker Space/Theater Storage		2,058,980	2,237,875	430,807	1,639,155	2,069,962	167,913	-	-	2,237,875	-	2,237,875	167,913
Theater Rigging - WHS		263,250	263,250	257,359	-	257,359	5,891	-	-	263,250	-	263,250	5,891
Track Repair WHS		193,050	11,955	990	-	990	10,965	-	-	11,955	-	11,955	10,965
Unallocated - CES/HES		90,720	90,720	90,720	-	90,720	-	-	-	90,720	-	90,720	-
Athletic and PE Space	0-005-020	2,335,729	2,348,007	2,314,293	-	2,314,293	33,714	-	-	2,348,007	-	2,348,007	33,714
Maintenance Building		864,271	1,857,088	1,802,625	-	1,802,625	54,463	-	-	1,857,088	-	1,857,088	54,463
2016 Bond Referendum Projects	various	39,621,180	38,121,180	38,057,974	-	38,057,974	63,206	38,121,180	-	-	-	38,121,180	63,206
Athletic Field Renovations		9,777,745	11,458,840	10,813,229	598,066	11,411,295	47,545	11,277,745	-	181,095	-	11,458,840	47,545
23-24 Lease Agreement		265,000	265,000	265,000	-	265,000	-	-	-	-	265,000	265,000	-
24-25 Lease Agreement		265,000	265,000	-	265,000	265,000	-	-	-	-	265,000	265,000	-
Theater Upgrades		1,600,000	3,200,000	20,905	13,688	34,593	3,165,407	-	-	3,200,000	-	3,200,000	3,165,407
2024 Instructional Bond Projects	various	35,957,772	35,957,772	293,432	1,081,220	1,374,652	34,583,120	-	-	1,600,000	-	1,600,000	225,348
PPS Office Phase 1		1,064,271	2,011,720	37,199	1,392,085	1,429,284	582,436	-	-	1,758,288	-	1,758,288	329,004
District Wide Health & Safety			720,000	-	125,272	125,272	594,728	-	-	720,000	-	720,000	594,728
		$ 100,195,767	$ 104,661,760	$ 59,879,953	$ 5,447,236	$ 65,327,189	$ 39,334,571	$ 49,398,925	$ -	$ 20,121,631	$ 530,000	$ 70,050,556	$ 4,723,367

See Paragraph on Other Supplementary Information Included in Auditor's Report

MOUNT PLEASANT CENTRAL SCHOOL DISTRICT OTHER SUPPLEMENTARY INFORMATION SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS 4
JUNE 30, 2025

Capital assets, net		$ 80,258,422
Intangible lease assets, net		679,957
Deduct:		
Construction bonds payable, inclusive of unamortized bond premium	$ 30,940,055	
Less: Unspent bond proceeds	(110,751)	30,829,304
Short-term portion of lease liability	$ 290,522	
Long-term portion of lease liability	429,363	719,885
Net investment in capital assets		$ 49,389,190

See Paragraph on Other Supplementary Information Included in Auditor's Report

Robert S. Abrams
(1926-2014)

R.S. ABRAMS & CO., LLP
Accountants & Consultants for Over 75 years

Marianne E. Van Duyne, CPA
Alexandria M. Battaglia, CPA
Brendan Nelson, CPA
Christopher Schneider, CPA

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

To the Board of Education
Mount Pleasant Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Mount Pleasant Central School District (the "District"), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 16, 2025.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 16, 2025