

**Mount Pleasant Cottage School Union Free  
School District, New York**

Financial Statements and  
Supplementary Information

Year Ended June 30, 2019



# Mount Pleasant Cottage School Union Free School District, New York

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## **Independent Auditors' Report**

**The Board of Education of the  
Mount Pleasant Cottage School Union Free School District, New York**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Mount Pleasant Cottage School Union Free School District, New York ("School District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General and Special Aid funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Supplementary and Other Information***

Our audit for the year ended June 30, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The individual fund financial statements and schedules for the year ended June 30, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2019.

We also previously audited, 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, the basic financial statements of the School District as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated November 30, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended June 30, 2018 are 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 relate directly to the underlying accounting and other records used to prepare the 2018 financial statements.

The individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2019 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School 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 School District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

December 5, 2019

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

**Independent Auditors' Report**

**The Board of Education of the  
Mount Pleasant Cottage School Union Free School District, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Mount Pleasant Cottage School Union Free School District, New York ("School District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 5, 2019.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **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 School 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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

December 5, 2019

# **Mount Pleasant Cottage School Union Free School District, New York**

## **Management's Discussion and Analysis (MD&A) June 30, 2019**

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### **Introduction**

Our discussion and analysis of the Mount Pleasant Cottage School Union Free School District, New York's ("School District") financial performance provides an overview of the School District's financial activities for the year ended June 30, 2019. It should be read in conjunction with the basic financial statements to enhance understanding of the School District's financial performance, which immediately follows this section.

### **Financial Highlights**

Key financial highlights for fiscal year 2019 are as follows:

- The School District has been established pursuant to New York State law as a "Special Act School District" for the purpose of providing education to children with physical and medical disabilities. As a Special Act School District, tuition charges represent the primary revenue source. The School District's tuition is established by a rate setting methodology provided by the State Education Department, which is designed to provide sufficient resources to fund costs, subject to certain cost ceilings and growth limitations. The School District operates within this structure. At the end of the 2018-2019 fiscal year, the General Fund reported an unassigned fund balance of \$113,202. The total fund balance increased by \$48,358 during the 2018-19 fiscal year. As a point of reference, the School District's General Fund reflected an unassigned deficit of \$5,351,379 at the close of the 2008/09 fiscal year.
- The School District retired its outstanding cash flow borrowing in the prior fiscal year in the form of revenue anticipation notes ("RAN"). As the School District's deficit has decreased over the past decade, its reliance on cash flow borrowings also decreased. As a point of reference, the School District had outstanding cash flow borrowings in the form of RAN's aggregating \$8,175,000 during the 2007/08 fiscal year.
- For the year ended June 30, 2019, the School District received a \$8.80 daily student tuition rate increase. This rate increase helped the School District minimize revenue loss caused by a lower than expected census.
- On the district-wide financial statements, the liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources of the School District at June 30, 2019 by \$41,577,756 (net position), a decrease of \$413,202 from the net deficit position of (\$41,164,554) for the year ended June 30, 2018. This is primarily the result of the School District's implementation of the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")*". This statement addressed accounting and financial reporting for OPEB by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. This statement supersedes the provisions of GASB Statement No. 45, *"Accounting and Financial Reporting By Employers for Postemployment Benefits Other Than Pensions"*. The primary distinction between the two standards is that since no mechanism exists under current New York State law for New

York municipalities and school districts to pre-fund these obligations in an irrevocable trust, entities must now report their *total* OPEB liability as opposed to the *net* OPEB liability that has been reported under the prior standard. For the year ending June 30, 2019, the School District's OPEB obligations of \$46,764,411 are reflected as a liability on the district-wide Statement of Net Position and, thus, negatively impacts the total net position calculation. More detailed information about the School District's OPEB obligations reported in accordance with the provisions of GASB Statement No. 75 is presented in note 3C in the notes to the financial statements.

- The district-wide financial statements for the year ended June 30, 2019 are also significantly impacted by the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*". This pronouncement established accounting and financial reporting requirements associated with the School District's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS"). Under this standard, cost-sharing employers are required to report in their district-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At June 30, 2019, the School District reported in its Statement of Net Position a liability for its proportionate share of the ERS net pension liability of \$523,750 and an asset of \$622,692 for its proportionate share of the TRS net pension asset. More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in note 3C in the notes to financial statements.

## **Overview of the Financial Statements**

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

### *District-Wide Financial Statements*

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

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

## *Fund Financial Statements*

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- The School District maintains three individual governmental funds: General Fund, Special Aid Fund and Special Purpose Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for each fund, since the School District has elected to report them as major funds.
- The School District adopts an annual budget for its General Fund. A budget is also developed for the Special Aid Fund. A budgetary comparison statement has been provided for the General and the Special Aid funds within the basic financial statements to demonstrate compliance with the respective budgets.
- The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statements because the resources of these funds are *not* available to support the School District's programs.

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

## *Notes to Financial Statements*

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

## *Other Information*

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the School District's other postemployment and pension benefit obligations and schedules of budget to actual comparisons.

## District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position.

<b>Net Position</b>				
	June 30,		Increase	
	2019	2018	(Decrease)	% Change
Current Assets	\$ 3,930,191	\$ 3,427,021	\$ 503,170	14.7%
Capital Assets, Net	2,206,459	1,278,080	928,379	72.6%
<b>Total Assets</b>	<b>6,136,650</b>	<b>4,705,101</b>	<b>1,431,549</b>	<b>30.4%</b>
Deferred Outflows of Resources	6,841,319	4,891,960	1,949,359	39.8%
Current Liabilities	3,189,254	3,072,014	117,240	3.8%
Long-Term Liabilities	47,510,386	44,314,841	3,195,545	7.2%
<b>Total Liabilities</b>	<b>50,699,640</b>	<b>47,386,855</b>	<b>3,312,785</b>	<b>7.0%</b>
Deferred Inflows of Resources	3,856,085	3,374,760	481,325	14.3%
<b>Net Position</b>				
Investment in Capital Assets	2,206,459	1,278,080	928,379	72.6%
Restricted	5,043	5,143	(100)	-1.9%
Unrestricted	(43,789,258)	(42,447,777)	(1,341,481)	3.2%
<b>Total Net Position</b>	<b>\$ (41,577,756)</b>	<b>\$ (41,164,554)</b>	<b>\$ (413,202)</b>	<b>1.0%</b>

The largest component of the School District's current assets reflects its receivables from outside parties for tuition billings and federal support. While School District receivables from other governments displayed an increase of \$210,936 from the 2017/2018 fiscal year, state and federal aid receivables increased by \$106,598 and net pension asset increased by \$337,672, the cash position decreased by \$234,507.

Current liabilities consist primarily of obligations to ERS and TRS of \$1,005,400 and accounts payable of \$2,013,424. These obligations will be satisfied in the 2019/20 fiscal year.

Long-term liabilities primarily reflect the amount of \$46,764,411 for other postemployment benefit obligations recorded in accordance with GASB Statement No. 75. This represents an increase of \$2,890,106 from 2017/18.

## Changes in Net Position

	June 30,		Increase (Decrease)	% Change
	2019	2018		
<b>REVENUES</b>				
Program Revenues				
Charges for Services	\$ 16,619,765	\$ 15,883,985	\$ 735,780	4.6%
Operating Grants and Contributions	624,062	267,672	356,390	133.1%
Total Program Revenues	17,243,827	16,151,657	1,092,170	6.8%
General Revenues				
Unrestricted Use of Money and Property	563	597	(34)	-5.7%
Sale of Property and Compensation for loss	13,193	12,077	1,116	9.2%
Unrestricted State Aid	258,280	190,751	67,529	35.4%
Miscellaneous	42,899	46,028	(3,129)	-6.8%
Total General Revenues	314,935	249,453	65,482	26.3%
Total Revenues	17,558,762	16,401,110	1,157,652	7.1%
<b>EXPENSES</b>				
General Support	2,375,962	3,122,638	(746,676)	-23.9%
Instruction	15,411,332	13,764,363	1,646,969	12.0%
Pupil Transportation	178,795	213,477	(34,682)	-16.2%
Other	5,875	3,738	2,137	0.0%
Interest	-	3,245	(3,245)	-100.0%
Total Expenses	17,971,964	17,107,461	864,503	5.1%
Change in Net Position	(413,202)	(706,351)	293,149	41.5%
<b>NET POSITION</b>				
Beginning, as reported	(41,164,554)	(10,726,807)	(30,437,747)	-283.8%
Cumulative Effect of Change in Accounting Principle	-	(29,731,396)	29,731,396	0.0%
Beginning, as restated	(41,164,554)	(40,458,203)	(706,351)	1.7%
Ending	<u>\$ (41,577,756)</u>	<u>\$ (41,164,554)</u>	<u>\$ (413,202)</u>	<u>-1.0%</u>

There was a decrease in net position of \$413,202 primarily as a result of the increase in the OPEB liabilities in accordance with GASB Statement No. 75. Other notable items are as follows:

### Revenues:

- The revenues increased from 2018/2019 as the tuition billings increased by \$735,780, federal and state grants increased by \$354,349 and the total revenues increased by \$1,157,652.

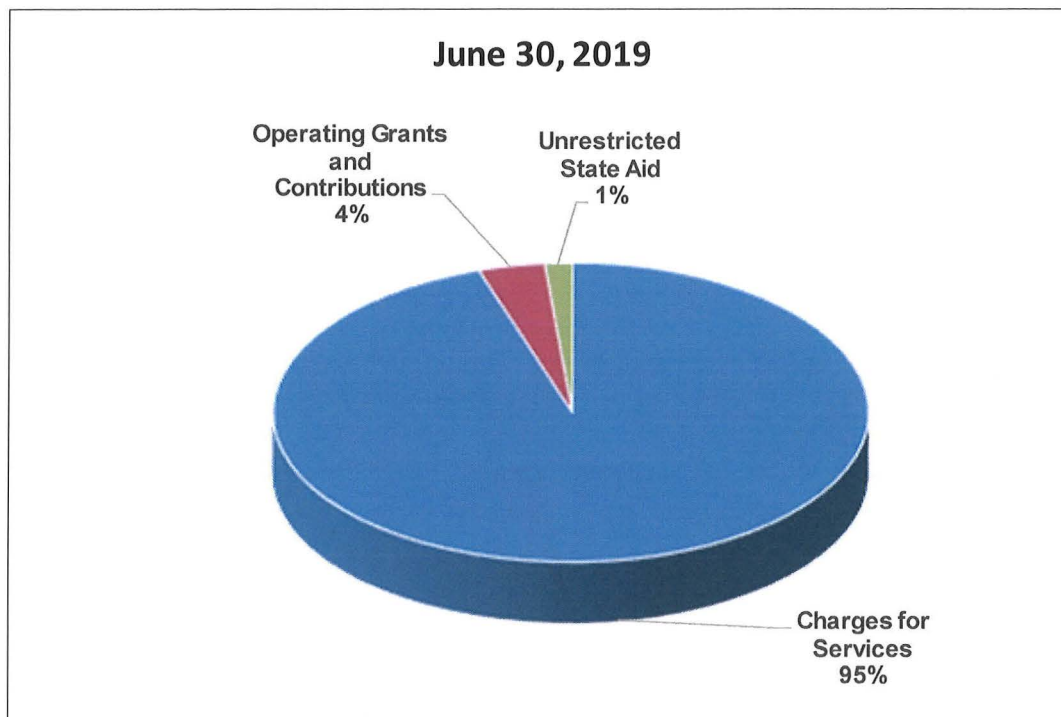
### Expenses:

- Total expenses increased by \$864,503. There was a decrease in general support expenses of \$746,676 and an increase in instructional expense of \$1,646,969.

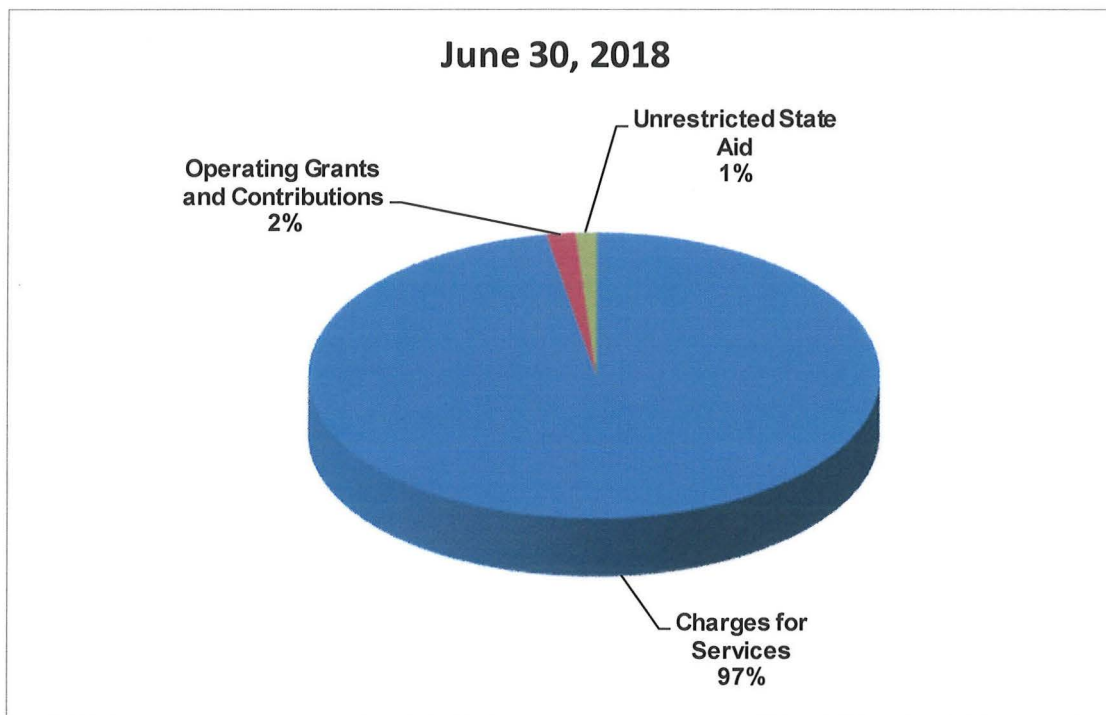


As indicated on the following graphs, the School District relies upon tuition billings as its primary revenue source. As noted on the following graph, tuition billing accounts for 95% of the School District's revenue stream. Instructional expenses account for over 86% of the School District's expenses.

### Sources of Revenues Governmental Activities

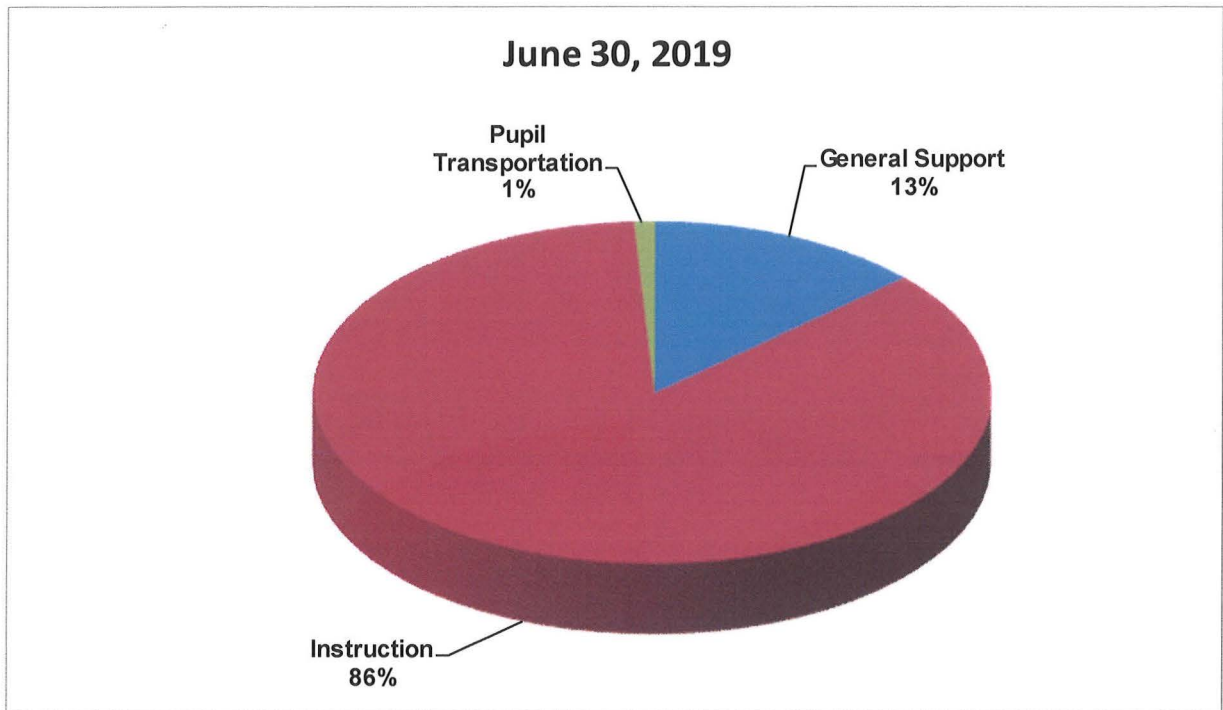


**Vs.**

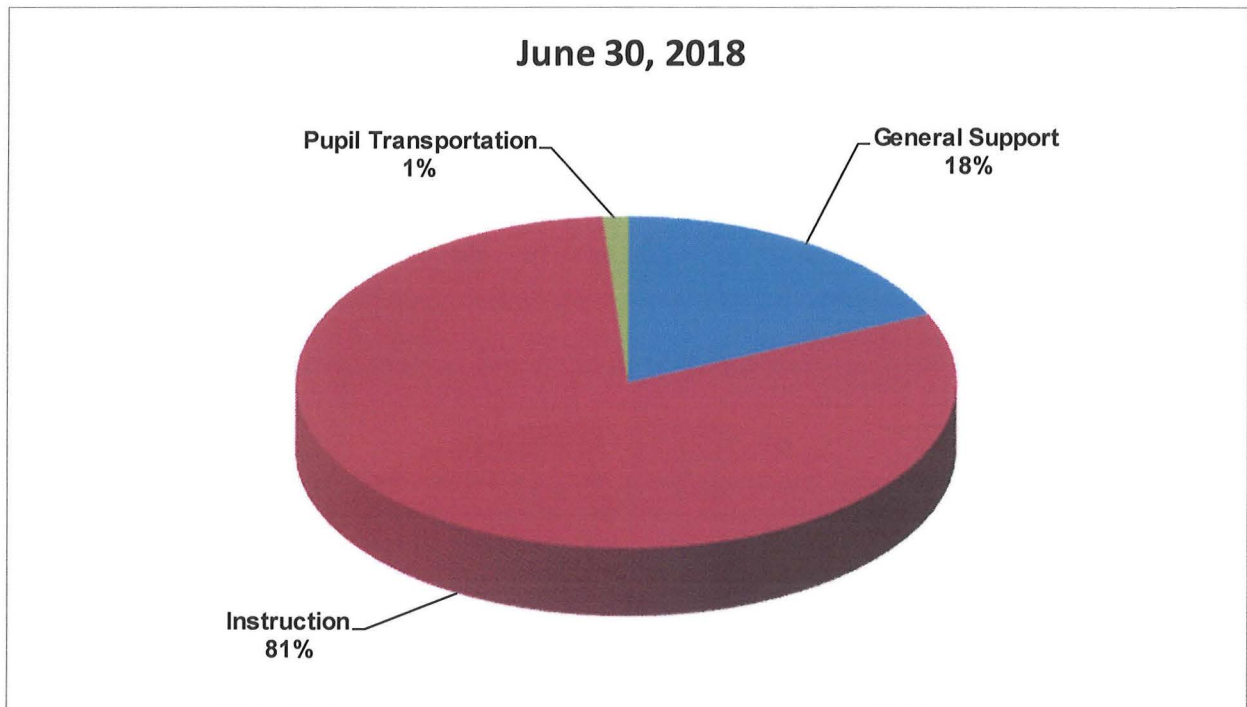




**Sources of Expenses  
Governmental Activities**



**VS.**



\* Interest was less than 1%

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

#### *Fund Balance Reporting*

GASB issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" in February 2009. The requirements of Statement No. 54 became effective for financial statements for periods ending June 30, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

- Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.
- Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
- Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Note: According to the Office of the State Comptroller, school districts in New York will not have committed fund balance to report.

- Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to bring greater clarity and consistency to fund balance reporting, thus resulting in an improvement in the usefulness of fund balance information.

#### *Governmental Funds*

The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the School District's financing requirements. While *unassigned fund balance* may serve as a useful measure of a public school district's net resources available for spending at the end of the fiscal year, the rate setting methodology governing special act school districts does not allow for the creation of unassigned fund balance, except from prior period revenues.

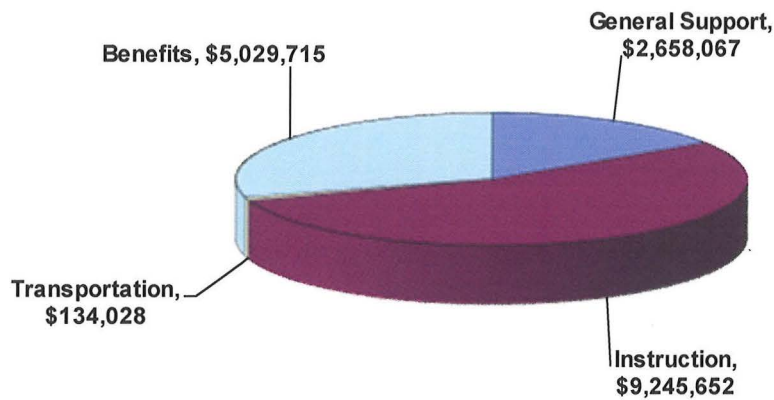
As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$118,245, which was comprised of \$113,202 in the General Fund and \$5,043 in the Special Purpose Fund.

The results of operations at the end of 2018-2019 reflect the School District's improved financial position and its successful efforts to balance revenues and expenditures and maintain fund balance for future operations.

## General Fund Budgetary Highlights

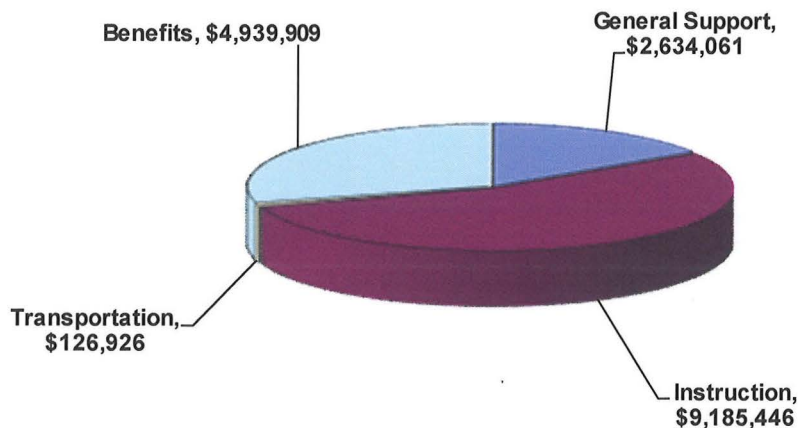
The School District's 2018/19 adopted budget was \$16,007,743. The overall total budget was amended during the 2018/19 fiscal year to \$17,067,462. The actual expenditures were \$181,120 less than the budgeted amount. As stated earlier, this was the result of a deliberate effort to adjust School District expenditures to match actual student enrollment FTE headcount to insure that School District staffing patterns are stringently aligned with student population. As the student census was lower than the projected census in the final budget, the expenditures also had to be reduced. The School District will continue to monitor student census in the 2019/20 school year and will adjust expenditures accordingly.

**General Fund 2018-2019  
Final Budgeted Expenditures**



VS.

**General Fund 2017-2018  
Actual Expenditures**



### Capital Assets

At June 30, 2019, the School District had \$2,206,459 net of accumulated depreciation, invested in capital assets, including buildings and improvements and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below.

Class	June 30,	
	2019	2018
Buildings	\$ 1,462,796	\$ 656,338
Machinery and Equipment	743,663	621,742
Total Capital Assets, net of accumulated depreciation	<u>\$ 2,206,459</u>	<u>\$ 1,278,080</u>

More detailed information about the School District's capital assets is presented in Note 3B in the notes to financial statements.

### Long-Term Debt

	June 30,	
	2019	2018
Compensated Absences	\$ 154,250	\$ 142,630
Net Pension Liability	523,750	207,187
Retirement Incentives and Other Pension Obligations	67,975	90,719
Other Post Employment Benefit Obligations Payable	<u>46,764,411</u>	<u>43,874,305</u>
	<u>\$ 47,510,386</u>	<u>\$ 44,314,841</u>

The School District's long-term obligations increase of \$3,195,545 reflects increases of \$2,890,106 in liabilities for other postemployment retirement benefits. There was also an increase in net pension liabilities to the ERS of \$316,563 calculated in accordance with the provisions of GASB Statement No. 68.

More detailed information about the School District's long-term liabilities is presented in Note 3C in the notes to financial statements.

### Economic Factors and Next Year's Budget

The General Fund budget, as approved by the Board for the year ending June 30, 2020, is \$17,081,047.

The School District's approved budget was created with a student census projection of 255 FTE. This was an increase from the FY18-19 FTE, but consistent with the actual enrollment. The School District made a conscious effort to create a conservative budget due to the census not increasing over the past two years. However, the School District will continue to monitor student census and adjust spending as needed to ensure that the School District's expenditures meets its revenue. The School District is hopeful for a rate increase during the 2019-2020 school year, but as there was no rate increase announced at the time the budget was adopted, the 2018-2019 prospective rate was used in creating the 2019-2020 budget.

### **Requests for Information**

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

Mount Pleasant Cottage School Union Free School District  
Attn: Angelo M. Rubbo  
Assistant Superintendent for Business, Finance and Facilities  
1075 Broadway  
Pleasantville, New York 10570

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**Mount Pleasant Cottage School Union Free School District, New York**

Statement of Net Position  
June 30, 2019

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 467,297
Receivables	
Accounts	135,346
State and Federal aid	264,167
Due from other governments	2,440,689
Net pension asset	622,692
Capital assets	
Being depreciated, net	<u>2,206,459</u>
Total Assets	<u>6,136,650</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>6,841,319</u>
<b>LIABILITIES</b>	
Accounts payable	2,013,424
Unearned revenues	170,430
Due to retirement systems	1,005,400
Non-current liabilities	
Due within one year	35,774
Due in more than one year	<u>47,474,612</u>
Total Liabilities	<u>50,699,640</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>3,856,085</u>
<b>NET POSITION</b>	
Investment in capital assets	2,206,459
Restricted	
Special purposes	5,043
Unrestricted	<u>(43,789,258)</u>
Total Net Position	<u><u>\$ (41,577,756)</u></u>

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

**Mount Pleasant Cottage School Union Free School District, New York**

**Statement of Activities  
Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
General support	\$ 2,375,962	\$ -	\$ -	\$ (2,375,962)
Instruction	15,411,332	16,619,765	618,287	1,826,720
Pupil transportation	178,795	-	-	(178,795)
Other	5,875		5,775	(100)
Total Governmental Activities	17,971,964	16,619,765	624,062	(728,137)
General revenues				
Unrestricted use of money and property				563
Sale of property and compensation for loss				13,193
Unrestricted State aid				258,280
Miscellaneous				42,899
Total General Revenues				314,935
Change in Net Position				(413,202)
Net Position - Beginning				(41,164,554)
Net Position - Ending				<u>\$ (41,577,756)</u>

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



**Mount Pleasant Cottage School Union Free School District, New York**

Balance Sheet  
Governmental Funds  
June 30, 2019

	General	Special Aid	Special Purpose	Total Governmental Funds
<b>ASSETS</b>				
Cash and equivalents	\$ 461,356	\$ 898	\$ 5,043	\$ 467,297
Receivables				
Accounts	135,346	-	-	135,346
State and Federal aid	207,852	56,315	-	264,167
Due from other governments	2,440,689	-	-	2,440,689
Due from other funds	-	278,460	-	278,460
	<u>2,783,887</u>	<u>334,775</u>	<u>-</u>	<u>3,118,662</u>
Total Assets	<u>\$ 3,245,243</u>	<u>\$ 335,673</u>	<u>\$ 5,043</u>	<u>\$ 3,585,959</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 1,848,181	\$ 165,243	\$ -	\$ 2,013,424
Due to other funds	278,460	-	-	278,460
Unearned revenues	-	170,430	-	170,430
Due to retirement systems	1,005,400	-	-	1,005,400
Total Liabilities	<u>3,132,041</u>	<u>335,673</u>	<u>-</u>	<u>3,467,714</u>
Fund balances				
Restricted	-	-	5,043	5,043
Unassigned	113,202	-	-	113,202
Total Fund Balances	<u>113,202</u>	<u>-</u>	<u>5,043</u>	<u>118,245</u>
Total Liabilities and Fund Balances	<u>\$ 3,245,243</u>	<u>\$ 335,673</u>	<u>\$ 5,043</u>	<u>\$ 3,585,959</u>

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

**Mount Pleasant Cottage School Union Free School District, New York**

Reconciliation of Governmental Funds Balance Sheet  
to the District-Wide Statement of Net Position  
Year Ended June 30, 2019

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

Fund Balances - Total Governmental Funds	\$ 118,245
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>2,206,459</u>
Governmental funds do not report the effect of assets and liabilities related to net pension assets (liabilities) and postemployment benefit obligations whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on net pension liabilities	3,259,953
Deferred amounts on postemployment benefit obligations	<u>(274,719)</u>
	<u>2,985,234</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Net pension asset	<u>622,692</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Compensated absences	(154,250)
Net pension liability	(523,750)
Retirement incentives and other pension obligations	(67,975)
Other postemployment benefit obligations payable	<u>(46,764,411)</u>
	<u>(47,510,386)</u>
Net Position of Governmental Activities	<u>\$ (41,577,756)</u>

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

**Mount Pleasant Cottage School Union Free School District, New York**

## Statement of Revenues, Expenditures and Changes in Fund Balances

## Governmental Funds

Year Ended June 30, 2019

	General	Special Aid	Special Purpose	Total Governmental Funds
<b>REVENUES</b>				
Charges for services	\$ 16,619,765	\$ -	\$ -	\$ 16,619,765
Use of money and property	563	-	-	563
Sale of property and compensation for loss	13,193	-	-	13,193
State aid	258,280	-	-	258,280
Federal aid	-	618,287	-	618,287
Miscellaneous	42,899	-	5,775	48,674
<b>Total Revenues</b>	<b>16,934,700</b>	<b>618,287</b>	<b>5,775</b>	<b>17,558,762</b>
<b>EXPENDITURES</b>				
Current				
General support	2,634,061	-	-	2,634,061
Instruction	9,185,446	618,287	-	9,803,733
Pupil transportation	126,926	-	-	126,926
Employee benefits	4,939,909	-	-	4,939,909
Other	-	-	5,875	5,875
<b>Total Expenditures</b>	<b>16,886,342</b>	<b>618,287</b>	<b>5,875</b>	<b>17,510,504</b>
Excess (Deficiency) of Revenues Over Expenditures	48,358	-	(100)	48,258
<b>FUND BALANCE</b>				
Beginning of Year	64,844	-	5,143	69,987
End of Year	<u>\$ 113,202</u>	<u>\$ -</u>	<u>\$ 5,043</u>	<u>\$ 118,245</u>

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

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**Mount Pleasant Cottage School Union Free School District, New York**

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended June 30, 2019

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 48,258</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlays	1,103,460
Depreciation expense	<u>(175,081)</u>
	<u>928,379</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	(11,620)
Retirement incentives and other pension obligations	22,744
Pension assets (liabilities)	(72,066)
Other postemployment benefit obligations	<u>(1,328,897)</u>
	<u>(1,389,839)</u>
Change in Net Position of Governmental Activities	<u>\$ (413,202)</u>

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

**Mount Pleasant Cottage School Union Free School District, New York**

Statement of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 General and Special Aid Funds  
 Year Ended June 30, 2019

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Charges for services	\$ 16,007,743	\$ 17,067,462	\$ 16,619,765	\$ (447,697)
Use of money and property	-	-	563	563
Sale of property and compensation for loss	-	-	13,193	13,193
State aid	-	-	258,280	258,280
Federal aid	-	-	-	-
Miscellaneous	-	-	42,899	42,899
Total Revenues	16,007,743	17,067,462	16,934,700	(132,762)
<b>EXPENDITURES</b>				
Current				
General support	1,975,015	2,658,067	2,634,061	24,006
Instruction	8,548,939	9,245,652	9,185,446	60,206
Pupil transportation	128,102	134,028	126,926	7,102
Employee benefits	5,355,687	5,029,715	4,939,909	89,806
Total Expenditures	16,007,743	17,067,462	16,886,342	181,120
Excess of Revenues Over Expenditures	-	-	48,358	48,358
<b>FUND BALANCE</b>				
Beginning of Year	-	-	64,844	64,844
End of Year	\$ -	\$ -	\$ 113,202	\$ 113,202

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

Special Aid Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
962,873	962,873	618,287	(344,586)
-	-	-	-
962,873	962,873	618,287	(344,586)
-	-	-	-
962,873	962,873	618,287	344,586
-	-	-	-
-	-	-	-
962,873	962,873	618,287	344,586
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

**Mount Pleasant Cottage School Union Free School District, New York**

**Statement of Assets and Liabilities**

**Fiduciary Fund**

**June 30, 2019**

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and equivalents	<u>\$ 142,728</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 132,646
Employee payroll deductions	<u>10,082</u>
Total Liabilities	<u>\$ 142,728</u>

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



**Note 1 - Summary of Significant Accounting Policies**

The Mount Pleasant Cottage School Union Free School District, New York ("School District"), as presently constituted, was established in 1967 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and seven of its nine members are appointed by the Board of Directors of the Jewish Child Care Association, the sponsoring agency, while the other two members are appointed by the Commissioner of Education. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as administration, finance and plant maintenance support the primary function.

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

**A. Financial Reporting Entity**

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

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

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

**B. District-Wide Financial Statements**

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

**C. Fund Financial Statements**

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. The School District has elected to treat each governmental fund as a major fund as provided by the provisions of GASB Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*". Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

**Fund Categories**

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the School District are as follows:

Special Aid Fund - The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal or State funds. The major revenues of this fund are Federal and State aid.

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

- b. Fiduciary Funds (Not Included in District-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. The Agency Fund is utilized to account for payroll tax withholdings that are payable to other jurisdiction or individuals.

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, net pension liabilities, certain pension costs and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

**Cash and Equivalents, Investments and Risk Disclosure**

**Cash and Equivalents** - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

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

**Investments** - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

**Risk Disclosure**

**Interest Rate Risk** - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are

**Note 1 - Summary of Significant Accounting Policies (Continued)**

not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2019.

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

**Concentration of Credit Risk** - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

**Receivables** - Receivables include amounts due from other governments for tuition and other items. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

**Due From/To Other Funds** - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2019, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

**Inventories** - There are no inventory values presented in the financial statements of the School District. Purchases of inventoriable items are recorded as expenditures at the time of purchase and year-end balances are not material.

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

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

Property, plant and equipment of the School District are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	20-50
Machinery and Equipment	5-10

**Mount Pleasant Cottage School Union Free School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2019

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$170,430 for State and Federal aid received in advance in the Special Aid Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows and inflows of resources have been reported on the district-wide Statement of Net Position for the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
New York State and Local Employees' Retirement System	\$ 342,440	\$ 269,629
New York State Teachers' Retirement System	3,962,668	775,526
Other postemployment benefit obligations	<u>2,536,211</u>	<u>2,810,930</u>
	<u>\$ 6,841,319</u>	<u>\$ 3,856,085</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources in relation to the School District's pension and other postemployment benefit obligations are detailed in Note 3C.

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Net Pension Liability (Asset)** - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date"*.

**Net Position** - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes investment in capital assets and restricted for special purposes. The balance is classified as unrestricted.

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

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

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

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

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or delegated to the Assistant Superintendent for Business, Finance and Facilities for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the

**Note 1 - Summary of Significant Accounting Policies (Continued)**

unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

**F. Encumbrances**

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

**G. Use of Estimates**

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

**H. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 5, 2019.



# Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)  
June 30, 2019

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## **Note 2 - Stewardship, Compliance and Accountability**

### **A. Budgetary Data**

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

- a) At least two weeks prior to the budget presentation, a copy of the budget is made available to the Board of Education.
- b) At the budget presentation, the Board may raise questions concerning the items contained in the budget.
- c) Formal budgetary integration is employed during the year as a management control device for General and Special Aid funds.
- d) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Board of Education does not adopt a budget for the Special Aid or Special Purpose funds.
- e) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- f) Appropriations in General and Special Aid funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

## **Note 3 - Detailed Notes on All Funds**

### **A. Due From/To Other Funds**

The composition of interfund balances at June 30, 2019 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ -	\$ 278,460
Special Aid	278,460	-
	<u>\$ 278,460</u>	<u>\$ 278,460</u>

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

**Mount Pleasant Cottage School Union Free School District, New York**

Notes to Financial Statements (Continued)  
 June 30, 2019

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

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

Class	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 844,475	\$ 883,021	\$ -	\$ 1,727,496
Machinery and Equipment	1,751,157	220,439	-	1,971,596
Total Capital Assets, being depreciated	2,595,632	1,103,460	-	3,699,092
Less Accumulated Depreciation:				
Buildings and Improvements	188,137	76,563	-	264,700
Machinery and Equipment	1,129,415	98,518	-	1,227,933
Total Accumulated Depreciation	1,317,552	175,081	-	1,492,633
Total Capital Assets, net	<u>\$ 1,278,080</u>	<u>\$ 928,379</u>	<u>\$ -</u>	<u>\$ 2,206,459</u>

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

General Support	\$ 17,508
Instruction	<u>157,573</u>
Total Depreciation Expense	<u>\$ 175,081</u>

**C. Long-Term Liabilities**

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2019:

	Balance July 1, 2018	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2019	Due Within One-Year
Long-Term Liabilities:					
Compensated Absences	\$ 142,630	\$ 25,620	\$ 14,000	\$ 154,250	\$ 15,000
Net Pension Liability	207,187	316,563	-	523,750	-
Retirement Incentives and Other Pension Obligations	90,719	-	22,744	67,975	20,774
Other Post Employment Benefit Obligations	43,874,305	4,352,487	1,462,381	46,764,411	-
Total Long-Term Liabilities	<u>\$ 44,314,841</u>	<u>\$ 4,694,670</u>	<u>\$ 1,499,125</u>	<u>\$ 47,510,386</u>	<u>\$ 35,774</u>

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

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

**Compensated Absences**

Under the terms of the existing collective bargaining agreements, the School District is required to compensate retiring employees with 10 or more years of service for accumulated sick leave. All such employees are to be paid at the rate of \$40 per day if the employee has between 150 and 184 accumulated days. If the employee has accumulated between 185 and 250 days, payments are as follows: teachers \$100 per day; teaching assistants \$50 per day; custodial staff and clerical staff \$60 per day. Administrators and supervisors who have accumulated between 185 and 265 days will be compensated \$100 per day. Vacation time must be taken in the year earned. The value of the compensated absences has been reflected in the district-wide financial statements.

**Pension Plans**

*New York State and Local Employees' Retirement System and Teachers' Retirement System*

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

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

**Mount Pleasant Cottage School Union Free School District, New York**

Notes to Financial Statements (Continued)  
 June 30, 2019

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

at [www.nystrs.org](http://www.nystrs.org) or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2019 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	15.8 %
	5 A15	13.0
	6 A15	9.3
TRS	1-6	10.62 %

At June 30, 2019, the School District reported the following for its proportionate share of the net pension liability (asset) for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2019	June 30, 2018
Net pension liability (asset)	\$ 523,750	\$ (622,692)
School Districts' proportion of the net pension liability (asset)	0.0073921 %	0.034436 %
Change in proportion since the prior measurement date	0.0009726 %	(0.003062) %

The net pension liability (asset) was measured as of March 31, 2019 for ERS and June 30, 2018 for TRS and the total pension liability used to calculate the net pension liability (asset) were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension asset for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2019, the School District recognized pension expense in the district-wide financial statements of \$912,586 (\$300,006 for ERS and \$612,580 for TRS). Pension expenditures of \$233,529 were recorded for ERS (\$222,216 in the General Fund and \$11,313 in the Special Aid Fund). Pension expenditures of \$606,991 were recorded for TRS (\$592,108 in the General Fund and \$14,883 in the Special Aid Fund).

# Mount Pleasant Cottage School Union Free School District, New York

## Notes to Financial Statements (Continued)

June 30, 2019

### Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 103,137	\$ 35,158	\$ 465,333	\$ 84,290
Changes of assumptions	131,649	-	2,176,719	-
Net difference between projected and actual earnings on pension plan investments	-	134,423	-	691,236
Changes in proportion and differences between School District contributions and proportionate share of contributions	45,812	100,048	706,517	-
School District contributions subsequent to the measurement date	61,842	-	614,099	-
	<u>\$ 342,440</u>	<u>\$ 269,629</u>	<u>\$ 3,962,668</u>	<u>\$ 775,526</u>
Total				
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 568,470	\$ 119,448		
Changes of assumptions	2,308,368	-		
Net difference between projected and actual earnings on pension plan investments	-	825,659		
Changes in proportion and differences between School District contributions and proportionate share of contributions	752,329	100,048		
School District contributions subsequent to the measurement date	675,941	-		
	<u>\$ 4,305,108</u>	<u>\$ 1,045,155</u>		

\$61,842 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2020. The \$614,099 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31,	June 30,
	ERS	TRS
2019	\$ -	\$ 760,851
2020	78,513	560,464
2021	(117,319)	181,396
2022	(20,219)	558,997
2023	69,994	398,016
Thereafter		113,319

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

The total pension liability for the ERS and TRS measurement dates were determined by using actuarial valuation dates as noted below, with update procedures used to roll forward the total pension liabilities to those measurement dates. Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2019	June 30, 2018
Actuarial valuation date	April 1, 2018	June 30, 2017
Investment rate of return	7.0% *	7.25% *
Salary scale	4.2%	1.90%-4.72%
Inflation rate	2.5%	2.3%
Cost of living adjustments	1.3%	1.5%

\*Compounded annually, net of pension plan investment expenses, including inflation.

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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 for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

# Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)  
June 30, 2019

## Note 3 - Detailed Notes on All Funds (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

Asset Type	ERS March 31, 2019		TRS June 30, 2018	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.55 %	33 %	5.8 %
International Equity	14	6.35	16	7.3
Private Equity	10	7.50	8	8.9
Real Estate	10	5.55	11	4.9
Domestic Fixed Income Securities	-	-	16	1.3
Global Fixed Income Securities	-	-	2	0.9
High Yield Fixed Income Securities	-	-	1	3.5
Short-Term	-	-	1	0.3
Global Equities	-	-	4	6.7
Private Debt	-	-	1	6.8
Real Estate Debt	-	-	7	2.8
Absolute Return Strategies	2	3.75	-	-
Opportunistic Portfolio	3	5.68	-	-
Real Assets	3	5.29	-	-
Bonds and Mortgages	17	1.31	-	-
Cash	1	(0.25)	-	-
Inflation Indexed Bonds	4	1.25	-	-
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.3% for TRS.

The discount rate used to calculate the total pension liability was 7.0% for ERS and 7.25% 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 determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.0% for ERS and 7.25% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were

**Mount Pleasant Cottage School Union Free School District, New York**

## Notes to Financial Statements (Continued)

June 30, 2019

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

calculated using a discount rate that is 1 percentage point lower (6.0% for ERS and 6.25% for TRS) or 1 percentage point higher (8.0% for ERS and 8.25% for TRS) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 2,289,919</u>	<u>\$ 523,750</u>	<u>\$ (959,957)</u>
	1% Decrease (6.25%)	Current Assumption (7.25%)	1% Increase (8.25%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 4,277,999</u>	<u>\$ (622,692)</u>	<u>\$ - (4,728,110)</u>

The components of the collective net pension liability as of the March 31, 2019 ERS measurement date and the June 30, 2018 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 189,803,429,000	\$ 118,107,253,288
Fiduciary net position	<u>182,718,124,000</u>	<u>119,915,517,622</u>
Employers' net pension liability (asset)	<u>\$ 7,085,305,000</u>	<u>\$ (1,808,264,334)</u>
Fiduciary net position as a percentage of total pension liability	<u>96.27%</u>	<u>101.53%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2019 represent the projected employer contribution for the period April 1, 2019 through June 30, 2019 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2019 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2019 represent employee and employer contributions for the fiscal year ended June 30, 2019 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2019 were \$61,842 to ERS and \$943,558 to TRS (including employee contributions of \$36,544 and prior year unpaid obligations of \$292,915).



# Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)  
June 30, 2019

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## **Note 3 - Detailed Notes on All Funds (Continued)**

### *Voluntary Defined Contribution Plan*

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

### **Retirement Incentives and Other Pension Obligations**

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their ERS contribution beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The School District elected to amortize the maximum allowable ERS contributions as noted in the table below.

	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
2012 ERS	\$ 72,977	\$ 8,886	\$ 5,948	\$ 5,948
2013 ERS	142,344	16,687	62,027	14,826
	<u>\$ 215,321</u>	<u>\$ 25,573</u>	<u>\$ 67,975</u>	<u>\$ 20,774</u>

The current year payments were charged to retirement expenditures in the General Fund.

### **Other Post Employment Benefit Obligations ("OPEB")**

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing post employment health care benefits is shared between the School District and the retired employee as noted below. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the School District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

# Mount Pleasant Cottage School Union Free School District, New York

## Notes to Financial Statements (Continued)

June 30, 2019

### Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	101
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>104</u>
	<u>205</u>

The School District's total OPEB liability of \$46,764,411 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2018.

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.2%
Real wage growth	1.6%
Wage inflation	2.9%
Salary increases	10.0% - 2.9%, average, including inflation
Discount rate	3.51%
Healthcare cost trend rates	5.4% for 2019 decreasing to an ultimate rate of 3.84% by 2075
Retirees' share of benefit-related costs	Varies from 0% to 50%, depending on applicable hire date and bargaining unit

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

Mortality rates were based on Pub-2010 Employees Headcount-Weighted table projected fully generationally using MP-2018.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The School District's change in the total OPEB liability for the year ended June 30, 2019 is as follows:

Total OPEB Liability - Beginning of Year	\$ 43,874,305
Service cost	1,215,407
Interest	1,716,943
Changes of benefit terms	17,168
Differences between expected and actual experience	(1,640,484)
Changes in assumptions or other inputs	3,043,453
Benefit payments	<u>(1,462,381)</u>
Total OPEB Liability - End of Year	<u>\$ 46,764,411</u>

**Mount Pleasant Cottage School Union Free School District, New York**

Notes to Financial Statements (Continued)

June 30, 2019

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.51%) or 1 percentage point higher (4.51%) than the current discount rate:

	1% Decrease (2.51%)	Current Assumption (3.51%)	1% Increase (4.51%)
Total OPEB Liability	<u>\$ 57,360,676</u>	<u>\$ 46,764,411</u>	<u>\$ 41,907,218</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.40% decreasing to 2.84%) or 1 percentage point higher (6.40% decreasing to 4.84%) than the current healthcare cost trend rates:

	1% Decrease (4.40% decreasing to 2.84%)	Healthcare Cost Trend Rates (5.40% decreasing to 3.84%)	1% Increase (6.40% decreasing to 4.84%)
Total OPEB Liability	<u>\$ 40,521,566</u>	<u>\$ 46,764,411</u>	<u>\$ 59,461,296</u>

For the year ended June 30, 2019, the School District recognized OPEB expense of \$2,791,277 in the district-wide financial statements. At June 30, 2019, the School 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
Changes of assumptions or other inputs	\$ 2,536,211	\$ 1,443,860
Differences between expected and actual experience	-	1,367,070
	<u>\$ 2,536,211</u>	<u>\$ 2,810,930</u>

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

Year Ended June 30,	
2020	\$ (158,240)
2021	(158,240)
2022	(158,240)
2023	(33,828)
2024	233,829
Thereafter	-

# Mount Pleasant Cottage School Union Free School District, New York

## Notes to Financial Statements (Continued)

June 30, 2019

### Note 3 - Detailed Notes on All Funds (Continued)

#### **D. Net Position**

The components of net position are detailed below:

*Investment in Capital Assets* - the component of net position that reports the difference between capital assets less the accumulated depreciation.

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

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

#### **E. Fund Balances**

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

	2019			2018		
	General	Special Purpose	Total	General	Special Purpose	Total
Restricted - Special purposes	\$ -	\$ 5,043	\$ 5,043	\$ -	\$ 5,143	\$ 5,143
Unassigned	113,202	-	113,202	64,844	-	64,844
Total Fund Balances	<u>\$ 113,202</u>	<u>\$ 5,043</u>	<u>\$ 118,245</u>	<u>\$ 64,844</u>	<u>\$ 5,143</u>	<u>\$ 69,987</u>

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

### Note 4 - Summary Disclosure of Significant Contingencies

#### **A. Litigation**

The School District is a defendant in various actions seeking damages for alleged employment and discriminatory practices. The School District has aggressively pursued the defense of these actions. Counsels for the School District have expressed opinions of likelihood of favorable outcomes in these matters.

#### **B. Contingencies**

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

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

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

The School District currently has two labor contracts that are expired as of June 30, 2019. No provision has been made in these financial statements for the settlement of these labor contracts. The bargaining unit and contract expiration dates are as follows:

<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
Teaching Assistant's Association	June 30, 2014
Association of Teachers	June 30, 2012

**C. Risk Management**

The School District purchases various conventional insurance coverages to reduce its exposure to loss. The School District maintains general liability policies with coverage up to \$1 million and an excess liability policy with coverage up to \$10 million. The School District maintains liability coverage for school board members with coverage up to \$1 million and an umbrella policy with coverage up to \$10 million. The School District also maintains employment practices liability coverage up to \$10 million. The School District purchases conventional workers' compensation insurance with coverage at statutory levels. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

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# Mount Pleasant Cottage School Union Free School District, New York

## Required Supplementary Information - Schedule of Changes in the School District's Total OPEB Liability and Related Ratios Last Ten Fiscal Years (1)(3)

	2019	2018
Total OPEB Liability:		
Service cost	\$ 1,215,407	\$ 1,259,270
Interest	1,716,943	1,572,171
Changes of benefit terms	17,168	-
Differences between expected and actual experience	(1,640,484)	-
Changes of assumptions or other inputs	3,043,453	(2,227,996)
Benefit payments	(1,462,381)	(1,289,051)
Net Change in Total OPEB Liability	2,890,106	(685,606)
Total OPEB Liability – Beginning of Year	43,874,305	44,559,911 (2)
Total OPEB Liability – End of Year	<u>\$ 46,764,411</u>	<u>\$ 43,874,305</u>
School District's covered-employee payroll	<u>\$ 6,637,362</u>	<u>\$ 6,427,115</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>704.56%</u>	<u>682.64%</u>

### Notes to Schedule:

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) Restated for the implementation of the provisions of GASB Statement No. 75.

(3) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

See independent auditors' report.

**Mount Pleasant Cottage School Union Free School District, New York**

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

	2019	2018 (3)	2017 (2)	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.034436%</u>	<u>0.037498%</u>	<u>0.043117%</u>	<u>0.046446%</u>	<u>0.051123%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (622,692)</u>	<u>\$ (285,020)</u>	<u>\$ 461,796</u>	<u>\$ (4,824,224)</u>	<u>\$ (5,694,799)</u>
School District's covered payroll	<u>\$ 5,609,224</u>	<u>\$ 5,942,159</u>	<u>\$ 6,653,318</u>	<u>\$ 6,976,771</u>	<u>\$ 7,555,178</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>(11.10)%</u>	<u>(4.80)%</u>	<u>6.94%</u>	<u>(69.15)%</u>	<u>(75.38)%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>

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

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

(2) The discount rate used to calculate the total pension liability was decreased from 8.0% to 7.5% effective with the June 30, 2016 measurement date.

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.25% effective with the June 30, 2017 measurement date.



**Mount Pleasant Cottage School Union Free School District, New York****Required Supplementary Information - Schedule of Contributions  
New York State Teachers' Retirement System  
Last Ten Fiscal Years (1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 614,099	\$ 549,704	\$ 696,421	\$ 882,230	\$ 1,223,028
Contributions in relation to the contractually required contribution	<u>(614,099)</u>	<u>(549,704)</u>	<u>(696,421)</u>	<u>(882,230)</u>	<u>(1,223,028)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 5,782,476</u>	<u>\$ 5,609,224</u>	<u>\$ 5,942,159</u>	<u>\$ 6,653,318</u>	<u>\$ 6,976,771</u>
Contributions as a percentage of covered payroll	<u>10.62%</u>	<u>9.80%</u>	<u>11.72%</u>	<u>13.26%</u>	<u>17.53%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement N  
"Accounting and Financial Reporting for Pensions".

**Mount Pleasant Cottage School Union Free School District, New York**

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

	2019	2018	2017	2016 (2)	2015
School District's proportion of the net pension liability	<u>0.0073921%</u>	<u>0.0064195%</u>	<u>0.0070709%</u>	<u>0.0068627%</u>	<u>0.0073333%</u>
School District's proportionate share of the net pension liability	<u>\$ 523,750</u>	<u>\$ 207,187</u>	<u>\$ 664,393</u>	<u>\$ 1,101,485</u>	<u>\$ 247,736</u>
School District's covered payroll	<u>\$ 2,047,039</u>	<u>\$ 1,702,023</u>	<u>\$ 1,452,484</u>	<u>\$ 1,590,965</u>	<u>\$ 1,827,183</u>
School District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>25.59%</u>	<u>12.17%</u>	<u>45.74%</u>	<u>69.23%</u>	<u>13.56%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

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

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

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

**Mount Pleasant Cottage School Union Free School District, New York****Required Supplementary Information - Schedule of Contributions  
New York State and Local Employees' Retirement System  
Last Ten Fiscal Years (1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 233,529	\$ 239,482	\$ 250,088	\$ 286,955	\$ 348,530
Contributions in relation to the contractually required contribution	<u>(233,529)</u>	<u>(239,482)</u>	<u>(250,088)</u>	<u>(286,955)</u>	<u>(348,530)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 2,179,265</u>	<u>\$ 1,824,064</u>	<u>\$ 1,648,187</u>	<u>\$ 1,809,379</u>	<u>\$ 1,628,319</u>
Contributions as a percentage of covered payroll	<u>10.72%</u>	<u>13.13%</u>	<u>15.17%</u>	<u>15.86%</u>	<u>21.40%</u>

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

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**Mount Pleasant Cottage School Union Free School District, New York**

General Fund  
Comparative Balance Sheet  
June 30,

	2019	2018
<b>ASSETS</b>		
Cash and equivalents	\$ 461,356	\$ 696,199
Receivables		
Accounts	135,346	52,106
State and Federal aid	207,852	157,569
Due from other governments	2,440,689	2,230,522
	2,783,887	2,440,197
Total Assets	\$ 3,245,243	\$ 3,136,396
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 1,848,181	\$ 1,394,466
Due to other funds	278,460	381,987
Due to retirement systems	1,005,400	1,295,099
Total Liabilities	3,132,041	3,071,552
Fund balance		
Unassigned	113,202	64,844
Total Liabilities and Fund Balance	\$ 3,245,243	\$ 3,136,396

# Mount Pleasant Cottage School Union Free School District, New York

## General Fund

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

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Charges for services	\$ 16,007,743	\$ 17,067,462	\$ 16,619,765	\$ (447,697)
Use of money and property	-	-	563	563
Sale of property and compensation for loss	-	-	13,193	13,193
State aid	-	-	258,280	258,280
Miscellaneous	-	-	42,899	42,899
Total Revenues	16,007,743	17,067,462	16,934,700	(132,762)
<b>EXPENDITURES</b>				
Current				
General support				
Board of education	130,410	122,989	121,526	1,463
Central administration	330,690	250,100	247,665	2,435
Finance	443,780	553,920	551,919	2,001
Central services	863,135	1,524,058	1,506,952	17,106
Special items	207,000	207,000	205,999	1,001
Total General Support	1,975,015	2,658,067	2,634,061	24,006
Instruction				
Instruction, administration and improvement	864,926	788,678	787,612	1,066
Teaching - Regular school	5,891,570	5,992,126	5,954,731	37,395
Teaching - Special schools	455,000	310,353	307,245	3,108
Instructional media	308,934	1,041,623	1,033,676	7,947
Pupil services	1,028,509	1,112,872	1,102,182	10,690
Total Instruction	8,548,939	9,245,652	9,185,446	60,206
Pupil transportation	128,102	134,028	126,926	7,102
Employee benefits	5,355,687	5,029,715	4,939,909	89,806
Debt service				
Interest	-	-	-	-
Total Expenditures	16,007,743	17,067,462	16,886,342	181,120
Excess of Revenues Over Expenditures	-	-	48,358	\$ 48,358
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of Year	-	-	64,844	
End of Year	\$ -	\$ -	\$ 113,202	

See independent auditors' report.

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 16,614,860	\$ 16,614,860	\$ 15,883,985	\$ (730,875)
-	-	597	597
-	-	12,077	12,077
155,150	155,150	190,751	35,601
-	-	46,028	46,028
16,770,010	16,770,010	16,133,438	(636,572)
125,410	130,460	87,693	42,767
382,490	401,275	398,925	2,350
412,589	450,457	441,242	9,215
1,427,741	1,315,125	1,260,300	54,825
208,000	252,364	248,672	3,692
2,556,230	2,549,681	2,436,832	112,849
878,763	867,414	837,579	29,835
5,967,380	5,826,116	5,566,913	259,203
415,000	404,181	338,410	65,771
319,494	952,776	936,219	16,557
1,081,020	1,057,264	957,755	99,509
8,661,657	9,107,751	8,636,876	470,875
127,944	128,963	120,909	8,054
5,411,679	4,971,115	4,783,531	187,584
12,500	12,500	3,245	9,255
16,770,010	16,770,010	15,981,393	788,617
-	-	152,045	\$ 152,045
-	-	(87,201)	
\$ -	\$ -	\$ 64,844	

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**Mount Pleasant Cottage School Union Free School District, New York**

General Fund

Schedule of Revenues Compared to Budget

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>CHARGES FOR SERVICES</b>				
Day school tuition	\$ 16,007,743	\$ 17,067,462	\$ 16,619,765	\$ (447,697)
<b>USE OF MONEY AND PROPERTY</b>				
Earnings on investments	-	-	563	563
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Insurance recoveries	-	-	13,193	13,193
<b>STATE AID</b>				
BOCES	-	-	201,835	201,835
Other	-	-	56,445	56,445
	-	-	258,280	258,280
<b>MISCELLANEOUS</b>				
Refund of prior year's expenditures	-	-	1,244	1,244
Refund for BOCES aided expenditures	-	-	41,655	41,655
	-	-	42,899	42,899
<b>TOTAL REVENUES</b>	<u>\$ 16,007,743</u>	<u>\$ 17,067,462</u>	<u>\$ 16,934,700</u>	<u>\$ (132,762)</u>

See independent auditors' report.

**Mount Pleasant Cottage School Union Free School District, New York**

General Fund

Schedule of Expenditures Compared to Budget

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>GENERAL SUPPORT</b>				
<b>BOARD OF EDUCATION</b>				
Board of education	\$ 118,200	\$ 97,379	\$ 96,837	\$ 542
District clerk	12,210	25,610	24,689	921
Total Board of Education	130,410	122,989	121,526	1,463
<b>CENTRAL ADMINISTRATION</b>				
Chief school administrator	330,690	250,100	247,665	2,435
<b>FINANCE</b>				
Business administration	394,611	506,791	505,150	1,641
Auditing	38,750	34,948	34,948	-
Treasurer	10,419	12,181	11,821	360
Total Finance	443,780	553,920	551,919	2,001
<b>CENTRAL SERVICES</b>				
Operation and maintenance of plant	805,635	1,446,293	1,437,406	8,887
Central printing and mailing	57,500	77,765	69,546	8,219
Total Central Services	863,135	1,524,058	1,506,952	17,106
<b>SPECIAL ITEMS</b>				
Unallocated insurance	175,000	175,000	174,943	57
Administrative charge - BOCES	32,000	32,000	31,056	944
Total Special Items	207,000	207,000	205,999	1,001
Total General Support	1,975,015	2,658,067	2,634,061	24,006

## INSTRUCTION

### **INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Supervision - Regular school	826,426	750,178	749,642	536
In-service training - Instruction	38,500	38,500	37,970	530
Total Instruction, Administration and Improvement	864,926	788,678	787,612	1,066
<b>TEACHING - REGULAR SCHOOL</b>	5,891,570	5,992,126	5,954,731	37,395
<b>TEACHING - SPECIAL SCHOOLS</b>	455,000	310,353	307,245	3,108
<b>INSTRUCTIONAL MEDIA</b>				
Computer assisted instruction	308,934	1,041,623	1,033,676	7,947
<b>PUPIL SERVICES</b>				
Health services	110,726	113,089	105,822	7,267
Psychological services	318,222	388,222	387,860	362
Speech, vocational and occupational therapy services	390,765	400,765	399,104	1,661
Social work services	208,796	210,796	209,396	1,400
Total Pupil Services	1,028,509	1,112,872	1,102,182	10,690
Total Instruction	8,548,939	9,245,652	9,185,446	60,206
<b>PUPIL TRANSPORTATION</b>				
District transportation services	128,102	134,028	126,926	7,102
<b>EMPLOYEE BENEFITS</b>				
State retirement	383,983	247,789	247,789	-
Teachers' retirement	592,343	592,343	592,108	235
Social security	671,954	699,637	673,193	26,444
Workers' compensation	405,000	409,165	394,435	14,730
Life insurance	37,500	37,500	26,843	10,657
Unemployment benefits	50,000	34,576	29,763	4,813
Hospital, medical and dental insurance	2,968,107	2,749,124	2,749,124	-
Union welfare benefits	151,800	151,800	144,174	7,626
Other	95,000	107,781	82,480	25,301
Total Employee Benefits	5,355,687	5,029,715	4,939,909	89,806
<b>TOTAL EXPENDITURES</b>	<b>\$ 16,007,743</b>	<b>\$ 17,067,462</b>	<b>\$ 16,886,342</b>	<b>\$ 181,120</b>

See independent auditors' report.

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**Mount Pleasant Cottage School Union Free School District, New York**

Special Aid Fund  
Comparative Balance Sheet  
June 30,

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	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and equivalents	<u>\$ 898</u>	<u>\$ 462</u>
Receivables		
State and Federal aid	56,315	-
Due from other funds	<u>278,460</u>	<u>381,987</u>
	<u>334,775</u>	<u>381,987</u>
 Total Assets	 <u><u>\$ 335,673</u></u>	 <u><u>\$ 382,449</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 165,243	\$ -
Unearned revenues	<u>170,430</u>	<u>382,449</u>
 Total Liabilities	 <u><u>\$ 335,673</u></u>	 <u><u>\$ 382,449</u></u>

**Mount Pleasant Cottage School Union Free School District, New York**

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

---

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Federal aid	\$ 962,873	\$ 962,873	\$ 618,287	\$ (344,586)
<b>EXPENDITURES</b>				
Current				
Instruction	962,873	962,873	618,287	344,586
Excess of Revenues Over Expenditures	-	-	-	-
<b>FUND BALANCE</b>				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 899,143	\$ 841,669	\$ 263,938	\$ (577,731)
899,143	841,669	263,938	577,731
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

**Mount Pleasant Cottage School Union Free School District, New York**

Special Purpose Fund  
Comparative Balance Sheet  
June 30,

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	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and equivalents	<u>\$ 5,043</u>	<u>\$ 5,143</u>
<b>FUND BALANCE</b>		
Restricted	<u>\$ 5,043</u>	<u>\$ 5,143</u>



**Mount Pleasant Cottage School Union Free School District, New York**

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

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Miscellaneous	\$ 5,775	\$ 3,734
<b>EXPENDITURES</b>		
Current		
Other	<u>5,875</u>	<u>3,738</u>
Deficiency of Revenues Over Expenditures	(100)	(4)
<b>FUND BALANCE</b>		
Beginning of Year	<u>5,143</u>	<u>5,147</u>
End of Year	<u>\$ 5,043</u>	<u>\$ 5,143</u>

**Mount Pleasant Cottage School Union Free School District, New York**

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2019

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Adopted/Original Budget	\$ 16,007,743
Budget Revisions	<u>1,059,719</u>
Final Budget	<u><u>\$ 17,067,462</u></u>

**Mount Pleasant Cottage School Union Free School District, New York**

Schedule of Investment in Capital Assets

Year Ended June 30, 2019

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Capital Assets, net/Investment in Capital Assets

\$ 2,206,459