

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

Financial Statements and
Supplementary Information

Year Ended June 30, 2021

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 and each major fund of the Mount Pleasant Cottage School Union Free School District, New York ("School District") as of and for the year ended June 30, 2021, 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 School District'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 School District'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 and each major fund of the School District, as of June 30, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 2B in the notes to financial statements which discloses the effects of the School District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit for the year ended June 30, 2021 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, 2021 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, 2021 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 individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2021.

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, 2020 (not presented herein), and have issued our

report thereon dated November 23, 2020, 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, 2020 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 2020 financial statements. The individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 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 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
October 26, 2021

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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 and each major fund of the Mount Pleasant Cottage School Union Free School District, New York ("School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 26, 2021.

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") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

October 26, 2021

Mount Pleasant Cottage School Union Free School District, New York

Management's Discussion and Analysis (MD&A)
June 30, 2021

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, 2021. 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 2021 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 2020-2021 fiscal year, the General Fund reported an unassigned fund balance of \$251,316. The total fund balance increased by \$88,124 during the 2020-21 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 2008-2009 fiscal year.
- Through aggressive cash flow management, the School District was able to remain operating without a revenue anticipation note. The School District was able to stabilize its over 90 day receivables, which strengthened cash flow and enabled the School District to operate throughout the pandemic without borrowing.
- For the year ended June 30, 2021, the School District received a \$00.91 daily student tuition rate decrease from the 2019-2020 prospective rate. The student census was slightly lower than originally budgeted, but due to management of operations, the impact on expenditures was negligible.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded the assets and deferred outflows of resources at June 30, 2021 by \$46,949,619 (net position), an increase of \$1,145,967 from the net deficit position of (\$45,803,652) for the year ended June 30, 2020.
- The School District is committed to provide postemployment benefits to its employees in the form of pensions and healthcare. As a result, the School District has recognized substantial liabilities in the district-wide financial statements for these benefits. As of June 30, 2021, the School District had liabilities of \$49,220,521 for other postemployment benefits recorded in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"* ("OPEB"). The School District also reported \$976,990 for its proportionate share of the net pension liabilities of the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS") recorded in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"*. More detailed information about the School District's OPEB and pension reporting 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. Thus, expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused vacation leave, OPEB and net pension liabilities).
 - 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 budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.
- The *Fiduciary Funds* are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, "*Fiduciary Activities*", the School District had no such activity to report in this fund category.

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 liabilities 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.

	Net Position		Increase (Decrease)	% Change
	June 30, 2021	2020		
Current Assets	\$ 3,787,648	\$ 3,965,907	\$ (178,259)	-4.5%
Capital Assets, Net	3,176,248	2,316,884	859,364	37.1%
Total Assets	6,963,896	6,282,791	681,105	10.8%
Deferred Outflows of Resources	14,098,874	15,878,685	(1,779,811)	-11.2%
Current Liabilities	3,530,405	3,770,621	(240,216)	-6.4%
Long-Term Liabilities	50,373,346	59,209,576	(8,836,230)	-14.9%
Total Liabilities	53,903,751	62,980,197	(9,076,446)	-14.4%
Deferred Inflows of Resources	14,108,638	4,984,931	9,123,707	183.0%
Net Position				
Investment in Capital Assets	3,176,248	2,316,884	859,364	37.1%
Restricted	5,927	4,505	1,422	31.6%
Unrestricted	(50,131,794)	(48,125,041)	(2,006,753)	4.2%
Total Net Position	\$ (46,949,619)	\$ (45,803,652)	\$ (1,145,967)	2.5%

The increase in capital assets was due to operating expenditures to make building improvements and to acquire various machinery and equipment.

The decrease in long-term liabilities, which consist primarily of net pension and OPEB liabilities, results from a decrease in the OPEB liability \$8,893,047. While the discount rate declined slightly from the prior year which causes an increase in the liability, this was more than offset by changes in the mortality improvement scale and the change in the subsidy provided to certain bargaining units. The net pension liabilities to ERS and TRS also increased by a net of \$81,692 due to investment losses for TRS for its fiscal year ending June 30, 2020 partially offset by investment gains for ERS for its fiscal year ending March 31, 2021.

Changes in Net Position				
	June 30,		Increase	
	2021	2020	(Decrease)	% Change
REVENUES				
Program Revenues				
Charges for Services	\$ 17,171,155	\$ 17,120,053	\$ 51,102	0.3%
Operating Grants and Contributions	723,888	393,860	330,028	83.8%
Total Program Revenues	17,895,043	17,513,913	381,130	2.2%
General Revenues				
Unrestricted Use of Money and Property	250	744	(494)	-66.4%
Sale of Property and Compensation for loss	40,116	12,616	27,500	218.0%
Unrestricted State Aid	309,639	371,788	(62,149)	-16.7%
Miscellaneous	35,319	31,116	4,203	13.5%
Total General Revenues	385,324	416,264	(30,940)	-7.4%
Total Revenues	18,280,367	17,930,177	350,190	2.0%
EXPENSES				
General Support	3,002,319	3,779,930	(777,611)	-20.6%
Instruction	16,218,362	18,134,005	(1,915,643)	-10.6%
Pupil Transportation	205,390	238,500	(33,110)	-13.9%
Other	263	3,638	(3,375)	0.0%
Total Expenses	19,426,334	22,156,073	(2,729,739)	-12.3%
Change in Net Position	(1,145,967)	(4,225,896)	3,079,929	72.9%
NET POSITION				
Beginning	(45,803,652)	(41,577,756)	(4,225,896)	-10.2%
Ending	\$ (46,949,619)	\$ (45,803,652)	\$ (1,145,967)	-2.5%

Revenues:

- The revenues increased from 2019-2020 as the tuition billings increased by \$51,102, federal and state grants increased by \$330,028 and the total revenues increased by \$381,130.

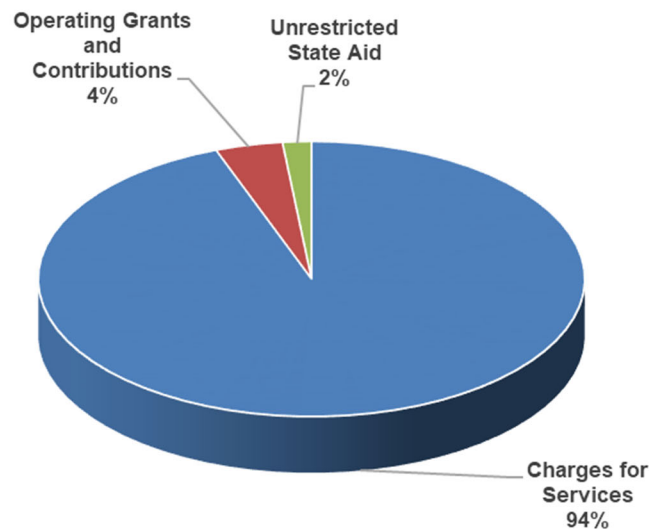
Expenses:

- Total expenses decreased by \$2,729,739. There was an decrease in general support expenses of \$777,611 and a decrease in instructional expense of \$1,915,643, primarily the result of the decrease in OPEB liabilities in accordance with GASB Statement No. 75.

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 94% of the School District's revenue stream. Instructional expenses account for over 84% of the School District's expenses.

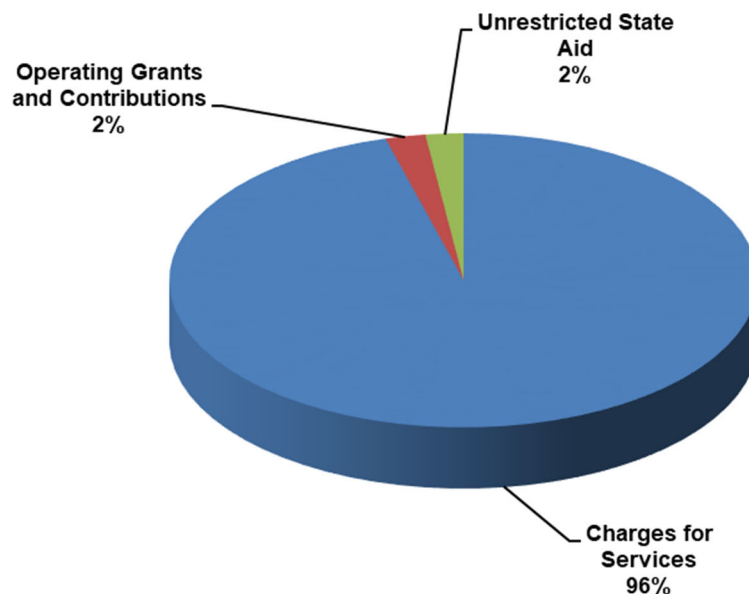
**Sources of Revenues
Governmental Activities**

June 30, 2021



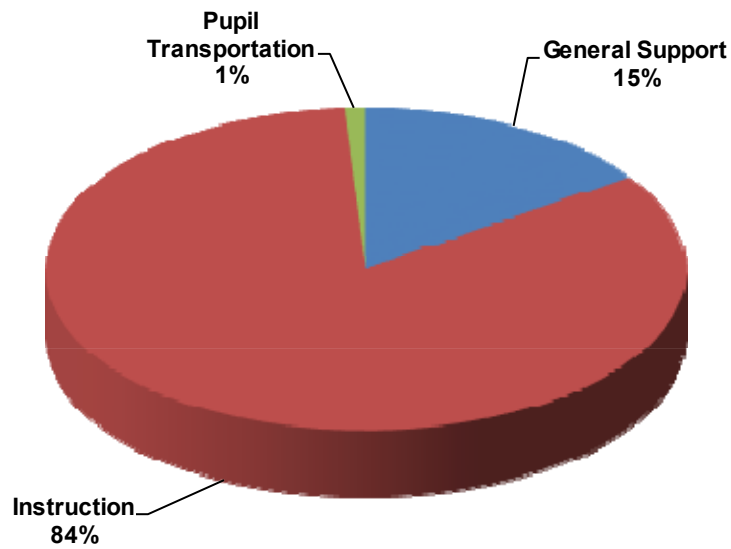
Vs.

June 30, 2020



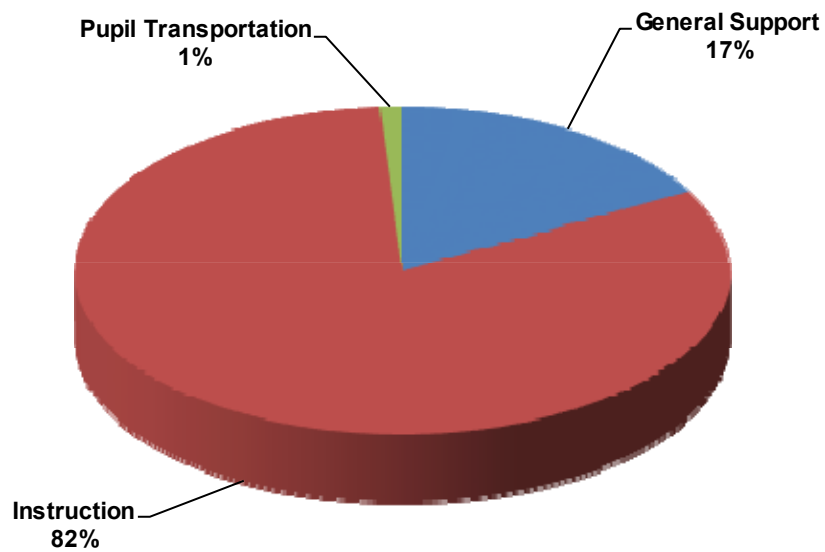
**Sources of Expenses
Governmental Activities**

June 30, 2021



VS.

June 30, 2020



Financial Analysis of the School District's Funds

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

Governmental Funds

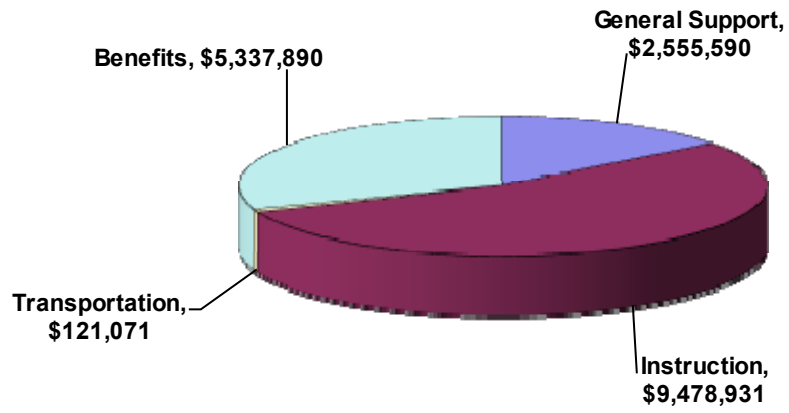
The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the School District's financing requirements. While *unassigned fund balance* may serve as a useful measure of 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, for the fiscal year ended June 30, 2021.

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$257,243, which was comprised of \$251,316 in the General Fund and \$5,927 in the Special Purpose Fund. The results of operations at the end of 2020-2021 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

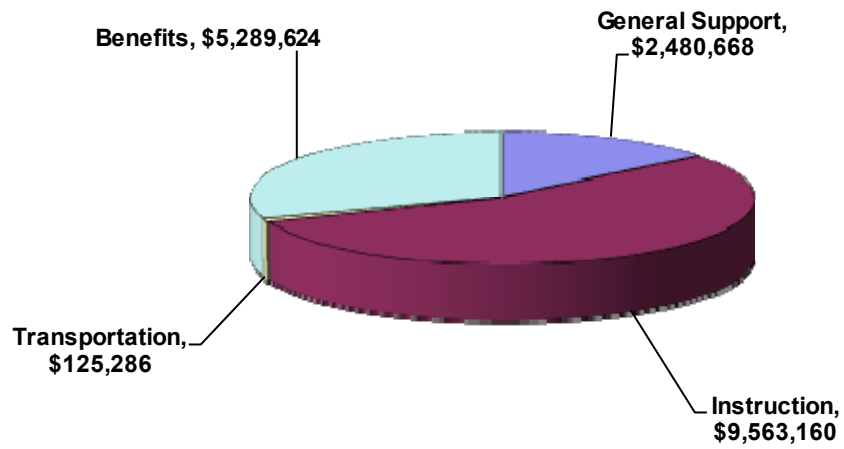
The School District's 2020-21 adopted budget was \$17,500,538. The overall total budget was amended during the 2020-21 fiscal year to \$17,782,700. The actual expenditures and other financing uses were \$286,756 less than the budgeted amount. As stated earlier, this was the result of a deliberate effort 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. The student FTE census was slightly lower than the projected census in the final budget, but due to the tuition prospective rate increase in 2019-2020, the impact on expenditures was negligible. The School District will continue to monitor student census in the 2021-22 school year and will adjust expenditures accordingly.

**General Fund 2020-2021
Actual Expenditures**



VS.

**General Fund 2019-2020
Final Budgeted Expenditures**



Capital Assets

At June 30, 2021, the School District had \$3,176,248 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,	
	2021	2020
Buildings	\$ 2,201,290	\$ 1,361,472
Machinery and Equipment	974,958	955,412
Total Capital Assets, net of accumulated depreciation	<u>\$ 3,176,248</u>	<u>\$ 2,316,884</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,	
	2021	2020
Compensated Absences	\$ 143,905	\$ 153,509
Net Pension Liability - ERS	6,718	1,795,325
Net Pension Liability - TRS	970,272	(900,027)
Retirement Incentives and Other Pension Liabilities	31,930	47,201
Other Postemployment Benefit Liability Payable	49,220,521	58,113,568
	<u>\$ 50,373,346</u>	<u>\$ 59,209,576</u>

The School District's long-term obligations decrease of \$8,836,230 primarily resulted from a decrease of \$8,893,047 in liabilities for other postemployment retirement benefits. There was also a decrease in net pension liabilities to the ERS of \$1,788,607 (due to pension fund investment gains as of March 31, 2021) and an increase in net pension liability to the TRS of \$1,870,299 (due to pension fund investment losses as of June 30, 2020), both 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, 2022, is \$17,869,335.

The 2021-2022 School District's approved budget was created with a student census projection of 255 FTE. This was an increase of 5 FTE students from the 2020-2021 FTE, but consistent with the actual enrollment. The School District made a conscious effort to create a budget aligned to the average census for the past two years. The School District will continue to monitor student census and adjust spending as needed to ensure that the School District's expenditures meet its revenue. The School District was informed by NYSED Rate Setting Unit that a tuition rate increase for 2021-2022 school was approved. We anticipate a prospective rate in January or February. Unfortunately, a prospective rate increase midyear diminishes our opportunity to enhance program earlier in the school year.

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: Stephen Beovich
Superintendent
1075 Broadway
Pleasantville, New York 10570

Mount Pleasant Cottage School Union Free School District, New YorkStatement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 649,786
Receivables	
Accounts	2,700
State and Federal aid	429,714
Due from other governments	2,705,448
Capital assets	
Being depreciated, net	<u>3,176,248</u>
 Total Assets	 <u>6,963,896</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	5,159,441
OPEB related	<u>8,939,433</u>
 Total Deferred Outflows of Resources	 <u>14,098,874</u>
LIABILITIES	
Accounts payable	2,248,698
Due to other governments	48,698
Due to retirement systems	1,164,814
Employee payroll deductions	1,338
Unearned revenues	66,857
Non-current liabilities	
Due within one year	29,729
Due in more than one year	<u>50,343,617</u>
 Total Liabilities	 <u>53,903,751</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	2,532,329
OPEB related	<u>11,576,309</u>
 Total Deferred Inflows of Resources	 <u>14,108,638</u>
NET POSITION	
Investment in capital assets	3,176,248
Restricted	
Special purposes	5,927
Unrestricted	<u>(50,131,794)</u>
 Total Net Position	 <u><u>\$ (46,949,619)</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, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
General support	\$ 3,002,319	\$ -	\$ -	\$ (3,002,319)
Instruction	16,218,362	17,171,155	722,203	1,674,996
Pupil transportation	205,390	-	-	(205,390)
Other	263	-	1,685	1,422
Total Governmental Activities	19,426,334	17,171,155	723,888	(1,531,291)
General revenues				
				250
Unrestricted use of money and property				40,116
Sale of property and compensation for loss				309,639
Unrestricted State aid				35,319
Miscellaneous				
Total General Revenues				385,324
Change in Net Position				(1,145,967)
Net Position - Beginning				(45,803,652)
Net Position - Ending				\$ (46,949,619)

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, 2021

	General	Special Aid	Special Purpose	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 474,922	\$ 168,937	\$ 5,927	\$ 649,786
Receivables				
Accounts	2,700	-	-	2,700
State and Federal aid	337,187	92,527	-	429,714
Due from other governments	2,705,448	-	-	2,705,448
Due from other funds	226,091	-	-	226,091
	3,271,426	92,527	-	3,363,953
Total Assets	<u>\$ 3,746,348</u>	<u>\$ 261,464</u>	<u>\$ 5,927</u>	<u>\$ 4,013,739</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,248,698	\$ -	\$ -	\$ 2,248,698
Due to other funds	-	226,091	-	226,091
Due to other governments	48,698	-	-	48,698
Due to retirement systems	1,164,814	-	-	1,164,814
Employee payroll deductions	1,338	-	-	1,338
Unearned revenues	31,484	35,373	-	66,857
Total Liabilities	<u>3,495,032</u>	<u>261,464</u>	<u>-</u>	<u>3,756,496</u>
Fund balances				
Restricted	-	-	5,927	5,927
Unassigned	251,316	-	-	251,316
Total Fund Balances	<u>251,316</u>	<u>-</u>	<u>5,927</u>	<u>257,243</u>
Total Liabilities and Fund Balances	<u>\$ 3,746,348</u>	<u>\$ 261,464</u>	<u>\$ 5,927</u>	<u>\$ 4,013,739</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, 2021

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

Fund Balances - Total Governmental Funds	\$ 257,243
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - depreciable	5,190,842
Accumulated depreciation	<u>(2,014,594)</u>
	3,176,248
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	5,159,441
Deferred outflows - OPEB related	8,939,433
Deferred inflows - pension related	(2,532,329)
Deferred inflows - OPEB related	<u>(11,576,309)</u>
	<u>(9,764)</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Compensated absences	(143,905)
Net pension liability - ERS	(6,718)
Net pension liability - TRS	(970,272)
Retirement incentives and other pension liabilities	(31,930)
Total OPEB liability	<u>(49,220,521)</u>
	<u>(50,373,346)</u>
Net Position of Governmental Activities	<u>\$ (46,949,619)</u>

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

Mount Pleasant Cottage School Union Free School District, New YorkStatement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General	Special Aid	Special Purpose	Total Governmental Funds
REVENUES				
Charges for services	\$ 17,171,155	\$ -	\$ -	\$ 17,171,155
Use of money and property	250	-	-	250
Sale of property and compensation for loss	40,116	-	-	40,116
State aid	337,228	-	-	337,228
Federal aid	-	722,203	-	722,203
Miscellaneous	35,319	-	1,685	37,004
Total Revenues	17,584,068	722,203	1,685	18,307,956
EXPENDITURES				
Current				
General support	2,555,590	-	-	2,555,590
Instruction	9,478,931	724,665	-	10,203,596
Pupil transportation	121,071	-	-	121,071
Employee benefits	5,337,890	-	-	5,337,890
Other	-	-	263	263
Total Expenditures	17,493,482	724,665	263	18,218,410
Excess (Deficiency) of Revenues Over Expenditures	90,586	(2,462)	1,422	89,546
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,462	-	2,462
Transfers out	(2,462)	-	-	(2,462)
Total Other Financing Sources (Uses)	(2,462)	2,462	-	-
Net Change in Fund Balances	88,124	-	1,422	89,546
FUND BALANCES				
Beginning of Year	163,192	-	4,505	167,697
End of Year	\$ 251,316	\$ -	\$ 5,927	\$ 257,243

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

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, 2021

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 89,546</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	1,147,097
Depreciation expense	<u>(287,733)</u>
	<u>859,364</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
State aid - BOCES	<u>(27,589)</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	9,604
Retirement incentives and other pension liabilities	15,271
Changes in pension liabilities and related deferred outflows and inflows of resources	(695,862)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(1,396,301)</u>
	<u>(2,067,288)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (1,145,967)</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 Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 17,500,538	\$ 17,782,700	\$ 17,171,155	\$ (611,545)
Use of money and property	-	-	250	250
Sale of property and compensation for loss	-	-	40,116	40,116
State aid	-	-	337,228	337,228
Miscellaneous	-	-	35,319	35,319
Total Revenues	17,500,538	17,782,700	17,584,068	(198,632)
EXPENDITURES				
Current				
General support	2,184,955	2,558,372	2,555,590	2,782
Instruction	9,310,517	9,653,422	9,478,931	174,491
Pupil transportation	138,458	128,458	121,071	7,387
Employee benefits	5,866,608	5,439,978	5,337,890	102,088
Total Expenditures	17,500,538	17,780,230	17,493,482	286,748
Excess of Revenues Over Expenditures	-	2,470	90,586	88,116
OTHER FINANCING USES				
Transfers out	-	(2,470)	(2,462)	8
Net Change in Fund Balance	-	-	88,124	88,124
FUND BALANCE				
Beginning of Year	-	-	163,192	163,192
End of Year	\$ -	\$ -	\$ 251,316	\$ 251,316

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

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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 financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied 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 School District's significant accounting policies are described below:

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.

While separate district-wide and fund financial statements are presented, they are interrelated. 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 funds. The major revenue of this fund is Federal aid.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with grantor or contributor stipulations. 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 on behalf of others. In accordance with the provisions of GASB Statement No. 84, "*Fiduciary Activities*", the School District had no such activity to report in this fund category.

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*. 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 when they have been earned and 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 and the amounts are expected to be collected within one year of the fiscal year end. 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 postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally 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 Measurement 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 not covered by depository insurance and the deposits are either uncollateralized,

Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2021.

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, 2021, 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 inventorable 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. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the 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

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 \$31,484 and \$35,373 for Federal aid received in advance in the General and Special Aid funds, respectively. 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 includes 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 includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The School District has reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities 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.

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 – An Amendment of GASB Statement No. 68"*.

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the School District provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*.

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position - Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: investment in capital assets, restricted, and unrestricted.

Investment in capital assets consists of capital assets, net of accumulated depreciation/amortization. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset 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. Restricted net position for the School District includes restricted for special purposes.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

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 Fund. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 26, 2021.

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 the General Fund.
- 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 since other means control the use of these resources (e.g., grants awards) and sometimes span a period of more than one fiscal year.
- 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 the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Adoption of Accounting Standard

For the year ended June 30, 2021, the School District implemented the provisions of GASB Statement No. 84, "*Fiduciary Activities*". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported in the Fiduciary Fund are now reflected within the General Fund.

C. Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified to conform with the current year presentation with respect to the implementation of the provisions of GASB Statement No. 84. These reclassifications had no effect on previously reported fund balance amounts.

Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2021

Note 3 - Detailed Notes on All Funds**A. Interfund Receivables/Payables**

The composition of due from/to other funds at June 30, 2021 are as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 226,091	\$ -
Special Aid	-	226,091
	<u>\$ 226,091</u>	<u>\$ 226,091</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.

B. Capital Assets

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

<u>Class</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 1,727,496	\$ 966,107	\$ -	\$ 2,693,603
Machinery and Equipment	2,316,249	180,990	-	2,497,239
Total Capital Assets, being depreciated	<u>4,043,745</u>	<u>1,147,097</u>	<u>-</u>	<u>5,190,842</u>
Less Accumulated Depreciation:				
Buildings and Improvements	366,024	126,289	-	492,313
Machinery and Equipment	1,360,837	161,444	-	1,522,281
Total Accumulated Depreciation	<u>1,726,861</u>	<u>287,733</u>	<u>-</u>	<u>2,014,594</u>
Total Capital Assets, net	<u>\$ 2,316,884</u>	<u>\$ 859,364</u>	<u>\$ -</u>	<u>\$ 3,176,248</u>

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

General Support	\$ 126,289
Instruction	<u>161,444</u>
Total Depreciation Expense	<u>\$ 287,733</u>

Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

C. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2021:

	Balance July 1, 2020	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2021	Due Within One-Year
Long-Term Liabilities:					
Compensated Absences	\$ 153,509	\$ 5,396	\$ 15,000	\$ 143,905	\$ 14,000
Net Pension Liability - ERS	1,795,325	-	1,788,607	6,718	-
Net Pension Liability (Asset) - TRS	(900,027)	1,870,299	-	970,272	-
Retirement Incentives and Other Pension Liabilities	47,201	-	15,271	31,930	15,729
Other Postemployment Benefit Liability	58,113,568	-	8,893,047	49,220,521	-
Total Long-Term Liabilities	<u>\$ 59,209,576</u>	<u>\$ 1,875,695</u>	<u>\$ 10,711,925</u>	<u>\$ 50,373,346</u>	<u>\$ 29,729</u>

Each governmental fund's liability for compensated absences, net pension liabilities, retirement incentives and other pension liabilities and other postemployment benefit liability 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

Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The 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 at 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 2021 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	16.1 %
	5 A15	13.4
	6 A15	9.6
TRS	1-6	9.53 %

At June 30, 2021, the School District reported the following for its proportionate share of the net pension liability for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Net pension liability	\$ 6,718	\$ 970,272
School Districts' proportion of the net pension liability	0.0067470 %	0.035113 %
Change in proportion since the prior measurement date	(0.0000328) %	0.000470 %

Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The net pension liability was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS and the total pension liability used to calculate the net pension liability 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 liability 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, 2021, the School District recognized pension expense in the district-wide financial statements of \$1,577,307 (\$139,250 for ERS and \$1,438,057 for TRS). Pension expenditures of \$301,385 were recorded for ERS in the General Fund. Pension expenditures of \$580,060 were recorded for TRS (\$550,519 in the General Fund and \$29,541 in the Special Aid Fund).

At June 30, 2021, the School District reported its proportionate share of 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	\$ 82,048	\$ -	\$ 850,153	\$ 49,725
Changes of assumptions	1,235,271	23,298	1,227,169	437,422
Net difference between projected and actual earnings on pension plan investments	-	1,929,879	633,673	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	32,429	57,850	431,883	34,155
School District contributions subsequent to the measurement date	84,790	-	582,025	-
	<u>\$ 1,434,538</u>	<u>\$ 2,011,027</u>	<u>\$ 3,724,903</u>	<u>\$ 521,302</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 932,201	\$ 49,725		
Changes of assumptions	2,462,440	460,720		
Net difference between projected and actual earnings on pension plan investments	633,673	1,929,879		
Changes in proportion and differences between School District contributions and proportionate share of contributions	464,312	92,005		
School District contributions subsequent to the measurement date	666,815	-		
	<u>\$ 5,159,441</u>	<u>\$ 2,532,329</u>		

\$84,790 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, 2022. The \$582,025

Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

reported as deferred outflows of resources related to TRS will be recognized as a reduction of the net pension liability in the plan's year ended June 30, 2021. 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
2021	\$ -	\$ 511,973
2022	(131,146)	897,001
2023	(47,939)	733,365
2024	(111,807)	424,727
2025	(370,387)	13,990
Thereafter	-	40,520
	<u>\$ (661,279)</u>	<u>\$ 2,621,576</u>

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, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Investment rate of return	5.9% *	7.1% *
Salary scale	4.4%	1.90%-4.72%
Inflation rate	2.7%	2.2%
Cost of living adjustments	1.4%	1.3%

*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-2020. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2019, 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, 2015 - March 31, 2020. 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

Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)
 June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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.

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, 2021		TRS June 30, 2020	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %	33 %	7.1 %
International Equity	15	6.30	16	7.7
Private Equity	10	6.75	8	10.4
Real Estate	9	4.95	11	6.8
Domestic Fixed Income Securities	-	-	16	1.8
Global Fixed Income Securities	-	-	2	1.0
High Yield Fixed Income Securities	-	-	1	3.9
Global Equities	-	-	4	7.4
Private Debt	-	-	1	5.2
Real Estate Debt	-	-	7	3.6
Opportunistic Portfolio/ARS Portfolio	3	4.50	-	-
Credit	4	3.63	-	-
Real Assets	3	5.95	-	-
Fixed Income	23	-	-	-
Cash	1	0.50	1	0.7
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.7% for ERS and 2.2% for TRS.

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% 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

Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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 5.9% for ERS and 7.1% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for ERS and 6.1% for TRS) or 1 percentage point higher (6.9% for ERS and 8.1% for TRS) than the current rate:

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 1,864,728</u>	<u>\$ 6,718</u>	<u>\$ (1,706,802)</u>
	1% Decrease (6.1%)	Current Discount Rate (7.1%)	1% Increase (8.1%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 6,128,877</u>	<u>\$ 970,272</u>	<u>\$ (3,359,104)</u>

The components of the collective net pension liability as of the March 31, 2021 ERS measurement date and the June 30, 2020 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 220,680,157,000	\$ 123,242,776,215
Fiduciary net position	<u>220,580,583,000</u>	<u>120,479,505,380</u>
Employers' net pension liability	<u>\$ 99,574,000</u>	<u>\$ 2,763,270,835</u>
Fiduciary net position as a percentage of total pension liability	<u>99.95%</u>	<u>97.76%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period April 1, 2021 through June 30, 2021 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, 2021 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, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Accrued retirement contributions as of June 30, 2021 were \$84,790 to ERS and \$1,080,024 to TRS (including employee contributions of \$64,131 and prior year unpaid obligations of \$433,868).

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 Liabilities

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
2013 ERS	<u>\$ 142,344</u>	<u>\$ 16,687</u>	<u>\$ 31,930</u>	<u>\$ 15,729</u>

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

Other Postemployment Benefit Liability ("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 postemployment 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, 2021

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	116
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>94</u>
	<u>210</u>

The School District's total OPEB liability of \$49,220,521 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020.

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	10.0% - 2.9%, average, including inflation
Discount rate	2.16%
Healthcare cost trend rates	5.7% for 2021 decreasing to an ultimate rate of 4.04% 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-2020.

The actuarial assumptions used in the June 30, 2020 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, 2021 is as follows:

Total OPEB Liability - Beginning of Year	\$ 58,113,568
Service cost	2,592,167
Interest	1,326,652
Changes of benefit terms	(779,411)
Differences between expected and actual experience	(5,412,343)
Changes in assumptions or other inputs	(5,260,215)
Benefit payments	<u>(1,359,897)</u>
Total OPEB Liability - End of Year	<u>\$ 49,220,521</u>

Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

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 (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	<u>\$ 58,103,133</u>	<u>\$ 49,220,521</u>	<u>\$ 42,150,782</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 (4.70% decreasing to 3.04%) or 1 percentage point higher (6.70% decreasing to 5.04%) than the current healthcare cost trend rates:

	1% Decrease (4.70% decreasing to 3.04%)	Current Healthcare Cost Trend Rates (5.70% decreasing to 4.04%)	1% Increase (6.70% decreasing to 5.04%)
Total OPEB Liability	<u>\$ 41,187,260</u>	<u>\$ 49,220,521</u>	<u>\$ 59,618,576</u>

For the year ended June 30, 2021, the School District recognized OPEB expense of \$2,756,198 in the district-wide financial statements. At June 30, 2021, 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	\$ 8,939,433	\$ 5,043,236
Differences between expected and actual experience	-	6,533,073
	<u>\$ 8,939,433</u>	<u>\$ 11,576,309</u>

Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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

<u>Year Ended June 30,</u>	
2022	\$ (383,210)
2023	(258,798)
2024	8,859
2025	(224,969)
2026	(1,778,758)
Thereafter	<u>-</u>
	<u><u>\$ (2,636,876)</u></u>

D. Revenues and Expenditures

Interfund Transfers

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

<u>Transfers Out</u>	<u>Transfers In Special Aid Fund</u>
General Fund	<u><u>\$ 2,462</u></u>

Transfers are used to move amounts earmarked in the General Fund to fulfill commitments for Special Aid Fund expenditures.

E. 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".

Mount Pleasant Cottage School Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)**F. Fund Balances**

	2021			2020		
	General	Special Purpose	Total	General	Special Purpose	Total
Restricted - Special purposes	\$ -	\$ 5,927	\$ 5,927	\$ -	\$ 4,505	\$ 4,505
Unassigned	251,316	-	251,316	163,192	-	163,192
Total Fund Balances	<u>\$ 251,316</u>	<u>\$ 5,927</u>	<u>\$ 257,243</u>	<u>\$ 163,192</u>	<u>\$ 4,505</u>	<u>\$ 167,697</u>

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.

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.

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, 2021. 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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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.

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 87, "*Leases*", as amended by GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*", establishes a single model for lease accounting based on the concept that leases are financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

This is not an all-inclusive list of recently issues GASB pronouncements but rather a listing of Statements that the School District believes will most impact its financial statements. The School District will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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)(2)

	2021	2020	2019	2018
Total OPEB Liability:				
Service cost	\$ 2,592,167	\$ 1,786,337	\$ 1,215,407	\$ 1,259,270
Interest	1,326,652	1,679,094	1,716,943	1,572,171
Changes of benefit terms	(779,411) (5)	-	17,168	-
Differences between expected and actual experience	(5,412,343) (5)	(1,803,819)	(1,640,484)	-
Changes of assumptions or other inputs	(5,260,215) (5)	11,126,560 (4)	3,043,453	(2,227,996)
Benefit payments	<u>(1,359,897)</u>	<u>(1,439,015)</u>	<u>(1,462,381)</u>	<u>(1,289,051)</u>
Net Change in Total OPEB Liability	(8,893,047)	11,349,157	2,890,106	(685,606)
Total OPEB Liability – Beginning of Year	<u>58,113,568</u>	<u>46,764,411</u>	<u>43,874,305</u>	<u>44,559,911 (3)</u>
Total OPEB Liability – End of Year	<u>\$ 49,220,521</u>	<u>\$ 58,113,568</u>	<u>\$ 46,764,411</u>	<u>\$ 43,874,305</u>
School District's covered-employee payroll	<u>\$ 7,296,308</u>	<u>\$ 9,040,063</u>	<u>\$ 6,637,362</u>	<u>\$ 6,427,115</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>674.59%</u>	<u>642.84%</u>	<u>704.56%</u>	<u>682.64%</u>

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

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

(4) The discount rate was decreased from 3.51% to 2.21% for the June 30, 2020 measurement date.

(5) The discount rate was decreased from 2.21% to 2.16% for the June 30, 2021 measurement date. The mortality improvement scale was updated from MP-2018 to MP-2020. Medical and prescription drug trends were updated from the 2018 to the 2020 Getzen model. The School District subsidy for custodians and administrators bargaining units was reduced.

See independent auditors' report.

Mount Pleasant Cottage School Union Free School District, New York

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

Schedule of the School District's Proportionate Share of the Net Pension (Asset) Liability (2)							
	2021 (6)	2020 (5)	2019	2018 (4)	2017 (3)	2016	2015
School District's proportion of the net pension liability (asset)	<u>0.035113%</u>	<u>0.034643%</u>	<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>\$ 970,272</u>	<u>\$ (900,027)</u>	<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>\$ 5,959,821</u>	<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>	<u>\$ 7,555,178</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>16.28%</u>	<u>(15.56)%</u>	<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>97.76%</u>	<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>

Schedule of Contributions							
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 582,025</u>	<u>\$ 528,040</u>	<u>\$ 614,099</u>	<u>\$ 549,704</u>	<u>\$ 696,421</u>	<u>\$ 882,230</u>	<u>\$ 1,223,028</u>
Contributions in relation to the contractually required contribution	<u>(582,025)</u>	<u>(528,040)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 6,107,295</u>	<u>\$ 5,959,821</u>	<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>9.53%</u>	<u>8.86%</u>	<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 No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(3) 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.

(4) 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.

(5) The discount rate used to calculate the total pension liability was decreased from 7.25% to 7.1% effective with the June 30, 2019 measurement date.

(6) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

See independent auditors' report.

Mount Pleasant Cottage School Union Free School District, New York

Required Supplementary Information
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

Schedule of the School District's Proportionate Share of the Net Pension Liability (2)

	2021 (6)	2020 (4)(5)	2019	2018	2017	2016 (3)	2015
School District's proportion of the net pension liability	<u>0.0067470%</u>	<u>0.0067798%</u>	<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>\$ 6,718</u>	<u>\$ 1,795,325</u>	<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>\$ 2,172,256</u>	<u>\$ 2,201,772</u>	<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>0.31%</u>	<u>81.54%</u>	<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>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 288,111</u>	<u>\$ 264,768</u>	<u>\$ 233,529</u>	<u>\$ 239,482</u>	<u>\$ 250,088</u>	<u>\$ 286,955</u>	<u>\$ 348,530</u>
Contributions in relation to the contractually required contribution	<u>(288,111)</u>	<u>(264,768)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 2,091,412</u>	<u>\$ 2,159,764</u>	<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>13.78%</u>	<u>12.26%</u>	<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".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) 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.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

(5) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(6) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

See independent auditors' report.

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Mount Pleasant Cottage School Union Free School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Cash and equivalents	\$ 474,922	\$ 683,697
Receivables		
Accounts	2,700	2,700
State and Federal aid	337,187	459,640
Due from other governments	2,705,448	2,708,489
Due from other funds	226,091	-
	3,271,426	3,170,829
Total Assets	\$ 3,746,348	\$ 3,854,526
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 2,248,698	\$ 2,138,370
Due to other funds	-	207,401
Due to other governments	48,698	-
Due to retirement systems	1,164,814	1,307,829
Employee payroll deductions	1,338	10,145
Unearned revenues	31,484	-
Total Liabilities	3,495,032	3,663,745
Deferred inflows of resources		
Unavailable revenues	-	27,589
Total Liabilities and Deferred Inflows of Resources	3,495,032	3,691,334
Fund balance		
Unassigned	251,316	163,192
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 3,746,348	\$ 3,854,526

See independent auditors' report.

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,

	2021				
	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
REVENUES					
Charges for services	\$ 17,500,538	\$ 17,782,700	\$ 17,171,155	\$	\$ (611,545)
Use of money and property	-	-	250		250
Sale of property and compensation for loss	-	-	40,116		40,116
State aid	-	-	337,228		337,228
Miscellaneous	-	-	35,319		35,319
Total Revenues	17,500,538	17,782,700	17,584,068		(198,632)
EXPENDITURES					
Current					
General support					
Board of education	125,305	102,847	102,771	-	76
Central administration	349,208	358,938	357,869	-	1,069
Finance	479,164	501,589	500,461	-	1,128
Central services	1,001,432	1,393,652	1,393,647	-	5
Special items	229,846	201,346	200,842	-	504
Total General Support	2,184,955	2,558,372	2,555,590	-	2,782
Instruction					
Instruction, administration and improvement	888,537	992,539	991,151	-	1,388
Teaching - Regular school	6,343,632	5,942,465	5,830,506	-	111,959
Teaching - Special schools	410,000	478,617	447,247	-	31,370
Instructional media	489,217	1,032,989	1,016,867	-	16,122
Pupil services	1,179,131	1,206,812	1,193,160	-	13,652
Total Instruction	9,310,517	9,653,422	9,478,931	-	174,491
Pupil transportation	138,458	128,458	121,071	-	7,387
Employee benefits	5,866,608	5,439,978	5,337,890	-	102,088
Total Expenditures	17,500,538	17,780,230	17,493,482	-	286,748
Excess of Revenues Over Expenditures	-	2,470	90,586	-	88,116
OTHER FINANCING USES					
Transfers out	-	(2,470)	(2,462)	-	8
Net Change in Fund Balance	-	-	88,124	\$ -	\$ 88,124
FUND BALANCE					
Beginning of Year	-	-	163,192		
End of Year	\$ -	\$ -	\$ 251,316		

See independent auditors' report.

2020				
Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
\$ 17,081,047	\$ 17,783,962	\$ 17,120,053	\$	\$ (663,909)
-	-	744		744
-	-	12,616		12,616
-	-	344,199		344,199
-	-	31,116		31,116
17,081,047	17,783,962	17,508,728		(275,234)
140,200	73,770	73,574	-	196
348,000	336,414	330,652	-	5,762
463,684	500,374	493,373	-	7,001
1,089,221	1,420,813	1,378,976	-	41,837
217,000	211,540	204,093	-	7,447
2,258,105	2,542,911	2,480,668	-	62,243
864,179	1,024,330	1,013,996	-	10,334
6,152,763	6,351,093	6,260,378	-	90,715
443,500	305,538	296,078	-	9,460
410,415	843,350	842,751	-	599
1,139,635	1,150,200	1,149,957		243
9,010,492	9,674,511	9,563,160	-	111,351
131,439	132,642	125,286		7,356
5,681,011	5,433,898	5,289,624	-	144,274
17,081,047	17,783,962	17,458,738	-	325,224
-	-	49,990	-	49,990
-	-	-	-	-
-	-	49,990	\$ -	\$ 49,990
-	-	113,202		
\$ -	\$ -	\$ 163,192		

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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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES				
Day school tuition	\$ 17,500,538	\$ 17,782,700	\$ 17,134,486	\$ (648,214)
Prior year tuition	-	-	36,669	36,669
	<u>17,500,538</u>	<u>17,782,700</u>	<u>17,171,155</u>	<u>(611,545)</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	-	-	250	250
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	-	40,116	40,116
STATE AID				
BOCES	-	-	264,768	264,768
Other	-	-	72,460	72,460
	<u>-</u>	<u>-</u>	<u>337,228</u>	<u>337,228</u>
MISCELLANEOUS				
Refund for BOCES aided expenditures	-	-	35,319	35,319
TOTAL REVENUES	<u>\$ 17,500,538</u>	<u>\$ 17,782,700</u>	<u>\$ 17,584,068</u>	<u>\$ (198,632)</u>

See independent auditors' report.

Mount Pleasant Cottage School Union Free School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Encum- brances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 118,200	\$ 95,600	\$ 95,524	\$ -	\$ 76
District clerk	7,105	7,247	7,247	-	-
Total Board of Education	125,305	102,847	102,771	-	76
CENTRAL ADMINISTRATION					
Chief school administrator	349,208	358,938	357,869	-	1,069
FINANCE					
Business administration	428,914	453,206	453,199	-	7
Auditing	38,750	36,638	35,517	-	1,121
Treasurer	11,500	11,745	11,745	-	-
Total Finance	479,164	501,589	500,461	-	1,128
CENTRAL SERVICES					
Operation and maintenance of plant	931,432	1,270,561	1,270,557	-	4
Central printing and mailing	70,000	123,091	123,090	-	1
Total Central Services	1,001,432	1,393,652	1,393,647	-	5
SPECIAL ITEMS					
Unallocated insurance	197,846	169,346	169,232	-	114
Administrative charge - BOCES	32,000	32,000	31,610	-	390
Total Special Items	229,846	201,346	200,842	-	504
Total General Support	2,184,955	2,558,372	2,555,590	-	2,782

INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Supervision - Regular school	859,237	976,512	975,124	-	1,388
In-service training - Instruction	29,300	16,027	16,027	-	-
Total Instruction, Administration and Improvement	888,537	992,539	991,151	-	1,388
TEACHING - REGULAR SCHOOL	6,343,632	5,942,465	5,830,506	-	111,959
TEACHING - SPECIAL SCHOOLS	410,000	478,617	447,247	-	31,370
INSTRUCTIONAL MEDIA					
Computer assisted instruction	489,217	1,032,989	1,016,867	-	16,122
PUPIL SERVICES					
Health services	133,293	128,753	125,065	-	3,688
Psychological services	428,880	435,180	435,169	-	11
Speech, vocational and occupational therapy services	400,455	422,761	412,810	-	9,951
Social work services	216,503	220,118	220,116	-	2
Total Pupil Services	1,179,131	1,206,812	1,193,160	-	13,652
Total Instruction	9,310,517	9,653,422	9,478,931	-	174,491
PUPIL TRANSPORTATION					
District transportation services	138,458	128,458	121,071	-	7,387
EMPLOYEE BENEFITS					
State retirement	432,483	318,072	318,072	-	-
Teachers' retirement	601,323	550,960	550,519	-	441
Social security	758,742	745,254	674,801	-	70,453
Workers' compensation	599,337	590,882	590,882	-	-
Life insurance	37,500	29,153	29,153	-	-
Unemployment benefits	40,000	19,945	19,945	-	-
Hospital, medical and dental insurance	3,142,049	2,820,355	2,820,355	-	-
Union welfare benefits	163,674	161,204	130,493	-	30,711
Other	91,500	204,153	203,670	-	483
Total Employee Benefits	5,866,608	5,439,978	5,337,890	-	102,088
TOTAL EXPENDITURES	17,500,538	17,780,230	17,493,482	-	286,748

Mount Pleasant Cottage School Union Free School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encum- brances</u>	<u>Variance with Final Budget</u>
OTHER FINANCING USES					
Transfers out					
Special Aid Fund	<u>\$ -</u>	<u>\$ 2,470</u>	<u>\$ 2,462</u>	<u>\$ -</u>	<u>\$ 8</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u><u>\$ 17,500,538</u></u>	<u><u>\$ 17,782,700</u></u>	<u><u>\$ 17,495,944</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 286,756</u></u>

See independent auditors' report.

Mount Pleasant Cottage School Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	<u>\$ 168,937</u>	<u>\$ 10,901</u>
Receivables		
State and Federal aid	92,527	106,120
Due from other funds	<u>-</u>	<u>207,401</u>
	<u>92,527</u>	<u>313,521</u>
 Total Assets	 <u><u>\$ 261,464</u></u>	 <u><u>\$ 324,422</u></u>
LIABILITIES		
Due to other funds	\$ 226,091	\$ -
Unearned revenues	<u>35,373</u>	<u>324,422</u>
 Total Liabilities	 <u><u>\$ 261,464</u></u>	 <u><u>\$ 324,422</u></u>

See independent auditors' report.

Mount Pleasant Cottage School Union Free School District, New York

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

	<u>2021</u>	<u>2020</u>
REVENUES		
Federal aid	\$ 722,203	\$ 390,760
EXPENDITURES		
Current		
Instruction	<u>724,665</u>	<u>390,760</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,462)	-
OTHER FINANCING SOURCES		
Transfers in	<u>2,462</u>	<u>-</u>
Net Change in Fund Balance	-	-
FUND BALANCE		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report.

Mount Pleasant Cottage School Union Free School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	<u>\$ 5,927</u>	<u>\$ 4,505</u>
FUND BALANCE		
Restricted	<u>\$ 5,927</u>	<u>\$ 4,505</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>2021</u>	<u>2020</u>
REVENUES		
Miscellaneous	\$ 1,685	\$ 3,100
EXPENDITURES		
Current		
Other	<u>263</u>	<u>3,638</u>
Excess (Deficiency) of Revenues Over Expenditures	1,422	(538)
FUND BALANCE		
Beginning of Year	<u>4,505</u>	<u>5,043</u>
End of Year	<u><u>\$ 5,927</u></u>	<u><u>\$ 4,505</u></u>

See independent auditors' report.

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, 2021

Adopted/Original Budget	\$ 17,500,538
Budget Revisions	<u>282,162</u>
Final Budget	<u><u>\$ 17,782,700</u></u>

Mount Pleasant Cottage School Union Free School District, New York

Schedule of Investment in Capital Assets
Year Ended June 30, 2021

Capital Assets, net/Investment in Capital Assets	<u><u>\$ 3,176,248</u></u>
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