

PLATTSBURGH CITY SCHOOL DISTRICT

FINANCIAL REPORT

JUNE 30, 2015 AND 2014

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BOULRICE & WOOD CPAS, P.C.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Plattsburgh City School District
Plattsburgh, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Plattsburgh City School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the District's 2014 financial statements, and in our report dated September 11, 2014, we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Plattsburgh City School District, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 9), budgetary comparison information (pages 51 & 52), Schedule of Funding Progress Other Post Employment Benefits Plan (page 55) and Schedules of District's Proportionate Share of the Net Pension Liability – ERS and TRS, and Schedules of the District's Contributions – ERS and TRS (pages 58-61) 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plattsburgh City School District's basic financial statements as a whole. The Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, and Investment In Capital Assets, Net of Related Debt are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Plattsburgh City School District. The Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, Investment In Capital Assets, Net of Related Debt, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2015, on our consideration of the Plattsburgh City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Plattsburgh City School District's internal control over financial reporting and compliance.

Boulrice & Wood CPAs, PC

Boulrice & Wood CPAs, PC
September 8, 2015

**Plattsburgh City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2015**

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2015.

Financial Highlights

Revenues totaled \$40.2 million. Program revenues accounted for \$2.8 million or 7.0% of total revenues, and general revenues accounted for \$37.4 million or 93.0%.

The District's net position was approximately negative \$19.9 million.

Overview of the Financial Statements

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

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the district's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the district, reporting the district's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about the activities the district operates. The district has no proprietary funds.
- Fiduciary funds statements provide information about the financial relationships in which the district acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the year.

District-wide Statements

The district-wide statements report information about the district as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the district's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the district's net position and changes in it. The change in net position provides the reader a tool to assist in determining whether the district's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

In the district-wide financial statements, the District's activities are divided into two categories:

- **Governmental activities:** Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- **Business-type activities:** The District has no business-type activities at this time.

Fund Financial Statements

The fund financial statements provide more detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions.

The District has two kinds of funds:

- **Governmental Funds:** Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the notes to the financial statements.
- **Fiduciary funds:** The District is the trustee, or fiduciary, for its scholarship program and student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because the assets cannot be utilized by the District to finance its operations.

Financial Analysis of the District as a Whole

PLATTSBURGH CITY SCHOOL DISTRICT CONDENSED STATEMENT OF NET POSITION

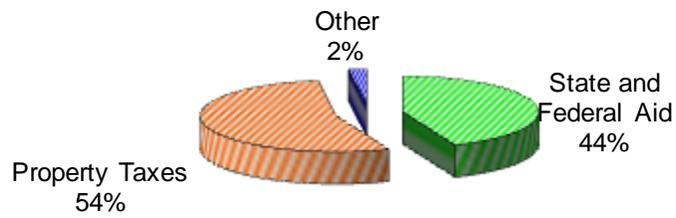
	6/30/2015	Restated 6/30/2014
ASSETS		
Current and other assets	\$ 22,430,539	\$ 11,688,292
Capital assets, net	<u>39,399,943</u>	<u>38,054,193</u>
Total Assets	<u>61,830,482</u>	49,742,485
DEFERRED OUTFLOW OF RESOURCES		
Unamortized defeasance loss	42,083	48,333
Pensions	<u>3,303,257</u>	<u>2,900,612</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 65,175,822</u>	<u>\$ 52,691,430</u>
LIABILITIES		
Long-term debt outstanding	\$ 73,293,379	\$ 65,363,226
Other liabilities	<u>3,298,150</u>	<u>478,999</u>
Total Liabilities	<u>76,591,529</u>	<u>65,842,225</u>
DEFERRED INFLOW OF RESOURCES		
Pensions	<u>8,511,991</u>	-
NET POSITION		
Investment in capital assets, net of related debt	27,616,128	24,633,490
Restricted	3,597,789	4,383,498
Unrestricted	<u>(51,141,615)</u>	<u>(42,167,783)</u>
Total Net Position	<u>(19,927,698)</u>	<u>(13,150,795)</u>
Total Liabilities and Net Position	<u>\$ 65,175,822</u>	<u>\$ 52,691,430</u>

PLATTSBURGH CITY SCHOOL DISTRICT CHANGES IN NET POSITION FROM OPERATING RESULTS

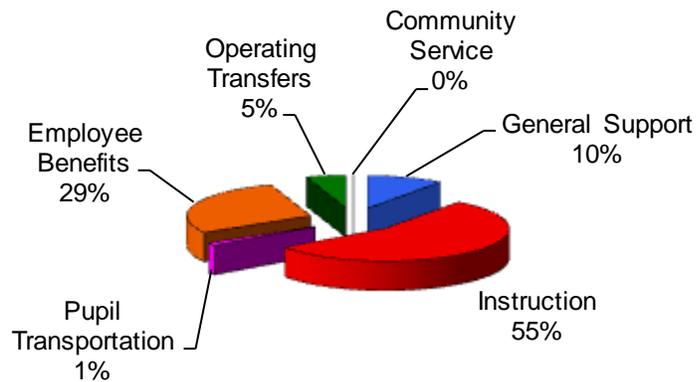
REVENUES		
Program Revenues:		
Charges for services	\$ 494,302	\$ 500,677
Operating grants	2,317,082	2,827,375
General Revenues:		
Real property taxes	20,407,354	20,605,546
Charges for services	15,229	25,895
Use of money and property	49,572	65,214
Sale of property and compensation for loss	934	6,903
Miscellaneous	515,913	636,175
State sources	16,324,664	15,753,354
Federal sources	100,000	270,514
Total Revenues	<u>40,225,050</u>	<u>40,691,653</u>
EXPENSES		
General support	4,776,603	4,781,584
Instruction	23,782,566	23,820,279
Pupil transportation	495,727	437,713
Community service	5,788	3,250
Employee benefits	17,208,891	20,379,084
Debt service - interest	384,464	450,563
School lunch program	347,914	375,653
Total Expenses	<u>47,001,953</u>	<u>50,248,126</u>
Increase (Decrease) in Net Position	<u>\$ (6,776,903)</u>	<u>\$ (9,556,473)</u>

The graphs below illustrate the allocation of general fund revenues and expenditures.

Allocation of General Fund Revenue Sources - Fiscal Year 2015



Allocation of General Fund Expenditures - Fiscal Year 2015



Financial Analysis of the District's Funds – Fund Balances

The District's governmental funds (as presented on the balance sheet on page 12) reported a combined fund balance of \$2.9 million, which is down from last year's total of \$7.1 million. These figures represent all of the District's governmental funds, which include the General, Special Revenue, Capital Project, and Debt Service Funds. The General Fund fund balance figures below reflect Unassigned, Appropriated Fund Balance, as well as the District's strategic reserves.

	<u>Current Year</u>	<u>Prior Year</u>	<u>Change</u>	<u>Percent Change</u>
General Fund	\$ 5,585,434	\$ 7,066,888	\$ (1,481,454)	-20.96%
Special Revenue Fund	\$ 62,648	\$ 135,955	\$ (73,307)	-53.92%
Capital Fund	\$ (2,707,486)	\$ (99,676)	\$ (2,607,810)	2616.29%
Debt Service Fund	\$ 2,685	\$ 100	\$ 2,585	2585.00%

General Fund Budgetary Highlights

The District's budget is prepared in accordance with New York law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised its annual operating budget for judgements and claims and utilized \$1,481,454 of its total appropriated fund balance of \$1,756,969. The District under spent its budget by \$830,453 and received \$292,085 less in revenue. Overall, the District continues to have a positive fund balance of \$2.9 million, a portion of which the Board of Education decided to place in reserves for Tax Certiorari, Retirement contributions, Workers compensation and Employee benefits.

Capital Assets

The District has \$39,399,943 invested in capital assets net of depreciation. Refer to page 39 for details of capital assets.

Long-Term Debt

At June 30, 2015, the District had \$11,800,000 in outstanding bonds payable as compared to \$13,425,000 at June 30, 2014. During the year the District paid \$1,625,000 in principal and \$378,213 in interest.

At June 30, 2015, the District had an outstanding installment obligation for \$22,898. During the year the District paid \$20,138 in principal and \$546 in interest.

Factors Bearing on the District's Future

Though State Aid for Education has not yet fully recovered (vis-à-vis funding levels from the mid- to late-2000s), the 2015-16 budget saw a respectable increase in estimated aid, which has begun to relieve budgetary pressures. However, ever-expanding mandates are rendering the administration of public education in New York more challenging, and aid streams which are contingent on certain variables (tax freeze incentives, Smart Schools Bond Act, etc.) impede the predictability of revenues.

Locally, Plattsburgh City School District is in a period of administrative re-deployment, with the restoration of a previously-eliminated curriculum leadership post, and the subsequent transfers of certain other administrators. Additionally, succession in the Superintendency of the District – though not yet official – is projected within the short term (1-3 years).

An ongoing capital improvement project will see addressed many pressing issues of deferred maintenance (most notably roofing), but with four of the District's five school buildings now more than 50 years old, maintenance-based capital projects are expected to be needed more regularly.

In 2015-16, for the first time in many years, the District's year-over-year total taxable assessments have decreased. However, this decrease is almost solely attributable to two factors: the reduction in assessed valuation by approximately 98% of a large commercial parcel, and the introduction of the Veteran's Exemption. Moving forward the District looks forward to the return of modest (at least reflective of general inflationary trends) annual increases in total valuation.

Contacting the District's Financial Management

This financial report is designated to provide the District's citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Associate Superintendent, Plattsburgh City School District, 49 Broad Street, Plattsburgh, NY 12901

PLATTSBURGH CITY SCHOOL DISTRICT

EXHIBIT 1

STATEMENTS OF NET POSITION
June 30, 2015 and 2014

	June 30, 2015	Restated June 30, 2014
ASSETS		
Cash:		
Unrestricted	\$ 5,788,572	\$ 6,448,524
Restricted	1,529,158	1,676,412
Receivables:		
Accounts receivable	174,469	128,193
Taxes receivable	785,747	555,111
State and federal aid receivable	1,281,759	1,653,170
Due from other governments	474,822	481,533
Inventories	24,600	39,223
Capital assets, net	39,399,943	38,054,193
Net pension asset-proportionate share	12,371,412	706,126
Total Assets	61,830,482	49,742,485
DEFERRED OUTFLOW OF RESOURCES		
Unamortized defeasance loss	42,083	48,333
Pensions	3,303,257	2,900,612
Total Assets and Deferred Outflow of Resources	\$ 65,175,822	\$ 52,691,430
LIABILITIES		
Payables:		
Accounts payable	\$ 1,241,675	\$ 404,374
Accrued liability	56,433	74,590
Bond anticipation notes	2,000,000	-
Due to other governments	42	35
Long-term liabilities		
Due and payable within one year:		
Bonds payable-current	1,670,000	1,625,000
Installment obligation-current	20,457	20,139
Due to teacher's retirement system	3,046,788	2,785,691
Due to employee's retirement system	230,735	235,724
Due and payable after one year		
Bonds payable - non-current	10,130,000	11,800,000
Installment obligation - non-current	3,441	23,897
Compensated absences payable	239,016	156,686
Other post employment benefits	57,567,126	48,200,008
Net pension liability-proportionate share	385,816	516,081
Total Liabilities	76,591,529	65,842,225
DEFERRED INFLOWS OF RESOURCES		
Pensions	8,511,991	-
NET POSITION		
Investment in capital assets, net of related debt	27,616,128	24,633,490
Restricted for:		
Workers compensation	128,236	109,290
Retirement	1,849,175	2,438,519
Tax certiorari	1,470,236	1,679,003
Employee benefit accrued liability	147,457	156,686
Retirement of long-term debt	2,685	-
Unrestricted (defecit)	(51,141,615)	(42,167,783)
Total Net Position	(19,927,698)	(13,150,795)
Total Liabilities, Deferred Inflows and Net Position	\$ 65,175,822	\$ 52,691,430

PLATTSBURGH CITY SCHOOL DISTRICT

EXHIBIT 2

STATEMENT OF ACTIVITIES

Years Ended June 30, 2015 and 2014

FUNCTIONS/ PROGRAMS	June 30, 2015			June 30, 2014	
	EXPENSES	PROGRAM REVENUES		NET (EXPENSE)	
		CHARGES FOR SERVICES	OPERATING GRANTS	REVENUE AND CHANGES IN NET POSITION	
General support	\$ (4,776,603)	\$ -	\$ -	\$ (4,776,603)	\$ (4,781,584)
Instruction	(23,782,566)	247,479	1,725,515	(21,809,572)	(21,397,675)
Pupil transportation	(495,727)	-	-	(495,727)	(437,713)
Community service	(5,788)	-	-	(5,788)	(3,250)
Employee benefits	(17,208,891)	-	-	(17,208,891)	(20,379,084)
Debt service - interest	(384,464)	-	-	(384,464)	(450,563)
School lunch program	(347,914)	246,823	591,567	490,476	529,795
Total Functions and Programs	\$ (47,001,953)	\$ 494,302	\$ 2,317,082	(44,190,569)	(46,920,074)
GENERAL REVENUES					
Real property taxes				20,407,354	20,605,546
Charges for services				15,229	25,895
Use of money and property				49,572	65,214
Sale of property and compensation for loss				934	6,903
Miscellaneous				515,913	636,175
State sources				16,324,664	15,753,354
Federal sources				100,000	270,514
Total General Revenues				37,413,666	37,363,601
Change in Net Position				(6,776,903)	(9,556,473)
Total Net Position - Beginning of Year				(13,150,795)	(6,684,979)
Prior period adjustment (note 17)				-	3,090,657
Total Net Position - End of Year				\$ (19,927,698)	\$ (13,150,795)

PLATTSBURGH CITY SCHOOL DISTRICT

EXHIBIT 3

BALANCE SHEETS-GOVERNMENTAL FUNDS
June 30, 2015 and 2014

	GENERAL FUND	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	6/30/2015 TOTAL	6/30/2014 TOTAL
ASSETS						
Cash and investments	\$ 5,497,935	\$ 30,292	\$ 2,650	\$ 257,695	\$ 5,788,572	\$ 6,448,524
Restricted cash	1,529,158	-	-	-	1,529,158	1,676,412
Due from other funds	584,470	-	35	-	584,505	990,129
Accounts receivable	157,495	16,974	-	-	174,469	128,193
Taxes receivable	785,747	-	-	-	785,747	555,111
Due from other governments	474,822	-	-	-	474,822	481,533
State and federal aid receivable	624,730	629,816	-	-	1,254,546	1,653,170
Inventories	-	24,600	-	-	24,600	39,223
Total Assets	<u>\$ 9,654,357</u>	<u>\$ 701,682</u>	<u>\$ 2,685</u>	<u>\$ 257,695</u>	<u>\$ 10,616,419</u>	<u>\$ 11,972,295</u>
LIABILITIES						
Accounts payable	\$ 276,306	\$ 732	\$ -	\$ 964,637	\$ 1,241,675	\$ 404,374
Accrued liability	54,878	1,555	-	-	56,433	74,590
Bond anticipation notes payable	-	-	-	2,000,000	2,000,000	-
Due to other governments	-	42	-	-	42	35
Due to other funds	-	583,961	-	544	584,505	990,129
Due to teachers' retirement system	3,046,788	-	-	-	3,046,788	2,785,691
Due to employees' retirement system	177,991	52,744	-	-	230,735	235,724
Total Liabilities	<u>3,555,963</u>	<u>639,034</u>	<u>-</u>	<u>2,965,181</u>	<u>7,160,178</u>	<u>4,490,543</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred taxes	512,960	-	-	-	512,960	378,485
FUND BALANCES						
Nonspendable						
Inventory	-	24,600	-	-	24,600	39,223
Restricted						
Workers compensation	128,236	-	-	-	128,236	109,290
Retirement	1,849,175	-	-	-	1,849,175	2,438,519
Tax certiorari	1,470,236	-	-	-	1,470,236	1,679,003
Employee benefit accrued liability	147,457	-	-	-	147,457	156,686
Retirement of long-term debt	-	-	2,685	-	2,685	-
Assigned						
Appropriated Fund Balance	1,377,435	-	-	-	1,377,435	1,756,969
Other (Note 9)	182,008	38,048	-	-	220,056	391,921
Unassigned	430,887	-	-	(2,707,486)	(2,276,599)	531,656
Total Fund Balances	<u>5,585,434</u>	<u>62,648</u>	<u>2,685</u>	<u>(2,707,486)</u>	<u>2,943,281</u>	<u>7,103,267</u>
Total Liabilities, Fund Balances and Deferred Inflows of Resources	<u>\$ 9,654,357</u>	<u>\$ 701,682</u>	<u>\$ 2,685</u>	<u>\$ 257,695</u>	<u>\$ 10,616,419</u>	<u>\$ 11,972,295</u>

See Notes to the Financial Statements.

PLATTSBURGH CITY SCHOOL DISTRICT

EXHIBIT 4

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Years Ended June 30, 2015 and 2014

					6/30/2015	6/30/2014
	General	Special Revenue	Debt Service	Capital Projects	TOTAL	TOTAL
REVENUES						
Real property taxes	\$ 20,272,879	\$ -	\$ -	\$ -	\$ 20,272,879	\$ 20,500,322
Charges for services	15,229	-	-	-	15,229	25,895
Other districts and governments	247,479	-	-	-	247,479	191,608
Use of money and property	49,227	-	345	-	49,572	65,214
Sale of property and compensation for loss	934	-	-	-	934	6,903
Miscellaneous	494,205	16,448	5,260	-	515,913	636,175
State sources	16,297,451	463,464	-	-	16,760,915	16,224,012
Federal sources	100,000	1,853,618	-	-	1,953,618	2,627,231
Sales	-	246,823	-	-	246,823	309,069
Total Revenues	37,477,404	2,580,353	5,605	-	40,063,362	40,586,429
EXPENDITURES						
General support	3,903,772	340,251	-	-	4,244,023	4,220,823
Instruction	21,467,662	1,596,824	-	-	23,064,486	23,048,851
Pupil transportation	504,465	-	-	-	504,465	355,526
Community service	5,788	-	-	-	5,788	3,250
Employee benefits	11,068,338	377,310	-	-	11,445,648	11,160,362
Debt service	-	-	2,003,214	-	2,003,214	2,519,313
Capital outlay	-	-	-	2,607,810	2,607,810	100,000
Cost of sales	-	347,914	-	-	347,914	375,653
Total Expenditures	36,950,025	2,662,299	2,003,214	2,607,810	44,223,348	41,783,778

Excess (Deficit) of Revenues over Expenditures	<u>527,379</u>	<u>(81,946)</u>	<u>(1,997,609)</u>	<u>(2,607,810)</u>	<u>(4,159,986)</u>	<u>(1,197,349)</u>
OTHER SOURCES AND USES						
Operating Transfers In	-	8,639	2,000,194	-	2,008,833	2,508,531
Operating Transfers (Out)	<u>(2,008,833)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,008,833)</u>	<u>(2,508,531)</u>
Total Other Sources and Uses	<u>(2,008,833)</u>	<u>8,639</u>	<u>2,000,194</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) Revenues and Other Sources over Expenditures and Other Uses	<u>(1,481,454)</u>	<u>(73,307)</u>	<u>2,585</u>	<u>(2,607,810)</u>	<u>(4,159,986)</u>	<u>(1,197,349)</u>
Fund Balances, Beginning of Year	7,066,888	135,955	100	(99,676)	7,103,267	8,300,616
Fund Balances, End of Year	<u>\$ 5,585,434</u>	<u>\$ 62,648</u>	<u>\$ 2,685</u>	<u>\$ (2,707,486)</u>	<u>\$ 2,943,281</u>	<u>\$ 7,103,267</u>

See Notes to the Financial Statements.

PLATTSBURGH CITY SCHOOL DISTRICT

EXHIBIT 5

STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2015 and 2014

	Private Purpose Trust	Agency	6/30/2015 Total	6/30/2014 Total
ASSETS				
Cash	\$ 27,918	\$ 58,803	\$ 86,721	\$ 74,538
Investment in securities	37,443	-	37,443	36,583
Total Assets	\$ 65,361	\$ 58,803	\$ 124,164	\$ 111,121
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 175
Extra classroom activity balances	-	52,462	52,462	\$ 49,135
Other liabilities	-	6,341	6,341	178
Total Liabilities	-	58,803	58,803	49,488
NET POSITION				
Reserved for scholarships	65,361	-	65,361	61,633
Total Net Position	65,361	-	65,361	61,633
Total Liabilities and Net Position	\$ 65,361	\$ 58,803	\$ 124,164	\$ 111,121

See Notes to the Financial Statements.

PLATTSBURGH CITY SCHOOL DISTRICT

EXHIBIT 6

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
 Years Ended June 30, 2015 and 2014

	<u>6/30/2015</u>	<u>6/30/2014</u>
	<u>Private Purpose Trust</u>	<u>Private Purpose Trust</u>
ADDITIONS		
Gifts and contributions	\$ 8,698	\$ 8,742
Investment earnings	798	18
Total Additions	<u>9,496</u>	<u>8,760</u>
DEDUCTIONS		
Scholarships and awards	<u>5,768</u>	<u>6,863</u>
Changes in Net Position	3,728	1,897
Net Position, Beginning of Year	<u>61,633</u>	<u>59,736</u>
Net Position, End of Year	<u><u>\$ 65,361</u></u>	<u><u>\$ 61,633</u></u>

PLATTSBURGH CITY SCHOOL DISTRICT

EXHIBIT 7

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2015

	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
ASSETS				
Unrestricted cash	\$ 5,788,572	\$ -	\$ -	\$ 5,788,572
Restricted cash	1,529,158	-	-	1,529,158
Due from other funds	584,505	-	(584,505)	-
Accounts receivable	174,469	-	-	174,469
Taxes receivable	785,747	-	-	785,747
Due from other governments	474,822	-	-	474,822
State and federal aid receivable	1,254,546	27,213	-	1,281,759
Inventories	24,600	-	-	24,600
Fixed assets	-	39,399,943	-	39,399,943
Net pension asset-proportionate share	-	12,371,412	-	12,371,412
Total Assets	10,616,419	51,798,568	(584,505)	61,830,482
DEFERRED OUTFLOW OF RESOURCES				
Unamortized defeasance loss	-	42,083	-	42,083
Pensions	-	3,303,257	-	3,303,257
Total Assets and Deferred Outflow of Resources	\$ 10,616,419	\$ 55,143,908	\$ (584,505)	\$ 65,175,822
LIABILITIES				
Accounts payable	\$ 1,241,675	\$ -	\$ -	\$ 1,241,675
Accrued liability	56,433	-	-	56,433
Bond anticipation notes	2,000,000	-	-	2,000,000
Due to other funds	584,505	-	(584,505)	-
Due to other governments	42	-	-	42
Due to teachers' retirement system	3,046,788	-	-	3,046,788
Due to employees' retirement system	230,735	-	-	230,735
Bonds payable	-	11,800,000	-	11,800,000
Installment obligation	-	23,898	-	23,898
Compensated absences	-	239,016	-	239,016
Other post employment benefits	-	57,567,126	-	57,567,126
Net pension liability- proportionate share	-	385,816	-	385,816
Total Liabilities	7,160,178	70,015,856	(584,505)	76,591,529
DEFERRED INFLOWS OF RESOURCES				
Deferred taxes	512,960	(512,960)	-	-
Pensions	-	8,511,991	-	8,511,991
		7,999,031		8,511,991
FUND BALANCE/NET POSITION				
Total Fund Balance/ Net Position	2,943,281	(22,870,979)	-	(19,927,698)
Total Liabilities, Fund Balance and Deferred Inflows of Resources	\$ 10,616,419	\$ 55,143,908	\$ (584,505)	\$ 65,175,822

See Notes to the Financial Statements.

PLATTSBURGH CITY SCHOOL DISTRICT

EXHIBIT 8

RECONCILIATION OF GOVERNMENTAL FUNDS-REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	TOTAL GOVERNMENT FUNDS	LONG-TERM REVENUE EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTION	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
REVENUES						
Real property taxes	\$ 20,272,879	\$ 134,475	\$ -	\$ -	\$ -	\$ 20,407,354
Charges for services	15,229	-	-	-	-	15,229
Other districts and governments	247,479	-	-	-	-	247,479
Use of money and property	49,572	-	-	-	-	49,572
Sale of property and compensation for loss	934	-	-	-	-	934
Miscellaneous	515,913	-	-	-	-	515,913
State sources	16,760,915	27,213	-	-	-	16,788,128
Federal sources	1,953,618	-	-	-	-	1,953,618
Sales	246,823	-	-	-	-	246,823
Total Revenues	40,063,362	161,688	-	-	-	40,225,050
EXPENDITURES						
General support	4,244,023	-	552,718	(20,138)	-	4,776,603
Instruction	23,064,486	-	718,080	-	-	23,782,566
Pupil transportation	504,465	-	(8,738)	-	-	495,727
Community service	5,788	-	-	-	-	5,788
Employee benefits	11,445,648	5,763,243	-	-	-	17,208,891
Debt service	2,003,214	-	-	(1,618,750)	-	384,464
Capital outlay	2,607,810	-	(2,607,810)	-	-	-
Cost of sales	347,914	-	-	-	-	347,914
Total Expenditures	44,223,348	5,763,243	(1,345,750)	(1,638,888)	-	47,001,953
Excess (Deficit) of Revenues over Expenditures	(4,159,986)	(5,601,555)	1,345,750	1,638,888	-	(6,776,903)
OTHER SOURCES AND USES						
Operating Transfers In	2,008,833	-	-	-	(2,008,833)	-
Operating Transfers Out	(2,008,833)	-	-	-	2,008,833	-
Total Other Sources and Uses	-	-	-	-	-	-
Net Change for the Year	\$ (4,159,986)	\$ (5,601,555)	\$ 1,345,750	\$ 1,638,888	\$ -	\$ (6,776,903)

See Notes to the Financial Statements.

PLATTSBURGH CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

- A. Reporting entity: The Plattsburgh City School District (the "District") is governed by the Education Law and other general laws of the State of New York. The governing body is the Board of Education of Plattsburgh City School (Board). The Board is the basic level of government, which has oversight responsibilities and control over all activities related to the public school education in the region of Plattsburgh City School District. The Board receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in GASB pronouncements, since Board members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Extraclassroom Activity Funds: The Extraclassroom activity funds of the Plattsburgh City School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. The cash and investment balances are reported in the Trust and Agency Funds of the School District.

B. Basis of presentation

1. District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of good or services offered by the programs, and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Functional Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Non-major funds are aggregated and presented in a single column. The District elects to report all governmental funds as major funds.

The District reports the following major governmental funds:

General Fund - the general fund is the principal operating fund of the District and is used to account for all financial resources, except those accounted for in another fund.

Special Revenue Funds - special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

- School Lunch Fund - used to account for transactions for the School District lunch and milk programs.
- Special Aid Fund - used to account for special operating projects or programs supported in whole, or in part, with federal funds or state grants.

Capital Projects Fund - the capital projects funds are to account for and report financial resources to be used for the acquisition, or construction or renovation of major capital facilities, or equipment.

Debt Service - the debt service funds are to account for the accumulation of resources and the payment of general long-term debt principal and interest.

Fiduciary Fund - the fiduciary funds consist of private purpose trust funds and agency funds that are used to account for and report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or funds. Private purpose trust funds include scholarship funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Assets are held by the District as agent for various student groups or extra-classroom activity funds and for payroll or employee withholding. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.

C. Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred,

Note 1. Summary of Significant Accounting Policies (continued)

regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On a modified accrual basis, revenue from property taxes is recognized by estimating how much will be collected during the ensuing fiscal year. Revenue from grants and donations is in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred except for:

- a. Prepays and inventory-type items are recognized at the time of purchase.
 - b. Principal and interest on indebtedness are not recognized as an expenditure until due.
 - c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.
 - d. Pension costs are recognized as an expenditure when billed by the state.
 - e. The School District recognizes the cost of providing post retirement health insurance coverage and survivor benefits by recording its share of insurance premiums as an expenditure in the year paid.
- D. Inventories: Inventories of food and supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value, which approximates market. Purchases of supplies in other funds are recorded as expenditures at the time of purchase, and year-end inventory balances are not maintained.
- E. Capital assets: Capital assets are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Acquisitions of equipment and capital facilities are treated as expenditures in the various funds of the School District, and are also reflected in the general fixed asset group of accounts. The assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

PLATTSBURGH CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

Capital assets are depreciated using the straight line method over the following estimated useful lives:

	<u>Estimated Useful Life</u>
Land Improvements	20 years
Buildings and improvements	50 years
Furniture, equipment and vehicles	5 - 20 years

- F. Deferred revenue - planned balance: Statute provides the authority for the School District to levy taxes to be utilized to finance expenditures within the first 60 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year rather than when measurable and available.
- G. Retirement plan: The School District provides retirement benefits for substantially all of its regular full-time employees through contributions to the New York State Teachers' Retirement System and the New York State Employees' Retirement System. These systems provide various plans and options, some of which require employee contributions.
- H. General long-term debt: Bonds, capital notes and bond anticipation notes issued for capital projects are recognized when issued.
- I. Budgetary Procedures and Budgetary Accounting

1) General

The School District's policy relating to budgetary information as shown in the accompanying financial statements is as follows:

A public hearing is held upon completion and filing of the tentative budget. Subsequent to such public hearing, the budget is adopted by the Board of Education. The budget is then approved by the voters within the School District. Appropriations established by adoption of the budget constitute limitations on expenditures (and encumbrances) which may be incurred. The New York Uniform System of Accounts requires that fixed budgetary control be used for all governmental fund types. Budget appropriations lapse at year-end.

2) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations.

PLATTSBURGH CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

Open encumbrances are reported as part of assigned fund balance and such commitments will be honored through budget appropriations in the subsequent year. Encumbrances do not constitute expenditures or liabilities.

J. Equity Classifications:

District- wide statements:

In the district-wide statements there are three classes of net position:

Invested in capital assets, net of related debt – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

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

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

Fund statements:

In the fund basis statements there are five classifications of fund balance:

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of \$24,600.

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General fund are classified as restricted fund balance. The School District has established the following restricted fund balances:

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

Employee Benefits Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

Retirement Contributions

According to General Municipal Law §6-r, must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

Tax Certiorari

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

Workers' Compensation

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

PLATTSBURGH CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

Committed – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2015.

Assigned – Includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$182,008.

Unassigned – Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

- K. Reclassifications: Certain amounts in the 2014 financial statements may have been reclassified to conform to the 2015 presentation.
- L. Events Occurring After Reporting Date: The District has evaluated events and transactions that occurred between June 30, 2015 and September 8, 2015, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.
- M. Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to

PLATTSBURGH CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

- N. Deferred Outflows and Inflows of Resources: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension system not included in pension expense. Lastly, are the Districts contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting as is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the district-wide Statement of Net position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in the pension expense.

Pension Obligations

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems.)

PLATTSBURGH CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

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

Employees' Retirement System (ERS)

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

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5

PLATTSBURGH CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

CONTRIBUTIONS

	ERS	TRS
2015	\$ 650,798	\$ 2,786,176
2014	\$ 593,304	\$ 1,980,128
2013	\$ 563,913	\$ 1,909,564

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015 the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2015 for ERS and June 30, 2014 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

	ERS	TRS
Actuarial Valuation Date	3/31/2015	6/30/2014
Net Pension asset/(liability)	\$ (385,816)	\$ 12,371,412
District's portion of the Plan's total net pension asset/(liability)	0.0114206%	0.111060%

For the year ended June 30, 2015, the District's recognized pension expense of \$367,568 for ERS and the Actuarial value (\$487,421) for TRS. At June 30, 2015 the District's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 12,350	\$ -	\$ -	\$ 180,909
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	67,011	-	-	8,308,748
Changes in proportion and differences between the Districts' contributions and proportionate share of contributions	73,603	-	-	22,334
District's contributions subsequent to the measurement date	230,735	2,919,558	-	-
Total	<u>\$ 383,699</u>	<u>\$ 2,919,558</u>	<u>\$ -</u>	<u>\$ 8,511,991</u>

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pension will be recognized in pension expense as follow:

	ERS	TRS
Year ended:		
2015	\$ -	\$ (2,100,820)
2016	38,241	(2,100,820)
2017	38,241	(2,100,820)
2018	38,241	(2,100,820)
2019	38,241	(23,633)
Thereafter	-	(85,078)
Total	<u>\$ 152,964</u>	<u>\$ (8,511,991)</u>

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

Measurement date	<u>ERS</u> 3/31/2015	<u>TRS</u> 6/30/2014
Actuarial valuation date	4/1/2014	6/30/2013
Interest rate	7.5%	8%
Salary scale	4.9%	4.01%-10.91%
Decrement tables	April 1, 2005- March 31, 2010 System's Experience	July 1, 2005- June 30, 2010 System Experience
Inflation rate	2.7%	3.0%

For ERS, annuitant mortality rates are based on April 1, 2005 - March 31, 2011 System's experience with adjustments for mortality improvements based on MP-2014. For TRS, annuitant mortality rates are based on July 1, 2005 – June 20, 2010 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale AA.

For ERS, the Actuarial assumptions used in the April 1, 2011 valuation are based on the results of an actuarial experience study for the period April 1, 2005 – March 31, 2010. For TRS, the actuarial assumptions used in the June 30, 2013 valuation are based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010.

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

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

Measurement Date	<u>ERS</u> 3/31/2015	<u>TRS</u> 6/30/2014
Asset Type:		
Domestic equity	%	%
International equity	38	37
Private equity	13	18
Real estate	10	-
Absolute return strategies	8	10
Alternative investments	3	-
Domestic fixed income securities	-	7
Global fixed income securities	-	18
Mortgages and bonds	-	2
Opportunistic portfolio	18	8
Real assets	3	-
Cash	3	-
Inflation-indexed bonds	2	-
Short-term	2	-
	-	-
Total	<u>100%</u>	<u>100%</u>

Discount Rate

The discount rate used to calculate the total pension liability was 7.5% for ERS and 8% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share for the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5% for ERS and 8% for TRS, as well as what the Districts' proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1% lower (6.5% for ERS and 7% for TRS) or 1% higher (8.5% for ERS and 9% for TRS) than the current rate:

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

ERS	1% Decrease 6.5%	Current Assumption 7.5%	1% Increase 8.5%
Employer's proportionate share of the net pension asset (liability)	\$ (2,571,628)	\$ (385,816)	\$ 1,459,552

TRS	1% Decrease 7%	Current Assumption 8.0%	1% Increase 9.0%
Employer's proportionate share of the net pension asset (liability)	\$ 266,869	\$ 12,371,412	\$ 22,686,164

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)		
	ERS	TRS	Total
Valuation date	3/31/2015	6/30/2014	
Employers' total pension asset/(liability)	\$ (164,591,504)	\$ (97,015,707)	\$ (261,607,211)
Plan Net Position	\$161,213,259	108,155,083	\$269,368,342
Employers' net pension asset/(liability)	<u>\$ (3,378,245)</u>	<u>\$11,139,377</u>	<u>\$7,761,132</u>
Ratio of plan net position to the			
Employers' total pension asset/ (liability)	-97.95%	-111.48%	-102.97%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2015 represent the projected employer contribution for the period of April 1, 2015 through June 30, 2015 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of June 30, 2015 amounted to \$177,991.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2015 are paid to the System in September, October and November 2015 through a state aid intercept. Accrued retirement contributions for the fiscal year ended June 30, 2015 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contribution for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2015 amounted to \$3,046,788.

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued)

O. New Accounting Standards:

The District has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2015:

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pension* – An amendment of GASB Statements No.27 – and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*

Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources of the governmental funds.

A. Total fund balances of governmental funds vs. net position of governmental activities:

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

Components of these differences follow:

Original Cost of Capital Assets	\$ 69,654,121
Accumulated Depreciation	30,254,178
	<u>\$ 39,399,943</u>

The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

PLATTSBURGH CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

Because the governmental funds focus on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables over 60 days) are offset by deferred revenue in the governmental funds, and thus are not included in the fund balance. They are, however, included in the Statement of Net Position.

Adjustment of:

Deferred Tax Revenue	<u>\$ 512,960</u>
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Long-term assets are reported in the Statements of Net Position, but not in the governmental funds, because they are not available in the current period. Balances at year-end were:

Long-term Excess Cost Aid	<u>\$ 27,213</u>
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Long-term liabilities are reported in the Statements of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Serial Bonds	\$ 11,800,000
Other Post Employment Benefits	57,567,126
Compensated Absences	239,016
Installment Obligation	23,898
	<u>\$ 69,630,040</u>

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities.

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

1. Long-Term Revenue Differences

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

PLATTSBURGH CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

2. Capital Related Differences

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

3. Long-Term Debt Transaction Differences

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

4. Other Post-Employment Benefits

Other post-employment benefits occur because retiree health insurance premiums are paid and recorded as expenditures in the governmental fund statements as incurred. GASB 45 requires an actuarial calculation of the future liability and to record the Net OPEB Obligation in the Statement of Net Position.)

5. Pension Differences

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

PLATTSBURGH CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

Explanation of Differences Between Governmental Funds Operating Statement
and the Statement of Activities

Total Revenues and other Funding Sources

Total revenues and other funding sources of governmental funds (Exhibit 4)	\$ 40,063,362
Adjustment for change in property taxes not expected to be collected within 60 days of District's year end, thus not considered to be "available" revenues in the government funds	134,475
Adjustment for long-term excess cost aid not considered "available" revenues in the government funds	<u>27,213</u>
Total revenues of governmental activities in the Statement of Activities (Exhibit 8)	<u><u>\$ 40,225,050</u></u>

Total Expenditures/Expenses

Total expenditures reported in governmental funds (Exhibit 4)	\$ 44,223,348
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences earned during the year exceeded the amount used.	82,330
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures exceeded depreciation expense in the current year.	(1,345,750)
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not effect the Statement of Activities,	(1,625,000)

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)

Repayment of installment obligation principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not effect the Statement of Activities,	(20,138)
The payment of Other Post-Employment Benefits (OPEB) is recorded in the governmental funds as expenditures when incurred. However, in the Statement of Activities, the current cost plus the actuarial cost of future benefits are combined and recognized as an expense. This is the amount by which the Annual OPEB Cost exceeded the premiums paid.	9,367,118
During the 2010-2011 year, the District refunded some of its existing debt. The difference between the amount of the new bond proceeds of \$7,040,000 and the outstanding bonds retired of \$7,140,000 was \$100,000, and is amortized as an adjustment of interest expense in the statement of activities over the average remaining life of the refunded debt (10 years), beginning in the fiscal year ended 6/30/2011: Current year amortization of deferral	(10,000)
During the 2012-13 year, the District refunded some of its existing debt. The difference between the amount of the new bond proceeds of \$4,700,000 and the outstanding bonds retired of \$4,570,000 was \$130,000, and is amortized as an adjustment of interest expense in the statement of activities over the average remaining life of the refunded debt (8 years), beginning in the fiscal year ended 6/30/2013: Current year amortization of deferral	16,250
(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds. Teachers' Retirement System Employees' Retirement System	(3,407,965) (278,240)
Total expenses of governmental activities in the Statement of Activities (Exhibit 8)	<u>\$ 47,001,953</u>

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 3. Cash and Investments

According to the New York State Education Law, the Board may invest the District's money in special time-deposit accounts or certificates of deposit; however, such time-deposit accounts or certificates of deposit must be made in the name of the district and payable in time for the proceeds to be available to meet expenditures for which the money was obtained. Furthermore, the time-deposit account or certificates of deposit must be secured "by a pledge of obligations of the United States of America... or obligations of the State of New York or obligations of any municipal corporation, district or district corporation of the State of New York".

Investments also may be made in obligations of the United States of America or in obligations of New York State or, with the approval of the state comptroller, in certain obligations of municipalities, school districts or district corporations other than the one investing the money.

The district may make a variety of short-term investments that include the purchase of United States Treasury bills, United States Treasury certificates of indebtedness or United States Treasury notes and bonds. In addition, it may invest in negotiable certificates of deposit.

All bank balances of deposits as of the balance sheet date are entirely insured or collateralized with securities held by financial institutions in the School's name.

Note 4. Interfund Balances and Activity

Interfund balances and activity at June 30, 2015 and for the fiscal year then ended, were as follows:

Fund Type	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General	\$ 584,470	\$ -	\$ -	\$ 2,008,833
Debt service	35	-	2,000,194	-
Capital projects	-	544	-	-
Special revenue:				
Special aid	-	583,961	8,639	-
Total	<u>\$ 584,505</u>	<u>\$ 584,505</u>	<u>\$ 2,008,833</u>	<u>\$ 2,008,833</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The School District typically transfers money from the General Fund to the Debt Service Fund, where it makes principal and interest payments on the District's bonds.

The School District typically transfers money from the General Fund to the Special Aid Fund for its share of special aid programs.

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 5. Capital Assets

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Capital assets that are not depreciated:				
Land	\$ 269,000	\$ -	\$ -	\$ 269,000
Construction in progress	100,000	2,607,810	-	2,707,810
	<u>369,000</u>	<u>2,607,810</u>	<u>-</u>	<u>2,976,810</u>
Capital assets that are depreciated:				
Land Improvements	4,860,962	-	-	4,860,962
Buildings	57,530,952	-	-	57,530,952
Furniture & Fixtures	4,123,353	231,469	(69,425)	4,285,397
	<u>66,515,267</u>	<u>231,469</u>	<u>-</u>	<u>66,677,311</u>
Total depreciable historical cost				
Less acc'd Land Improvements	4,302,027	140,393	-	4,442,420
Buildings	21,391,561	1,061,509	-	22,453,070
Furniture & Fixtures	3,136,486	291,627	(69,425)	3,358,688
	<u>28,830,074</u>	<u>1,493,529</u>	<u>-</u>	<u>30,254,178</u>
Total accumulated depreciation	<u>37,685,193</u>	<u>(1,262,060)</u>	<u>-</u>	<u>36,423,133</u>
Total depreciable historical cost, net	<u>\$ 38,054,193</u>	<u>\$ 1,345,750</u>	<u>\$ -</u>	<u>\$ 39,399,943</u>
Total Capital Assets				

Note 6. Compensated Absences

Compensated absences consist of unpaid accumulated annual vacation time.

District employees are granted vacation in varying amounts, based primarily on length of service and service position.

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the fund statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 7. Indebtedness

a. Long-Term Debt Interest

Interest expense paid was \$378,213 for the year ended June 30, 2015. Amortization of unamortized bond discount was a \$6,250 increase to interest expense resulting in net interest expense of \$384,463.

b. Changes

The changes in the District's indebtedness during the year ended June 30, 2015 are summarized as follows:

	Balance 6/30/2014	Additions	Deletions	Balance 6/30/2015
Bonds				
Serial Bond 2005	\$ 715,000	\$ -	\$ 715,000	\$ -
Serial Bond 2010	3,400,000	-	525,000	2,875,000
Serial Bond 2012	4,660,000	-	355,000	4,305,000
Serial Bond 2013	4,650,000	-	30,000	4,620,000
	<u>13,425,000</u>	<u>-</u>	<u>1,625,000</u>	<u>11,800,000</u>
 Installment Obligation	 44,036	 -	 20,138	 23,898
 Other Liabilities				
Compensated absences	156,686	82,330	-	239,016
Other post employment benefits	48,200,008	9,367,118	-	57,567,126
	<u>48,356,694</u>	<u>9,449,448</u>	<u>-</u>	<u>57,806,142</u>
 Grand Total	 <u>\$ 61,825,730</u>	 <u>\$ 9,449,448</u>	 <u>\$ 1,645,138</u>	 <u>\$ 69,630,040</u>

c. Maturity

The following is a summary of maturity of indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding 6/30/2015
Serial Bond 2010	8/31/2010	2/15/2020	2.5%-5.0%	\$ 2,875,000
Serial Bond 2012	6/15/2012	6/15/2026	2.0%-2.375%	4,305,000
Serial Bond 2013	2/9/2013	6/15/2021	3.0%	4,620,000
Total				<u>\$ 11,800,000</u>
 Installment Obligation	 8/1/2013	 8/1/2016	 1.569%	 <u>\$ 23,898</u>

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 7. Indebtedness (continued)

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 1,670,000	\$ 330,519	\$ 2,000,519
2017	1,725,000	283,719	2,008,719
2018	1,765,000	238,469	2,003,469
2019	1,825,000	187,194	2,012,194
2020	1,885,000	132,344	2,017,344
2021-2025	2,690,000	188,269	2,878,269
2026-2030	240,000	5,700	245,700
	<u>\$ 11,800,000</u>	<u>\$ 1,366,214</u>	<u>\$ 13,166,214</u>

The following is a summary of maturing debt service requirements for the installment obligation:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 20,457	\$ 228	\$ 20,685
2017	3,441	7	3,448
	<u>\$ 23,898</u>	<u>\$ 235</u>	<u>\$ 24,133</u>

In prior years, the District defeased certain general obligations bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. \$11,170,000 of bonds outstanding are considered defeased.

Note 8. Post-Employment Benefits

The District provides post employment (health insurance, etc) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements. Post employment benefits aggregating \$2,870,638 for 372 employees were charged to expenses/ expenditures in the Governmental Funds in the current year.

The District implemented GASB Statement #45, Accounting and Financial Reporting by employers for Post-employment Benefits Other than Pensions, in the school year ended June

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8. Post-Employment Benefits (continued)

30, 2009. This required the District to calculate and record a net other post-employment benefit obligation at year-end. The net other post-employment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contributions made.

The District has obtained an actuarial valuation report as of June 30, 2015 which indicates that the total liability for other post employment benefits is \$57,567,126 which is reflected in the Statement of Net Position.

Annual OPEB Cost and Net OPEB Obligation: The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

	<u>6/30/20115</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Annual required contribution	\$ 13,701,529	\$ 13,100,230	\$ 12,289,767
Interest on net OPEB obligation	1,928,000	1,558,184	1,202,008
Adjustment to annual required contribution	<u>(3,039,698)</u>	<u>(2,397,654)</u>	<u>(1,807,848)</u>
Annual OPEB cost (expense)	12,589,831	12,260,760	11,683,927
Contributions made	<u>(3,222,713)</u>	<u>(3,015,352)</u>	<u>(2,779,519)</u>
Increase in net OPEB obligation	9,367,118	9,245,408	8,904,408
Net OPEB obligation - beginning of year	<u>48,200,008</u>	<u>38,954,600</u>	<u>30,050,192</u>
Net OPEB obligation - end of year	<u><u>57,567,126</u></u>	<u><u>48,200,008</u></u>	<u><u>38,954,600</u></u>
Annual OPEB Cost	\$ 12,589,831	\$ 12,260,760	\$ 11,683,927
Percentage of Annual OPEB Cost Contributed	25.6%	24.6%	23.8%
Net OPEB Obligation at end of year	\$ 57,567,126	\$ 48,200,008	\$ 38,954,600

Funding Status and Funding Progress: As of June 30, 2015, the actuarial accrued liability for benefits was \$123,535,600 all of which was unfunded. The covered payroll for all active employees was \$18,528,103, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 667%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8. Post-Employment Benefits (continued)

into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financials statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees – Retirement age was based on the experience under the NYS & Local Retirement System.

Marital status – It is assumed that 70% of retirees will be married at the time of their retirement.

Mortality – Life expectancies were based on The RP-2000 Mortality Table for males and females.

Turnover – Turnover was based on the experience under the NYS & Local Retirement System.

Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums was set at 6.4%.

Discount rate – A 4% discount was used.

The unfunded actuarial accrued liability is being amortized over a level period of 30 years. The remaining amortization period at June 30, 2015 was 23 years.

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 9. Assigned Fund Balance - Other

<u>June 30, 2015</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
School Lunch	\$ -	\$ 38,048	\$ 38,048
Central Services	129,708	-	129,708
Teaching	51,776	-	51,776
Instructional Media	524	-	524
	<u>\$ 182,008</u>	<u>\$ 38,048</u>	<u>\$ 220,056</u>

<u>June 30, 2014</u>	<u>General</u>	<u>Special Special Revenue</u>	<u>Total</u>
School Lunch	\$ -	\$ 96,732	\$ 96,732
Finance	9,473	-	9,473
Central Services	162,829	-	162,829
Instuction Admin & Improvement	1,655	-	1,655
Teaching	94,656	-	94,656
Instructional Media	18,078	-	18,078
Pupil Services	8,498	-	8,498
	<u>\$ 295,189</u>	<u>\$ 96,732</u>	<u>\$ 391,921</u>

Note 10. Commitments and Contingencies

The Plattsburgh City School District is exposed to various risk of loss related to damage to and destruction of assets: injuries to employees and students; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. For its employee health and accident insurance coverage the Plattsburgh City School District is a participant in the Clinton-Essex-Warren-Washington Health insurance Consortium, a public entity risk pool operated for the benefit of 17 individual governmental units located within the Counties of Clinton, Essex, Warren and Washington. The District pays an annual premium to the Plan for the health and accident coverage.

The Clinton-Essex-Warren-Washington Health Insurance Consortium is considered a self-sustaining risk pool that will provide coverage for insured events. The Plattsburgh City School District has essentially transferred all related risk to the Consortium.

The Plattsburgh City School District participates in a risk sharing pool, the Clinton-Essex-Warren-Washington Workers' Compensation Consortium, to insure Workers' Compensation claims. The Clinton-Essex-Warren-Washington Workers' Compensation Consortium is a public entity risk pool operated for the benefit of 16 individual governmental units located within the Counties of Clinton, Essex, Warren and Washington. The District pays an annual premium to the Plan for the worker's compensation coverage. The Clinton-Essex-Warren- Washington

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 10. Commitments and Contingencies (continued)

Worker's Compensation Consortium is considered a self-sustaining risk pool that will provide coverage for insured events. The Plattsburgh City School District has essentially transferred all related risk to the Consortium.

From time to time the Plattsburgh City School District is involved in tax certiorari proceedings from residents petitioning to have their assessed taxable values lowered. The District is aware of various petitions for tax certiorari proceedings which if successful would result in refunds of \$1,470,236 in school taxes. A reserve for tax certiorari has been established for \$1,470,236.

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

Note 11. Operating Leases

The Plattsburgh City School District leases a significant amount of property and equipment under operating leases. Total rental expenditures on such leases for the fiscal year ended June 30, 2015 were \$5,873. The maximum future non-cancelable operating lease payments are as follows:

Fiscal Year Ending June 30,	Amount
2016	\$ 5,562
2017	5,562
2018	5,562
2019	5,562
2020	3,164
	<u>\$ 25,412</u>

Note 12. Joint Venture

The Plattsburgh City School is one of 17 component school districts in the Clinton-Essex-Warren-Washington Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities.

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards are also considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component school district's share of administrative and capital cost is determined

PLATTSBURGH CITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

Note 12. Joint Venture (continued)

by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7).

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

During the year ended June 30, 2015, the Plattsburgh City School District was billed \$3,175,164 for BOCES administrative and program costs. Participating school districts issue debt on behalf of BOCES. During the year ended June 30, 2015, the Plattsburgh City School District issued no serial bonds on behalf of BOCES. General-purpose financial statements for the Clinton-Essex-Warren-Washington BOCES are available from BOCES administrative office at P.O. Box 485, Plattsburgh, New York. The District's share of BOCES income amounted to \$1,029,033. BOCES also refunded the District \$38,212 for excess expenses billed in prior years.

Note 13. Property Taxes

Real property taxes are levied annually by the Board of Education no later than June 30, and become a lien on July 1, 2014. Taxes were collected during the period August 1 to November 30, 2014.

The City of Plattsburgh enforces uncollected real property taxes. An amount representing all uncollected real property taxes must be transmitted by the City to the District within two years from the return of unpaid taxes to such City. Real property taxes receivable expected to be collected within 60 days subsequent to June 30, 2015, less similar amounts collected during this period in the preceding year, are recognized as revenues. Otherwise, deferred revenues offset real property taxes receivable.

Note 14. Prior Period Information

Comparative prior period information has been presented in summary form. This information was derived from the District's June 30, 2014 financial statements, and in our report dated September 11, 2014 we expressed an unmodified opinion.

Note 15. Stewardship, Compliance and Accountability

The District's undesignated general fund balance was below the New York State Real Property Tax Law Section 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The undesignated fund balance at June 30, 2015 was \$430,887 which represents 1.06% of next year's budget.

The Capital Projects had a deficit fund balance of \$2,707,486. This will be funded when the District obtains permanent financing for its current construction project.

PLATTSBURGH CITY SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 16. Change in Accounting Principles:

For the fiscal year ended June 30, 2015, the District implemented GASB Statement No. 68 Accounting and Financial Reporting for Pensions- Amendment to GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for contributions made subsequent to the measurement date. The implementation of the Statements requires the District to report as an asset and/or liability its portion of the collective net pensions asset and liability in the New York state Teachers' and Employees' Retirement Systems. The implementation of the Statements also requires the District to report a deferred outflow and/or inflow for the effect of the net change in the District's proportion of the collective net pension asset and/ or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Also included as a deferred outflow is the District contributions to the pension systems subsequent to the measurement date. See note 1 for the financial statement impact of implementation of the Statements.

Note 17. Restatement of Net Position:

For the fiscal year ended June 30, 2015 the District implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions- Amendment to GASB Statement No. 27*. The implementation of Statement No. 68 resulted in the reporting of an asset, deferred outflow of resources and liability related to the District's participation in the New York State Teachers' and Employees' retirement systems. The District's net position has been restated as follows:

Net position beginning of year, as previously stated	\$ (16,241,452)
GASB Statement no. 68 implementation	
Beginning System asset- Teachers' Retirement System	706,126
Beginning System Liability- Employees' Retirement System	(516,081)
Beginning deferred outflow of resources for contributions subsequent to the measurement date	
Teachers' Retirement System	2,664,888
Employees' Retirement system	<u>235,724</u>
Net position beginning of year, as restated	<u><u>\$ (13,150,795)</u></u>

PLATTSBURGH CITY SCHOOL DISTRICT

COMBINING BALANCE SHEETS - SPECIAL REVENUE FUNDS

June 30, 2015 and 2014

	Special Aid	School Lunch	6/30/2015 Total	6/30/2014 Total
ASSETS				
Unrestricted cash	\$ 93	\$ 30,199	\$ 30,292	\$ 104,025
Accounts receivable	-	16,974	16,974	19,882
State and federal aid receivable	585,201	44,615	629,816	1,041,653
Inventories	-	24,600	24,600	39,223
Total assets	\$ 585,294	\$ 116,388	\$ 701,682	\$ 1,204,783
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 678	\$ 54	\$ 732	\$ 20,951
Accrued liabilities	655	900	1,555	2,179
Due to other funds	583,961	-	583,961	990,128
Due to other governments	-	42	42	35
Due to employees' retirement	-	52,744	52,744	55,535
Total liabilities	585,294	53,740	639,034	1,068,828
Fund Balance:				
Nonspendable				
Inventories	-	24,600	24,600	39,223
Assigned				
School Lunch	-	38,048	38,048	96,732
Unassigned	-	-	-	-
Total unreserved fund balance	-	62,648	62,648	135,955
Total liabilities and fund balance	\$ 585,294	\$ 116,388	\$ 701,682	\$ 1,204,783

See Independent Auditor's Report.

PLATTSBURGH CITY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - SPECIAL REVENUE FUND

Years Ended June 30, 2015 and 2014

	Special Aid	School Lunch	6/30/2015 Total	6/30/2014 Total
REVENUES				
State and local sources	\$ 445,169	\$ 18,295	\$ 463,464	\$ 470,658
Federal sources	1,280,346	573,272	1,853,618	2,356,717
Miscellaneous	-	16,448	16,448	15,000
Sales	-	246,823	246,823	309,069
Total revenues	<u>1,725,515</u>	<u>854,838</u>	<u>2,580,353</u>	<u>3,151,444</u>
EXPENDITURES				
General Support	-	340,251	340,251	387,064
Instruction	1,596,824	-	1,596,824	2,110,019
Employee Benefits	137,330	239,980	377,310	334,714
Cost of sales	-	347,914	347,914	375,653
Total expenditures	<u>1,734,154</u>	<u>928,145</u>	<u>2,662,299</u>	<u>3,207,450</u>
OTHER SOURCES				
Operating Transfers In	8,639	-	8,639	8,967
Total Other Sources	<u>8,639</u>	<u>-</u>	<u>8,639</u>	<u>8,967</u>
Excess (deficit) of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ (73,307)</u>	<u>\$ (73,307)</u>	<u>\$ (47,039)</u>

See Independent Auditor's Report.

PLATTSBURGH CITY SCHOOL DISTRICT

**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT
Year Ended June 30, 2015**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget	\$	39,526,458
Add: Prior year's encumbrances		295,189
Judgements and Claims		<u>149,672</u>
Final budget	\$	<u><u>39,971,319</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2015-2016 expenditure budget	\$	40,539,486
Maximum allowed (4% of 2015-16 budget)		

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

Unrestricted fund balance:		
Committed fund balance	\$	-
Assigned fund balance		1,559,443
Unassigned fund balance		<u>430,887</u>
Total unrestricted fund balance		<u><u>1,990,330</u></u>

Less:

Appropriated fund balance	1,377,435
Insurance recovery reserve	-
Tax reduction reserve	-
Encumbrances included in committed and assigned fund balance	<u>182,008</u>
Total adjustments	<u><u>1,559,443</u></u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	\$	<u><u>430,887</u></u>
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Actual percentage	<u><u>1.06%</u></u>
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PLATTSBURGH CITY SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2015

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
Revenues:				
Local sources:				
Real property tax items	\$ 20,618,344	\$ 20,618,344	\$ 20,272,879	\$ (345,465)
Charges for services	12,100	12,100	15,229	3,129
Other districts and governments	185,000	185,000	247,479	62,479
Use of money and property	57,300	57,300	49,227	(8,073)
Sale of property and compensation for loss	5,500	5,500	934	(4,566)
Miscellaneous	328,000	328,000	494,205	166,205
State sources	16,388,245	16,388,245	16,297,451	(90,794)
Federal sources	175,000	175,000	100,000	(75,000)
Total revenues	<u>37,769,489</u>	<u>37,769,489</u>	<u>37,477,404</u>	<u>(292,085)</u>
Other Financing Sources				
Interfund transfers	-	-	-	
Appropriated reserves	-	444,861	-	
	<u>-</u>	<u>444,861</u>	<u>-</u>	
Total revenues and appropriated fund balance	<u>\$ 37,769,489</u>	<u>\$ 38,214,350</u>	<u>\$ 37,477,404</u>	

See Independent Auditor's Report.

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
Expenditures:					
General support:					
Board of education	\$ 40,918	\$ 45,666	\$ 36,504	\$ -	\$ 9,162
Central administration	247,415	249,549	244,531	-	5,018
Finance	502,802	502,577	472,216	-	30,361
Staff	82,593	84,546	62,466	-	22,080
Central services	2,437,722	2,607,283	2,363,672	129,708	113,903
Special items	612,899	730,901	724,383	-	6,518
Instructional:					
Administration and improvement	1,363,721	1,339,276	1,309,762	-	29,514
Teaching - regular school	11,398,145	11,620,684	11,356,216	51,560	212,908
Programs for Children with Handicapping	5,147,180	5,088,838	4,941,378	216	147,244
Occupational Education	726,622	715,203	714,591	-	612
Instructional media	1,049,099	1,109,547	1,090,190	524	18,833
Pupil service	2,086,552	2,127,525	2,055,525	-	72,000
Pupil transportation	599,242	582,842	504,465	-	78,377
Community Services	7,000	7,191	5,788	-	1,403
Employee benefits	11,209,548	11,144,691	11,068,338	-	76,353
Total expenditures	37,511,458	37,956,319	36,950,025	182,008	824,286
Other financing uses:					
Interfund transfer	2,015,000	2,015,000	2,008,833	-	6,167
Total expenditures and other uses	39,526,458	39,971,319	38,958,858	182,008	830,453
Net change in fund balance	(1,756,969)	(1,756,969)	(1,481,454)		
Fund balance - beginning	7,066,888	7,066,888	7,066,888		
Fund balance - ending	\$ 5,309,919	\$ 5,309,919	\$ 5,585,434		

See Independent Auditor's Report.

PLATTSBURGH CITY SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
 Year Ended June 30, 2015

Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	(Overexpended) Unexpended Balance	Methods of Financing				Fund Balance June 30, 2015
							Proceeds of Obligations	State Aid	Local Sources	Total	
District Wide Projects	\$ 9,094,826	\$ 9,094,826	\$ 100,000	\$ 2,607,810	\$ 2,707,810	\$ 6,387,016	\$ -	\$ -	\$ 324	\$ 324	\$ (2,707,486)

See Independent Auditor's Report.

PLATTSBURGH CITY SCHOOL DISTRICT

INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT

Year Ended June 30, 2015

Capital Assets, Net	\$	39,399,943
Add:		
Unamortized bond discount		90,083
Deduct:		
Unamortized bond premium		50,000
Short-term portion of bonds payable		1,670,000
Long-term portion of bonds payable		10,130,000
Installment obligation		23,898
Less: unspent bond proceeds		-
Investment in capital assets, net of related debt	\$	<u>27,616,128</u>

PLATTSBURGH CITY SCHOOL DISTRICT

SCHEDULE OF FUNDING PROGRESS OTHER POST EMPLOYMENT BENEFITS PLAN
Year Ended June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	UALL as a Percentage of Covered Payroll
6/30/2015	\$ -	\$ 123,535,600	\$ 123,535,600	0%	\$ 18,528,103	666.7%
6/30/2014	\$ -	\$ 122,730,021	\$ 122,730,021	0%	\$ 20,883,226	587.7%
6/30/2013	\$ -	\$ 115,833,839	\$ 115,833,839	0%	\$ 20,661,351	560.6%
6/30/2012	\$ -	\$ 102,764,163	\$ 102,764,163	0%	\$ 20,629,241	498.1%
6/30/2011	\$ -	\$ 97,157,236	\$ 97,157,236	0%	\$ 21,700,898	447.7%
6/30/2010	\$ -	\$ 101,483,012	\$ 101,483,012	0%	\$ 20,857,371	486.6%
6/30/2009	\$ -	\$ 95,698,181	\$ 95,698,181	0%	\$ 20,523,258	466.3%

PLATTSBURGH CITY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Pass-Through New York State Department of Education:			
Title I	84.010A	0021-14-0510	\$ 828
Title I	84.010A	0021-15-0510	\$ 558,836
Teaching is the Core	84.367A	0146-14-4000	31,126
IDEA - Part B -Section 611	84.027A	0032-15-0140	510,194
Title II A	84.367A	0147-15-0510	119,264
Title VI B	84.358B	0006-15-0510	36,312
IDEA - Part B -Section 619	84.173A	0033-15-0140	23,786
Total Department of Education			<u>1,280,346</u>
U.S. Department of Agriculture Direct Programs:			
Pass-Through New York State			
National School Lunch Program- Cash	10.555		402,728
National School Lunch Program - Commodities	10.555		52,056
School Breakfast Program	10.553		118,488
Total Department of Agriculture			<u>573,272</u>
Total federal assistance expended			<u>\$ 1,853,618</u>

PLATTSBURGH CITY SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2015

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Plattsburgh City School District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Sub-Recipients

Of the federal expenditures presented in the schedule, the Plattsburgh City School District provided federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Sub-Recipient</u>
Title I - A&D Improv Acad Achmt	84.010	\$ 8,447
Title IIA - Teach/Prin Trng/Recr	84.367	5,732
		<u>\$ 14,179</u>

PLATTSBURGH CITY SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30, 2015

NYSLRS Pension Plan
Last 10 Fiscal Years*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.0114206%									
District's proportionate share of the net pension liability (asset)	\$ 385,816									
District's covered- employee payroll	\$ 3,124,371									
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12.35%									
Plan fiduciary net postion as a percentage of the total pension liability	97.90%									

* The amounts presented for each fiscal year were determined as of 06/30

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report.

PLATTSBURGH CITY SCHOOL DISTRICT

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
Year Ended June 30, 2015**

NYSLRS Pension Plan
Last 10 Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 650,798	\$ 593,304	\$ 563,913	\$ 519,441	\$ 355,062	\$ 239,572	\$ 251,852	\$ 265,120	\$ 256,218	\$ 281,050
Contributions in relation to the contractually required contribution	\$ 650,798	\$ 593,304	\$ 563,913	\$ 519,441	\$ 355,062	\$ 239,572	\$ 251,852	\$ 265,120	\$ 256,218	\$ 281,050
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 3,124,371									
Contributions as a percentage of covered employee payroll	20.8%									

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report.

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended June 30, 2015

NYSTRS Pension Plan
 Last 10 Fiscal Years*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's proportion of the net pension liability (asset)	0.111060%	0.107273%								
District's proportionate share of the net pension liability (asset)	\$ (12,371,412)	\$ (706,126)								
District's covered- employee payroll	\$ 16,409,779									
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-75.39%									
Plan fiduciary net postion as a percentage of the total pension liability	111.5%									

* The amounts presented for each fiscal year were determined as of 06/30

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report.

PLATTSBURGH CITY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

Year Ended June 30, 2015

NYSTRS Pension Plan
Last 10 Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 2,786,176	\$ 1,980,128	\$ 1,909,564	\$ 1,530,930	\$ 1,143,717	\$ 1,363,264	\$ 1,502,525	\$ 1,384,816	\$ 1,280,467	\$ 941,416
Contributions in relation to the contractually required contribution	\$ 2,786,176	\$ 1,980,128	\$ 1,909,564	\$ 1,530,930	\$ 1,143,717	\$ 1,363,264	\$ 1,502,525	\$ 1,384,816	\$ 1,280,467	\$ 941,416
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 16,409,779									
Contributions as a percentage of covered employee payroll	16.98%									

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report.

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

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

To the Board of Education
Plattsburgh City School District
Plattsburgh, New York 12901

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, the business-type activities, each major fund and the aggregate remaining fund information of Plattsburgh City School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Plattsburgh City School District's basic financial statements and have issued our report thereon dated September 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Plattsburgh City School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Plattsburgh City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plattsburgh City 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Plattsburgh City School District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Boulrice & Wood CPAs, PC

Boulrice & Wood CPAs, PC
September 8, 2015

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Education
Plattsburgh City School District
Plattsburgh, New York 12901

Report on Compliance for Each Major Federal Program

We have audited Plattsburgh City School District's compliance with the types of compliance requirements described in OMB Circular A-133 Compliance Supplement that could have a direct and material effect on Plattsburgh City School District's major federal programs for the year ended June 30, 2015. Plattsburgh City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Plattsburgh City School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Plattsburgh City School District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Plattsburgh City School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Plattsburgh City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Plattsburgh City School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Plattsburgh City School District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Plattsburgh City School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Boulrice & Wood CPAs, PC

Boulrice & Wood CPAs, PC
September 8, 2015

**PLATTSBURGH CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014**

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified not considered to be a material weakness? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes no

Identification of Major Programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	IDEA-Part B-Section 611
84.173A	IDEA-Part B-Section 619

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk Auditee? yes no

**PLATTSBURGH CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
JUNE 30, 2015**

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no current period findings.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no current period findings.

**PLATTSBURGH CITY SCHOOL DISTRICT
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2015**

There were no prior year audit findings.

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

INDEPENDENT AUDITOR'S REPORT

To the School Board
Plattsburgh City School District
Plattsburgh, New York

We have audited the accompanying statement of assets, liabilities and fund balance – cash basis and the related statement of receipts, disbursements and ending balances – cash basis of the Extraclassroom Activity Funds of the Plattsburgh City School District as of and for the year June 30, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion 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 minimum program procedures established by the New York State Department of Education. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Funds of the Plattsburgh City School District as of June 30, 2015, and its receipts, disbursements and ending balances – cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Boulrice & Wood CPAs, PC

Boulrice & Wood CPAs, PC
September 8, 2015

**PLATTSBURGH CITY SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
June 30, 2015 and 2014**

	<u>6/30/2015</u>	<u>6/30/2014</u>
Assets		
Cash	\$ 52,462	\$ 49,135
Total Assets	<u>\$ 52,462</u>	<u>\$ 49,135</u>
 Fund Balance		
Extraclassroom Activity	\$ 52,462	\$ 49,135
Total Fund Balance	<u>\$ 52,462</u>	<u>\$ 49,135</u>

**PLATTSBURGH CITY SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND ENDING BALANCES
Year Ended June 30, 2015**

Activity	Balance June 30, 2014	Receipts	Disbursements	Balance June 30, 2015
Class of 2013	\$ 916	\$ -	\$ -	\$ 916
Class of 2014	1,174	-	-	1,174
Class of 2015	3,996	3,677	6,980	693
Class of 2016	3,127	6,468	6,271	3,324
Class of 2017	1,340	2,032	187	3,185
Class of 2018	1,102	4,834	3,211	2,725
Class of 2019	-	1,469	1,469	-
Adventure Club	3	1,537	1,067	473
Amnesty Int'l	-	68	-	68
Band Fund - SMS	16	-	-	16
Bookstore	863	3,120	924	3,059
Communications Club	130	-	130	-
Drama Club	5,399	13,984	11,605	7,778
Drama Club - SMS	485	-	50	435
CFES	3,459	3,284	3,479	3,264
French Club	960	745	499	1,206
French Club - SMS	208	-	99	109
FLBA	775	177	457	495
German Club	1,652	6,613	2,102	6,163
Green Team	298	2,760	2,841	217
GSA Club	91	-	-	91
Key Club	433	1,214	1,616	31
Library Council - SMS	1,409	1,552	1,607	1,354
Multi-Cultural Club	1,944	774	935	1,783
Music / Band	1,123	52,383	51,915	1,591
National Honor Society	6,985	2,708	5,537	4,156
Newspaper Club	602	-	76	526
Oragami Club	69	-	69	-
School Store - SMS	267	645	398	514
Science Olympiad	3,705	5,755	7,833	1,627
Student Association	1,587	6,771	6,049	2,309
Student Council - SMS	421	2,268	1,963	726
Yearbook Club - PHS	2,891	10,606	11,467	2,030
Yearbook Club - SMS	1,833	4,462	6,109	186
Sales Tax - PHS	(141)	1,763	1,483	139
Sales Tax - SMS	13	618	532	99
	<u>\$ 49,135</u>	<u>\$ 142,287</u>	<u>\$ 138,960</u>	<u>\$ 52,462</u>

See Notes to the Financial Statements – Extraclassroom Activity Funds.

PLATTSBURGH CITY SCHOOL DISTRICT

**EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

Basis of Accounting: The books and records of the Plattsburgh City School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

Basis of Presentation: The Extraclassroom Activity Funds of the Plattsburgh City School District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. The cash and investment balances are reported in the Trust and Agency Funds of the District.

Cash Equivalents: For financial statement purposes all highly liquid investments having maturities of three months or less are considered as cash equivalents.