

**COXSACKIE-ATHENS CENTRAL
SCHOOL DISTRICT
FINANCIAL REPORT
JUNE 30, 2015**

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

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To the President and Members
of the Board of Education of the
Coxsackie-Athens Central School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Coxsackie-Athens Central School District (the District), as of and for the year ended June 30, 2015, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Cocksackie-Athens Central 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A1 – A10, budgetary comparison information on pages C1 and C2, schedule of funding progress for the retiree health plan on page C3, schedules of proportionate share of net pension liability (asset) on page C4 and schedule of district contributions on page C5 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cocksackie-Athens Central School District's basic financial statements. The supplemental information on pages D1 - D3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. These supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other

matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Marvin and Company, P.C.

Latham, NY

September 16, 2015

**Coxsackie-Athens Central School District
Management's Discussion & Analysis
For the Year Ended June 30, 2015**

As management of the Coxsackie-Athens Central School District, we offer the reader of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2015. We encourage readers to consider the information presented here, in conjunction with information provided in the financial statements. This discussion and analysis are intended to serve as an introduction to the District's basic financial statements.

Financial Highlights

- The following are some financial highlights of the 2014-2015 school year.
 - Total net position on a District-wide basis decreased by \$.17 million over the course of the year.
 - Overall revenues were \$28.7 million, or approximately \$.17 million less than expenditures when measured on a District-wide basis. District-wide basis includes (non-cash) expenditure provisions for depreciation and other post employment benefits.
 - The total cost of basic programs was \$28.9 million.
 - General fund revenues were \$26.8 million, or approximately \$.61 million less than expenditures.

Overview of the Financial Statements

The District's 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.
 - *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 financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the assets of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The District-wide financial statements can be found on pages B1 - B2 of this report.

Fund Financial Statements

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as the 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 it cannot use these assets to finance its operations.

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by \$1.4 million at the close of the most recent fiscal year. We refer you to the notes to the financial statements for more detailed information.

Coxsackie-Athens Central Schools Net Position

	Governmental Activities <u>June 30, 2015</u>	Governmental Activities <u>June 30, 2014</u>
Current and other assets	\$ 16,994,151	\$ 8,915,086
Capital assets	<u>13,940,139</u>	<u>14,875,666</u>
Total Assets	30,934,290	23,790,752
Deferred outflows of resources	<u>2,328,956</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 33,263,246</u>	<u>\$ 23,790,752</u>
Current liabilities	\$ 2,786,107	\$ 2,107,510
Long-term debt	<u>26,369,019</u>	<u>24,932,386</u>
Total Liabilities	29,155,126	27,039,896
Deferred inflows of resources	<u>5,544,968</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 34,700,094</u>	<u>\$ 27,039,896</u>
Net Investment in capital assets	\$ 4,579,595	\$ 4,830,666
Restricted	2,743,544	2,737,952
Unrestricted	<u>(8,759,987)</u>	<u>(10,817,762)</u>
Total Net Position	<u>\$ (1,436,848)</u>	<u>\$ (3,249,144)</u>

A large portion of the District's net position, reflects its investment in capital assets (e.g. land, buildings, improvements, furniture, and equipment), less any related debt (serial bonds payable and obligations under capital leases) used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending, and cause the unrestricted net position to be a deficit.

An additional portion of the District's net position, such as debt service, capital improvements and workers' compensation represent resources that are subject to external restrictions. These amounts are reported as restricted net position. The restricted net position amount has been earmarked for the following purposes:

- *Tax Certiorari Reserve*
- *Reserve for Employee Benefit Accrued Liability*
- *Retirement Contribution Reserve*
- *Workers' Compensation Reserve*
- *Reserve for Unemployment*
- *Reserved for Debt*
- *Capital Reserve*

The key elements of the change in the District's net position for the years ended June 30, 2015 and 2014 are as follows:

Coxsackie-Athens Central Schools
Changes in Net Position from Operating Results

	Governmental Activities For the Year Ended <u>June 30, 2015</u>	Governmental Activities For the Year Ended <u>June 30, 2014</u>
Program Revenues		
Charges for Services	\$ 409,590	\$ 409,327
Operating Grants	1,385,713	1,102,994
General Revenues		
Real Property Taxes and Other Tax Items	17,360,604	16,779,773
Use of Money and Property	38,272	39,563
Sale of Property and Compensation for Loss	63	2,971
Miscellaneous	596,678	287,922
State Sources	8,979,537	8,787,775
Federal Sources	<u>16,297</u>	<u>2,073</u>
Total Revenues	<u>\$28,786,754</u>	<u>\$27,412,398</u>

	<u>June 30,</u> <u>2015</u>	<u>June 30, 2014</u>
General Support	\$ 2,748,007	\$ 2,569,197
Instruction	15,257,787	14,123,297
Pupil Transportation	1,678,969	1,644,601
Employee Benefits	7,296,365	9,329,222
Interest Expense	411,070	575,032
School Lunch Program	617,887	626,605
Capital Outlay	-	1,777
Depreciation – Unallocated	<u>950,929</u>	<u>1,006,393</u>
 Total Expenses	 <u>\$28,961,014</u>	 <u>\$ 28,876,124</u>
 Change in Net Position	 (174,260)	 (2,463,726)
Total Net Position – Beginning of Year, As Previously Reported	(3,249,144)	(785,418)
Cumulative Change in Accounting Principle	<u>1,986,556</u>	<u>-</u>
Total Net Position – Beginning of Year as Restated	<u>(1,262,588)</u>	<u>(785,418)</u>
 Total Net Position – End of Year	 <u>\$(1,436,848)</u>	 <u>\$ (3,249,144)</u>

Financial Analysis of the District's Funds

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

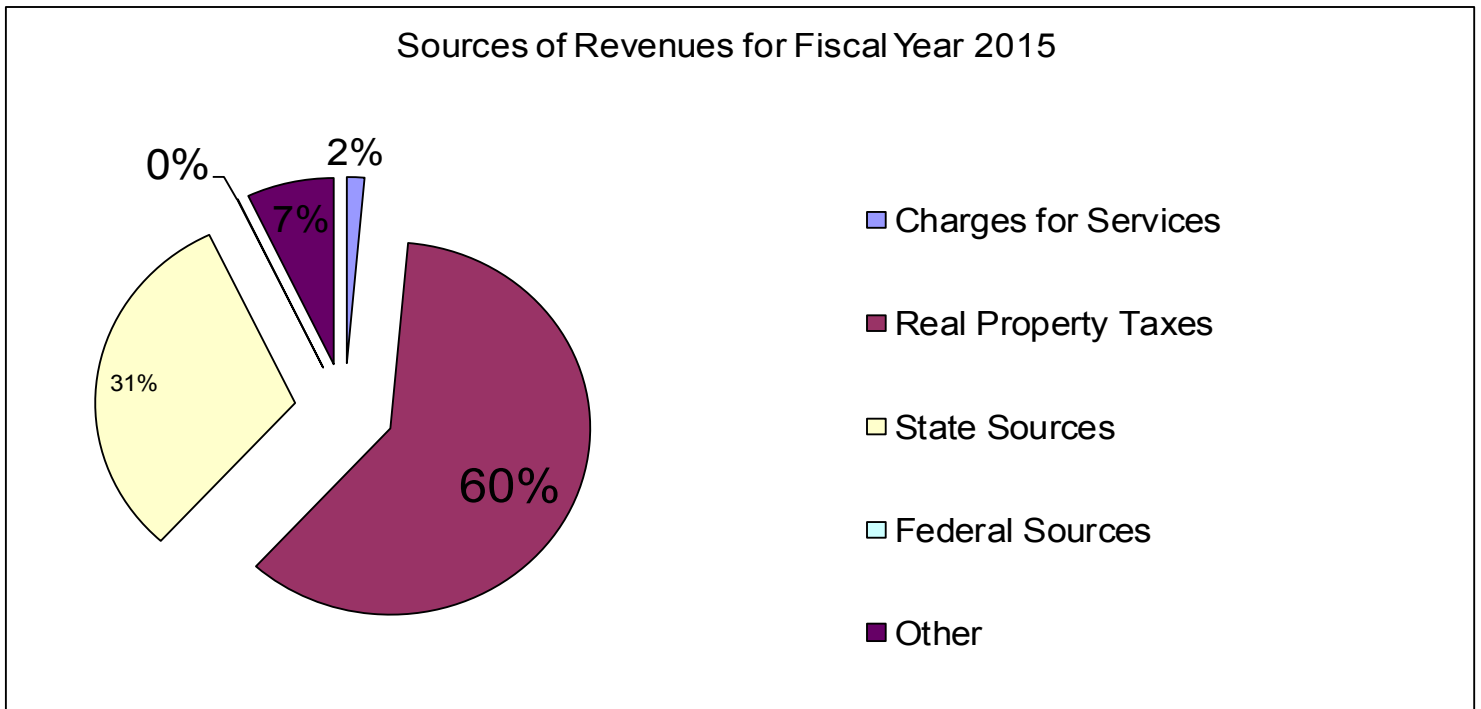
Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. The District has designated portions of the reserved fund balance to earmark resources for certain government-wide liabilities and post employment obligations that are not recognized in the governmental funds. The unreserved fund balance is divided between assigned and unassigned balances. The District has designated a portion of the assigned fund balance for subsequent year's expenditures. Fund balance of capital projects and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

The Government Funds financial statements can be found on pages B3 – B4.

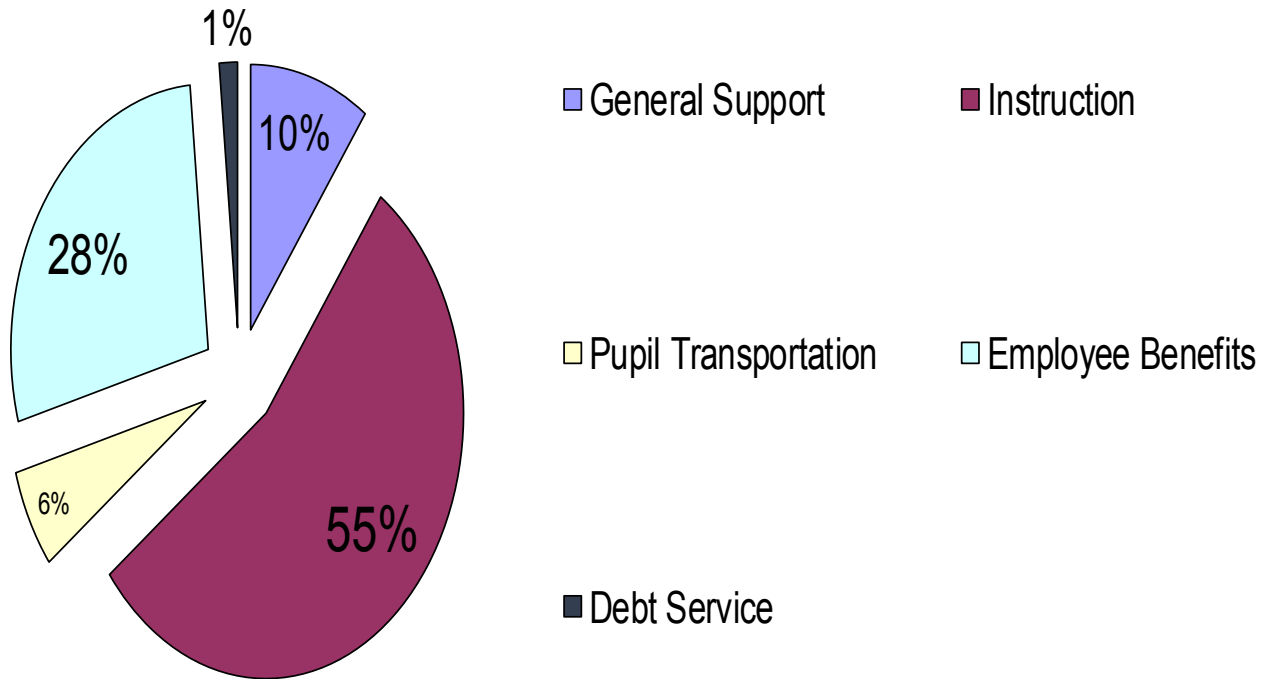
General Fund: The general fund is the chief operating fund of the District. Financial highlights include:

Total General Fund revenues were \$26,827,129, an increase of \$916,091 or 3.5% from 2013/2014.



Total general fund expenditures (before interfund transfers) were \$27,442,818 an increase of \$1,494,110, or 5.75% from 2013/2014.

Expenses for Fiscal Year 2015



The difference between the original budget and the final amended budget was \$- .

\$413,217 Carryover of 6/30/14 Encumbrances

Actual revenues were \$216,241 more than the revised budget. Actual general fund expenditures plus encumbrances were less than the revised budget by \$1,224,162 or 4.2%. Significant budget variances (after considering encumbrances at June 30, 2014) include: Central Services - \$106,381, Pupil Transportation - \$115,543, Employee Benefits - \$470,161, Teaching – Regular School - \$119,651, Programs for Students with Disabilities - \$107,509, and Instruction-Pupil Services - \$133,637.

Capital Asset and Debt Administration

Capital Assets

By the end of 2015, the District had invested \$13,940,139, net of accumulated depreciation of \$21,683,207 in a broad range of capital assets, including school buildings, athletic facilities and computer and audio-visual equipment. (More detailed information about capital assets can be found in Note 3A to the financial statements.) Total depreciation expense for the year was \$950,929, while building improvements and additions to equipment and furniture amounted to \$39,593.

Capital Assets (net of depreciation)

	Governmental Activities <u>June 30, 2015</u>	Governmental Activities <u>June 30, 2014</u>
Land	\$ 240,334	\$ 240,334
Construction in Progress	-	-
Buildings	13,573,450	14,436,121
Machinery and Equipment	<u>126,355</u>	<u>199,211</u>
Total	<u>\$ 13,940,139</u>	<u>\$ 14,875,666</u>

Long-Term Debt

At year-end, the District had \$8,500,000 in serial bonds outstanding. (More detailed information about the District's long-term liabilities is presented in Note 3B. to the financial statements.)

Outstanding Long-Term Debt

	<u>2015</u>	<u>2014</u>
Serial and Statutory Installment Bonds	\$ 8,500,000	\$ 10,045,000
Compensated Absences	1,152,739	1,109,977
Other Postemployment Benefits	15,855,736	13,014,867
Unamortized Bond Premium	860,544	792,542

Factors Bearing on the District's Future Financial Health

Some other known facts, decisions or conditions that may be relevant to the financial health of the school district's finances are as follows:

- ***Tax Certiorari-*** Town Assessors work with Town Attorneys to defend property assessments. The District continues to maintain a small Tax Certiorari Reserve to meet potential obligations. This Reserve is just below \$125,000.
- ***Route 9W Development-*** The District is a party to a 20 year PILOT (*Payment in Lieu of Taxes*) agreement with Ferguson Enterprises for a 460,000 square foot distribution facility in Coxsackie. The PILOT will phase in the tax burden starting at 10% of normal taxes in 2015. The PILOT will increase as a percentage of normal taxes over the 20 years with 100% valuation in 2035. The legislature has adopted changes to the tax cap computation in which properties under a PILOT agreement will impact the growth factor in future years.
- ***Residential Development-*** There are no major residential development projects on the immediate horizon. However, United Mobile Homes has changed the

complexion of their proposed development in the Village of Coxsackie which could impact enrollment in future years, if the project comes to fruition.

- ***New York State Teacher's Retirement Costs-*** Retirement contribution rates have reduced for New York State Teachers' Retirement System. New York State Teachers' Retirement contribution rates increased from 8.62% for 2010-11 salaries to 11.84% for 2012-13, 16.25% for 2013-14 and 17.53% for 2014-15 salaries. 2015-16 salaries will be calculated at 13.26%. New York State Law does not allow the creation of Reserves to plan for Teachers' Retirement contribution rates.
- ***New York State Employee's Retirement Costs-*** Employees' Retirement contribution rates continue to **decrease** for 2015-16 to 18.2%. For Fiscal Year 2010, the contribution rate was 11.58% on average and 11.6% on average for 2011; 18.7% in 2012; 20.09% in 2013; and 20.01% in 2014. The Board of Education has authorized the creation of an Employees' Retirement Reserve fund to prepare for anticipated spikes in retirement contributions. The maximum amount of the Reserve is \$1,000,000. This reserve continues to be used to supplement General Fund Revenues.
- ***The Affordable Care Act-*** The implementation of the Affordable Care Act is influencing the school district as we plan for employee health insurance benefits and negotiate with collective bargaining units. The District will work with Labor Relations Specialists and the Health Insurance Trust to implement the requirements of the Affordable Care Act. For part-time employees who do not have access to coverage, the District has implemented a Minimum Value Plan to provide an affordable option to those individuals and to avoid any governmental penalties. A significant shift is the elimination of the Blue Shield Indemnity plan for all active and retired employees. These enrollees have shifted to the Blue Shield PPO program with a carved out drug program, providing significant budgetary savings while providing appropriate coverage to active and retired staff.
- ***Property Tax Cap-*** Chapter 97 of the Laws of 2011 established a tax levy cap starting with the 2012-13 school year. The tax cap was extended indefinitely during the 2015 legislative session. The tax levy cap of 2% or 120% of CPI, whichever is lower, will limit the District's ability to meet its obligation during times of stagnant or declining state aid unless 60% of the voters are willing to override the tax cap. This has significantly impacted how school districts conduct business and meet the needs of their students. The District's voters have approved all of the budgets impacted by the tax cap thus far, the levies of which were below the cap. The factor used for calculating the 2015-16 budget development was 1.05% which is at or below the "tax cap". This budget passed with a supermajority of voters approving the spending plan.

- ***Capital Project-*** There are no active capital projects currently underway. The District is currently in the process of the mandated Five Year Capital Facilities Plan which we expect will result in a future capital project to address the needs identified. A December 2015 vote is expected on a capital project, the scope of which will be determined by the Board of Education during the Fall of 2015.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and 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, contact the Business Office, Coxsackie-Athens Central School District, at 24 Sunset Boulevard, Coxsackie, NY.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS

Current Assets:	
Cash	\$ 7,587,045
State and Federal Aid Receivable	747,030
Due From Other Governments	316,912
Accounts Receivable	62,365
Inventories	13,400
Long-Term Accounts Receivable	187,095
Capital Assets, net	13,940,139
Net Pension Asset, Proportionate Share	<u>8,080,304</u>
Total Assets	<u>30,934,290</u>
Deferred Outflows of Resources	
Loss on Refunding	97,576
Pensions	<u>2,231,380</u>
Total Deferred Outflows of Resources	<u>2,328,956</u>
Total Assets and Deferred Outflows	\$ <u>33,263,246</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 82,386
Accrued Liabilities	523
Accrued Compensated Absences	51,041
Due to Other Governments	23,077
Bond Interest Accrued	13,200
Due to Teachers' Retirement System	2,073,899
Due to Employees' Retirement System	159,031
Other Liabilities	91,413
Long-Term Liabilities - Due and Payable Within One Year	
Bonds	1,600,000
Long-Term Liabilities	
Bonds	6,900,000
Unamortized Bond Premium	860,544
Compensated Absences	1,152,739
Other Post Employment Benefits Payable	15,855,736
Net Pension Liability, Proportionate Share	<u>291,537</u>
Total Liabilities	<u>29,155,126</u>
Deferred Inflows of Resources	
Pensions	5,544,968

NET POSITION

Net Investment in Capital Assets	4,579,595
Restricted	2,743,544
Unrestricted	<u>(8,759,987)</u>
Total Net Position	<u>(1,436,848)</u>
Total Liabilities, Deferred Inflows and Net Position	\$ <u>33,263,246</u>

See accompanying notes to financial statements.

B1.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

		Program Revenues		Net (Expense)
				Revenue and
				Changes in
				Net Position

See accompanying notes to financial statements.

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015**

	General Fund	Special Aid Fund	School Lunch Fund	Debt Service Fund	Total Governmental Funds
Assets					
Unrestricted Cash	\$ 4,778,999	\$ 551	\$ 77,351	\$ -	\$ 4,856,901
Restricted Cash	2,306,834	-	-	423,310	2,730,144
State and Federal Receivable, net	241,451	481,737	23,842	-	747,030
Due From Other Governments	316,912	-	-	-	316,912
Due From Other Funds	432,064	-	-	-	432,064
Accounts Receivable	-	-	-	-	-
Inventories	-	-	13,400	-	13,400
Prepaid Expenditures	-	-	-	-	-
Total Assets	\$ 8,076,260	\$ 482,288	\$ 114,593	\$ 423,310	\$ 9,096,451
Liabilities					
Accounts Payable	\$ 54,081	\$ 28,274	\$ 31	\$ -	\$ 82,386
Accrued Liabilities	-	-	523	-	523
Other Liabilities	-	-	91,413	-	91,413
Due to Other Funds	-	432,064	-	-	432,064
Due to Other Governments	-	23,077	-	-	23,077
Due to Teachers' Retirement System	2,073,899	-	-	-	2,073,899
Due to Employees' Retirement System	159,031	-	-	-	159,031
Accrued Compensated Absences	51,041	-	-	-	51,041
Refundable Advances	-	-	-	-	-
Bond Anticipation Notes	-	-	-	-	-
Total Liabilities	2,338,052	483,415	91,967	-	2,913,434
Deferred Inflows of Resources	388,402	-	-	-	388,402
Fund Equity (Deficiency)					
Nonspendable	-	-	13,400	-	13,400
Restricted For:					
Workers' Compensation	50,000	-	-	-	50,000
Unemployment	472,912	-	-	-	472,912
Reserved for Debt	-	-	-	423,310	423,310
Capital Reserve	52,034	-	-	-	52,034
Employee Retirement System	498,934	-	-	-	498,934
Tax Certiorari	122,977	-	-	-	122,977
Employee Benefit Accrued Liability	1,109,977	-	-	-	1,109,977
Assigned	1,830,124	-	9,226	-	1,839,350
Unassigned	1,212,848	(1,127)	-	-	1,211,721
Total Fund Equity (Deficiency)	5,349,806	(1,127)	22,626	423,310	5,794,615
Total Liabilities, Deferred Inflows and Fund Equity (Deficiency)	\$ 8,076,260	\$ 482,288	\$ 114,593	\$ 423,310	\$ 9,096,451

Amounts reported for governmental activities in the statement of net position are different due to the following:

Total governmental fund balances per above	\$ 5,794,615
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	13,940,139
Long-term liabilities, including bonds payable, installment purchase debt, judgments and claims compensated absences and other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds	(25,521,675)
Government funds report the effect of issuance costs, premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(860,544)
Net Pension Asset	8,080,304
Net Pension Liability	(291,537)
Deferred Inflows from Resources	(5,544,968)
Deferred Outflows from Resources	2,328,956
Receivable not available in the current period and, therefore, is not reported in the funds.	249,460
Deferral of non exchange revenue earned in the current year is recognized as revenue under full accrual accounting	388,402
Net Position of Governmental Activities	\$ (1,436,848)

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General</u>	<u>Special Aid Fund</u>	<u>School Lunch Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues					
Real Property Taxes and Tax Items	\$ 17,360,604	\$ -	\$ -	\$ -	\$ 17,360,604
Charges for Services	145,780	-	-	-	145,780
Use of Money and Property	32,125	-	-	6,147	38,272
Sale of Property and Compensation for Loss	63	-	-	-	63
Miscellaneous	318,007	29,211	-	-	347,218
State Sources	8,954,253	106,578	12,109	-	9,072,940
Federal Sources	16,297	954,911	312,115	-	1,283,323
Sales	-	-	263,810	-	263,810
Total Revenues	<u>26,827,129</u>	<u>1,090,700</u>	<u>588,034</u>	<u>6,147</u>	<u>28,512,010</u>
Expenditures					
General Support	2,748,007	-	-	-	2,748,007
Instruction	14,256,220	1,015,111	-	-	15,271,331
Pupil Transportation	1,631,458	47,511	-	-	1,678,969
Employee Benefits	6,844,889	56,466	94,495	-	6,995,850
Debt Service					
Principal	1,565,000	-	-	-	1,565,000
Interest	397,244	-	-	-	397,244
Cost of Sales	-	-	525,252	-	525,252
Total Expenditures	<u>27,442,818</u>	<u>1,119,088</u>	<u>619,747</u>	<u>-</u>	<u>29,181,653</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(615,689)</u>	<u>(28,388)</u>	<u>(31,713)</u>	<u>6,147</u>	<u>(669,643)</u>
Other Financing Sources And (Uses)					
Interfund Transfers, net	(27,001)	27,001	-	-	-
Proceeds of Long Term Debt	-	-	-	4,164,953	4,164,953
Payment to Escrow Agent - Advanced Refunding	-	-	-	(4,164,953)	(4,164,953)
BANs Redeemed From Appropriations	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(27,001)</u>	<u>27,001</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>(642,690)</u>	<u>(1,387)</u>	<u>(31,713)</u>	<u>6,147</u>	<u>(669,643)</u>
Fund Equity, Beginning of Year	<u>5,992,496</u>	<u>260</u>	<u>54,339</u>	<u>417,163</u>	<u>6,464,258</u>
Fund Equity, End of Year	<u>\$ 5,349,806</u>	<u>\$ (1,127)</u>	<u>\$ 22,626</u>	<u>\$ 423,310</u>	<u>\$ 5,794,615</u>

See accompanying notes to financial statements.

B4.

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES, AND CHANGES IN FUND EQUITY OF THE GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

Net changes in fund balance - total governmental funds	\$ (669,643)
Capital outlays are expenditures in government funds, but are capitalized in the statement of net position	39,593
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(975,120)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position	5,649,625
Proceeds of serial bond principal is revenue in governmental funds, but proceeds increase long-term liabilities in the statement of net position	(4,005,000)
Amortization of bond premium, issuance costs and loss on refunding bonds is an adjustment to interest expense in the statement of activities	59,902
Excess cost aid and BOCES aid expected to be received in September 2015 is reported as deferred inflows in the governmental funds. However, in the statement of activities these amounts are recognized as revenue when awarded	25,284
Long-term receivables are not available in the current period but are recorded in the statement of activities.	249,460
Accrued interest expense does not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds. The decrease in accrued interest decreases expenses in the statement of activities	6,600
Premiums on bond issuance are recognized as revenue in governmental funds when received but are recorded as a liability and amortized over the life of the bond.	(159,953)
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds:	
Other Post Employment Benefits	(2,840,869)
Compensated Absences	(42,762)
Adjustments for net pension asset/liability	2,488,623
	<u>(395,008)</u>
Change in net position - governmental activities	\$ <u><u>(174,260)</u></u>

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2015**

	<u>Agency</u>	<u>Private Purpose Trusts</u>
ASSETS		
Cash - restricted	\$ 111,296	\$ 26,078
Total Assets	\$ 111,296	\$ 26,078
LIABILITIES		
Other Liabilities	\$ 32	\$ -
Extraclassroom activity balances	111,264	-
Total Liabilities	\$ 111,296	-
NET POSITION		
Reserved for scholarships		\$ 26,078

**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Private Purpose Trusts</u>
ADDITIONS	
Gifts and contributions	\$ 7,796
Investment earnings	67
Total Additions	7,863
DEDUCTIONS	
Scholarships and awards	7,080
Contractual and other	-
Total Deductions	7,080
Change in Net Position	783
Net Position - Beginning of Year	25,295
Net Position - End of Year	\$ 26,078

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Coxsackie-Athens Central School District ("the District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standards-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Coxsackie-Athens Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 9 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and its component unit. The District is not a component unit of another reporting entity.

The decision to include a potential component unit in the District's reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of an entity included in the District's reporting entity within its Fiduciary funds:

The Extraclassroom Activity Funds

The extraclassroom activity funds of the District represents 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. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office, located at 24 Sunset Boulevard, Coxsackie, New York.

B. Joint Venture

The Coxsackie-Athens Central School District is a component district in the Rensselaer, Columbia, and Greene 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. There is no authority or process by which a school district can terminate its status as a BOCES component.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

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 also are 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. 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.

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

During the year ended June 30, 2015, the Coxsackie-Athens Central School District was billed \$2,058,950 for BOCES administrative and program costs. The District's share of BOCES Aid amounted to \$646,545. Financial statements for the BOCES are available from the BOCES administrative office.

Also during the year ended June 30, 2015 the District entered into an agreement with BOCES where BOCES will return amounts to the District as a reduction to the administrative levy totaling \$249,460. The amounts will be credited over a five year period starting in 2015/16. The full amount is recorded as a receivable in the statement of net position.

C. Basis of Presentation

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. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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 the particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

I. Governmental Funds

The District reports the following major governmental funds:

General Fund

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

Special Aid Fund

These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund

Used to account for transactions of the District's lunch and breakfast programs.

Debt Service Fund

This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

II. Fiduciary Funds

This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee and agent for resources that belong to others. 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.

There are two classes of fiduciary funds:

a. Private Purpose Trust Funds

These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

b. Agency Funds

These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholdings.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basis of Accounting/Measurement Focus

General Information

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

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, 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 an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The 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. 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 principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Refundable Advances

Refundable advances arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for refundable advances is removed and revenue is recognized.

F. Property Taxes

I. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on August 21, 2014. Taxes were collected during the period September 1 through October 31, 2014.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Property Taxes

II. Enforcement

Uncollected real property taxes are subsequently enforced by the County of Greene, in which the District is located. An amount representing uncollected real property taxes transmitted to the county for enforcement is paid by the counties to the District no later than the forthcoming April 1.

G. Restricted Resources

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

H. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

The budget policies are as follows:

- a. The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.
- b. The proposed appropriation budget for the General Fund is approved by the voters within the District.
- c. Appropriations are adopted at the line item level.
- d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not located in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred during the year:

From Additional Revenues:

None

\$ -

Total From Additional Revenues:

\$ -

From Appropriated Reserves

None

-

Total Supplemental Appropriations

\$ -

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

- e. Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.
- f. Budgets are established and used for individual capital project fund expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

II. Encumbrances

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

III. Budget Basis of Accounting

Under GASB Statement No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The District is not legally required to adopt a budget for its special revenue funds. Therefore, budget comparison information for special revenue funds is not included in the District's financial statements.

I. Cash and Investments

The District investment policies are governed by State statutes. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and School Districts. Investments are stated at fair value. Certificates of deposit are classified as investments in these financial statements.

J. Accounts Receivable

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

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. 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 inventoriable items in other funds are recorded as expenditures at the time of purchase.

A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

L. Interfund Transfers

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

In the District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

Refer to Note 3.A.II. for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

M. Equity Classifications

District-wide statements

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

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

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

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

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 \$13,400.

Restricted - includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of all other governments; or imposed by law through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

Reserved for Debt

Used to account for the advanced refunding of debt and unspent proceeds of debt restricted for debt service.

Employee Benefit Accrued Liability

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

Capital Reserve

According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law.

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.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Workers' Compensation

The purpose of this reserve fund is 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 year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal years' budget.

Employee Retirement System

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.

Unemployment

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

Committed - Includes amounts that can only be used for the 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 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. Fund balance of the school lunch fund of \$9,226 is considered assigned. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$205,124. Appropriated fund balance in the General Fund amounted to \$1,625,000.

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

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.

Purpose of Encumbrances

General Fund	
General Support	\$ 73,026
Instruction	128,915
Pupil Transportation	2,863
Employee Benefits	320
	<u>\$ 205,124</u>

Unassigned - Includes all other General Fund net assets that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. Deficit fund balances in governmental funds are classified as unassigned.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. The District exceeded the 4% limit at June 30, 2015.

Order of Use of Fund Balance

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance (to the extent appropriated), 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 either assigned or restricted fund balance. In the general fund, committed fund balance is determined next then assigned. The remaining amounts are reported as unassigned.

N. Postemployment Benefits

In addition to providing the retirement benefits described in Note 3.B.I, the District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the District and its employee groups as governed by Board of Education Policy #9040. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the District. Currently 142 retirees meet those eligibility requirements. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-employment benefits is shared between the District and the retired employee. The District recognized the cost of providing benefits for its retirees for fiscal year 2015 by recording approximately \$1,080,000, its share of insurance premiums, as an expenditure in fiscal year 2015.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. Capital Assets

Capital assets are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life In Years</u>
Site improvements	\$ 5,000	SL	20
Buildings and improvements	5,000	SL	15-50
Machinery and equipment	1,000	SL	5-15

P 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 two 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 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 systems not included in pension expense. Lastly is the District 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 one item that qualifies for reporting in this category. The 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 pension expense.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Q. Short-term Debt

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

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

R. Accrued Liabilities and Long-term Obligations

Payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other postemployment benefits payable, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

S. 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 basic financial statements contain a full reconciliation of these items.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

S. *Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements*

The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

- a. Total Fund balances of governmental fund 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.

- 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 four broad categories. The amounts shown below represent:

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

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.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

T. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, other postemployment benefits, potential contingent liabilities, and the lives of long-term assets.

U. Vested Benefits

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Sick leave use is based on a last-in, first-out (LIFO) basis.

Upon retirement, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the applicable contract 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.

V. Implementation of New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2015, the District implemented the following new standard issued by GASB:

GASB has issued Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, effective for the year ending June 30, 2015.

GASB has issued Statement 71, *Pensions Transition for contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective for the year ending June 30, 2015.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

W. Future Changes in Accounting Standards

GASB has issued Statement 72, *Fair Value Measurement and Application*, effective for the year ending June 30, 2016.

GASB has issued Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, effective for the year ending June 30, 2017.

GASB has issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for the year ending June 30, 2017.

GASB has issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending June 30, 2018.

GASB has issued Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for the year ending June 30, 2016.

GASB has issued Statement 77, *Tax Abatement Disclosures*, effective for the year ending June 30, 2017.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

2. STEWARDSHIP, COMPLIANCE ACCOUNTABILITY

A. Unassigned Fund Balance

The District's unassigned fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The District will consume this excess over the next three to five years as a result of the Property Tax Cap, increases in healthcare costs and contribution rates to the Teachers' and Employees' Retirement System.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2015 all deposits were fully insured and collateralized by the District's agent in the District's name.

Investments

Investments are stated at fair value and are categorized as either (1) insured or registered, or investments are held by the District or the District's agent in the District's name, (2) uninsured and unregistered, with the investments held by the financial institution's trust department in the District's name, (3) uninsured and unregistered, with investments held by the financial institution or its trust department but not in the District's name. At June 30, 2015 the District held no investments.

Restricted Cash

General Fund

Restricted cash of \$2,306,834 at June 30, 2015 consists of \$50,000 restricted for Workers' Compensation Reserve, \$472,912 restricted for Unemployment Reserve, \$1,109,977 restricted for Employee Benefit Accrued Liability Reserve, \$498,934 restricted for Employee Retirement System Reserve, \$122,977 restricted for Tax Certiorari Reserve, and \$52,034 restricted for Capital Reserve.

Debt Service Fund

Restricted cash of \$423,310 is restricted for future debt service payments.

Fiduciary Funds

Restricted cash of \$137,374 at June 30, 2015 consist of \$111,264 restricted for Extraclassroom Activity Funds, and \$26,110 restricted for Scholarships.

II. Interfund Receivables and Payables

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. DETAIL NOTES ON ALL FUNDS

A. Assets

II. Interfund Receivables and Payables

Interfund receivable and payable balances at June 30, 2015 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General Fund	\$ 432,064	\$ -	\$ -	\$ 27,001
Special Aid Fund	-	432,064	27,001	-
School Lunch	-	-	-	-
Debt Service Fund	-	-	-	-
Capital Projects Funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Government Activities	432,064	432,064	27,001	27,001
Fiduciary Fund	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 432,064</u>	<u>\$ 432,064</u>	<u>\$ 27,001</u>	<u>\$ 27,001</u>

III. Capital Assets

Capital asset balances for the year ended June 30, are as follows:

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
Governmental Activities				
Capital assets that are not depreciated:				
Land	\$ 240,334	\$ -	\$ -	\$ 240,334
Construction in process	-	-	-	-
Total nondepreciable historical cost	<hr/> 240,334	<hr/> -	<hr/> -	<hr/> 240,334
Capital assets that are depreciated:				
Buildings and improvements	33,279,460	-	-	33,279,460
Machinery and equipment	2,088,150	39,593	24,191	2,103,552
Total depreciable historical cost	<hr/> 35,367,610	<hr/> 39,593	<hr/> 24,191	<hr/> 35,383,012
Less accumulated depreciation:				
Buildings and improvements	18,843,339	862,671	-	19,706,010
Machinery and equipment	1,888,939	112,449	24,191	1,977,197
Total accumulated depreciation	<hr/> 20,732,278	<hr/> 975,120	<hr/> 24,191	<hr/> 21,683,207
Total Capital Assets, Net	<u>\$ 14,875,666</u>	<u>\$ (935,527)</u>	<u>\$ -</u>	<u>\$ 13,940,139</u>

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

General Information

The District participates in the New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). Collectively, TRS and ERS are referred to herein as the "Systems". These are cost-sharing multiple employer, public employee retirement systems. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Descriptions

Teachers' Retirement System

The TRS is administered by the New York State Teachers' Retirement Board. 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. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in the New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information 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

The New York State and Local Employees' Retirement 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. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report and additional information may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12208 or found at www.osc.state.ny.us/retire/publications/index.php.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% to 3.5% of their salary for the entire length of service. With the exception of ERS tier V and VI employees, in the System more than ten years are no longer required to contribute. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller certifies the rates expressed as proportions of member's payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS.

The District is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

	<u>ERS</u>	<u>TRS</u>
2014-15	\$ 418,072	\$ 1,967,852
2013-14	409,274	\$ 1,822,809
2012-13	397,265	\$ 1,269,351

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year.

Pension Liabilities

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 net pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	April 1, 2014	June 30, 2014
Net pension asset/(liability)	\$(291,537)	\$8,080,304
District's portion of the Plan's total net pension asset/(liability)	.009%	.073%

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Pension Expense

For the year ended June 30, 2015, the District recognized its proportionate share of pension expense of \$272,293 for ERS and \$315,412 for TRS.

Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experiences	\$ 9,332	\$ -	\$ -	\$ 118,160
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	50,636	-	-	5,426,808
Changes in proportion and differences between contributions and proportionate share of contributions	33,796	10,733	-	-
Contributions subsequent to the measurement date	<u>159,031</u>	<u>1,967,852</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 252,795</u>	<u>\$ 1,978,585</u>	<u>\$ -</u>	<u>\$ 5,544,968</u>

District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended March 31 for ERS and June 30, 2015 for TRS. Other amounts reported as deferred outflows of resources, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
Year ended:		
2015	\$ -	\$ (1,369,192)
2016	23,441	(1,369,192)
2017	23,441	(1,369,192)
2018	23,441	(1,369,192)
2019	23,441	(12,491)
Thereafter	-	(44,969)

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

3. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2015	June 30, 2014
Actuarial valuation date	April 1, 2014	June 30, 2013
Interest Rate	7.5%	8.0%
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's Experience
Inflation rate	2.7%	3.0%
Projected Cost of Living Adjustments	1.4% annually	1.6% annually

*TRS salary scale differs based on age and gender and have been calculated based upon recent NYSTRS member experience. See the following projected increases:

	<u>Age</u>	<u>Female</u>	<u>Male</u>
Projected salary increases	25	10.35%	10.91%
	35	6.26	6.27
	45	5.39	5.04
	55	4.42	4.01

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 30, 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, 2014 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, 2014 valuation are based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected 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 the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

<u>ERS</u>	<u>Target Allocation</u>		<u>Long-term expected Real rate of return*</u>	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
Asset Class:				
Domestic equities	38%	38%	7.30%	7.30%
International equities	13	13	8.55	8.55
Private Equity	10	10	11.00	11.00
Real estate	8	8	8.25	8.25
Absolute return strategies	3	3	6.75	6.75
Opportunistic portfolio	3	3	8.60	8.60
Real assets	3	3	8.65	8.65
Bonds and mortgages	18	18	4.00	4.00
Cash	2	2	2.25	2.25
Inflation-Indexed bonds	<u>2</u>	<u>2</u>	4.00	4.00
Total	<u>100%</u>	<u>100%</u>		

* Real rates of return are net of the long-term inflation assumption of 2.7% for 2014 and 2015.

<u>TRS</u>	<u>Target Allocation</u>		<u>Long-term expected Real rate of return*</u>	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Asset Class:				
Domestic equities	37%	37%	7.0%	7.3%
International equities	18	18	9.1	8.5
Real estate	10	10	4.9	5.0
Alternative investments	7	7	10.2	11.0
Total equities	<u>72</u>	<u>72</u>		
Domestic fixed income securities	18	18	2.0	1.5
Global fixed income securities	2	2	1.7	1.4
Mortgages	8	8	4.0	3.4
Short-term	-	-	1.2	0.8
Total fixed income	<u>28</u>	<u>28</u>		
Total	<u>100%</u>	<u>100%</u>		

* Real rates of return are net of the long-term inflation assumption of 2.3% for 2013 and 2012.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Discount rate

The discount rate used to calculate the total pension asset/(liability) was 7.5% for ERS and 8.0% 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 System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

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

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

ERS	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Employer's proportionate share Of the net pension asset/(liability)	\$ 1,943,219	\$ 291,537	\$ (1,102,892)
TRS	1% Decrease (7.0%)	Current Assumption (8.0%)	1% Increase (9.0%)
Employer's proportionate share Of the net pension asset/(liability)	\$ (174,303)	\$(8,080,304)	\$(14,817,315)

Changes of assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits. During the measurement periods, there were no changes of assumptions.

Collective Pension Expense

Collective pension expenses includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the period ended June 30, 2015 is \$587,705.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

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 employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2015 amounted to \$159,031.

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 as of June 30, 2015 represent employee and employer 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 contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2015 amounted to \$2,073,899.

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* and GASB Statement No 71, *Pension Transition for Contributions made Subsequent to the Measurement Date*. The implementation of the Statements resulted in the reporting of an asset, deferred outflow of resources, liability and deferred inflow of resources 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	
GASB Statement No. 68 implementation	\$ (3,249,144)
Beginning System asset - Teachers' Retirement System	489,466
Beginning System liability - Employees' Retirement System	(389,970)
Beginning deferred outflow of resources for contributions subsequent to the measurement date	
Teachers' Retirement System	1,741,189
Employees' Retirement System	<u>145,871</u>
Net position beginning of year, as restated	<u><u>\$ (1,262,588)</u></u>

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Short-Term Debt

Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. There was no short-term debt at June 30, 2015.

Interest on short-term debt for the year was composed of:

Interest paid	\$ -
Less interest accrued in the prior year	-
Plus interest accrued in the current year	-
Total Expense	<u>\$ -</u>

Changes

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

	<u>Balance July 1, 2014</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance June 30, 2015</u>
BAN	\$ -	\$ -	\$ -	\$ -

Long-Term Debt

Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the District. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Interest on long-term debt was comprised of:

Interest paid	\$ 397,244
Less interest accrued in the prior year	(19,800)
Plus interest accrued in the current year	13,200
Plus amortization of deferred expense	2,049
Less amortization of bond premium	(61,951)
Plus bond insurance costs of new debt	<u>80,328</u>
Total Expense	<u>\$ 411,070</u>

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Changes

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

	<u>Balance</u> <u>July 1,</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u>
Serial Bonds	\$ 10,045,000	\$ 4,005,000	\$ 5,550,000	\$ 8,500,000
Plus - Unamortized Bond Premium	762,542	159,953	61,951	860,544
Less - Unamortized Losses on Refunding *	-	(99,625)	(2,049)	(97,576)
Compensated Absences	1,109,977	42,762	-	1,152,739
Other Postemployment Benefits (see Note 4)	<u>13,014,867</u>	<u>3,921,552</u>	<u>1,080,683</u>	<u>15,855,736</u>
Total	<u>\$ 24,932,386</u>	<u>\$ 8,029,642</u>	<u>\$ 6,690,585</u>	<u>\$ 26,271,443</u>

Additions and deletions to compensated absences is shown net since it is impractical to determine these amounts separately.

The above liabilities are liquidated by the general fund.

* This item is recorded as a deferred outflow on the statement of net position.

On March 31, 2015, the District issued \$4,005,000 in general obligation bonds with an average interest rate of 2.5% to advance refund \$3,985,000 of outstanding 2005 Series bonds with an average interest rate of 4.5%. The net proceeds of \$4,145,910 (after payment of \$19,042 in underwriting fees, insurance and other issuance costs) were used to purchase United States government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased, and the liability for those bonds has been removed from the District's financial statements. The district advance refunded the bonds to revise its payment schedules due to changes in New York State's aid payment schedules. The economic gain (loss) on the transaction (the difference between the present values of the debt service payments on the old and new debt) is approximately \$(99,625).

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

3. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Maturity

The following is a summary of maturity of indebtedness:

<u>Description of Issue</u>	<u>Original Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2015</u>
<u>Serial Bonds</u>				
Refunded 2015	2015	2018	2%-3%	\$ 3,945,000
Project Financing	2013	2027	2%-5%	<u>4,555,000</u>
Total Serial Bonds				<u>\$ 8,500,000</u>

The following is a summary of maturing debt service requirements for general obligation bonds and notes:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,600,000	\$ 317,300	\$ 1,917,300
2017	1,630,000	282,200	1,912,200
2018	1,675,000	233,300	1,908,300
2019	340,000	179,750	519,750
2020-2027	<u>3,255,000</u>	<u>746,500</u>	<u>4,001,500</u>
Total	<u>\$ 8,500,000</u>	<u>\$ 1,759,050</u>	<u>\$ 10,259,050</u>

Judgments and Claims

There are currently pending certiorari proceedings, the results of which could require the future tax refunds by the District if existing assessment rolls are modified based on the outcome of the litigation proceedings. The District plans on funding any settlements from the Tax Certiorari Reserve, future appropriations and/or issuing debt.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

3. DETAIL NOTES ON ALL FUNDS

B. Liabilities

III. Deferred Inflows of Resources

Deferred inflows of resources on the balance sheet-governmental funds arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period.

IV. Constitutional Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the District. Basically, the District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit does not exceed 10% of the full valuation of taxable real estate within the District. At June 30, 2015, the District has exhausted 8.85% of its constitutional debt limit.

4. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

General Information

The Coxsackie-Athens Central School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, injuries to employees; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

Workers' Compensation Insurance

The District participates in a claims-servicing public entity risk pool, Rensselaer-Columbia-Greene Workers' Compensation Consortium (RCGWCC), to insure workers' compensation claims. The RCGWCC, a consortium of school districts located in Rensselaer, Columbia and Greene counties of New York, was accepted as a self-insurer by the State of New York Workers' Compensation Board effective July 1, 1985. The Consortium is governed by a Plan Agreement administered by a Board of Directors, consisting of one Director for each member. As of June 30, 2015, there were 19 members in the Consortium. Workers' compensation benefits are provided by the Plan and administered under a contract with Triad, the third party claims administrator for the consortium.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

4. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

The purpose of the Plan is to provide for the efficient and economical evaluation, processing, administration, defense and payment of claims against Plan members for workers' compensation and employers' liability payments through self-insurance and otherwise, to achieve cost savings for such claims and services, to provide risk management, to the extent permitted by law, to reduce future liability for workers' compensation and employer liability payments; and to perform all other functions reasonably necessary and incident to such purposes; including but not limited to, the obtaining of excess workers' compensation insurance and employers' liability insurance for the Plan members. Current coverage limits are \$1,000,000 per occurrence for employers' liability and excess workers' compensation insurance coverage for paid workers' compensation claims in excess of \$500,000 per individual occurrence.

The Plan provides that each member continues to be individually liable for workers' compensation payments to employees and for employers' liability payments to third parties. The Plan is a public entity risk pool without any transfer of risk among the participants.

To fund the plan, each plan member is assessed an annual premium for workers' compensation coverage in accordance with a reasonable estimate of each member's responsibility for actual claims and expenses of the Plan. Assessments are based on such factors as the cost of insurance premiums, the amount of anticipated interest income, number of employees, payrolls, claims experience, services rendered, benefits received and other relevant factors.

Health Insurance Plan

The District participates in the Rensselaer-Columbia-Greene (R-C-G) Health Insurance Trust, which is a Trust formed under New York State Insurance Law on June 30, 1988. The Trust's purpose is to provide for the purchase of policies of group health, prescription, dental and vision insurance, pursuant to Insurance Law Section 4235, and to provide related services to its members. There are currently 23 members of the R-C-G Health Insurance Trust.

The Trust is governed by a Trust Agreement and a Board of Trustees who execute the provisions of the Trust, as set forth in the Agreement.

Premium costs for group health insurance and related policies purchased and for group health insurance administration are allocated among the Trust members. Payments made by members to the Trust for such policies are paid to the group insurance carriers by the Trust. The Trust has contracted with Benetech for third party administration.

The District participates in the health and prescription plans offered through the Trust.

B. Other Items

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

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

5. POST EMPLOYMENT BENEFITS

Plan Description

The District administers the post employment benefits as a single-employer defined benefit plan (the Plan), through which retirees and their spouses receive benefits for the lifetime of the retired employee. The Plan provides for continuation of medical and/or Medicare Part B benefits for certain retirees and their spouses and can be amended by action of the District subject to applicable collective bargaining and employment agreements, and Board of Education policy #9040. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 5 to 10 years of service to qualify for other post employment benefits. The District currently funds the plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2015 \$1,080,000 was paid on behalf of 142 retirees.

Actuarial Methods and Assumptions

The actuarial valuation date is as of July 1, 2014. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far 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 District are subject to continual revision as actual results are compared with past expectations and new estimates about the future. The schedule of funding progress is presented as required supplementary information following the notes to the financial statements.

Projection of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the District 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 District and Plan members to that point. The actuarial calculations reflect a long-term perspective; actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

5. POST EMPLOYMENT BENEFITS

Actuarial Methods and Assumptions

The actuarial funding method used to calculate the costs of the Plan is known as the Projected Unit Credit Method. Under this method, the present value of each employee's future retiree health benefit claims costs is allocated over a portion of the employee's employment, the "attribution period." The attribution period for this group begins with the employee's date of employment and ends with the date on which the employee is expected to retire. The accrued liability for active employees is the portion of benefit liability attributed to service years to date. Normal cost is the amount of benefit liability attributed to the current employment year. Normal cost for retired employees is zero. The initial accrued liability is amortized over a 30-year period using the level dollar method. Actuarial gains and losses will be determined annually and amortized over a fixed 15-year period.

The following assumptions were used in the calculation: a) A 4.0% discount rate b) initial medical cost trend of 9.0% an ultimate rate of 5% in 2021, c) mortality from RP 2000 Combined Mortality Table, d) retirement and termination rates used are those that are used in the NYS ERS and TRS pension fund valuations, e) 100% of future retirees eligible for coverage will elect the benefit, 80% of future spouses of retirees eligible for coverage will elect the benefit, f) initial per capita claims costs are based on the premium levels of the plans utilized; per capita costs for retired employees are based on current plan enrollment.

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 No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table summarizes the Annual OPEB Cost:

	<u>2015</u>	<u>2014</u>
Normal Cost	\$ 1,762,363	\$ 1,694,580
Amortization of Unfunded Actuarial Liability	2,281,421	2,277,956
Interest	<u>80,876</u>	<u>79,520</u>
ARC	4,124,660	4,052,056
Interest on OPEB Obligation	520,595	403,342
Adjustment to ARC	<u>(723,703)</u>	<u>(560,705)</u>
OPEB Expense	<u><u>\$ 3,921,552</u></u>	<u><u>\$ 3,894,693</u></u>
Net OPEB Obligation at the beginning of the year	\$ 13,014,867	\$ 10,087,025
OPEB Expense	3,921,552	3,894,693
Net OPEB Contributions made during the fiscal year	<u>(1,080,683)</u>	<u>(966,851)</u>
Net OPEB Obligation at the end of the year	<u><u>\$ 15,855,736</u></u>	<u><u>\$ 13,014,867</u></u>
Percentage of Expense Contributed	27.6%	24.8%

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

5. POST EMPLOYMENT BENEFITS

Funded Status

	<u>2015</u>
Actuarial Accrued Liability at end of year	\$ 41,028,418
Plan Assets at end of year	-
Unfunded Actuarial Accrued Liability	<u>\$ 41,028,418</u>
Percentage of Funded Accrued Liability	0%

The change in the Net OPEB Obligation at the end of the year is reflected as an employee benefit expense in the accompanying financial statements.

The District's annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ending June 30, 2015, 2014 and 2013 is as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2015	\$ 3,921,552	27.6%	\$ 15,855,736
June 30, 2014	\$ 3,894,693	24.8%	\$ 13,014,867
June 30, 2013	\$ 2,658,459	30.9%	\$ 10,087,025

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.

In the July 1, 2013, actuarial valuation, the Projected Unit Credit method was used. The actuarial assumptions included a 4.0% investment rate of return, and an annual healthcare cost trend rate of 9.0% then reduced by .5% decrements to an ultimate rate of 5.0% in 2021. The remaining amortization period at June 30, 2015, was 23 years.

6. DEFICIT FUND BALANCE

The Special Aid fund had a fund deficit of \$1,127, due to recognizing expenditures in advance of the related revenue for summer handicap.

7. SUBSEQUENT EVENTS

The District has evaluated subsequent events through September 16, 2015, which is the date these financial statements were issued. All subsequent events requiring recognition as of June 30, 2015, have been incorporated into these financial statements herein.

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance With Actual</u>
Revenues				
Local Sources				
Real Property Taxes	\$ 15,033,286	\$ 15,033,286	\$ 15,030,909	\$ (2,377)
Other tax items	2,317,044	2,317,044	2,329,695	12,651
Charges for Services	118,000	118,000	145,780	27,780
Use of Money and Property	50,000	50,000	32,125	(17,875)
Sale of Property and Compensation for Loss	-	-	63	63
Miscellaneous	122,750	122,750	318,007	195,257
State Sources	8,934,808	8,934,808	8,954,253	19,445
Federal Sources	35,000	35,000	16,297	(18,703)
Other Sources				
Interfund Transfers	-	-	-	-
Proceeds of Long-Term Debt	-	-	-	-
Total Revenue and Other Sources	26,610,888	26,610,888	26,827,129	\$ <u>216,241</u>
Appropriated Reserve for Employee Retirement System	-	-	-	
Appropriated Reserves	150,000	150,000	-	
Appropriated Fund Balance	<u>2,138,217</u>	<u>2,138,217</u>	<u>-</u>	
Total Revenues, Other Sources and Appropriated Fund Balance	\$ <u>28,899,105</u>	\$ <u>28,899,105</u>	\$ <u>26,827,129</u>	

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Final Budget Variance With Actual and Encumbrances</u>
Expenditures					
General Support					
Board of Education	\$ 5,500	\$ 5,882	\$ 4,270	\$ 1,462	\$ 150
Central Administration	223,358	224,576	218,499	-	6,077
Finance	340,152	349,408	326,262	363	22,783
Staff	109,518	110,830	86,847	7,925	16,058
Central Services	1,898,253	1,945,072	1,775,415	63,276	106,381
Special Items	352,607	338,807	336,714	-	2,093
Instruction					
Instruction, Administration & Improvement	1,046,955	1,100,885	995,704	36,500	68,681
Teaching - Regular School	8,617,350	8,447,628	8,307,706	20,271	119,651
Programs for Students with Disabilities	2,034,712	2,175,435	2,015,153	52,773	107,509
Occupational Education	468,696	467,542	467,541	-	1
Teaching - Special Schools	17,992	16,956	10,194	-	6,762
Instructional Media	1,035,665	1,241,921	1,193,996	16,656	31,269
Pupil Services	1,497,718	1,402,278	1,265,926	2,715	133,637
Pupil Transportation	1,752,202	1,749,864	1,631,458	2,863	115,543
Community Services	-	-	-	-	-
Employee Benefits	7,498,777	7,315,370	6,844,889	320	470,161
Debt Service					
Debt Service Principal	1,505,000	1,565,000	1,565,000	-	-
Debt Service Interest	474,650	414,650	397,244	-	17,406
Total Expenditures	28,879,105	28,872,104	27,442,818	205,124	1,224,162
Other Uses					
Interfund Transfer	20,000	27,001	27,001	-	-
Total Expenditures and Other Uses	\$ 28,899,105	\$ 28,899,105	27,469,819	\$ 205,124	\$ 1,224,162
Net Change in Fund Balance			(642,690)		
Fund Balance-Beginning			5,992,496		
Fund Balance-Ending			\$ 5,349,806		

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
JUNE 30, 2015**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/12	\$ -	\$ 30,593,595	\$ 30,593,595	NA	\$12,187,344	\$ 251%
07/01/13	\$ -	\$ 31,803,357	\$ 31,803,357	NA	\$12,579,769	\$ 253%
07/01/14	\$ -	\$ 41,028,418	\$ 41,028,418	NA	\$12,538,918	\$ 327%

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2015

ERS Pension Plan
Last 10 Fiscal Years

2015

Proportion of the net pension liability (asset)	0.01%
Proportionate share of the net pension liability (asset)	\$ 291,537
Covered-employee payroll	\$ 2,260,908
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	12.89%
Plan fiduciary net position as a percentage of the total pension liability	0.01%

TRS Pension Plan
Last 10 Fiscal Years

2015

Proportion of the net pension liability (asset)	0.07%
Proportionate share of the net pension liability (asset)	\$ (8,080,304)
Covered-employee payroll	\$ 11,442,009
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	-70.62%
Plan fiduciary net position as a percentage of the total pension liability	0.07%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled this presentation will only include information for those years for which information is available.

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
SCHEDULES OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2015**

ERS Pension Plan
Last 10 Fiscal Years

	<u>2015</u>
Contractually required contribution	\$ 464,490
Contributions in relation to the contractually required contribution	<u>(451,221)</u>
Contribution deficiency (excess)	<u><u>\$ 13,269</u></u>
Covered-employee payroll	\$ 2,260,908
Contributions as a percentage of covered-employee payroll	20.54%

TRS Pension Plan
Last 10 Fiscal Years

	<u>2015</u>
Contractually required contribution	\$ 1,741,191
Contributions in relation to the contractually required contribution	<u>(1,738,510)</u>
Contribution deficiency (excess)	<u><u>\$ 2,681</u></u>
Covered-employee payroll	\$11,442,009
Contributions as a percentage of covered-employee payroll	-15.19%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled this presentation will only include information for those years for which information is available.

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE SCHEDULE OF REAL PROPERTY TAX LIMIT
FOR THE YEAR ENDED JUNE 30, 2015**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 28,485,888
Add: Prior year's encumbrances	<u>413,217</u>
Original Budget	28,899,105
Additions:	
Budget Amendments	<u>-</u>
Final Budget	<u><u>\$ 28,899,105</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2015-16 [subsequent year's] voter-approved expenditure budget	\$ 29,451,334
Maximum allowed (4% of 2015-16 [subsequent year's] budget)	1,178,053

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

Unrestricted Fund Balance:	
Committed Fund Balance	\$ -
Assigned Fund Balance	1,830,124
Unassigned Fund Balance	<u>1,212,848</u>
Total Unrestricted Fund Balance	<u>\$ 3,042,972</u>

Less:	
Appropriated Fund Balance	1,625,000
Insurance Recovery Reserve	-
Tax Reduction Reserve	-
Encumbrances included in Committed and Assigned Fund Balance	<u>205,124</u>
Total Adjustments	<u>\$ 1,830,124</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law**	<u><u>\$ 1,212,848</u></u>
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Actual percentage 4.12%

* Per office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions," Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2015

SED Project Number	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing					Fund Equity (Deficiency) June 30, 2015
			Prior Years	Current Year	Total		Proceeds of Obligations	Local Sources	State Grants	Federal Grants	Total	

The District had no open projects with the New York State Education Department at June 30, 2015 and there were no expenditures related to capital projects during 14/15.

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2015**

Capital Assets, Net		\$	13,940,139
Add:			
Cash with fiscal agent			-
Deduct:			
Bond anticipation note	\$	-	
Serial bonds payable		(8,500,000)	
Unamortized Bond Premium		<u>(860,544)</u>	<u>(9,360,544)</u>
Net Investment in Capital Assets		\$	<u><u>4,579,595</u></u>

**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**

Kevin J. McCoy, CPA

Thomas W. Donovan, CPA

Frank S. Venezia, CPA

James E. Amell, CPA

Carol A. Hausamann, CPA

Daniel J. Litz, CPA

Karl F. Newton, CPA

Kevin P. O'Leary, CPA

Timothy A. Reynolds, CPA

Heather D. Patten, CPA

To the President and Members of the Board of Education of the
Coxsackie-Athens Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Coxsackie-Athens Central School District (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 16, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Marvin and Company, P.C.

Latham, NY

September 16, 2015

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
SINGLE AUDIT
SUPPLEMENTARY FINANCIAL REPORT
JUNE 30, 2015**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL
CONTROL OVER COMPLIANCE; AND REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

Kevin J. McCoy, CPA

Thomas W. Donovan, CPA

Frank S. Venezia, CPA

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Carol A. Hausamann, CPA

Daniel J. Litz, CPA

Karl F. Newton, CPA

Kevin P. O'Leary, CPA

Timothy A. Reynolds, CPA

Heather D. Patten, CPA

To the President and Members of the Board of Education of the
Coxsackie-Athens Central School District

Report on Compliance for Each Major Federal Program

We have audited the Coxsackie-Athens Central School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The 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

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the District's compliance with those requirements and performing such other procedures as we considered 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 the Coxsackie-Athens Central School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Coxsackie-Athens Central 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 the Coxsackie-Athens Central 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 the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an 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 the 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 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.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities and each major fund of the Coxsackie-Athens Central School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated September 16, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of management, the audit committee, the Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Marvin and Company, P.C.

Latham, NY

September 16, 2015

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Total Federal Expenditures
<u>U.S. Department of Education</u>			
Passed Through New York State Education Department:			
Title I Grants to Local Educational Agencies	84.010	0021-14-1045	\$ 19,070
Title I Grants to Local Educational Agencies	84.010	0021-15-1045	166,381
Special Education - Grants to States (IDEA, Part B)	84.027	0032-15-0288	311,726
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-15-0288	20,778
Race to the Top, Recovery Act	84.390	5500-14-1045	23,804
Race to the Top, Recovery Act - Strengthening Teacher and Leader Effectiveness Dissemination Grant	84.395	5545-15-4015	176,000
Race to the Top, Recovery Act - Strengthening Teacher and Leader Effectiveness	84.395	5545-15-3012	185,125
Improving Teacher Quality State Grants	84.367	0147-14-1045	16,204
Improving Teacher Quality State Grants	84.367	0147-15-1045	<u>35,823</u>
Total U.S. Department of Education			<u>954,911</u>

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Total Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Passed Through New York State Education Department:			
National School Lunch Program	10.555	Not Applicable	\$ 226,527
School Breakfast Program	10.553	Not Applicable	51,923
Food Distribution	10.555	Not Applicable	<u>33,665</u>
Total U.S. Department of Agriculture			<u>312,115</u>
Total Expenditures of Federal Awards			\$ <u><u>1,267,026</u></u>

COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information 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 financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

2. SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133

The Coxsackie-Athens Central School District is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

3. FOOD DONATION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2015, the District received food commodities totaling \$33,665.

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued

unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

_____ yes X no
_____ yes X no

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

_____ yes X no
_____ yes X no

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 OMB Circular A-133?

_____ yes X no

Identification of major programs:

CFDA Number(s)
84.027 and 84.173
10.553 and 10.555

Name of Federal Program or Cluster
Special Education Program Cluster
Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

_____ yes X no

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

Section II: Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards:

None

Section III: Federal Award Findings and Questioned Costs

Findings and questioned costs related to Federal awards which are required to be reported in accordance with OMB Circular A-133 Section __.510a:

None

**COXSACKIE-ATHENS CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

Finding 2014-01 Compliance with New York State Real Property Tax Law

Current Status

The District was materially compliant therefore finding was not repeated.