

Putnam Valley Central School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2016

Putnam Valley Central School District, New York

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Independent Auditors' Report

The Board of Education of the
Putnam Valley Central School District, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Putnam Valley Central School District, New York ("School District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2016, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General and Special Aid funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2016 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 2, 2016



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

Independent Auditors' Report

**The Board of Education of the
Putnam Valley Central School District, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Putnam Valley Central School District, New York ("School District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 2, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the School District in a separate letter.

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.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
September 2, 2016

Putnam Valley Central School District, New York

Management's Discussion and Analysis (MD&A)
June 30, 2016

Introduction

Our discussion and analysis of the Putnam Valley Central School District, New York's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2016. It should be read along with the basic financial statements, which immediately follows this section, to enhance the understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2016 are as follows:

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4.0% of the ensuing year's budget, exclusive of the amount assigned for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$1,907,189. This amount represents 3.98%.
- As of the close of the current fiscal year, the School District's governmental fund financial statements report a combined ending fund balance of \$17,931,303, an increase of \$1,167,929 from the prior year. Exclusive of the Capital Projects Fund amount of \$612,018, the combined ending fund balances are \$17,319,285. Of this amount, the unassigned fund balance is \$1,907,189. This amount is available for spending at the discretion of the School District.
- On the district-wide financial statements, the assets and deferred outflows of resources of the School District exceeded liabilities and deferred inflows of resources at the close of its most recent fiscal year by \$32,685,643. The School District's total net position increased by \$3,586,046 for the year ended June 30, 2016.
- At June 30, 2016, the School District reported in its Statement of Net Position a liability of \$3,022,746 for its proportionate share of the New York State and Local Employees' Retirement System ("ERS") net pension liability, while also reporting a pension asset of \$11,442,268 for its proportionate share of the New York State Teachers' Retirement System ("TRS") net pension asset. More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in note 3, C in the notes to financial statements.

Overview of the Financial Statements

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

District-Wide Financial Statements

- The *district-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.
- The *statement of net position* presents information on all of the School District's assets and liabilities, 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 School District is improving or deteriorating.
- The *statement of activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The *governmental* activities of the School District include instruction, pupil transportation, community services, cost of food sales, other, interest and general administrative support.
- The district-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

- A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- The School District maintains six individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Special Aid, Debt Service and Capital Projects funds, since the School District has elected to report them as major funds.

- The School District adopts an annual budget for its General Fund and Special Aid Fund. A budgetary comparison statement has been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets.
- The Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

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

Notes to Financial Statements

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

Other Information

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

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial situation. This MD&A includes a summary of two district-wide statements that focus on operations of the School District as a whole. These statements measure inputs and outflows using an economic resources measurement focus, and use the accrual basis of accounting. Activities that are fiduciary in nature are not included in these statements.

In the case of the Putnam Valley Central School District, New York, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$32,685,643 at the close of the current fiscal year.

Net Position

	June 30,	
	2016	2015
Current Assets	\$ 21,405,871	\$ 20,926,928
Net Pension Asset	11,442,347	12,272,786
Capital Assets, net	<u>30,338,547</u>	<u>30,624,399</u>
Total Assets	<u>63,186,686</u>	<u>63,824,113</u>
Deferred Outflows of Resources		
Deferred amounts on pensions	5,223,512	3,385,517
Deferred amounts on refunding	<u>1,177,118</u>	<u>1,296,912</u>
	<u>6,400,630</u>	<u>4,682,429</u>
Current Liabilities	5,350,002	4,186,466
Non-Current Liabilities	<u>27,222,584</u>	<u>26,749,546</u>
Total Liabilities	<u>32,572,586</u>	<u>30,936,012</u>
Deferred Inflows of Resources		
Deferred amounts on pensions	<u>4,329,087</u>	<u>8,470,933</u>
Net Position		
Net investment in capital assets	17,027,741	15,613,211
Restricted for		
Future capital projects	500,000	-
School Lunch	430,051	432,822
Repairs	30,507	30,461
Special Purpose	170,415	109,913
Property loss and liability	127,031	476,316
Tax certiorari	882,941	699,140
Debt service	6,712,941	6,765,771
Retirement contributions	1,812,542	1,809,828
Capital projects	865,746	1,153,435
Unrestricted	<u>4,125,728</u>	<u>2,008,700</u>
Total Net Position	<u>\$ 32,685,643</u>	<u>\$ 29,099,597</u>

A large component of the School District's net position (52.0%) is its investment in capital assets, less any outstanding related debt used to acquire those assets. The School District uses these capital assets to provide services to students and therefore, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

As of June 30, 2016, the School District reported a net pension asset, liability and deferred inflows and outflows as calculated by the New York State Teachers' and Local Employees Retirement systems. This asset and the net deferrals are not in custody of, nor are they accessible by the School District; rather these represent the School District's share of the calculated excess/shortfall

of the respective retirement systems. Please see Note 3D of the financial statements for more information on these pension items.

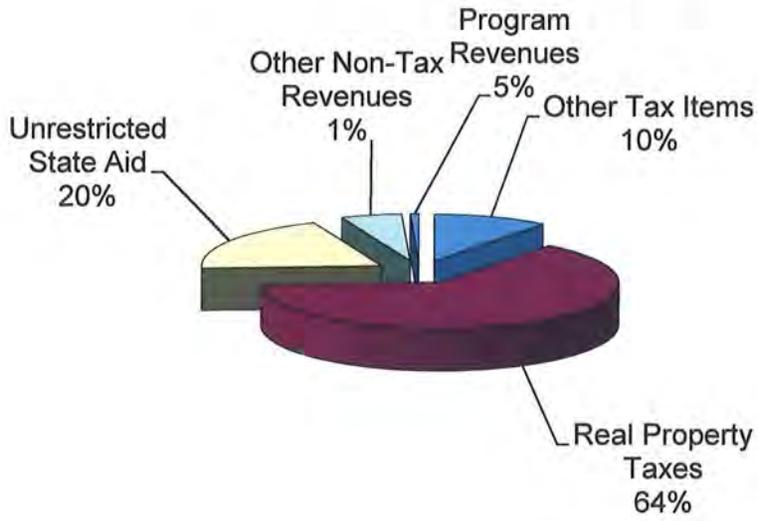
The restricted net position subject to external restrictions constitute is \$11,532,174.

Net position increased by \$3,586,046 for the year ended June 30, 2016.

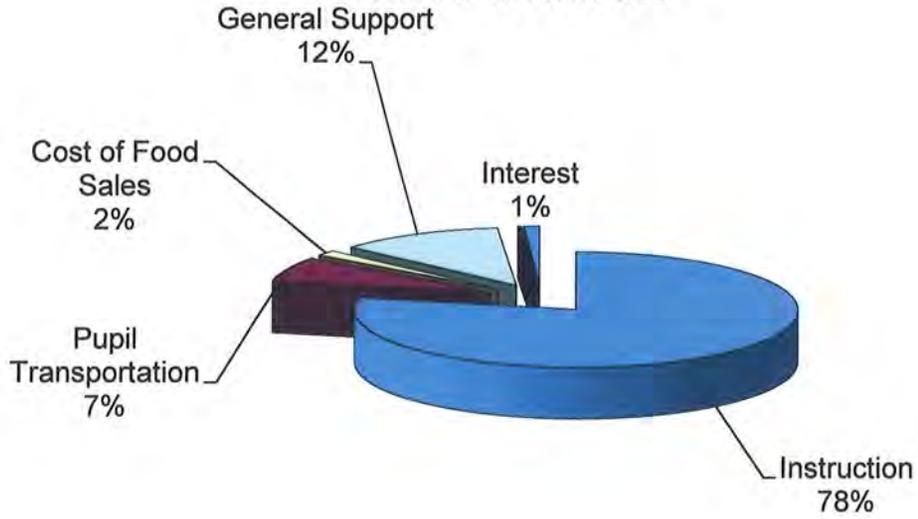
Changes in Net Position

	Years Ended June 30,	
	2016	2015
Revenues		
Program Revenues		
Charges for Services	\$ 1,000,637	\$ 921,470
Operating Grants and Contributions	1,647,962	1,530,653
Capital Grants and Contributions	110	125,487
Total Program Revenues	<u>2,648,709</u>	<u>2,577,610</u>
General Revenues		
Real Property Taxes	30,843,529	30,911,681
Other Tax Items	5,120,962	5,154,789
Non-Property Taxes	49,870	50,146
Unrestricted Earnings on Investments	42,754	23,701
Insurance Recoveries	-	7,266
Unrestricted State Aid	9,509,948	9,359,360
Miscellaneous	278,366	415,296
Total General Revenues	<u>45,845,429</u>	<u>45,922,239</u>
Total Revenues	<u>48,494,138</u>	<u>48,499,849</u>
Program Expenses		
General Support	5,410,351	4,736,108
Instruction	35,150,446	33,412,204
Pupil Transportation	3,064,157	3,294,748
Cost of Food Sales	667,254	585,440
Other	114,469	190,904
Interest	501,415	527,424
Total Program Expenses	<u>44,908,092</u>	<u>42,746,828</u>
Change in Net Position	<u>3,586,046</u>	<u>5,753,021</u>
Net Position		
Beginning, as reported	29,099,597	20,530,917
Cumulative Effect of Change in Accounting Principle	-	2,815,659
Beginning, as restated	<u>29,099,597</u>	<u>23,346,576</u>
Ending	<u>\$ 32,685,643</u>	<u>\$ 29,099,597</u>

Revenues by Sources for Fiscal Year 2016



Expenses for Fiscal Year 2016 Governmental Activities



The major changes are as follows:

Revenues

- The School District relies upon real property taxes (64%) as its primary revenue source.
- Miscellaneous revenue decreased by approximately \$140,000. Decreases are related to the following: the district received a \$60,000 reimbursement from BOCES in 2014-15 for substitute teacher training on common core. There was a \$30,000 adjusting entry that reclassified an expenditure made from the General Fund in 2014-15 for the School Lunch Fund Accounts Payable balance. In addition, there was an accrual adjustment of approximately \$50,000 for TRS and ERS.
- Inter-fund Revenue: There was no inter-fund transfer into General Fund in current year. The School District Debt was budgeted and paid out of the Debt Service Fund.
- State Aid Revenue: There was net increase of \$150,000. This was due to an increase in Excess Cost Aid, which is an expense driven aid and Basic formula aid. A decrease occurred in BOCES aid based on prior years actual expenses.

Expenditures

- Employee Benefits: There was a decrease of approximately \$400,000 in Employee Benefits that was attributed to a decrease in the ERS and TRS employer contribution rates. In 2014-2015 ERS and TRS rates were 20.1% and 17.53% respectively. In 2015-2016 ERS and TRS rates were 18.2% and 13.26 % respectively.
- Debt Service: Bond principal and interest was budgeted and paid out of the Debt Service fund, therefore no principal and interest expense occurred in the General Fund. As a result, an increase in Inter-fund Transfers occurred.

Fund Balance Reporting

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

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government’s highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

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

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government’s highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government’s General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. According to GASB, this pronouncement should result in an improvement in the usefulness of fund balance information.

Financial Analysis of the School District’s Funds

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

Governmental Funds

The focus of the School District’s *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the School District’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District’s governmental funds reported combined fund balances of \$17,931,303 an increase of \$1,167,929 from the prior year. Of this amount, the *unassigned* fund balance of \$1,907,189 is available for spending at the School District’s discretion. The remainder of fund balances is either Nonspendable, Restricted, or Assigned to indicate they’re unavailable for spending because they have already been committed to honor the specific purposes for which it can be spent. The nonspendable fund balance of \$302,621 consists of assets that are inherently unspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, and principal of endowments. The restricted fund balance of \$12,746,745 consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Included within the restricted fund balances are reserves for tax certiorari \$882,941, employee benefit accrued liability \$1,898,350, retirement contributions \$1,812,542, property loss and liability of \$127,031, repairs restriction of \$30,507, future capital projects of \$500,000 debt service \$6,712,941, and capital projects \$612,018. The assigned fund balance of

\$2,974,748 consists of amounts that are subject to a purpose constraint that represents an intended use established by the Board of Education. Included within the assigned fund balances are encumbrances of \$689,351 and a designation for subsequent year's expenditures of \$1,863,617.

General Fund Budgetary Highlights

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$10,005,878, of which \$1,907,189 or 3.98% of the ensuing year's budget was unassigned. As previously mentioned, New York State Law limits the amount of unassigned fund balance that can be retained to 4.0% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

General Fund revenue received was \$175,103 less than budgeted. The negative variance resulted mostly in State Aid revenue being less than anticipated based on the Governors aid projections.

Expenditures were below the final budget. After encumbrances of \$689,351 expenditure savings were \$2,771,760. Savings were exhibited throughout the budget. General Support, Instruction and Employee Benefits.

The original General Fund budget anticipated the use of \$1,580,572 of fund balance; \$585,940 from prior year encumbrances and \$994,632 from assigned fund balance.

Capital Assets

At June 30, 2016, the School District had \$30,338,547, net of accumulated depreciation invested in capital assets, including land, buildings and improvements, machinery and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below.

Class	June 30,	
	2016	2015
Land	\$ 2,891,200	\$ 2,891,200
Construction-in-progress	-	-
Buildings and Improvements	26,000,256	26,245,120
Machinery and Equipment	1,447,091	1,488,079
Total Capital Assets, net of accumulated depreciation	\$ 30,338,547	\$ 30,624,399

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

Long-Term Debt

The School District had general obligation and other long-term debt outstanding as follows:

	June 30,	
	<u>2016</u>	<u>2015</u>
Bonds Payable	\$ 14,491,196	\$ 16,311,372
Compensated Absences	1,898,350	1,703,554
Net Pension Liability	3,022,746	632,733
Other Post Employment Benefit Obligations Payable	<u>9,665,292</u>	<u>8,101,887</u>
Total	<u>\$ 29,077,584</u>	<u>\$ 26,749,546</u>

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

Requests for Information

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

Putnam Valley Central School District
Attn: Jill Figarella
District Treasurer
146 Peekskill Hollow Road
Putnam Valley, NY 10579

Putnam Valley Central School District, New York

Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 1,422,187
Investments	18,018,037
Receivables	
Accounts	221,166
State and Federal aid	944,631
Due from other governments	497,229
Inventories	8,271
Prepaid expenses	294,350
Net pension asset	11,442,268
Capital assets	
Not being depreciated	2,891,200
Being depreciated, net	<u>27,447,347</u>
Total Assets	<u>63,186,686</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>6,400,630</u>
LIABILITIES	
Accounts payable	676,520
Accrued liabilities	130,240
Unearned revenues	3,918
Retainages payable	16,932
Due to other governments	537
Due to retirement systems	2,646,421
Accrued interest payable	20,434
Non-current liabilities	
Due within one year	1,855,000
Due in more than one year	<u>27,222,584</u>
Total Liabilities	<u>32,572,586</u>
DEFERRED INFLOWS OF RESOURCES	<u>4,329,087</u>
NET POSITION	
Net investment in capital assets	17,027,741
Restricted	
Future capital projects	500,000
School lunch	430,051
Repairs	30,507
Special purpose	170,415
Property loss and liability	127,031
Tax certiorari	882,941
Debt service	6,712,941
Retirement contributions	1,812,542
Capital projects	865,746
Unrestricted	<u>4,125,728</u>
Total Net Position	<u>\$ 32,685,643</u>

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

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Putnam Valley Central School District, New York

Statement of Activities
Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 5,410,351	\$ 724	\$ 761	\$ -	\$ (5,408,866)
Instruction	35,150,446	578,362	1,229,298	-	(33,342,786)
Pupil transportation	3,064,157	-	-	-	(3,064,157)
Cost of food sales	667,254	421,551	242,932	-	(2,771)
Other	114,469	-	174,971	-	60,502
Interest	501,415	-	-	110	(501,305)
Total Governmental Activities	\$ 44,908,092	\$ 1,000,637	\$ 1,647,962	\$ 110	(42,259,383)
General revenues					
Real property taxes					30,843,529
Other tax items					
School tax relief reimbursement					5,076,018
Interest and penalties on real property taxes					44,944
Non-property taxes					
Non-property tax distribution from County					49,870
Unrestricted earnings on investments					42,754
Unrestricted State aid					9,509,948
Miscellaneous					278,366
Total General Revenues					45,845,429
Change in Net Position					3,586,046
Net Position - Beginning					29,099,597
Net Position - Ending					\$ 32,685,643

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

Putnam Valley Central School District, New York

Balance Sheet
 Governmental Funds
 June 30, 2016

	General	Special Aid	Debt Service
ASSETS			
Cash and equivalents	\$ 470,562	\$ 298,008	\$ -
Investments	18,018,037	-	-
Receivables			
Accounts	221,101	-	-
State and Federal aid	227,546	704,464	-
Due from other governments	497,229	-	-
Due from other funds	750,900	2,725	6,712,941
Inventories	-	-	-
Prepaid expenditures	294,350	-	-
	<u>\$ 20,479,725</u>	<u>\$ 1,005,197</u>	<u>\$ 6,712,941</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 660,194	\$ -	\$ -
Accrued liabilities	130,240	-	-
Unearned revenues	3,918	-	-
Retainages payable	-	-	-
Due to other funds	7,033,074	1,005,197	-
Due to other governments	-	-	-
Due to retirement systems	2,646,421	-	-
	<u>10,473,847</u>	<u>1,005,197</u>	<u>-</u>
Fund balances			
Nonspendable	294,350	-	-
Restricted	5,251,371	-	6,712,941
Assigned	2,552,968	-	-
Unassigned	1,907,189	-	-
	<u>10,005,878</u>	<u>-</u>	<u>6,712,941</u>
Total Fund Balances	<u>\$ 10,005,878</u>	<u>\$ -</u>	<u>\$ 6,712,941</u>
Total Liabilities and Fund Balances	<u>\$ 20,479,725</u>	<u>\$ 1,005,197</u>	<u>\$ 6,712,941</u>

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

Capital Projects	Other Governmental	Total Governmental Funds
\$ 99,226	\$ 554,391	\$ 1,422,187
-	-	18,018,037
-	65	221,166
-	12,621	944,631
-	-	497,229
809,802	47,791	8,324,159
-	8,271	8,271
-	-	294,350
<u>\$ 909,028</u>	<u>\$ 623,139</u>	<u>\$ 29,730,030</u>
\$ 5,670	\$ 10,656	\$ 676,520
-	-	130,240
-	-	3,918
16,932	-	16,932
274,408	11,480	8,324,159
-	537	537
-	-	2,646,421
<u>297,010</u>	<u>22,673</u>	<u>11,798,727</u>
-	8,271	302,621
612,018	170,415	12,746,745
-	421,780	2,974,748
-	-	1,907,189
<u>612,018</u>	<u>600,466</u>	<u>17,931,303</u>
<u>\$ 909,028</u>	<u>\$ 623,139</u>	<u>\$ 29,730,030</u>

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Putnam Valley Central School District, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
June 30, 2016

Fund Balances - Total Governmental Funds	<u>\$ 17,931,303</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>30,338,547</u>
Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension assets (liabilities), whereas, these amount are deferred and amortized in the statement of activities.	
Deferred amounts on refunding bonds	1,177,118
Deferred amounts on net pension assets (obligations)	<u>894,425</u>
	<u>2,071,543</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Net pension asset	<u>11,442,268</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(20,434)
Bonds payable	(14,491,196)
Compensated absences	(1,898,350)
Net pension liability	(3,022,746)
Other post employment benefit obligations payable	<u>(9,665,292)</u>
	<u>(29,098,018)</u>
Net Position of Governmental Activities	<u><u>\$ 32,685,643</u></u>

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

Putnam Valley Central School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2016

	General	Special Aid	Debt Service	Capital Projects
REVENUES				
Real property taxes	\$ 30,843,529	\$ -	\$ -	\$ -
Other tax items	5,120,962	-	-	-
Non-property taxes	49,870	-	-	-
Charges for services	578,362	-	-	-
Use of money and property	44,239	-	110	-
State aid	9,890,856	330,877	-	-
Federal aid	-	517,513	-	-
Food sales	-	-	-	-
Miscellaneous	278,366	-	-	-
Total Revenues	46,806,184	848,390	110	-
EXPENDITURES				
Current				
General support	4,109,456	-	-	-
Instruction	26,104,774	931,109	-	-
Pupil transportation	2,506,510	-	-	-
Employee benefits	10,143,673	-	-	-
Cost of food sales	-	-	-	-
Other	-	-	-	-
Debt service				
Principal	-	-	1,655,000	-
Interest	-	-	549,275	-
Capital outlay	-	-	-	544,689
Total Expenditures	42,864,413	931,109	2,204,275	544,689
Excess (Deficiency) of Revenues Over Expenditures	3,941,771	(82,719)	(2,204,165)	(544,689)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	82,719	2,151,335	-
Transfers out	(2,234,054)	-	-	-
Total Other Financing Sources (Uses)	(2,234,054)	82,719	2,151,335	-
Net Change in Fund Balances	1,707,717	-	(52,830)	(544,689)
FUND BALANCES				
Beginning of Year	8,298,161	-	6,765,771	1,156,707
End of Year	<u>\$ 10,005,878</u>	<u>\$ -</u>	<u>\$ 6,712,941</u>	<u>\$ 612,018</u>

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

Other Governmental	Total Governmental Funds
\$ -	\$ 30,843,529
-	5,120,962
-	49,870
-	578,362
418	44,767
10,974	10,232,707
231,594	749,107
421,551	421,551
174,917	453,283
<u>839,454</u>	<u>48,494,138</u>
-	4,109,456
-	27,035,883
-	2,506,510
-	10,143,673
667,254	667,254
114,469	114,469
-	1,655,000
-	549,275
-	544,689
<u>781,723</u>	<u>47,326,209</u>
<u>57,731</u>	<u>1,167,929</u>
-	2,234,054
-	(2,234,054)
-	-
<u>57,731</u>	<u>1,167,929</u>
<u>542,735</u>	<u>16,763,374</u>
<u>\$ 600,466</u>	<u>\$ 17,931,303</u>

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Putnam Valley Central School District, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2016

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 1,167,929</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay expenditures	679,115
Depreciation expense	<u>(964,967)</u>
	<u>(285,852)</u>
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Principal paid on serial bonds	1,655,000
Amortization of loss on refunding bonds and issuance premium	<u>45,382</u>
	<u>1,700,382</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Accrued interest	2,478
Compensated absences	(194,796)
Pension assets (liabilities)	2,759,310
Other post employment benefit obligations	<u>(1,563,405)</u>
	<u>1,003,587</u>
Change in Net Position of Governmental Activities	<u><u>\$ 3,586,046</u></u>

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

Putnam Valley Central School District, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Special Aid Funds
Year Ended June 30, 2016

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 30,868,946	\$ 30,868,946	\$ 30,843,529	\$ (25,417)
Other tax items	5,111,018	5,111,018	5,120,962	9,944
Non-property taxes	-	-	49,870	49,870
Charges for services	470,000	470,000	578,362	108,362
Use of money and property	25,000	25,000	44,239	19,239
State aid	10,195,323	10,195,323	9,890,856	(304,467)
Federal aid	-	-	-	-
Miscellaneous	311,000	311,000	278,366	(32,634)
Total Revenues	46,981,287	46,981,287	46,806,184	(175,103)
EXPENDITURES				
Current				
General support	4,656,719	4,996,053	4,109,456	886,597
Instruction	27,174,638	27,222,401	26,104,774	1,117,627
Pupil transportation	2,817,249	2,817,252	2,506,510	310,742
Employee benefits	11,676,918	11,289,818	10,143,673	1,146,145
Total Expenditures	46,325,524	46,325,524	42,864,413	3,461,111
Excess (Deficiency) of Revenues Over Expenditures	655,763	655,763	3,941,771	3,286,008
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,236,335)	(2,236,335)	(2,234,054)	2,281
Total Other Financing Sources (Uses)	(2,236,335)	(2,236,335)	(2,234,054)	2,281
Net Change in Fund Balances	(1,580,572)	(1,580,572)	1,707,717	3,288,289
FUND BALANCES				
Beginning of Year	1,580,572	1,580,572	8,298,161	6,717,589
End of Year	\$ -	\$ -	\$ 10,005,878	\$ 10,005,878

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

Special Aid Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
330,877	330,877	330,877	-
512,265	537,003	517,513	(19,490)
-	-	-	-
<u>843,142</u>	<u>867,880</u>	<u>848,390</u>	<u>(19,490)</u>
-	-	-	-
928,142	952,880	931,109	21,771
-	-	-	-
-	-	-	-
<u>928,142</u>	<u>952,880</u>	<u>931,109</u>	<u>21,771</u>
<u>(85,000)</u>	<u>(85,000)</u>	<u>(82,719)</u>	<u>2,281</u>
85,000	85,000	82,719	(2,281)
-	-	-	-
<u>85,000</u>	<u>85,000</u>	<u>82,719</u>	<u>(2,281)</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Putnam Valley Central School District, New York

Statement of Assets and Liabilities
Fiduciary Fund
June 30, 2016

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 112,968
LIABILITIES	
Accounts payable	\$ 246
Student activity funds	<u>112,722</u>
Total Liabilities	<u>\$ 112,968</u>

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

Note 1 - Summary of Significant Accounting Policies

The Putnam Valley Central School District, New York ("School District"), as presently constituted, was established in 1934 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

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

A. Financial Reporting Entity

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

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

The School District participates in the Putnam-Northern Westchester Board of Cooperative Educational Services ("BOCES"). BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by the ratio which the component school district's full value of taxable properties in effect at the time of adoption bears to the total full value of taxable properties of all component school districts within the BOCES as defined in Education Law. Copies of BOCES' financial statements can be requested from Putnam-Northern Westchester BOCES, 200 BOCES Drive, Yorktown Heights, New York, 10598.

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Special Aid Fund - The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal or State Funds.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

The School District also reports the following non-major governmental funds:

Special Revenue Funds:

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs of the School District.

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

- b. Fiduciary Funds (Not Included in District-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. Among the activities included in the Agency Fund are the student activity funds. The Agency Fund is also utilized to account for payroll tax withholdings that are payable to other jurisdictions.

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

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

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are

Note 1 - Summary of Significant Accounting Policies (Continued)

recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, net pension liability and other post employment benefit obligations are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions, and accordingly, the School District's policy provides for no credit risk on investments.

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

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging

Note 1 - Summary of Significant Accounting Policies (Continued)

financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2016.

Investments - The School District participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to General Municipal Law that meets the definition of a 2a7-like pool. In accordance with the provisions of General Municipal Law, Article 3A, CLASS has designated PT Asset Management, a subsidiary of Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amount represents the amortized cost of the cooperative shares and is considered to approximate fair value. The Village's position in the pool is equal to the value of the pool shares. Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC, 999 18th Street, Suite 1230, Denver, CO 80202.

CLASS is rated AAAM by Standard and Poor's Ratings. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

The School District was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable on that date. The School District is responsible for the billing and collection of taxes through October 31st, at which time the responsibility for uncollected taxes is transferred to the County. On or about April 1st, the County remits to the School District the balance of all uncollected taxes thus making the School District whole.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the School District. Receivables are recorded and revenues recognized as earned or as specific program expenses/expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2016, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of surplus food, at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is

Note 1 - Summary of Significant Accounting Policies (Continued)

recorded as inventory at the time individual inventory items are received. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by a nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consists of insurance costs and other charges for services, which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent years budget and will benefit such periods. Reported amounts are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Land is not depreciated. Property, plant and equipment of the District are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	20-50
Machinery and Equipment	8-20

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

The School District reported deferred outflows of resources of \$1,177,118 for a deferred loss on the refunding bonds in the district-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunded debt.

The School District also reports deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the School District's pension plans in Note 3D.

Long-Term Liabilities - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

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

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

Net Position - Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net Position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, future capital projects, restricted for school lunch, repairs, special purpose, property loss and liability, tax certiorari, debt service, retirement contributions and capital projects. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between the current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints

Note 1 - Summary of Significant Accounting Policies (Continued)

on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

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

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

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

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 2, 2016.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for the General and Special Aid funds.
- g) Budgets for the General and Special Aid funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Debt Service, School Lunch or Special Purpose funds.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General and Special Aid funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Limitation on Fund Balance

The School District is limited to the amount of committed, assigned and unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount of fund balance to 4% of the ensuing year's budget.

C. Property Tax Limitation

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This law applies to all local governments, including school districts.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a School District in a particular year. The original legislation that established the Tax levy Limitation

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 2 - Stewardship, Compliance and Accountability (Continued)

Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of two percent or the annual increase in the consumer price index. Certain adjustments would be permitted as defined by Section 1220 of the Real Property Tax Law. A school district could exceed the tax levy limitation only if the budget is approved by at least 60% of the vote. There are certain exemptions to the tax levy limitation, such as expenditures made on account of certain tort settlements and certain increases in the actuarial contribution rates of the various public employee retirement systems

D. Capital Projects Fund Deficit

The following individual capital project had a deficit fund balance in the amount indicated:

Middle School Roof	\$257,000
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Note 3 - Detailed Notes on All Funds

A. Due From/To Other Funds

The composition of interfund balances at June 30, 2016 is as follows:

Fund	Due From	Due To
General	\$ 750,900	\$ 7,033,074
Special Aid	2,725	1,005,197
Debt Service	6,712,941	-
Capital Projects	809,802	274,408
Non-Major Governmental	47,791	11,480
	\$ 8,324,159	\$ 8,324,159

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

B. Capital Assets

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

Class	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital Assets, not being depreciated				
Land	\$ 2,891,200	\$ -	\$ -	\$ 2,891,200

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital Assets, being depreciated				
Buildings and Improvements	\$ 38,781,385	\$ 598,952	\$ -	\$ 39,380,337
Machinery and Equipment	2,698,100	80,163	222,082	2,556,181
Total Capital Assets, being depreciated	<u>41,479,485</u>	<u>679,115</u>	<u>222,082</u>	<u>41,936,518</u>
Less Accumulated Depreciation for				
Buildings and Improvements	12,536,265	843,816	-	13,380,081
Machinery and Equipment	1,210,021	121,151	222,082	1,109,090
Total Accumulated Depreciation	<u>13,746,286</u>	<u>964,967</u>	<u>222,082</u>	<u>14,489,171</u>
Total Capital Assets, being depreciated, net	<u>\$ 27,733,199</u>	<u>\$ (285,852)</u>	<u>\$ -</u>	<u>\$ 27,447,347</u>
Capital Assets, net	<u>\$ 30,624,399</u>	<u>\$ (285,852)</u>	<u>\$ -</u>	<u>\$ 30,338,547</u>

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

General Support	\$ 64,713
Instruction	807,590
Pupil Transportation	<u>92,664</u>
Total Depreciation Expense	<u>\$ 964,967</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2016 were as follows:

	<u>General Fund</u>
Payroll and Employee Benefits	<u>\$ 130,240</u>

D. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2016:

	Balance, July 1, 2015	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2016	Due Within One-Year
Bonds Payable	\$ 14,254,911	\$ -	\$ 1,655,000	\$ 12,599,911	\$ 1,665,000
Plus					
Unamortized premium on bonds	2,056,461	-	165,176	1,891,285	-
	16,311,372	-	1,820,176	14,491,196	1,665,000
Other Non-current Liabilities					
Compensated Absences	1,703,554	364,796	170,000	1,898,350	190,000
Net Pension Liability	632,733	2,390,013	-	3,022,746	-
Other Post Employment Benefit Obligations Payable	8,101,887	3,086,637	1,523,232	9,665,292	-
Total Long-Term Liabilities	<u>\$ 26,749,546</u>	<u>\$ 5,841,446</u>	<u>\$ 3,513,408</u>	<u>\$ 29,077,584</u>	<u>\$ 1,855,000</u>

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The liabilities for bonds, compensated absences, net pension liability and other post employment benefit obligations are liquidated by the General Fund.

Bonds Payable

Bonds payable at June 30, 2016 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at June 30, 2016</u>
Refunding bonds	2015	9,545,000	June, 2028	1.0 - 5.0 %	\$ 8,554,911
Refunding bonds	2014	4,850,000	June, 2021	2.0 - 4.0	<u>4,045,000</u>
					<u>\$ 12,599,911</u>

Interest expenditures of \$549,275 were recorded in the fund financial statements in the General Fund. Interest expense of \$501,415 was recorded in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of June 30, 2016 including interest payments of \$2,786,998 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,665,000	\$ 490,426
2018	1,680,000	423,826
2019	1,565,000	372,426
2020	1,555,000	326,126
2021	1,555,000	278,444
2022-2026	3,345,000	803,500
2027-2028	<u>1,234,911</u>	<u>92,250</u>
	<u>\$ 12,599,911</u>	<u>\$ 2,786,998</u>

The above general obligation bonds and energy performance contract debt are direct obligations of the School District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the School District.

Pension Plans

Employees' Retirement System

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The ERS is 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 between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Contribution rates for the plan's year ending in 2016 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
2 75I	23.2 %
4 A15	18.9
5 A15	15.6
6 A15	10.6

At June 30, 2016, the School District reported a liability of \$3,022,746 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At March 31, 2016 the School District's proportion was 0.0188330%, which was an increase of .0001034% from its proportion measured as of March 31, 2015.

For the year ended June 30, 2016, the School District recognized pension expense of \$1,070,285. Pension expenditures of \$772,539 and \$20,961 were charged to the General and Special Aid funds respectively. At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15,275	\$ 358,296
Changes of assumptions	806,075	
Net difference between projected and actual earnings on pension plan investments	1,793,259	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	10,637	36,717
School District contributions subsequent to the measurement date	<u>216,066</u>	<u>-</u>
	<u>\$ 2,841,312</u>	<u>\$ 395,013</u>

\$216,066 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	
2017	\$ 562,678
2018	562,678
2019	562,678
2020	542,199

The total pension liability for the March 31, 2016 measurement date was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. The total pension liability for the March 31, 2015 measurement date was determined by using an actuarial valuation as of April 1, 2015. Significant actuarial assumptions used in the April 1, 2015 valuation were as follows:

Actuarial cost method	Entry age normal
Inflation	2.5%
Salary scale	3.8%, indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

Annuitant mortality rates are based on the April 1, 2010 - March 31, 2015 ERS's experience with adjustments for mortality improvements based on MP-2014.

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study of the period April 1, 2010 - March 31, 2015.

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

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	<u>100 %</u>	

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
School District's proportionate share of the net pension liability (asset)	<u>\$ 6,816,073</u>	<u>\$ 3,022,746</u>	<u>\$ (182,453)</u>

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability of ERS as of the March 31, 2016 measurement date were as follows:

Total pension liability	\$ 172,303,544,000
ERS fiduciary net position	<u>(156,253,265,000)</u>
Employers' net pension liability	<u>\$ 16,050,279,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>90.7%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2016 represent the projected employer contribution for the period of April 1, 2016 through June 30, 2016 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS as of June 30, 2016 were \$216,066.

Teachers' Retirement System

The School District participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

The TRS is noncontributory except for employees who joined after July 26, 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 between 3% and 6% depending on salary levels for their entire length of service. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rate for the plan's year ending in 2016 was 13.26%.

At June 30, 2016, the School District reported an asset of \$11,442,268 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The School District's proportion of the net pension asset was based on the School District's contributions to the pension plan relative to the contributions of all participating members. At June 30, 2015, the School District's proportion was .110161%, which was a decrease of .000014% from its proportion measured as of June 30, 2014.

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended June 30, 2016, the School District recognized pension expense in the district-wide financial statements of \$3,036,094. Pension expenditures of \$2,357,071 and \$8,409 were recorded in the fund financial statements and were charged to the General and Special Aid funds, respectively. At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 317,114
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	3,616,960
Changes in proportion and differences between School District contributions and proportionate share of contributions	18,415	-
School District contributions subsequent to the measurement date	<u>2,363,785</u>	<u>-</u>
	<u>\$ 2,382,200</u>	<u>\$ 3,934,074</u>

\$2,363,785 reported as deferred outflows of resources related to TRS resulting from the School District's contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to TRS will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2016	\$ (1,456,656)
2017	(1,456,656)
2018	(1,456,656)
2019	603,723
2020	(37,321)
Thereafter	(112,093)

The total pension liability for the June 30, 2015 measurement date was determined by using an actuarial valuation as of June 30, 2014, with update procedures used to roll forward the total pension liability to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by using an actuarial valuation as of June 30, 2013, with update procedures used to roll forward the total pension liability to June 30, 2014. These actuarial valuations used the following actuarial assumptions:

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Inflation	3.0%
Projected salary increases	Rates of increase differ based on age and gender. They have been calculated based upon recent TRS member experience.

Age	Female	Male
25	10.35 %	10.91 %
35	6.26	6.27
45	5.39	5.04
55	4.42	4.01

Projected COLAs	1.625% compounded annually
Investment rate of return	8.0% compounded annually, net of pension plan investment expense, including inflation

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale AA.

The actuarial assumptions used in the June 30, 2014 and 2013 valuations were based on the results of an actuarial experience study for the period July 1, 2005 to 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. Best estimates of arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of the valuation dates of June 30, 2014 and 2013 are summarized in the following table:

Asset Class:	Target Allocation		Long-Term Expected Real Rate of Return*	
	2014	2013	2014	2013
Equities:				
Domestic equities	37 %	37 %	6.5 %	7.3 %
International equities	18	18	7.7	8.5
Real estate	10	10	4.6	5.0
Alternative investments	7	7	9.9	11.0
Total Equities	72	72		
Fixed Income:				
Domestic fixed income securities	17	18	2.1	1.5
Global fixed income securities	2	2	1.9	1.4
Mortgages	8	8	3.4	3.4
Short-term	1	-	1.2	0.8
Total Fixed Income	28	28		
Total	100 %	100 %		

* Real rates of return are net of the long-term inflation assumption of 2.3% for 2014 and 2013.

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension asset calculated using the discount rate of 8.0%, as well as what the School District's proportionate share of the net pension asset would be if it were calculated using a discount rate that is one percentage point lower (7.0%) or one percentage point higher (9.0%) than the current rate:

	1% Decrease (7.0%)	Current Assumption (8.0%)	1% Increase (9.0%)
School District's proportionate share of the net pension asset	<u>\$ 780,510</u>	<u>\$ (11,442,268)</u>	<u>\$ (21,865,730)</u>

The components of the collective net pension asset of TRS as of the June 30, 2015 measurement date were as follows:

Total pension liability	\$ 99,332,103,743
TRS fiduciary net position	<u>109,718,916,659</u>
Employers' net pension asset	<u>\$ 10,386,812,916</u>
TRS fiduciary net position as a percentage of total pension liability	<u>110.46%</u>

Employer and employee contributions for the year ended June 30, 2016 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2016 represent employee and employer contributions for the fiscal year ended June 30, 2016 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS. Accrued retirement contributions to TRS as of June 30, 2016 were \$2,363,785.

Compensated Absences

Under the terms of the existing collective bargaining agreements, the School District is required to compensate teachers retiring from the School District for accumulated sick time to a maximum of 300 days. Teachers will be compensated at \$50 per day for unused leave up to 100 days and \$100 per day from 101-300 days. In addition, pursuant to existing collective bargaining agreements, the School District is required to compensate employees retiring from the School District for accumulated sick time to a maximum of 300 days for the twelve month employees and 250 days for ten month employees. Employees will be compensated at a rate of \$45 and \$40 per day,

Note 3 - Detailed Notes on All Funds (Continued)

respectively, for any accumulations over 100 days. No payment will be made by the School District for unused vacation time upon separation from employment. The value of the compensated absences has been reflected in the district-wide financial statements.

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing post employment health care benefits is shared between the School District and the retired employee. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the School District. The cost of retiree health care benefits is recognized as an expenditure in the fund financial statements as claims are paid.

The School District's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The School District is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the expected rate of return on the School District's general assets. Funding for the Plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits is 7% for the first year, and then decreases by 0.5% each year until 2023 where it continues at 4% thereafter. The amortization basis is the level dollar method with a closed amortization approach with 22 years remaining in the amortization period. The actuarial assumptions included a 4.5% investment rate of return. The School District currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the unit credit method.

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

The number of participants as of June 30, 2016 was as follows:

Active Employees	288
Retired Employees	<u>106</u>
	<u><u>394</u></u>

Amortization Component	
Actuarial Accrued Liability as of July 1, 2015	\$ 46,203,406
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 46,203,406</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 22,820,173</u>
UAAL as a Percentage of Covered Payroll	<u>202.47%</u>
Annual Required Contribution	\$ 1,831,496
Interest on Net OPEB Obligation	364,585
Adjustment to Annual Required Contribution	<u>890,556</u>
Annual OPEB Cost	3,086,637
Contributions Made	<u>(1,523,232)</u>
Increase in Net OPEB Obligation	1,563,405
Net OPEB Obligation - Beginning of Year	<u>8,101,887</u>
Net OPEB Obligation - End of Year	<u>\$ 9,665,292</u>

The School District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and preceding year is as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 3,086,637	49.35 %	\$ 9,665,292
2015	3,412,494	66.83	8,101,887
2014	2,229,661	60.70	6,969,895

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

Note 3 - Detailed Notes on All Funds (Continued)

G. Revenues and Expenditures

Interfund Transfers

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

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Total</u>
	<u>Special Aid Fund</u>	<u>Debt Service Fund</u>	
General Fund	<u>\$ 82,719</u>	<u>\$ 2,151,335</u>	<u>\$ 2,234,054</u>

Transfers are used to move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and move amounts earmarked in the operating funds to fulfill commitments for the Special Aid Fund.

H. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds that are directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Future Capital Projects – the component of net position that has been established pursuant to General Municipal Law to set aside funds to be used for future capital projects.

Restricted for School Lunch - the component of net position that reports the difference between assets and liabilities in the School Lunch Fund.

Restricted for Repairs - the component of net position that has been established pursuant to Section 6d of General Municipal Law to pay the cost of major repairs to School District assets.

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

Restricted for Property Loss and Liability - the component of net position that has been established to set aside funds for the deductible provisions of the School District's insurance policies in accordance with Section 6n of General Municipal Law.

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Tax Certiorari - the component of net position that has been established in accordance with Education Law to provide funding for court ordered tax refunds which are currently in process.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Retirement Contributions - the component of net position that reports the amounts set aside to be used for retirement costs in accordance with Section 6r of General Municipal Law.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

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

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2016

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2016					2015				
	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable										
Inventories	\$ -	\$ -	\$ -	\$ 8,271	\$ 8,271	\$ -	\$ -	\$ -	\$ 3,468	\$ 3,468
Prepaid expenditures	294,350	-	-	-	294,350	80,163	-	-	-	80,163
Total Nonspendable	294,350	-	-	8,271	302,621	80,163	-	-	3,468	83,631
Restricted										
Repairs	30,507	-	-	-	30,507	30,461	-	-	-	30,461
Property loss and liability	127,031	-	-	-	127,031	476,316	-	-	-	476,316
Tax certiorari	882,941	-	-	-	882,941	699,140	-	-	-	699,140
Employee benefit accrued liability	1,898,350	-	-	-	1,898,350	1,703,554	-	-	-	1,703,554
Retirement contribution	1,812,542	-	-	-	1,812,542	1,809,828	-	-	-	1,809,828
Future Capital Projects	500,000	-	-	-	500,000	-	-	-	-	-
Debt service	-	6,712,941	-	-	6,712,941	-	6,765,771	-	-	6,765,771
Capital projects	-	-	612,018	-	612,018	-	-	1,156,707	-	1,156,707
Trusts	-	-	-	170,415	170,415	-	-	-	109,913	109,913
Total Restricted	5,251,371	6,712,941	612,018	170,415	12,746,745	4,719,299	6,765,771	1,156,707	109,913	12,751,690
Assigned										
Purchases on order										
General government support	422,593	-	-	-	422,593	322,309	-	-	-	322,309
Instruction	240,854	-	-	-	240,854	259,108	-	-	-	259,108
Pupil Transportation	25,904	-	-	-	25,904	4,523	-	-	-	4,523
	689,351	-	-	-	689,351	585,940	-	-	-	585,940
Subsequent year's expenditures	1,863,617	-	-	-	1,863,617	994,632	-	-	-	994,632
School Lunch Fund	-	-	-	421,780	421,780	-	-	-	429,354	429,354
Total Assigned	2,552,968	-	-	421,780	2,974,748	1,580,572	-	-	429,354	2,009,926
Unassigned	1,907,189	-	-	-	1,907,189	1,918,127	-	-	-	1,918,127
Total Fund Balance	\$ 10,005,878	\$ 6,712,941	\$ 612,018	\$ 600,466	\$ 17,931,303	\$ 8,298,161	\$ 6,765,771	\$ 1,156,707	\$ 542,735	\$ 16,763,374

Note 3 - Detailed Notes on All Funds (Continued)

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

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

Prepaid Expenditures has been provided to account for certain payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Employee benefit accrued liability has been established pursuant to General Municipal Law to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

Trusts has been provided to report the difference between assets and liabilities with constraints placed on their use by either external parties and/or statute.

Purchases on order represent the School District's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Subsequent year's expenditures represent that at June 30, 2016, the Board has assigned the above amounts to be appropriated for the ensuing year's budget and for future court awarded property tax refunds.

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

There are currently pending certiorari proceedings, the results of which may require the payment of future tax refunds by the School District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

B. Contingencies

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

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

The School District and other school districts have formed a reciprocal insurance company to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote. The Company is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million. The School District maintains liability coverage for school board members up to \$1 million. The School District also maintains an umbrella policy with coverage up to \$20 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District has also established a reserve for property loss and liability pursuant to General Municipal Law. At June 30, 2016, the balance in the reserve was \$127,031, which is to be used for the uninsured portion of any losses.

The School District and neighboring school districts in Northern Westchester and Putnam Counties participate in the Westchester-Putnam Schools Cooperative Self-Insurance Plan for Workers' Compensation. This plan operates under an agreement, as amended, dated February 6, 1987. The purposes of the plan are to provide for the efficient and economical evaluation, processing, administration, defense and payment of claims against Plan members for workers' compensation payments. The Board of Trustees of the Plan consists of five Trustees selected by the Plan members. Each Trustee shall have one vote and no action may be taken except by a majority vote of the total membership of Trustees. Billings to each participant are based upon the costs incurred for workers' compensation. The School District has transferred all related risk to the Plan.

The School District and neighboring school districts in Northern Westchester and Putnam Counties participate in the Northern Westchester - Putnam Schools Cooperative Medical Expense Benefit Plan. The plan operates under an agreement dated February 17, 1989. The purposes of the plan are to provide for the efficient and economical evaluation, processing, administration and payment of claims against plan members for medical expenses through self-insurance and to provide for centralized administration, funding and disbursements for such services. The governance of the plan rests in the Board of Trustees which shall consist of five Trustees selected by the plan members. A majority vote of the total number of Trustees shall be required to taken any actions. The billings are based upon coverages provided to each participants' employees. The School District has transferred all related risk to the Plan.

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Putnam Valley Central School District, New York

Required Supplementary Information - Schedule of Funding Progress
 Other Post Employment Benefits
 Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
July 1, 2015	\$ -	\$ 46,203,406	\$ 46,203,406	- %	\$ 22,820,713	202.46 %
July 1, 2014	-	49,875,034	49,875,034	-	22,172,393	224.94
July 1, 2013	-	33,702,834	33,702,834	-	22,108,404	152.44

Putnam Valley Central School District, New York

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

	<u>2016</u>	<u>2015</u>
School District's proportion of the net pension liability (asset)	<u>0.110161%</u>	<u>0.110175%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (11,442,268)</u>	<u>(12,272,786)</u>
School District's covered-employee payroll	<u>\$ 17,017,000</u>	<u>16,679,000</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>(67.24)%</u>	<u>(73.58)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>110.46%</u>	<u>111.48%</u>

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

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

Putnam Valley Central School District, New York

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

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,363,785	2,983,123
Contributions in relation to the contractually required contribution	<u>(2,363,785)</u>	<u>(2,983,123)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>
School District's covered-employee payroll	<u>\$ 17,826,000</u>	<u>17,017,000</u>
Contributions as a percentage of covered-employee payroll	<u>13.26%</u>	<u>17.53%</u>

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

Putnam Valley Central School District, New York

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

	2016	2015
School District's proportion of the net pension liability (asset)	0.018833%	0.018730%
School District's proportionate share of the net pension liability (asset)	\$ 3,022,746	632,733
School District's covered-employee payroll	\$ 4,753,923	4,824,000
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	63.58%	13.12%
Plan fiduciary net position as a percentage of the total pension liability	90.70%	97.90%

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

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

Putnam Valley Central School District, New York

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

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 829,309	855,220
Contributions in relation to the contractually required contribution	<u>(829,309)</u>	<u>(855,220)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>
School District's covered-employee payroll	<u>\$ 4,988,810</u>	<u>4,824,000</u>
Contributions as a percentage of covered-employee payroll	<u>16.62%</u>	<u>17.73%</u>

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

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Putnam Valley Central School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2016	2015
ASSETS		
Cash and equivalents	\$ 470,562	\$ 16,826,842
Investments	18,018,037	-
Receivables		
Accounts	221,101	290,912
State and Federal aid	227,546	221,201
Due from other governments	497,229	1,029,254
Due from other funds	750,900	1,232,641
	<u>1,696,776</u>	<u>2,774,008</u>
Prepaid expenditures	294,350	80,163
Total Assets	<u>\$ 20,479,725</u>	<u>\$ 19,681,013</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 660,194	\$ 640,110
Accrued liabilities	130,240	115,146
Unearned revenues	3,918	-
Due to other funds	7,033,074	7,326,655
Due to retirement systems	2,646,421	3,300,941
Total Liabilities	<u>10,473,847</u>	<u>11,382,852</u>
Fund balance		
Nonspendable	294,350	80,163
Restricted	5,251,371	4,719,299
Assigned	2,552,968	1,580,572
Unassigned	1,907,189	1,918,127
Total Fund Balance	<u>10,005,878</u>	<u>8,298,161</u>
Total Liabilities and Fund Balance	<u>\$ 20,479,725</u>	<u>\$ 19,681,013</u>

Putnam Valley Central School District, New York

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

2016

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
REVENUES					
Real property taxes	\$ 30,868,946	\$ 30,868,946	\$ 30,843,529	\$	\$ (25,417)
Other tax items	5,111,018	5,111,018	5,120,962		9,944
Non-property taxes	-	-	49,870		49,870
Charges for services	470,000	470,000	578,362		108,362
Use of money and property	25,000	25,000	44,239		19,239
State aid	10,195,323	10,195,323	9,890,856		(304,467)
Miscellaneous	311,000	311,000	278,366		(32,634)
Total Revenues	46,981,287	46,981,287	46,806,184		(175,103)
EXPENDITURES					
Current					
General support					
Board of education	51,835	77,932	64,355	13,160	417
Central administration	379,407	365,878	363,776	1,477	625
Finance	559,084	560,726	522,773	32,435	5,518
Staff	233,173	235,496	229,842	-	5,654
Central services	2,749,597	3,042,397	2,383,367	375,521	283,509
Special items	683,623	713,624	545,343	-	168,281
Total General Support	4,656,719	4,996,053	4,109,456	422,593	464,004
Instruction					
Instruction, administration and improvement	1,955,474	2,124,148	2,063,410	41,369	19,369
Teaching - Regular school Programs for children with handicapping conditions	12,941,477	12,879,377	12,750,065	74,194	55,118
Instructional media	8,273,286	7,947,149	7,496,672	17,725	432,752
Pupil services	1,299,114	1,490,813	1,426,287	3,322	61,204
	2,705,287	2,780,914	2,368,340	104,244	308,330
Total Instruction	27,174,638	27,222,401	26,104,774	240,854	876,773
Pupil transportation	2,817,249	2,817,252	2,506,510	25,904	284,838
Employee benefits	11,676,918	11,289,818	10,143,673	-	1,146,145
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	46,325,524	46,325,524	42,864,413	689,351	2,771,760
Excess (Deficiency) of Revenues Over Expenditures	655,763	655,763	3,941,771	(689,351)	2,596,657
OTHER FINANCING SOURCES (USES)					
Insurance recoveries	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(2,236,335)	(2,236,335)	(2,234,054)	-	2,281
Total Other Financing Uses	(2,236,335)	(2,236,335)	(2,234,054)	-	2,281
Net Change in Fund Balance	(1,580,572)	(1,580,572)	1,707,717	\$ (689,351)	\$ 2,598,938
FUND BALANCE					
Beginning of Year	1,580,572	1,580,572	8,298,161		
End of Year	\$ -	\$ -	\$ 10,005,878		

2015

Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget Positive (Negative)
\$ 30,925,964	\$ 30,925,974	\$ 30,911,681	\$	\$ (14,293)
5,235,000	5,235,000	5,154,789		(80,211)
-	-	50,146		50,146
430,000	430,000	526,160		96,160
42,500	42,500	25,691		(16,809)
9,837,815	9,847,815	9,742,578		(105,237)
195,000	195,000	415,296		220,296
<u>46,666,279</u>	<u>46,676,289</u>	<u>46,826,341</u>		<u>150,052</u>
45,517	55,368	45,523	1,865	7,980
365,711	369,360	365,461	2,399	1,500
580,974	594,424	501,340	7,210	85,874
208,176	244,185	216,076	400	27,709
2,500,619	2,630,389	2,146,774	310,435	173,180
559,765	694,405	668,333	-	26,072
<u>4,260,762</u>	<u>4,588,131</u>	<u>3,943,507</u>	<u>322,309</u>	<u>322,315</u>
1,846,753	1,851,783	1,778,157	582	73,044
12,595,488	12,652,637	12,345,990	108,897	197,750
7,925,930	8,006,443	7,755,908	1,495	249,040
1,102,189	1,145,485	860,721	136,962	147,802
2,577,956	2,484,545	2,108,311	11,172	365,062
<u>26,048,316</u>	<u>26,140,893</u>	<u>24,849,087</u>	<u>259,108</u>	<u>1,032,698</u>
2,814,345	2,718,454	2,599,548	4,523	114,383
12,228,815	10,842,699	10,547,365	-	295,334
2,397,288	1,793,213	1,760,089	-	33,124
-	604,164	489,399	-	114,765
<u>47,749,526</u>	<u>46,687,554</u>	<u>44,188,995</u>	<u>585,940</u>	<u>1,912,619</u>
<u>(1,083,247)</u>	<u>(11,265)</u>	<u>2,637,346</u>	<u>(585,940)</u>	<u>2,062,671</u>
-	-	7,266	-	-
309,800	309,800	309,800	-	-
(638,868)	(1,710,850)	(1,710,850)	-	-
<u>(329,068)</u>	<u>(1,401,050)</u>	<u>(1,393,784)</u>	<u>-</u>	<u>-</u>
<u>(1,412,315)</u>	<u>(1,412,315)</u>	<u>1,243,562</u>	<u>\$ (585,940)</u>	<u>\$ 2,062,671</u>
<u>1,412,315</u>	<u>1,412,315</u>	<u>7,054,599</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,298,161</u>		

Putnam Valley Central School District, New York

General Fund
 Schedule of Revenues Compared to Budget
 Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 30,868,946	\$ 30,868,946	\$ 30,843,529	\$ (25,417)
OTHER TAX ITEMS				
School tax relief reimbursement	5,076,018	5,076,018	5,076,018	-
Interest and penalties on real property taxes	35,000	35,000	44,944	9,944
	<u>5,111,018</u>	<u>5,111,018</u>	<u>5,120,962</u>	<u>9,944</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	-	-	49,870	49,870
CHARGES FOR SERVICES				
Day school tuition	300,000	300,000	366,160	66,160
Other student fees and charges	170,000	170,000	212,202	42,202
	<u>470,000</u>	<u>470,000</u>	<u>578,362</u>	<u>108,362</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	25,000	25,000	43,515	18,515
Commissions	-	-	724	724
	<u>25,000</u>	<u>25,000</u>	<u>44,239</u>	<u>19,239</u>

STATE AID

Basic formula	7,272,319	7,272,319	6,849,551	(422,768)
BOCES	1,222,293	1,222,293	1,095,349	(126,944)
Textbook aid	134,674	134,674	107,239	(27,435)
Lottery	1,532,972	1,532,972	1,565,048	32,076
Computer software aid	22,115	22,115	22,115	-
Library materials aid	10,950	10,950	10,950	-
Homeless aid	-	-	101,226	101,226
Tuition aided handicap	-	-	139,378	139,378

	<u>10,195,323</u>	<u>10,195,323</u>	<u>9,890,856</u>	<u>(304,467)</u>
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MISCELLANEOUS

Refund of prior year's expenditures	100,000	100,000	134,994	34,994
Refund of prior year's BOCES expenditures	191,000	191,000	87,313	(103,687)
Unclassified	20,000	20,000	56,059	36,059

	<u>311,000</u>	<u>311,000</u>	<u>278,366</u>	<u>(32,634)</u>
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TOTAL REVENUES

	<u>\$ 46,981,287</u>	<u>\$ 46,981,287</u>	<u>\$ 46,806,184</u>	<u>\$ (175,103)</u>
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Putnam Valley Central School District, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 10,300	\$ 19,530	\$ 7,849	\$ 11,611	\$ 70
District clerk	16,996	15,017	14,670	-	347
District meeting	24,539	43,385	41,836	1,549	-
Total Board of Education	<u>51,835</u>	<u>77,932</u>	<u>64,355</u>	<u>13,160</u>	<u>417</u>
CENTRAL ADMINISTRATION					
Chief school administrator	<u>379,407</u>	<u>365,878</u>	<u>363,776</u>	<u>1,477</u>	<u>625</u>
FINANCE					
Business administration	432,949	308,949	301,174	2,435	5,340
Auditing	97,880	91,830	61,830	30,000	-
Treasurer	10,000	139,184	139,184	-	-
Tax collector	16,505	8,874	8,697	-	177
Fiscal agent fees	1,750	11,889	11,888	-	1
Total Finance	<u>559,084</u>	<u>560,726</u>	<u>522,773</u>	<u>32,435</u>	<u>5,518</u>
STAFF					
Legal	100,000	87,832	86,550	-	1,282
Personnel	105,860	122,951	122,951	-	-
Public information and services	27,313	24,713	20,341	-	4,372
Total Staff	<u>233,173</u>	<u>235,496</u>	<u>229,842</u>	<u>-</u>	<u>5,654</u>

CENTRAL SERVICES

Operation and maintenance of plant	<u>2,749,597</u>	<u>3,042,397</u>	<u>2,383,367</u>	<u>375,521</u>	<u>283,509</u>
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SPECIAL ITEMS

Unallocated insurance	204,925	194,926	190,126	-	4,800
School association dues	21,350	21,350	17,136	-	4,214
Judgments and claims	50,000	90,000	65,591	-	24,409
Administrative charges - BOCES	<u>407,348</u>	<u>407,348</u>	<u>272,490</u>	<u>-</u>	<u>134,858</u>

Total Special Items	<u>683,623</u>	<u>713,624</u>	<u>545,343</u>	<u>-</u>	<u>168,281</u>
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Total General Support	<u>4,656,719</u>	<u>4,996,053</u>	<u>4,109,456</u>	<u>422,593</u>	<u>464,004</u>
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INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	175,494	274,954	255,550	36	19,368
Supervision - Regular school	<u>1,779,980</u>	<u>1,849,194</u>	<u>1,807,860</u>	<u>41,333</u>	<u>1</u>

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Total Instruction, Administration and Improvement	<u>1,955,474</u>	<u>2,124,148</u>	<u>2,063,410</u>	<u>41,369</u>	<u>19,369</u>
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TEACHING

Regular school	<u>12,941,477</u>	<u>12,879,377</u>	<u>12,750,065</u>	<u>74,194</u>	<u>55,118</u>
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PROGRAMS FOR CHILDREN WITH HANDICAPPING CONDITIONS

Programs for students with disabilities	<u>8,273,286</u>	<u>7,947,149</u>	<u>7,496,672</u>	<u>17,725</u>	<u>432,752</u>
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INSTRUCTIONAL MEDIA

School library and audiovisual	197,261	194,490	185,143	-	9,347
Computer assisted instruction	<u>1,101,853</u>	<u>1,296,323</u>	<u>1,241,144</u>	<u>3,322</u>	<u>51,857</u>

Total Instructional Media	<u>1,299,114</u>	<u>1,490,813</u>	<u>1,426,287</u>	<u>3,322</u>	<u>61,204</u>
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(Continued)

Putnam Valley Central School District, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
 Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
PUPIL SERVICES					
Guidance - Regular school	\$ 569,441	\$ 573,946	\$ 562,626	\$ -	\$ 11,320
Health services - Regular school	309,777	309,896	201,373	48,879	59,644
Psychological services - Regular school	455,753	455,753	367,714	-	88,039
Pupil personnel services - Special schools	233,594	233,594	155,430	-	78,164
Co-curricular activities - Regular school	285,563	330,566	247,109	22,538	60,919
Interscholastic activities - Regular school	851,159	877,159	834,088	32,827	10,244
Total Pupil Services	2,705,287	2,780,914	2,368,340	104,244	308,330
Total Instruction	27,174,638	27,222,401	26,104,774	240,854	876,773
PUPIL TRANSPORTATION					
District transportation services	1,541,634	1,445,455	1,134,713	25,904	284,838
Contract transportation	1,275,615	1,371,797	1,371,797	-	-
Total Pupil Transportation	2,817,249	2,817,252	2,506,510	25,904	284,838
EMPLOYEE BENEFITS					
State retirement	1,135,159	1,110,159	772,539	-	337,620
Teachers' retirement	2,592,155	2,435,355	2,357,071	-	78,284
Social security	2,087,449	2,086,149	1,764,443	-	321,706
Workers' compensation benefits	175,000	175,000	145,772	-	29,228
Life insurance	12,000	12,000	9,671	-	2,329
Unemployment benefits	50,000	50,000	7,616	-	42,384
Hospital, medical and dental insurance	5,200,155	4,984,155	4,651,761	-	332,394
Union welfare benefits	425,000	437,000	434,800	-	2,200
Total Employee Benefits	11,676,918	11,289,818	10,143,673	-	1,146,145
TOTAL EXPENDITURES	46,325,524	46,325,524	42,864,413	689,351	2,771,760

OTHER FINANCING USES

Transfers out

Special Aid Fund	85,000	85,000	82,719	-	2,281
Debt Service Fund	<u>2,151,335</u>	<u>2,151,335</u>	<u>2,151,335</u>	<u>-</u>	<u>-</u>

TOTAL OTHER FINANCING USES	<u>2,236,335</u>	<u>2,236,335</u>	<u>2,234,054</u>	<u>-</u>	<u>2,281</u>
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TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 48,561,859</u>	<u>\$ 48,561,859</u>	<u>\$ 45,098,467</u>	<u>\$ 689,351</u>	<u>\$ 2,774,041</u>
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Putnam Valley Central School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 298,008	\$ 793,786
State and Federal aid receivable	704,464	651,529
Due from other funds	<u>2,725</u>	<u>26,957</u>
 Total Assets	 <u>\$ 1,005,197</u>	 <u>\$ 1,472,272</u>
 LIABILITIES		
Accounts payable	\$ -	\$ 38,824
Due to other funds	<u>1,005,197</u>	<u>1,433,448</u>
 Total Liabilities	 <u>\$ 1,005,197</u>	 <u>\$ 1,472,272</u>

Putnam Valley Central School District, New York

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

	2016			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 330,877	\$ 330,877	\$ 330,877	\$ -
Federal aid	512,265	537,003	517,513	(19,490)
Total Revenues	843,142	867,880	848,390	(19,490)
EXPENDITURES				
Current				
Instruction	928,142	952,880	931,109	21,771
Deficiency of Revenues Over Expenditures	(85,000)	(85,000)	(82,719)	2,281
OTHER FINANCING SOURCES				
Transfers in	85,000	85,000	82,719	(2,281)
Net Change in Fund Balance	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

2015			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 283,927	\$ 283,927	\$ 283,927	\$ -
503,901	527,050	460,585	(66,465)
787,828	810,977	744,512	(66,465)
852,828	881,959	815,494	66,465
(65,000)	(70,982)	(70,982)	-
65,000	70,982	70,982	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Putnam Valley Central School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Due from other funds	<u>\$ 6,712,941</u>	<u>\$ 6,765,771</u>
FUND BALANCE		
Restricted	<u>\$ 6,712,941</u>	<u>\$ 6,765,771</u>

Putnam Valley Central School District, New York

Debt Service Fund
 Comparative Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Years Ended June 30,

	<u>2016</u>	<u>2015</u>
REVENUES		
Use of money and property	\$ 110	\$ 487
EXPENDITURES		
Debt service		
Principal	1,655,000	-
Interest	549,275	-
Refunding bonds issuance costs	-	105,885
Total Expenditures	<u>2,204,275</u>	<u>105,885</u>
Deficiency of Revenues Over Expenditures	<u>(2,204,165)</u>	<u>(105,398)</u>
OTHER FINANCING SOURCES (USES)		
Refunding bonds issued	-	9,545,000
Payment to refunded bond escrow agent	-	(11,014,044)
Issuance premium	-	1,574,929
Transfers in	2,151,335	1,066,000
Transfers out	-	(309,800)
Total Other Financing Sources	<u>2,151,335</u>	<u>862,085</u>
Net Change in Fund Balance	(52,830)	756,687
FUND BALANCE		
Beginning of Year	<u>6,765,771</u>	<u>6,009,084</u>
End of Year	<u>\$ 6,712,941</u>	<u>\$ 6,765,771</u>

Putnam Valley Central School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 99,226	\$ 448,527
Due from other funds	<u>809,802</u>	<u>1,021,410</u>
Total Assets	<u>\$ 909,028</u>	<u>\$ 1,469,937</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 5,670	\$ -
Retainages payable	16,932	38,932
Due to other funds	<u>274,408</u>	<u>274,298</u>
Total Liabilities	297,010	313,230
Fund balance		
Restricted	<u>612,018</u>	<u>1,156,707</u>
Total Liabilities and Fund Balance	<u>\$ 909,028</u>	<u>\$ 1,469,937</u>

Putnam Valley Central School District, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended June 30,

	<u>2016</u>	<u>2015</u>
REVENUES		
State aid	\$ -	\$ 125,000
EXPENDITURES		
Capital outlay	<u>544,689</u>	<u>923,493</u>
Deficiency of Revenues Over Expenditures	(544,689)	(798,493)
OTHER FINANCING SOURCES		
Transfers in	<u>-</u>	<u>573,868</u>
Net Change in Fund Balance	(544,689)	(224,625)
FUND BALANCE		
Beginning of Year	<u>1,156,707</u>	<u>1,381,332</u>
End of Year	<u><u>\$ 612,018</u></u>	<u><u>\$ 1,156,707</u></u>

Putnam Valley Central School District, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project Through June 30, 2016

PROJECT	Project Budget	Expenditures and Transfers To Date		
		Prior Years	Current Year	Totals
School Bus Replacements	\$ 1,352,886	\$ 1,352,486	\$ -	\$ 1,352,486
Elementary School/Middle School Construction	7,450,000	7,447,128	-	7,447,128
General Reconstruction	2,250,000	1,532,742	52,625	1,585,367
Turf Field	812,694	731,285	81,409	812,694
Security	696,776	694,976	1,800	696,776
Concession Stand	388,500	340,680	-	340,680
Geothermal Piping	184,200	-	151,855	151,855
Sewer Ejector Pump	125,600	4,652	-	4,652
Middle School Roof	257,000	-	257,000	257,000
Totals	<u>\$ 13,517,656</u>	<u>\$ 12,103,949</u>	<u>\$ 544,689</u>	<u>\$ 12,648,638</u>

Unexpended Balance	Total Revenues	Fund Balance (Deficit) at June 30, 2016
\$ 400	\$ 1,352,886	\$ 400
2,872	7,450,000	2,872
664,633	2,250,000	664,633
-	812,694	-
-	696,776	-
47,820	388,500	47,820
32,345	184,200	32,345
120,948	125,600	120,948
-	-	(257,000)
<u>\$ 869,018</u>	<u>\$ 13,260,656</u>	<u>\$ 612,018</u>

Putnam Valley Central School District, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2016
 (With Comparative Totals for 2015)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds	
			2016	2015
ASSETS				
Cash and equivalents	\$ 417,199	\$ 137,192	\$ 554,391	\$ 581,213
Receivables				
Accounts	5	60	65	33
State and Federal aid	12,621	-	12,621	-
Due from other funds	1,710	46,081	47,791	50,883
	<u>14,336</u>	<u>46,141</u>	<u>60,477</u>	<u>50,916</u>
Inventories	<u>8,271</u>	<u>-</u>	<u>8,271</u>	<u>3,468</u>
Total Assets	<u>\$ 439,806</u>	<u>\$ 183,333</u>	<u>\$ 623,139</u>	<u>\$ 635,597</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 9,218	\$ 1,438	\$ 10,656	\$ 29,539
Due to other funds	-	11,480	11,480	63,261
Due to other governments	537	-	537	62
Total Liabilities	<u>9,755</u>	<u>12,918</u>	<u>22,673</u>	<u>92,862</u>
Fund balances				
Nonspendable	8,271	-	8,271	3,468
Restricted	-	170,415	170,415	109,913
Assigned	421,780	-	421,780	429,354
Total Fund Balances	<u>430,051</u>	<u>170,415</u>	<u>600,466</u>	<u>542,735</u>
Total Liabilities and Fund Balances	<u>\$ 439,806</u>	<u>\$ 183,333</u>	<u>\$ 623,139</u>	<u>\$ 635,597</u>

Putnam Valley Central School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2016
(With Comparative Totals for 2015)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds	
			2016	2015
REVENUES				
Use of money and property	\$ 313	\$ 105	\$ 418	\$ 486
State aid	10,974	-	10,974	10,569
Federal aid	231,594	-	231,594	209,672
Food sales	421,551	-	421,551	394,078
Miscellaneous	51	174,866	174,917	181,438
	<u>664,483</u>	<u>174,971</u>	<u>839,454</u>	<u>796,243</u>
EXPENDITURES				
Current				
Cost of food sales	667,254	-	667,254	570,181
Other	-	114,469	114,469	190,904
	<u>667,254</u>	<u>114,469</u>	<u>781,723</u>	<u>761,085</u>
Excess (Deficiency) of Revenues Over Expenditures				
	(2,771)	60,502	57,731	35,158
FUND BALANCES				
Beginning of Year	<u>432,822</u>	<u>109,913</u>	<u>542,735</u>	<u>507,577</u>
End of Year	<u>\$ 430,051</u>	<u>\$ 170,415</u>	<u>\$ 600,466</u>	<u>\$ 542,735</u>

Putnam Valley Central School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	<u>\$ 417,199</u>	<u>\$ 467,113</u>
Receivables		
Accounts	5	5
State and Federal aid	12,621	-
Due from other funds	<u>1,710</u>	<u>-</u>
	<u>14,336</u>	<u>5</u>
Inventories	<u>8,271</u>	<u>3,468</u>
Total Assets	<u><u>\$ 439,806</u></u>	<u><u>\$ 470,586</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 9,218	\$ -
Due to other funds	-	37,702
Due to other governments	<u>537</u>	<u>62</u>
Total Liabilities	<u>9,755</u>	<u>37,764</u>
Fund balance		
Nonspendable	8,271	3,468
Assigned	<u>421,780</u>	<u>429,354</u>
Total Fund Balance	<u>430,051</u>	<u>432,822</u>
Total Liabilities and Fund Balance	<u><u>\$ 439,806</u></u>	<u><u>\$ 470,586</u></u>

Putnam Valley Central School District, New York

School Lunch Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended June 30,

	<u>2016</u>	<u>2015</u>
REVENUES		
Use of money and property	\$ 313	\$ 350
State aid	10,974	10,569
Federal aid	231,594	209,672
Food sales	421,551	394,078
Miscellaneous	<u>51</u>	<u>7,336</u>
 Total Revenues	 664,483	 622,005
EXPENDITURES		
Current		
Cost of food sales	<u>667,254</u>	<u>570,181</u>
 Excess (Deficiency) of Revenues Over Expenditures	 (2,771)	 51,824
FUND BALANCE		
Beginning of Year	<u>432,822</u>	<u>380,998</u>
 End of Year	 <u>\$ 430,051</u>	 <u>\$ 432,822</u>

Putnam Valley Central School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 137,192	\$ 114,100
Accounts receivable	60	28
Due from other funds	<u>46,081</u>	<u>50,883</u>
 Total Assets	 <u><u>\$ 183,333</u></u>	 <u><u>\$ 165,011</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,438	\$ 29,539
Due to other funds	<u>11,480</u>	<u>25,559</u>
 Total Liabilities	 12,918	 55,098
 Fund balance		
Restricted	<u>170,415</u>	<u>109,913</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 183,333</u></u>	 <u><u>\$ 165,011</u></u>

Putnam Valley Central School District, New York

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

	<u>2016</u>	<u>2015</u>
REVENUES		
Use of money and property	\$ 105	\$ 136
Miscellaneous	<u>174,866</u>	<u>174,102</u>
Total Revenues	174,971	174,238
EXPENDITURES		
Current		
Other	<u>114,469</u>	<u>190,904</u>
Excess (Deficiency) of Revenues Over Expenditures	60,502	(16,666)
FUND BALANCE		
Beginning of Year	<u>109,913</u>	<u>126,579</u>
End of Year	<u><u>\$ 170,415</u></u>	<u><u>\$ 109,913</u></u>

Putnam Valley Central School District, New York

General Fund
Analysis of Change from Original Budget to Final Budget
Year Ended June 30, 2016

Adopted Budget		\$ 47,975,919
Encumbrances		<u>585,940</u>
Original/Final Budget		<u>\$ 48,561,859</u>

General Fund
Section 1318 of Real Property Tax Law Limit Calculation

2016-17 Expenditure Budget		<u>\$ 47,943,262</u>
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General Fund Fund Balance Subject to Section 1318
of Real Property Tax Law

Unrestricted fund balance		
Assigned fund balance	2,552,968	
Unassigned fund balance	<u>1,907,189</u>	
Total Unrestricted Fund Balance		<u>4,460,157</u>

Less

Appropriated for subsequent year's budget	1,863,617	
Encumbrances	<u>689,351</u>	
Total Adjustments		<u>2,552,968</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u>\$ 1,907,189</u>
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Actual Percentage		<u>3.98%</u>
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Putnam Valley Central School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2016

Capital Assets, net		\$ 30,338,547
Less		
Bonds Payable	(12,599,911)	
Unamortized Portion of Premium on Bonds	<u>(1,891,285)</u>	(14,491,196)
Plus		
Unexpended Bond Proceeds	3,272	
Unamortized Portion of Loss on Refunding Bonds	<u>1,177,118</u>	<u>1,180,390</u>
Net Investment in Capital Assets		<u>\$ 17,027,741</u>