

FINAL OFFICIAL STATEMENT

NEW ISSUE/RENEWAL

BOND ANTICIPATION NOTES

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

The Notes will be designated or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$3,181,009

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT AT ACCORD

ULSTER COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$3,181,009 Bond Anticipation Notes, 2025

At an Interest Rate of 4.25% to Yield 3.25%

CUSIP #776327 HU5

Dated: June 24, 2025

Due: June 24, 2026

The Notes are general obligations of the Rondout Valley Central School District at Accord, Ulster County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein. The Notes will be issued without the option of prepayment, with interest payable at maturity.

The Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the Notes purchased if the Purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination, which is or includes \$6,009. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser as such interest rate. Principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct Participants and the District, subject to any statutory and regulatory requirements as may be in the effect from time to time. See "Book-Entry-Only System" herein.

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon, with the Purchaser(s), on or about June 24, 2025.

TD SECURITIES (USA) LLC

THIS REVISED OFFICIAL STATEMENT SUPPLEMENTS THE OFFICIAL STATEMENT OF THE SCHOOL DISTRICT DATED MAY 27, 2025 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12. OTHER THAN AS SET FORTH ON THIS REVISED COVER PAGE AND THE DATED DATE ON PAGE 41, THERE HAVE BEEN NO MATERIAL REVISIONS TO SAID OFFICIAL STATEMENT.

DATED: June 3, 2025

**RONDOUT VALLEY CENTRAL SCHOOL DISTRICT AT ACCORD
ULSTER COUNTY, NEW YORK**

School District Officials

2024-25 BOARD OF EDUCATION

Chris Schoonmaker - President
Carolyn Peck - Vice President

Christine Kelder
James Malak
Patricia Meoli
Nicole Parete
Dr. Alan Roberts
Dean Rylewicz
Dawn Van Kleek



Dr. Paul Spadaro - Superintendent of Schools
Tabatha Biggane – Assistant Superintendent for Business Services
Debra Barbiani – District Clerk
Heather Mikesh – District Treasurer



School District Attorney

Guercio & Guercio

BOND COUNSEL

Orrick Herrington & Sutcliffe LLP

MUNICIPAL ADVISOR



R. G. Timbs, Inc.

No person has been authorized by the School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates, and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District.

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PREPARED WITH THE ASSISTANCE OF:

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OFFICIAL STATEMENT

of the RONDOUT VALLEY CENTRAL SCHOOL DISTRICT AT ACCORD ULSTER COUNTY, NEW YORK

Relating To \$3,181,009 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page, has been prepared by the Rondout Valley Central School District at Accord, Ulster County, New York (the “District”, “County” and “State,” respectively) in connection with the sale by the District of \$3,181,009 Bond Anticipation Notes, 2025 (the “Notes”).

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and Laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

DESCRIPTION OF THE NOTES

The Notes are general obligations of the District and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See “Nature of the Obligation” and “Tax Levy Limitation Law” herein.

The Notes are dated June 24, 2025 and mature, without option of prior redemption, on June 24, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued as registered notes at the option of the Purchaser(s) either (i) requested in the name of the purchaser, in certificated denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination, which is or includes \$6,009 or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”) which will act as the securities depository for the Notes. See “Book-Entry-Only System” herein.

Nature of the Obligation

The Notes when duly issued and paid for will constitute a contract between the District and the holder thereof.

Holders of any series of notes or bonds of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law” or “Chapter 97”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specifications, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the District’s power to increase its annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount the limitation. See “TAX INFORMATION – Tax Levy Limitation Law” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean. So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation notes take precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax level, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal

Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make sure appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make any appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of the holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

Purpose and Authorization for the Notes

The Notes are authorized to be issued pursuant to the Constitution and laws of the State of New York, including among others, the Education Law, the Local Finance Law, and pursuant to a (i) bond resolution dated February 14, 2019 authorizing the issuance of obligations of the District in the amount of \$59,776,634 for the cost of construction of additions to and reconstruction of various School District Buildings and Facilities, in and for said School District and (ii) a bond resolution dated April 18, 2023 authorizing the issuance of obligations of the District in the amount of \$3,629,241 to pay the District’s share of the cost of the reconstruction and renovation of various buildings, facilities, and sites owned by the Ulster County Board of Cooperative Educational Services (the “BOCES Project”).

A portion of the proceeds of the Notes (\$1,735,000), together with \$265,000 available funds, will redeem and renew a portion of the \$2,000,000 Bond Anticipation Notes maturing June 25, 2025.

A portion of the proceeds of the Notes (\$734,046) together with \$447,931 available funds, will redeem and renew a portion of the \$1,181,977 Bond Anticipation Note maturing on June 25, 2025. The remaining portion will provide \$711,963 of new monies.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series A and Series B Notes, if so requested. Those Notes will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC, only if requested by the purchaser prior to the initial issuance of Notes. One fully-registered note certificate will be issued for each of the Notes bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing

for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds or Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission of them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults and proposed amendments to the Notes documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption proceeds, distributions and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC not its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of redemption proceeds, distributions, and dividend payments Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE AND NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

If the book-entry form is initially chosen by the Purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in bearer form denominations of \$5,000 each or integral multiples thereof except for one odd denomination of \$6,009. Principal of and interest on those Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as a fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is located in the eastern portion of New York State, in the County of Ulster. It has a land area of approximately 50 square miles. The District includes the Towns of Marbletown, Rochester, Rosendale and Wawarsing. The City of Kingston is located 7 miles to the northeast.

Higher educational opportunities are readily accessible in the School District. SUNY Ulster Community College is located within the District while SUNY at New Paltz is located 5 miles to the east.

Major highways serving the District include U.S. Routes #44 and #209 and State Highways #32, #55 and #213, which connect the District with Interstate Highway #87.

District Population

The 2023 population of the School District is estimated to be 16,601 (Source: 2023 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which include the District are the Towns and County listed below. The Figures set below with respect to such Towns, Counties and State are included for information only. It should not be inferred from the inclusion of such data in this Official Statement that the Towns, County or State are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Towns Of:						
Marbletown	\$42,459	\$37,465	\$55,884	\$107,955	\$84,620	\$123,404
Rochester	26,873	36,140	54,765	60,701	66,004	106,071
Rosendale	30,009	33,773	46,555	74,415	81,847	104,081
Wawarsing	18,380	22,992	31,584	50,588	55,519	81,443
County Of:						
Ulster	28,954	31,760	45,702	70,513	76,101	110,044
State Of:						
New York	30,948	34,212	49,520	67,405	74,036	105,060

Note: 2020-2024 American Community Survey Estimates are not available as of the date of this Official Statement

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2019-2023 American Survey data.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Year Built</u>	<u>Current Maximum Capacity</u>	<u>Date of Last Addition or Alteration</u>
Kerhonkson Elementary School	K-3	1926	540	2023
Marbletown Elementary School	K-3	1952	540	2021
Rondout Valley Middle School	4-8	1968	1,200	2023
Rondout Valley High School	9-12	1960	1,200	2023

Source: District Official

District Employees

The District employs a total of 372 full-time and 14 part-time employees with representation by the various bargaining units listed below.

<u>Bargaining Unit</u>	<u>Employees</u>	<u>Expiration Date</u>
Teachers' Association	225	6/30/2027
Teachers' Aides	61	6/30/2026
Principals/Admin.	17	6/30/2027
Secretarial	28	6/30/2028
Custodial/Maintenance	34	6/30/2025*
Mgr./Confidential	7	N/A

Source: District Officials

*Currently under negotiations

Historical and Projected Enrollment

<u>Fiscal Year</u>	<u>Actual</u>	<u>Fiscal Year</u>	<u>Projected</u>
2020-21	1,877	2025-26	1,654
2021-22	1,661	2026-27	1,622
2022-23	1,682	2027-28	1,607
2023-24	1,696	2028-29	1,591
2024-25	1,674	2025-26	1,555

Source: District Officials

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York and Local Employees' Retirement System ("ERS"). Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS"). Payments to TRS are deducted from the School District's State aid payments. Both the ERS and the TRS (together, the "Retirement Systems") are non-contributory with respect to members hired prior to July 27, 1976. Other than those in Tier V and Tier VI, all members hired on or after July 27, 1976 with less than 10 years of service must contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, pension reform legislation was signed into law that created a new Tier V pension level. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

Members of the TRS have a separate Tier V benefit structure that will achieve equivalent savings as other civilian public employees. It includes:

- Raising the minimum age an individual can retire without penalty from 55 to 57 years.
- Contributing 3.5% of their annual wages to pension costs rather than 3% and continuing this increased contribution so long as they accumulate additional pension credits.
- Increasing the 2% multiplier threshold for final pension calculations from 20 to 25 years.

In accordance with constitutional requirements, Tier V applies only to public employees hired after December 31, 2009 and before April 2, 2012.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

The State's enacted budget for the 2024-25 fiscal year, which was signed into law on April 22, 2024, further reformed Tier 6 by changing the final average year salary to determine a public employee's retirement benefit from the highest five consecutive years to the highest three consecutive years, and by extending the two-year exclusion of overtime earnings when determining a Tier 6 member's contribution rate to their pension benefit.

The District is required to contribute at an actuarially determined rate. The actual contribution for the last five years and the budgeted figures for the 2024-2025 and 2025-2026 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2019-2020	\$791,752	\$2,064,630
2020-2021	902,171	2,160,122
2021-2022	949,550	2,303,264
2022-2023	686,768	2,624,327
2023-2024	829,129	2,867,188
2024-2025 (Budgeted)	1,055,000	2,680,000
2025-2026 (Budgeted)	1,268,715	2,556,800

Source: Audited financial statements for the 2019-2020 fiscal year through the 2023-2024 fiscal year and the adopted budgets of the District for the 2024-2025 and 2025-2026 fiscal years. This table is not audited.

Retirement Incentive Program – Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District does not currently have early retirement incentive programs for its employees.

Historical Trends and Contribution Rates – Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees’ and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS rates as a percent of payroll (2020-21 to 2025-26) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	14.6%	9.53%
2021-2022	16.2	9.8
2022-2023	11.6	10.29
2023-2024	13.1	7.6
2024-2025	15.2	10.11
2025-2026*	16.5	9.59*

*Estimated

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003, and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer

contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period; but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The District is not amortizing any pension payments, nor does it intend to do so in the foreseeable future.

Stable Rate Pension Contribution Option - The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 12.5% for TRS. The pension contribution rates under this program would reduce near-term payments for employers; but will require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option, nor does it intend to do so in the foreseeable future.

The State’s 2019-2020 Enacted Budget will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established a TRS Reserve. The balance in the fund as of June 30, 2023 is \$924,179.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District’s employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB - refers to "other post-employment benefits," meaning other than pension benefits. OPEB consists primarily of health care benefits; and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75 - requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. However, GASB 75 also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity and requires: (a) explanations of how and why the OPEB liability changed from year to year (b) amortization and reporting of deferred inflows and outflows due to assumption changes, (c) use of a discount rate that takes into account resources of an OPEB plan and how they will be invested to maximize coverage of the liability (d) a single actual cost method and (e) immediate recognition of OPEB expense and effects of changes to benefit terms.

Under GASB 75, a total OPEB liability is determined for each municipality or school district. A net change in the total OPEB Liability is calculated as the sum of changes for the year including service cost, interest, difference between expected and actual experience, changes in benefit terms, changes in assumptions or other inputs, less the benefit payments made by the School District for the year.

Based on the most recent actuarial valuation dated June 30, 2022 and financial data as of June 30, 2024 the School District's beginning year total OPEB liability was \$125,562,713, the net change for the year was \$3,219,365 resulting in a total OPEB liability of \$128,782,078 for a fiscal year ending June 30, 2024. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2024 financial statements.

The total OPEB liability is required to be determined through an actuarial valuation every two years, at a minimum. However, OPEB plans with fewer than 100 members may use an alternative measurement method in place of an actuarial valuation. Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

There is no authority in current State law to establish a trust account or reserve fund for this liability. While State Comptroller Thomas P. DiNapoli proposed a bill in April of 2015 that would create an optional investment pool to help local governments fund their OPEB liabilities, such legislation has not advanced past the committee stage.

The School District's total OPEB liability is expected to increase. As is the case with most municipalities, this is being handled by the School District on a "pay-as-you-go" basis. Substantial future increases could have a material adverse impact upon the School District's finances and could force the School District to reduce services, raise taxes or both.

Major Employers

<u>Name</u>	<u>Nature of Business</u>	<u>Estimated Number of Employees</u>
Mohonk Mtn House	Hotel	800
Ulster County Community College	Higher Education	400
Rondout Valley CSD	Education	386
Charles River	Laboratory	135
SP Industries	Manufacturer	60
Inness	Hotel	52

Source: District Officials

Unemployment Rate Statistics

Unemployment statistics are not available for the School District as such. The smallest area for which such statistics are available (which includes the School District) is Ulster County. The data set forth below with respect to the Counties is included for information purposes only. It should not be inferred from the inclusion of such data in this Statement that the School District is necessarily representative of the Counties or vice versa.

Year	Ulster County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2020	7.7%	10.0%	8.3%
2021	4.7%	6.9%	5.3%
2022	3.2%	4.3%	3.5%
2023	3.5%	4.2%	3.7%
2024	3.6%	4.3%	4.0%

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted)

	<u>2024-2025 Monthly Figures</u>											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Ulster County	3.2%	3.3%	3.5%	4.0%	3.8%	3.1%	3.1%	3.1%	3.2%	4.0%	4.3%	3.8%
New York State	3.9%	4.0%	4.3%	4.8%	4.8%	4.0%	4.2%	4.2%	4.2%	4.6%	4.3%	4.1%

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the “GML”), the District is generally permitted to deposit monies in banks and trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those bonds issued by the District; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments and investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

The Board of Education had adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public monies. All deposits and investments of the District are made in accordance with such policy.

Form of School Government

The Board of Education, which is the policy-making body of the District, consists of nine members with overlapping three-year terms so that as nearly an equal number as possible is elected to the Board each year. Each Board member must be a qualified voter of the District and no Board member may hold certain other District offices or positions while serving on the Board of Education. The President and Vice President are selected by the Board members.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education of the School District annually prepares a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the School District must mail a school budget notice to all qualified voters which contains the total budgeted amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the budget vote. After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified School District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 of the State of New York ("Chapter 97"), beginning with the 2012-13 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% (plus certain adjustments, if applicable) or the rate of inflation (the "Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy increase that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the third Tuesday in June or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e., a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e., a 0% increase in the tax levy). For a complete discussion of Chapter 97, see "TAX LEVY LIMITATION LAW" herein.

The budget for the 2023-24 fiscal year was adopted by the qualified voters on May 16, 2023 by a vote of 502 to 238. The School District's 2023-24 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2024-25 fiscal year was adopted by the qualified voters on May 21, 2024 by a vote of 753 yes to 334 no. The School District's 2024-25 Budget remained within the school District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2025-26 fiscal year was adopted by the qualified voters on May 20, 2025 by a vote of 1,360 yes to 472 no. The School District's 2025-26 Budget remained within the school District Tax Cap imposed by Chapter 97 of the laws of 2011.

State Aid

The District receives appropriations from the State. In its adopted budget for the 2025-26 fiscal year, approximately 35.96% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

In addition to the amount of State aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include but are not limited to reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017, the 2023-24 State budget which was not adopted until May 3, 2023, the 2024-25 State budget which was not adopted until April 20, 2024 and the 2025-26 State Budget which was not adopted until May 9, 2025. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State school districts in the State which could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Federal Aid Received by the State –

Since March, 2020, the State has been awarded over \$14 billion in federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds were used to support local educational agencies' efforts to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. Such federal funding expired at the end of the 2023-24 fiscal year.

The State also receives a substantial amount of federal aid for health care, education, transportation, and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress.

Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

President Trump signed an executive order that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The executive order aims to minimize the federal role in education but stops short of completely closing the Department as this would require 60 votes in the U.S. Senate. President Trump also indicated his preference that critical functions, like distributing Individuals with Disabilities Education Act funding, would be the responsibility of other federal agencies. The impact that the executive order will have on the State and school districts in the State is unknown at this time.

State Aid History

The State's 2020- 2021 Enacted Budget - Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately \$1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was approximately \$27.9 billion, an annual increase of approximately \$100 million or 0.4%. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid continued under existing aid formulas. Out-year growth in School Aid reflected then current projections of the ten-year average growth in State personal income. The State's 2020- 2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by \$1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled \$27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately \$100 million or 0.4% from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

The State 2021-22 Budget included \$29.5 billion in state aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget includes the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, in part, the allocation of \$629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, \$105 million of federal funds are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are to be reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments are to receive a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and will receive a full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts where applicable.

The State 2022-23 Enacted Budget provides \$31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a \$1.5 billion or 7.7 percent Foundation Aid increase. The State 2022-23 Enacted Budget also programs \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State 2022-23 Enacted Budget increases federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

The State's 2023-24 Enacted Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%. The State's 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding established new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional \$150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

The State's 2024-25 Enacted Budget provides \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of \$1.3 billion compared to the 2023-24 school year and includes a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintains the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

The State's 2025-26 Enacted Budget provides \$37.6 billion in State funding to school districts for the 2025-26 school year, the highest level of State aid ever. This represents an increase of \$1.7 billion or 4.9 percent compared to the 2024-25 school year and includes a \$1.4 billion or 5.6 percent Foundation Aid increase. The State's 2025-26 Enacted Budget includes a 2% minimum increase in Foundation Aid to all school districts and makes a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth school districts.

Provisions in the State's 2025-26 Enacted Budget grant the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. A "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of state fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of \$2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

State Aid Litigation - In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity v. New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools — as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education — was reasonably determined. State legislative reforms in the wake of *The Campaign for Fiscal*

Equity decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the Campaign for Fiscal Equity case that absent "gross education inadequacies", claims regarding State funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021, Governor Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the Campaign for Fiscal Equity cases, and has been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create and equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid, The new settlement requires New York to phase-in full funding of Foundation Aid by the FY 2024 budget. In the 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund the Foundation Aid by FY 2024 budget and enacted this commitment into law. A breakdown of the currently anticipated Foundation Aid funding is available below:

- FY 2022: \$19.8 billion, covering 30% of existing shortfall
- FY 2023: Approximately \$21.3 billion, cover 50% of the anticipated shortfall
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school Districts
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Enacted Budget makes a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth school districts.

The following table illustrates the percentage of total revenue of the District for each of the below fiscal years comprised of State aid and budgeted figures for 2024-2025 and 2025-2026 fiscal years.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	\$61,966,794	\$23,895,635	38.56%
2020-2021	63,244,346	22,155,586	35.03%
2021-2022	65,296,258	23,126,927	35.42%
2022-2023	69,799,561	24,800,911	35.53%
2023-2024	77,499,743	28,409,584	36.66%
2024-2025 (Budgeted)	76,267,597	29,571,839	38.77%
2025-2026 (Budgeted)	77,438,300	27,847,724	35.96%

Source: Audited financial statements for the 2019-2020 fiscal year through the 2023-2024 fiscal year and the adopted budgets of the District for the 2024-2025 the 2025-2026 fiscal years. This table is not audited.

Fiscal Stress Monitoring

The New York State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent information to School District officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's diverse school districts are operating.

The fiscal stress scores are based on financial information submitted as part of each School District's ST-3 report filed yearly with the State Education Department. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the OSC system creates an overall fiscal stress score which classifies whether a district is in "significant fiscal stress", in "moderate fiscal stress", as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation". This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place it in one of the three established stress categories.

The reports of State Comptroller for the past five years if the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	3.3
2023	No Designation	6.7
2022	No Designation	3.3
2021	No Designation	6.7
2020	No Designation	13.3

Note: See the official website of the New York State Comptroller for more information on FSMS. Reference to websites implies no warranty of accuracy of information therein, nor incorporation herein by reference.

New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released an audit report of the District on August 25, 2023. The purpose of the audit was to determine whether School District officials properly accounted for and monitored fixed assets for the period June 30, 2020 through October 26, 2022

Key Findings

District officials did not properly account for and monitor all of the District's fixed assets. As a result, there is an increased risk fixed assets could be lost, stolen or misused.

Of the 80 fixed assets totaling \$856,681 we reviewed, 64 assets totaling \$549,117 were not properly accounted for or monitored. Our testing identified:

- 34 fixed assets with a combined cost of \$255,775 did not have the required asset tags.
- 12 fixed assets with a combined cost of \$213,960 could not be located. For example, these assets included a French horn (\$22,600),¹ snowplow (\$6,310) and an Internet filter (\$4,320).
- 18 fixed assets with a combined cost of \$79,383 were not recorded on the District's inventory list. For example, these assets include a golf cart costing \$12,585.

Seven additional fixed assets with a combined cost of \$8,230 were disposed of without proper approval.

Key Recommendations

- Maintain accurate inventory records.
- Ensure fixed assets are tagged and are in the locations indicated on the District's inventory list.
- Obtain authorization to dispose of fixed assets before disposing them.

District officials generally agreed with the findings and indicated they plan to initiate corrective action.

A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no audits currently in progress or recently conducted.

Note: Reference to website implies no warranty of accuracy of information therein.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes are issued is the Education Law and the Local Finance Law.

No principal or interest upon any obligation of the School District is past due.

The fiscal year of the School District is from July 1 to June 30.

Other than "Estimated Calculation of Overlapping Indebtedness", this Official Statement does not include the financial data of any other political subdivisions of the State having power to levy taxes within the School District.

The School District is in compliance with the procedure for the validation of the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

Financial Statements

The School District retains an independent Certified Public Accountant, whose most recent report covers the period ended June 30, 2024, and may be found attached hereto as Appendix B.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting ("GAAFR"), published by the National Committee on Government Accounting.

TAX INFORMATION

Assessed and Full Valuations

Fiscal Year Ended
June 30:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Valuations:					
Marbletown	\$ 1,001,636,602	\$ 1,013,504,185	\$ 1,026,878,718	\$ 1,044,523,776	\$ 1,066,199,281
Rochester*	910,308,234	930,415,561	947,694,796	965,622,157	996,659,265
Rosendale	230,496,706	230,814,996	232,538,881	233,021,305	234,378,501
Wawarsing	<u>100,568,431</u>	<u>101,237,415</u>	<u>103,549,364</u>	<u>102,622,326</u>	<u>104,749,513</u>
Total	<u>\$ 2,243,009,973</u>	<u>\$ 2,275,972,157</u>	<u>\$ 2,310,661,759</u>	<u>\$ 2,345,789,564</u>	<u>\$ 2,401,986,560</u>

Equalization Rates:

Marbletown	100.00%	93.00%	70.00%	61.00%	56.00%
Rochester*	100.00%	100.00%	72.00%	63.00%	58.00%
Rosendale	100.00%	93.00%	74.00%	65.00%	63.00%
Wawarsing	94.00%	91.00%	81.00%	71.00%	70.00%

Full Valuations:

Marbletown	\$ 1,001,636,602	\$ 1,089,789,446	\$ 1,466,969,597	\$ 1,712,334,059	\$ 1,903,927,288
Rochester*	910,308,234	930,415,561	1,316,242,772	1,532,733,583	1,718,378,043
Rosendale	230,496,706	248,188,168	314,241,731	358,494,315	372,029,367
Wawarsing	<u>106,987,693</u>	<u>111,249,907</u>	<u>127,838,721</u>	<u>144,538,487</u>	<u>149,642,161</u>
Total	<u>\$ 2,249,429,235</u>	<u>\$ 2,379,643,082</u>	<u>\$ 3,225,292,821</u>	<u>\$ 3,748,100,444</u>	<u>\$ 4,143,976,859</u>

Equalized values shown here are those used by the School District for tax levy purposes as provided in the Real Property Tax Law. In some cases, equalization rates established specifically for school tax apportionment may have been used, as is also provided in the Real Property Tax Law.

Note: * Re-evaluation occurred in 2021 for Town of Rochester.

Tax Rate per \$1,000 Assessed Value

Fiscal Year
Ending June 30:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Marbletown	\$ 17.23	\$ 18.15	\$ 18.73	\$ 19.05	\$ 19.33
Rochester	17.23	16.88	18.21	18.44	18.66
Rosendale	17.23	18.15	17.71	17.87	17.18
Wawarsing	18.33	18.55	16.18	16.36	15.46

Tax Collection Procedure

Tax payments are due September 1st, payable during the month of September without penalty. Payment during the next 45 days is subject to a 2% penalty. A 3% penalty is added on payments received during the first five days of November. No payments are accepted after November 15. Uncollected school taxes are turned over to the County after November 15 for collection with a penalty and additional interest added. The County reimburses the School District in full for uncollected taxes before the end of the fiscal year for which the taxes were levied, thereby assuring the District of 100% tax collection annually.

Tax Collection Record

Fiscal Year Ended June 30:	2021	2022	2023	2024	2025*
General Fund Tax Levy	\$38,755,413	\$40,165,552	\$42,279,109	\$43,545,882	\$42,919,995
STAR Program	\$2,444,161	\$2,344,716	\$2,217,639	\$2,097,343	\$1,932,263
Uncollected Date of Return to County	\$2,922,715	\$2,799,382	\$3,114,389	\$3,589,145	\$3,735,615
Percentage Uncollected	7.54%	6.97%	7.37%	8.24%	8.70%

*Tax Collection Figures as of November 6, 2024

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below fiscal years comprised of Real Property Taxes.

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2019-2020	\$61,966,794	\$34,171,858	55.15%
2020-2021	63,244,346	36,294,193	57.39%
2021-2022	65,296,258	37,807,966	57.90%
2022-2023	69,799,561	40,068,760	57.41%
2023-2024	77,499,743	41,454,697	53.49%
2024-2025 (Budgeted)	76,267,597	44,852,258	58.81%
2025-2026 (Budgeted)	77,438,300	46,718,816	60.33%

Source: Audited financial statements for the 2019-20 fiscal year through 2023-24 fiscal year and the adopted budgets of the District for the 2024-2025 and 2025-2026 fiscal years. This table is not audited.

Major Taxpayers 2024

For 2024-25 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Full Value</u>
CENTRAL HUDSON GAS & ELECTRIC	ELECTRIC	\$66,903,470
CITY OF NEW YORK- DEP	WATER	59,197,999
SMILEY BROS INC	HOTEL/SPA	50,980,295
NEW YORK STATE LAND	PARKS	16,194,675
STONE RIDGE PARTNERS, LP	PROPERTY MANAGEMENT	8,458,751
HUDSON VALLEY NY HOLDING LLC	PROPERTY MANAGEMENT	7,586,207
CHARLES RIVER LAB INC	LABORATORY	7,488,393
CRITERION ATLANTIC PROPERTY	PROPERTY MANAGEMENT	6,150,476
VERIZON NEW YORK INC	COMMUNICATIONS	5,269,955
DiDONNA BROS. LLC	PROPERTY MANAGEMENT	5,267,857
Total		<hr/> \$233,498,078

1. The above taxpayers represent 5.63% of the School District's 2024-25 Full value of \$4,143,976,859

As of the date of this Official Statement, the District does not currently have any pending or outstanding tax certioraris that are known or believe to have a material impact on the District.

General Fund Operations

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. (A statement of such revenues and expenditures for the five-year period ending June 30, 2024 is contained in the Appendices). As reflected in the Appendices, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$107,300 or less for the 2025-26 school year, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first \$86,100 for the 2025-26 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross Income not in excess of \$250,000 (\$500,000 in the case of a STAR Credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York (“Chapter 60”) gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-16 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-16 school year,

and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes were intended to encourage home owners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount of the STAR exemption remains the same each year, while the amount of the STAR credit can increase up to two percent annually.

School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

Real Property Tax Rebate

Chapter 59 of the Laws of 2014 (“Chapter 59”) included provisions which provided a refundable personal income tax credit to real property taxpayers in school districts in 2014 and 2015 and certain municipal units of government in 2015 and 2016. The eligibility of real property taxpayers for the tax credit in each year depended on such jurisdiction’s compliance with the provisions of the Tax Credit Limitation Law. For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a State approved “government efficiency plan” which demonstrated three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies.

Chapter 20 of the Laws of 2015 (“Chapter 20”) introduced a new real property tax rebate program that provides state financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District (“MCTD”) received \$130, and eligible taxpayers who resided outside the MCTD received \$185. Credits in 2017-2019 varied based on a taxpayer’s personal income level and STAR tax savings and the program was fully phased in in 2019. Similar to the Chapter 59 real property tax credit, under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district’s compliance with the provisions of the Tax Levy Limitation Law. Unlike Chapter 59, however, for taxpayers other than those living in one of the “Big 4” cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the “Big 4” cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law.

While the provisions of Chapter 59 did not, and the provisions of Chapter 20 do not, directly further restrict the taxing power of the affected municipalities, school districts and special districts, Chapter 59 did, and Chapter 20 does, provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limitation Law.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor. The Tax Levy Limit Law modifies current law by imposing a limit on the amount of real property taxes that a school district may levy. The Law affected school district tax levies for the school district fiscal year beginning July 1, 2012.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index (“CPI”).

The Tax Levy Limit Law requires that a school district hereafter submit its proposed tax levy (not its proposed budget) to the voters each year, and imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI, as described in the Law. Tax levies that do not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be

required for a tax levy in excess of the limit. In the event the voters reject the tax levy, the school district's tax levy for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year, without any stated exceptions.

There are exceptions for school districts to the tax levy limitation provided in the law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy" and is an exclusion from the tax levy limitation.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a Justice of the State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. After the ruling, NYSUT amended its complaint to include a challenge to the Real Property Tax Rebate, also on Federal and State constitutional grounds. On March 16, 2015, all causes of action contained in the amended complaint were dismissed. On May 5, 2016, the dismissal was upheld by the New York Supreme Court, Appellate Division, Third Judicial Department to dismiss the complaint. An additional appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the grounds that no substantial constitutional question was directly involved, and thereafter, leave to appeal was denied on January 14, 2017 by the Court of Appeals.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit the District has the power to contract indebtedness for any school district purpose so long as the principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to

certain enumerated deductions. The constitutional method for determining full valuation by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other laws, including the Education Law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of \$100,000 for construction costs until the plans and specifications for such project have been approved by the Commissioner of Education of the State. The District has obtained such approval with respect to the project to be financed by Bonds and Notes.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations

and an action contesting such validity, is commenced within twenty days after the date of such publication or,

- (3) Such obligations are authorized in violation of the provisions of the Constitution.

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Statutory law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than 2 years from the date of the first issuance of such notes and provided that such renewal issues do not exceed 5 years beyond the original date of borrowing.

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue, tax anticipation, budget and capital notes.

Status of Indebtedness

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Serial Bonds	\$8,555,000	\$6,875,000	\$5,190,000	\$3,470,000	\$47,930,000
Bond Anticipation Notes	0	3,084,000	45,790,355	56,245,232	3,181,977
Lease Purchase ¹	0	0	0	64,205	16,134
Total Debt Outstanding	\$8,555,000	\$9,959,000	\$50,980,355	\$59,779,437	\$51,128,111

1. Does not constitute general obligation debt but does count towards the debt limit.

Status of Outstanding Bond Issues

Year of Issue:	2017		2024	
Amount Issued:	\$8,780,000		\$8,840,000	
Purpose/Instrument	Refunding Serial Bond		DASNY Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,745,000	\$ 34,900	\$ 855,000	\$ 568,461
2026	-	-	405,000	399,250
2027	-	-	460,000	379,000
2028	-	-	460,000	356,000
2029	-	-	480,000	333,000
2030	-	-	495,000	309,000
2031	-	-	530,000	284,250
2032	-	-	560,000	257,750
2033	-	-	575,000	229,750
2034	-	-	595,000	201,000
2035	-	-	640,000	171,250
2036	-	-	670,000	139,250
2037	-	-	715,000	105,750
2038	-	-	705,000	70,000
2039	-	-	695,000	34,750
Totals:	\$ 1,745,000	\$ 34,900	\$ 8,840,000	\$ 3,838,461

Year of Issue:	2024		2024	
Amount Issued:	\$13,560,000		\$15,360,000	
Purpose/Instrument	DASNY Serial Bond		DASNY Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 450,000	\$ 871,983	\$ 580,000	\$ 987,733
2026	715,000	655,500	830,000	739,000
2027	750,000	619,750	855,000	697,500
2028	755,000	582,250	935,000	654,750
2029	800,000	544,500	975,000	608,000
2030	820,000	504,500	1,055,000	559,250
2031	865,000	463,500	1,095,000	506,500
2032	905,000	420,250	1,145,000	451,750
2033	965,000	375,000	1,200,000	394,500
2034	1,045,000	326,750	1,230,000	334,500
2035	1,095,000	274,500	1,290,000	273,000
2036	1,150,000	219,750	1,350,000	208,500
2037	1,150,000	162,250	1,420,000	141,000
2038	1,090,000	104,750	1,400,000	70,000
2039	<u>1,005,000</u>	<u>50,250</u>	<u>0</u>	<u>0</u>
Totals:	\$ 13,560,000	\$ 6,175,483	\$ 15,360,000	\$ 6,625,983

Year of Issue:	2024	
Amount Issued:	\$8,425,000	
Purpose/Instrument	DASNY Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>
2025	\$ 480,000	\$ 541,774
2026	565,000	397,250
2027	555,000	369,000
2028	620,000	341,250
2029	650,000	310,250
2030	675,000	277,750
2031	715,000	244,000
2032	755,000	208,250
2033	790,000	170,500
2034	835,000	131,000
2035	870,000	89,250
2036	<u>915,000</u>	<u>45,750</u>
Totals:	\$ 8,425,000	\$ 3,126,024

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>%Paid</u>
2025	\$ 4,110,000	\$ 3,004,852	\$ 7,114,852	10.50%
2026	2,515,000	2,191,000	4,706,000	17.45%
2027	2,620,000	2,065,250	4,685,250	24.37%
2028	2,770,000	1,934,250	4,704,250	31.32%
2029	2,905,000	1,795,750	4,700,750	38.26%
2030	3,045,000	1,650,500	4,695,500	45.19%
2031	3,205,000	1,498,250	4,703,250	52.13%
2032	3,365,000	1,338,000	4,703,000	59.08%
2033	3,530,000	1,169,750	4,699,750	66.02%
2034	3,705,000	993,250	4,698,250	72.95%
2035	3,895,000	808,000	4,703,000	79.90%
2036	4,085,000	613,250	4,698,250	86.83%
2037	3,285,000	409,000	3,694,000	92.29%
2038	3,195,000	244,750	3,439,750	97.36%
2039	<u>1,700,000</u>	<u>85,000</u>	<u>1,785,000</u>	100.00%
Totals:	\$ 47,930,000	\$ 19,800,852	\$ 67,730,852	

Lease Purchase Financing

The District entered into a Capital Lease agreement for \$194,022.24 on October 16, 2020. The agreement had a final maturity in October of 2024.

Status of Short-Term Indebtedness

<u>Type</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
BAN	6/24/2024	6/24/2025	4.50%	\$3,181,977

* To be paid with the proceeds of this Note, together with \$712,931 available funds..

Cash Flow Borrowings

The District has no revenue anticipation notes or tax anticipation notes or budget or deficiency notes outstanding and has not issued them in recent years, nor does it reasonably expect to issue same, or budget, or deficiency notes in the foreseeable future. See “Budgetary Procedures” herein.

Capital Project Plans

On December 11, 2018 District voters approved a \$61,800,000 Capital Project. Construction began in the Spring of 2020. The first issuance against said authorization was a \$12,000,000 Bond Anticipation Note dated June 30, 2020. The second issuance was a Bond Anticipation Note dated June 29, 2021 for \$30,840,000. It provided an additional \$19,600,000 in new money for the aforementioned purpose. The third issuance was a Bond Anticipation Note dated June 28, 2022 for \$45,460,000. It provided an additional \$16,500,000 in new money for the aforementioned purpose. The fourth issuance was for \$55,676,634 issued on June 27, 2023. This provided \$11,676,634 in new money for the aforementioned issue. The District issued a \$3,181,977 Bond Anticipation Note dated June 25, 2024. A portion of the proceeds of the Notes (\$2,000,000), together with \$2,940,000 available funds, redeemed and renewed a portion of the \$55,676,634 Bond Anticipation Notes maturing June 27, 2024, the remaining \$50,736,634 will be paid using DASNY Serial Bonds. A portion of the proceeds of the Notes (\$1,811,977) renewed the \$497,931 BOCES Bond Anticipation Note maturing on June 26, 2024 and provided \$684,046 of new monies. The proceeds of the \$1,735,000 Notes, together with \$265,000 available funds, will redeem and renew the \$2,000,000 Bond Anticipation Notes maturing June 25, 2025. A portion of the proceeds of the \$1,446,009 Notes together with \$447,931 available funds, will redeem and renew the \$497,931 Bond Anticipation Note maturing on June 25, 2025 and provide \$711,963 of new monies.

On December 3, 2024 District voters approved a \$21,454,459 Capital Project to reconstruct and construct improvements to various School District buildings and facilities, including athletic fields, playgrounds, and site improvements, together with original furnishings, equipment, machinery, apparatus, appurtenances, and other incidental improvements and expenses. The District will use \$4,000,000 from the Capital Reserve Fund (2022) and finance the remaining \$17,454,459,

Building Aid Estimate

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. The District has not applied for such estimate but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 75.5%.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

A fundamental reform of building aid was enacted as Chapter 383 of the Laws of 2001. The provisions legislated, among other things, a new "assumed amortization" payout schedule for future State building aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its outstanding debt. See "State Aid" herein.

Debt Statement Summary

As of May 22, 2025

<u>Town</u>	<u>Taxable Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Taxable Full Valuation</u>
Marbletown	\$ 1,066,199,281	56.00%	\$ 1,903,927,288
Rochester	996,659,265	58.00%	1,718,378,043
Rosendale	234,378,501	63.00%	372,029,367
Wawarsing	104,749,513	70.00%	149,642,161
			<u>\$ 4,143,976,859</u>
Debt Limit: 10% of Full Valuation			\$ 414,397,686
Inclusions:			
Serial Bonds			\$ 47,930,000
Bond Anticipation Notes			3,181,977
Total Inclusions:			<u>\$ 51,111,977</u>
Exclusions:			
Building Aid Estimate ¹			<u>\$0</u>
Total Exclusions:			<u>\$0</u>
Total Net Indebtedness Before Giving Effect to This Issue:			\$ 51,111,977
New Monies This Issue:			<u>711,963</u>
Total Net Indebtedness After Giving Effect to This Issue:			<u>\$ 51,823,940</u>
Net Debt Contracting Margin			\$ 362,573,746
Percentage of Debt-Contracting Power Exhausted			12.51%

Notes:

1. Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing building debt. Since the Gross Indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid

2. Does not include lease purchase financing which does count toward the debt limit. See "Lease Purchasing Financing " herein.

Estimated Overlapping Indebtedness

<u>Overlapping Unit</u>	<u>Applicable Equalized Value</u>	<u>Percent</u>	<u>Gross Indebtedness</u>	¹ <u>Exclusions</u>	<u>Net Indebtedness</u>	<u>Estimated Applicable Overlapping Indebtedness</u>
Ulster County	\$ 4,143,976,859					
	\$ 26,452,283,156	15.67%	\$ 166,268,237	N/A	\$ 166,268,237	\$ 26,047,344
Town of Marbletown	\$ 1,903,927,288					
	\$ 1,903,927,288	100.00%	-	N/A	-	-
Town of Rochester	\$ 1,718,378,043					
	\$ 1,718,378,043	100.00%	-	N/A	-	-
Town of Rosendale	\$ 372,029,367					
	\$ 750,750,459	49.55%	6,069,759	N/A	6,069,759	3,007,828
Town of Wawarsing	\$ 149,642,161					
	\$ 1,459,507,101	10.25%	13,354,422	N/A	13,354,422	<u>1,369,219</u>
Total						<u><u>\$ 30,424,392</u></u>

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2023

Notes: 1 Bonds and Bond Anticipation notes as of 2023 fiscal year. Not adjusted to include subsequent bond and note sales
N/A Information not available from source document

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 22, 2025:

	Amount	Per Capita	(a) Percentage of Full Value	(b)
Net Indebtedness	\$ 51,823,940	\$ 3,121.74	1.251%	
Net Indebtedness Plus Net Overlapping Indebtedness	\$ 82,248,332	\$ 4,954.42	1.985%	

(a) The District's estimated population is 16,601 (Source: 2023 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2024-25 is \$4,143,976,859

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept for School Districts. In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for the school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

General Municipal Law Contract Creditors' Provision. Each Bond when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgement or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgement, although judicial mandates have been issued to officials to appropriate and pay judgements out of certain funds or the District may not be enforced to levy and execution against property owned by the School District.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization or any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal

indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of an interest on indebtedness of every county, city, town, Village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The Fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuations of essential public services prior to the payment of debt service.

No Past Due Debt. No principal of or interest on School District indebtedness is past due. The School has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial and economic condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District’s control. There can be no assurance that adverse events in the State and in other jurisdictions in the country, including for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or any other jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriations for State aid to school districts will be continued in futures years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available, therefore. The availability of such monies and the timelines of such payments may also be affected by a delay in the adoption of the State budget and other circumstances, including state fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available, therefore.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or tax status of interest on the Notes.

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District could have an impact upon the market price of the Notes.

Cyber Security

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operation controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – C”.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds should consult their own tax advisors with respect to the proper

treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or the interest thereon whether any such change occurs, or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel’s engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Bonds may be subject to backup withholding with respect to “reportable payments,” which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Notes will be covered by the respective approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the School District, such opinion to be delivered with the Notes. The proposed form of such opinion is attached hereto as Appendix C.

CONTINUING DISCLOSURE COMPLIANCE

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, the School District will enter into an Undertaking to provide Material Event Notices, the description of which is attached hereto as “Appendix D”.

The School District has in the previous five years otherwise complied, in all material respects, with any previous undertakings pursuant to Rule 15c2-12 however:

The District’s Audited Financial Statements for fiscal year ended June 30, 2023 were not completed by the required filing date of six months after the end of the District’s fiscal year. Due to the Audited Financial Statements for fiscal year ended June 30, 2023 not being complete, the Annual Financial and Operating Data (“AFIOD”) was also not posted by the required filing date of six months after the end of the District’s fiscal year. The Audited Financial Statements for fiscal year ended June 30, 2023 were provided to the District on March 8, 2024. The Audited Financial Statements and AFIOD for the fiscal year ended June 30, 2023 were posted to EMMA on March 28, 2024 after being approved by the District.

On March 28, 2024, the District also filed a material event notice in relation to the failure to file a Debt Incurrence. The District entered into a Capital Lease agreement for \$194,022.24 on October 16, 2020 but failed to file the notice timely of such Capital Lease agreement. The Capital Lease agreement had a final maturity in October 2024.

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the notes or contesting the corporate existence or boundaries of the District.

RATING

The Notes are not rated. If the purchaser chooses to obtain a Note rating, it may incur charges from the School District to provide a supplemental final official statement and make an appropriate Material Event filing with EMMA.

Such rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from such rating agency, at the following address: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, NY 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of such bonds or the availability of a secondary market for those bonds.

MUNICIPAL ADVISOR

R.G. Timbs, Inc. is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's

files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bond and Notes.

Orrick, Herrington & Sutcliffe, LLP, New York, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

R.G. Timbs, Inc. may place a copy of this Official Statement on its website at www.RGTimbsInc.net. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. R.G. Timbs, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the School District nor R.G. Timbs, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, R.G. Timbs, Inc. and the School District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damage caused by viruses in the electronic files on the website.

The School District contact information is as follows: Tabatha Biggane, Assistant Superintendent for Business Services, telephone number (845) 687-2400 x4806, email: tbiggane@rondout.k12.ny.us.

Additional copies of the Notice of Sale and the Official Statement may be obtained from the offices of R.G. Timbs, Inc., telephone number (877) 315-0100 or at www.RGTimbsInc.net.

Rondout Valley Central School District at Accord

**Dated: June 3, 2025
Accord, New York**

Chris Schoonmaker

President of Board of Education and Chief Fiscal Officer

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	Budget						
	2020	2021	2022	2023	2024	2025	
Beginning Fund Balance - July 1	\$9,978,820	\$8,729,819	\$13,932,413	\$13,423,516	\$17,980,792	\$22,505,141	E
Revenues:							
Real Property Taxes	\$34,171,858	\$36,294,193	\$37,807,966	\$40,068,760	\$41,454,697	\$44,852,258	
Other Tax Items	2,723,648	2,593,481	2,519,814	2,405,369	2,306,119	162,000	
Charges for Services	465,917	558,634	471,884	836,107	1,345,376	500,000	
Use of Money & Property	86,321	48,418	22,311	657,074	1,631,614	550,000	
Sale of Property/Comp. for Loss	2,971	37,596	122,262	44,016	199,109	29,500	
Miscellaneous	577,221	1,052,021	657,921	905,450	629,534	527,000	
State Aid	23,895,635	22,155,586	23,126,937	24,800,911	28,409,584	29,571,839	
Federal Aid	43,223	504,417	567,163	81,874	53,321	75,000	
Interfund Transfer	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,470,389</u>	<u>0</u>	
Total Revenues	\$61,966,794	\$63,244,346	\$65,296,258	\$69,799,561	\$77,499,743	\$76,267,597	
Expenditures:							
General Support	\$5,448,605	\$3,486,716	\$5,618,532	\$5,998,409	\$6,472,250	\$6,783,596	
Instruction	31,530,895	29,902,589	32,490,276	33,492,094	34,381,438	36,851,575	
Transportation	4,003,709	2,120,761	3,598,406	5,348,809	4,743,432	7,516,164	
Employee Benefits	16,719,734	16,318,411	16,609,963	17,644,261	19,237,421	19,924,673	
Debt Service	3,269,912	1,000,000	2,265,500	48,505	7,308,638	7,447,743	
Capital Outlay	78,806	1,857,001	694,743	150,709	0	0	
Interfund Transfer	<u>2,396,187</u>	<u>3,356,274</u>	<u>4,527,735</u>	<u>5,278,231</u>	<u>832,215</u>	<u>125,000</u>	
Total Expenditures	\$63,447,848	\$58,041,752	\$65,805,155	\$67,961,018	\$72,975,394	\$78,648,751	
Adjustments	232,053	0	0	2,718,733	0	0	
Year End Fund Balance	\$8,729,819	\$13,932,413	\$13,423,516	\$17,980,792	\$22,505,141	\$20,123,987	E
Excess (Deficit) Revenues Over Expenditures	(\$1,481,054)	\$5,202,594	(\$508,897)	\$1,838,543	\$4,524,349	(\$2,381,154)	1

Source: Audited Annual Financial Reports and Annual Budget. This table is NOT audited.

Note: 1. Appropriated Fund Balance is planned to be used
E. Estimated

General Fund – Budget Summary

2025-26 Proposed Budget

Revenues:	
Real Property Taxes & STAR	\$46,718,816
Other Tax Items	162,000
Charges for Services	500,000
Use of Money & Property	578,260
Sale of Property	29,500
Miscellaneous	527,000
State Aid	27,847,724
Federal Aid	75,000
Interfund Transfers	1,000,000
Appropriated Fund Balance	<u>3,031,816</u>
Total Revenues	\$80,470,116
Expenditures:	
General Support	\$7,205,141
Instruction	37,832,357
Transportation	7,673,491
Community Service	0
Employee Benefits	20,895,927
Debt Service	6,476,365
Interfund Transfers	<u>386,835</u>
Total Expenditures	\$80,470,116

Source: Adopted Budget of the School District. This table is NOT audited

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assets:					
Cash and Equivalents	\$9,172,240	\$10,715,151	\$16,841,594	\$3,082,967	\$4,681,606
Restrict cash	\$0	\$3,421,992	\$0	\$13,258,450	\$18,027,080
Accounts Receivable State and Federal Aid Receivable	67,377	54,465	0	0	0
Due from Other Governments	564,280	516,764	616,414	571,850	1,584,636
Due from Other Funds	913,114	1,566,040	477,955	1,414,960	1,496,777
Prepaid Expenditures	2,187,173	3,791,308	1,920,808	4,712,405	2,450,768
	<u>224,948</u>	<u>214,790</u>	<u>214,790</u>	<u>406,127</u>	<u>232,164</u>
Total Assets	<u><u>\$13,129,132</u></u>	<u><u>\$20,280,510</u></u>	<u><u>\$20,071,561</u></u>	<u><u>\$23,446,759</u></u>	<u><u>\$28,473,031</u></u>
Liabilities:					
Accounts Payable	\$467,002	\$103,591	\$521,475	\$1,433,116	\$1,792,490
Accrued Liabilities	439,331	478,524	462,166	80,632	215,981
Due to Retirement Systems	2,446,004	2,523,920	2,787,587	3,065,582	3,010,245
Due to Other Funds	5,498	2,551,870	2,864,076	143,524	670,195
Unearned Revenues	203,573	599	12,741	442,379	0
Due to Other Governments	837,905	689,593	0	334,949	9211
Compensated Absences	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>269,768</u>
Total Liabilities:	<u><u>\$4,399,313</u></u>	<u><u>\$6,348,097</u></u>	<u><u>\$6,648,045</u></u>	<u><u>\$5,500,182</u></u>	<u><u>\$5,967,890</u></u>
Fund Balances:					
Non-spendable	224,948	214,790	214,790	406,127	210,771
Restricted	3,445,611	6,421,992	10,546,221	13,258,450	18,027,080
Assigned:					
Encumbrances	0	0	0	0	0
Appropriated Fund Balance	3,300,685	1,081,431	1,717,366	1,279,667	1,121,343
Unassigned					
Unappropriated Fund Balance	<u>1,758,575</u>	<u>6,214,200</u>	<u>945,139</u>	<u>3,002,333</u>	<u>3,145,947</u>
Total Fund Balance	<u><u>\$8,729,819</u></u>	<u><u>\$13,932,413</u></u>	<u><u>\$13,423,516</u></u>	<u><u>\$17,946,577</u></u>	<u><u>\$22,505,141</u></u>
Total Liabilities and Fund Balance	<u><u>\$13,129,132</u></u>	<u><u>\$20,280,510</u></u>	<u><u>\$20,071,561</u></u>	<u><u>\$23,446,759</u></u>	<u><u>\$28,473,031</u></u>

Source: Audited Financial Reports. This table is NOT audited.

APPENDIX B

**Audited Financial Statements
For The Fiscal Year Ended June 30, 2024**

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
JUNE 30, 2024
INCLUDING REPORTS ON FEDERAL AWARDS
AND EXTRACLASSROOM ACTIVITY FUNDS

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
JUNE 30, 2024
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Rondout Valley Central School District
Accord, New York 12404

Norman M. Sassi, CPA
Walter J. Jung, CPA

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the fiduciary fund, of the Rondout Valley Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Rondout Valley Central School District's basic financial statements as listed in the table of contents.

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 fiduciary fund, of the Rondout Valley Central School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Rondout Valley Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rondout Valley Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Rondout Valley Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rondout Valley Central School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information on pages 4 through 16 and 74 through 78 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rondout Valley Central School District's basic financial statements. The supplemental schedules on pages 79 through 81 are required by the New York State Education Department and are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules on pages 78 through 80 and the schedule of expenditures of federal awards are 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 October 8, 2024 on our consideration of the Rondout Valley Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Rondout Valley Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rondout Valley Central School District's internal control over financial reporting and compliance.

Nugent & Haussler PC

Montgomery, New York

October 8, 2024

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis

Introductory Section

The following is a discussion and analysis of Rondout Valley Central School District's financial performance for the year ended June 30, 2024. The section is a summary of the Rondout Valley Central School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the district-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the year ended June 30, 2024 are as follows:

At the time these financial statements were prepared and audited, the District was aware of certain existing circumstances that could significantly affect its financial health in the future. The current ongoing review of the Foundation Aid formula by the New York State Education Department has yet to be completed and its outcome is unknown. There is a reasonable possibility that the District will be impacted by a reduction in future state aid revenues. Conversely, expenses continue to rise particularly those that relate to the costs of employee benefits and contractual obligations to both employees and vendors. Additionally, the continued implementation and compliance of Ed Law 2D, which provides the required services to ensure that sensitive data is secure and protected from cyber threats demands increased financial resources.

The Environmental Protection Agency, Bipartisan Infrastructure Law (BIL) provides \$5 billion for the Clean School Bus (CSB) Program to replace existing buses with clean and zero-emission school buses. The EPA's 2022 Clean School Bus Rebates are not directly available to private bus fleet companies. As the District contracts the bus services to First Student, the District applied for the rebate on behalf of First Student. The District was the recipient of \$9,375,000 for the 2022 EPA Clean School Bus Rebate and as part of the grant agreement, the District was required to transfer the funds to First Student. These funds are to be used by First Student for the purchase of 25 new electric buses and \$500,000 for eligible charging infrastructure to serve Rondout Valley Central School District Transportation needs. First Student is in possession of the funds and has ordered the buses, which were supposed to be delivered in July 2024 however they are on backorder and are scheduled to be received in May 2025. First Student will also be installing charging infrastructure on their property, as part of the grant agreement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

Overview of the Financial

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* for the benefit of others.

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

The following table summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Major Features of the District-Wide and Fund Financial Statements			
	Fund Financial Statements		
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

District-Wide Financial Statements

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

The two district-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are shown as *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debt) or to show that it is properly using certain revenues (such as Federal grants).

The District has two types of funds:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information disclosed in Note 2 explains the relationship (or differences) between them.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Financial Analysis of the District as a Whole

Net position increased by \$9,345,516 from (\$86,608,290), as restated to (\$77,262,774). The District's net position at June 30, 2024 is (\$77,262,774). The following table provides a summary of the District's net position:

Summary of Net Position

	School District Activities			
	As Restated		Increase/ (Decrease)	% Change
	June 30, 2024	June 30, 2023		
Current Assets	\$ 34,273,147	\$ 39,416,790	\$ (5,143,643)	-13.05%
Non Current Assets	104,363,765	95,963,521	8,400,244	8.75%
Total Assets	<u>138,636,912</u>	<u>135,380,311</u>	<u>3,256,601</u>	2.41%
Deferred Outflows of Resources	<u>23,185,269</u>	<u>36,652,993</u>	<u>(13,467,724)</u>	-36.74%
Current Liabilities	9,882,045	64,594,758	(54,712,713)	-84.70%
Long-Term Liabilities	183,383,732	136,401,076	46,982,656	34.44%
Total Liabilities	<u>193,265,777</u>	<u>200,995,834</u>	<u>(7,730,057)</u>	-3.85%
Deferred Inflows of Resources	<u>45,819,178</u>	<u>57,645,760</u>	<u>(11,826,582)</u>	-20.52%
Net Position:				
Net Investment in Capital Assets	53,273,189	47,656,561	5,616,628	11.79%
Restricted	20,374,661	27,348,965	(6,974,304)	-25.50%
Unrestricted, (As Restated)	<u>(150,910,624)</u>	<u>(161,613,816)</u>	<u>10,703,192</u>	6.62%
Total Net Position	<u>\$ (77,262,774)</u>	<u>\$ (86,608,290)</u>	<u>\$ 9,345,516</u>	10.79%

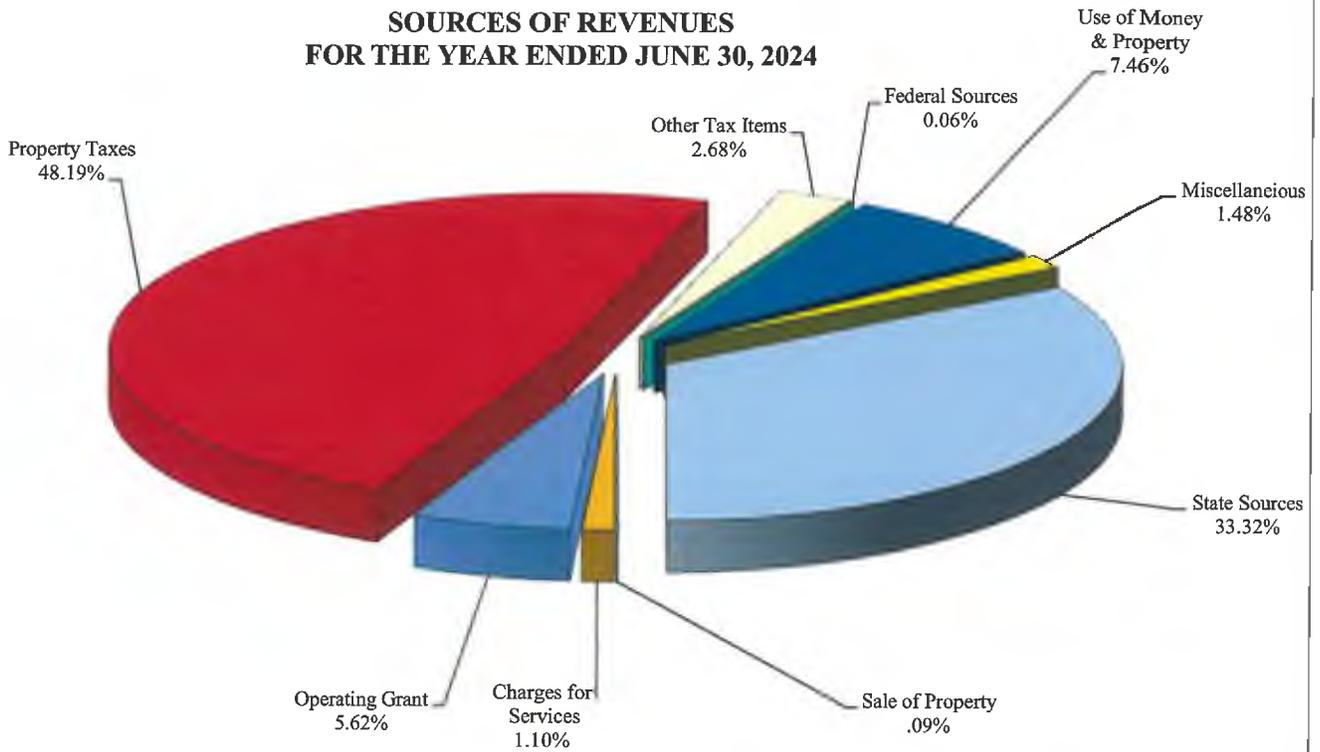
The following table and supporting graphs provides a summary of revenues, expenses and changes in net position for the year ended June 30, 2024 and 2023:

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET POSITION

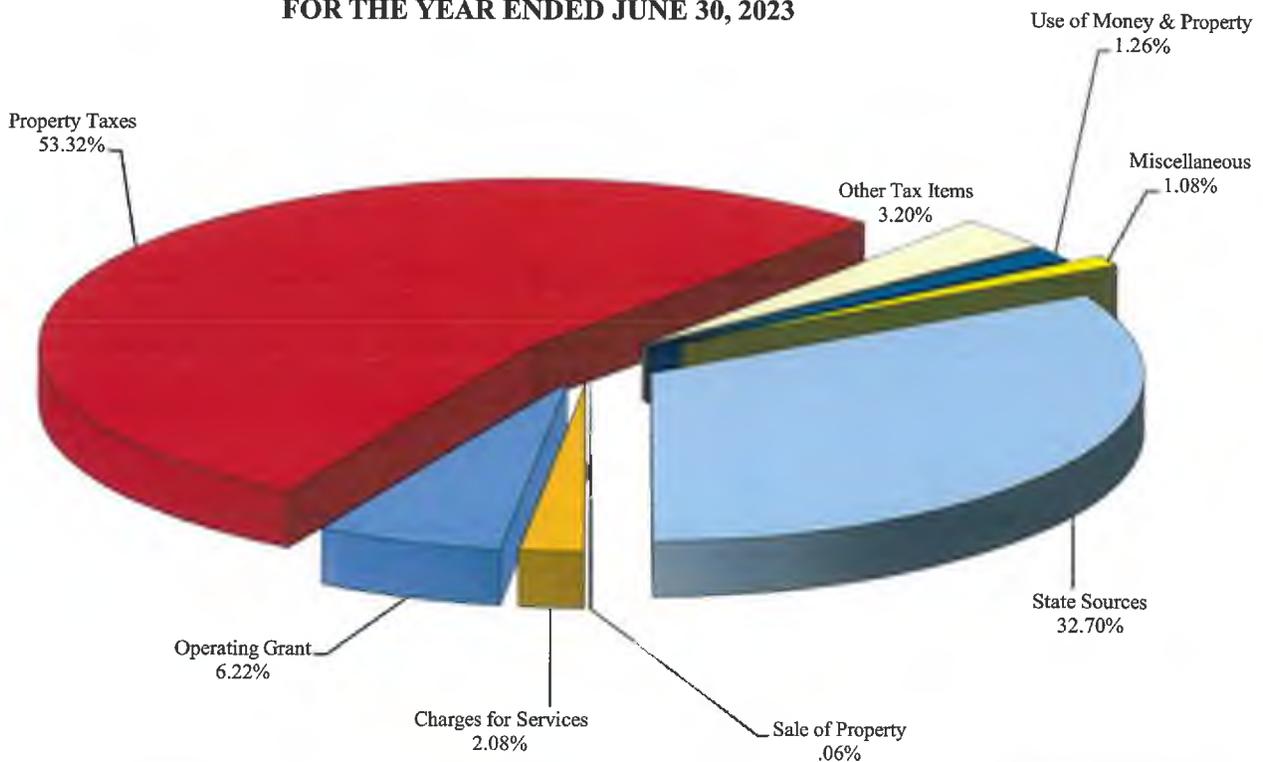
	FOR THE YEAR ENDED JUNE 30, 2024		FOR THE YEAR ENDED JUNE 30, 2023		\$ Change	% Change
		%		%		
<u>REVENUES</u>						
PROGRAM REVENUES:						
Charges for Services	\$ 947,926	1.10%	\$ 1,560,101	2.08%	\$ (612,175)	-39.24%
Operating Grants	4,831,474	5.62%	4,674,331	6.22%	157,143	3.36%
GENERAL REVENUES:						
Property Taxes	41,454,697	48.19%	40,068,760	53.32%	1,385,937	3.46%
Other Tax Items	2,306,119	2.68%	2,405,369	3.20%	(99,250)	-4.13%
Use of Money & Property	6,420,393	7.46%	946,177	1.26%	5,474,216	578.56%
Sale of Property	73,610	0.09%	44,016	0.06%	29,594	67.23%
Miscellaneous	1,276,577	1.48%	808,531	1.08%	468,046	57.89%
State Sources	28,659,584	33.32%	24,565,203	32.70%	4,094,381	16.67%
Federal Sources	53,321	0.06%	60,833	0.08%	(7,512)	-12.35%
TOTAL REVENUES	<u>86,023,701</u>	100.00%	<u>75,133,321</u>	100.00%	<u>10,890,380</u>	
<u>EXPENSES</u>						
General Support	8,397,104	10.95%	7,434,155	10.19%	962,949	12.95%
Instruction	35,968,305	46.91%	36,159,914	49.54%	(191,609)	-0.53%
Pupil Transportation	4,743,432	6.19%	5,348,809	7.33%	(605,377)	-11.32%
Employee Benefits	21,897,004	28.54%	19,918,996	27.30%	1,978,008	9.93%
Debt Service Interest	2,731,251	3.56%	1,510,207	2.07%	1,221,044	80.85%
Depreciation	1,813,508	2.37%	1,804,249	2.47%	9,259	0.51%
Capital Outlay	2,821	0.01%	0	0.00%	2,821	0%
School Lunch Program	1,124,760	1.47%	799,107	1.10%	325,653	40.75%
TOTAL EXPENSES	<u>76,678,185</u>	100.00%	<u>72,975,437</u>	100.00%	<u>3,702,748</u>	5.07%
CHANGES IN NET POSITION	<u>\$ 9,345,516</u>		<u>\$ 2,157,884</u>		<u>\$ 7,187,632</u>	

RONDOT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK

**SOURCES OF REVENUES
FOR THE YEAR ENDED JUNE 30, 2024**

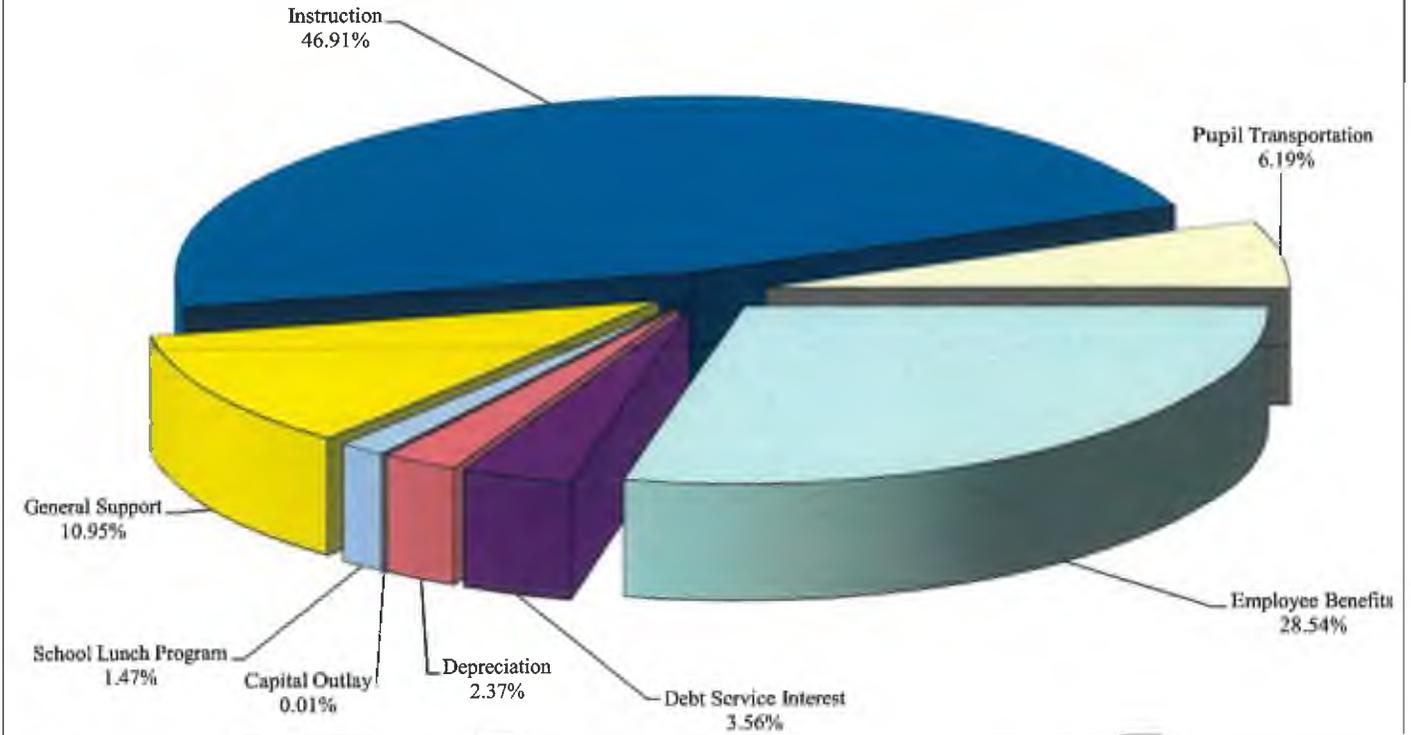


**SOURCES OF REVENUES
FOR THE YEAR ENDED JUNE 30, 2023**

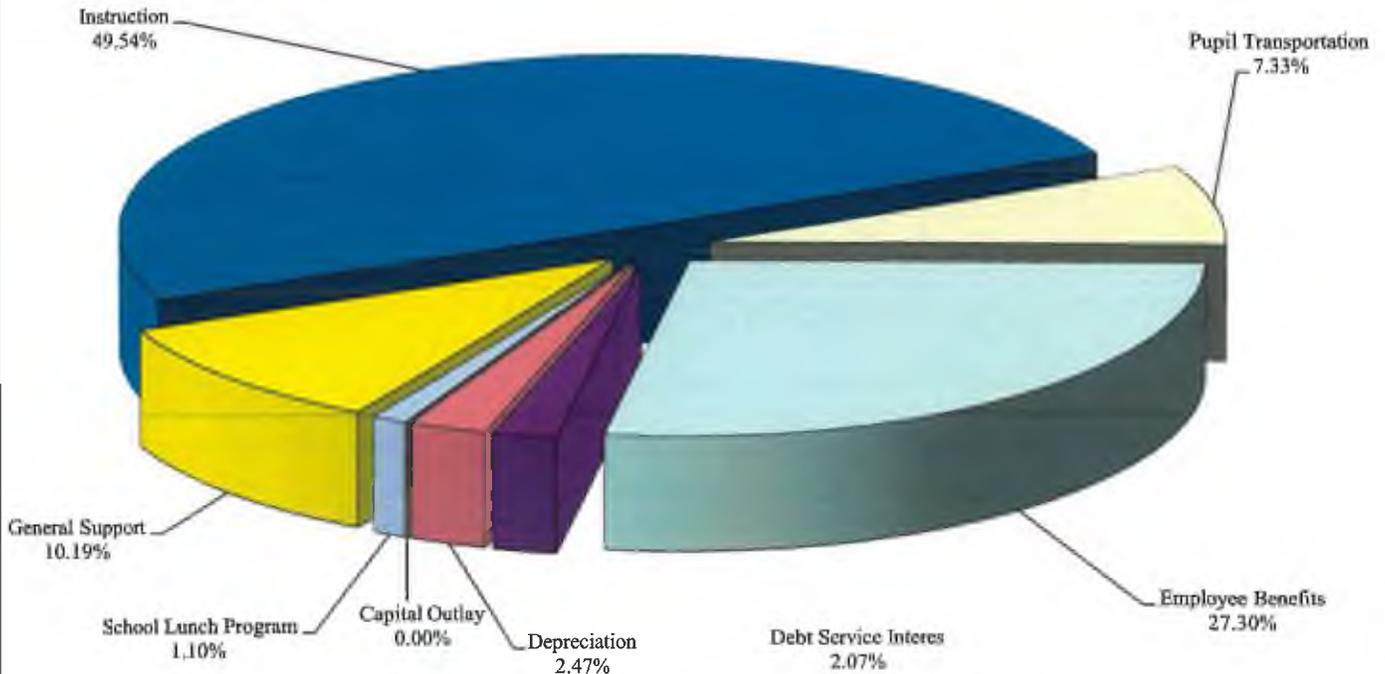


RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK

EXPENSES FOR THE YEAR ENDED JUNE 30, 2024



EXPENSES FOR THE YEAR ENDED JUNE 30, 2023



RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
STATEMENT OF ACTIVITIES
NET COSTS

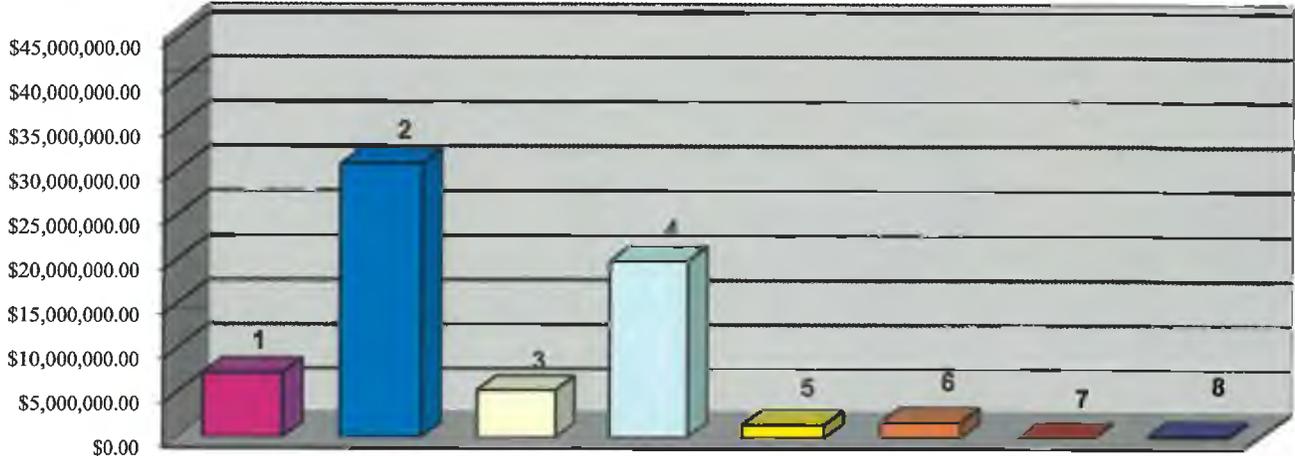
The following information is provided to disclose the net cost of governmental activities:

		TOTAL COST OF SERVICES 2023-2024	NET COST OF SERVICES 2023-2024	TOTAL COST OF SERVICES 2022-2023	NET COST OF SERVICES 2022-2023
General Support	1	\$ 8,397,104	\$ 8,397,104	\$ 7,434,155	\$ 7,335,028
Instruction	2	35,968,305	31,378,126	36,159,914	30,800,488
Pupil Transportation	3	4,743,432	4,743,432	5,348,809	5,348,809
Employee Benefits	4	21,897,004	21,897,004	19,918,996	19,918,996
Debt Service - Interest	5	2,731,251	2,731,251	1,510,207	1,510,207
Depreciation	6	1,813,508	1,813,508	1,804,249	1,804,249
Capital Outlay	7	2,821	2,821	0	0
School Lunch Program	8	1,124,760	(64,461)	799,107	260,739
		<u>\$ 76,678,185</u>	<u>\$ 70,898,785</u>	<u>\$ 72,975,437</u>	<u>\$ 66,978,516</u>

NET COSTS 2023-2024



NET COSTS 2022-2023



RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Financial Analysis of the District's Funds

As discussed, the District's governmental funds are reported in the fund statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the District consist of the General Fund, Special Aid Fund, School Lunch Fund, Debt Service Fund, Capital Projects Fund and Miscellaneous Special Revenue Fund. The total fund balances allocated between non-spendable, restricted, assigned, and unassigned fund balance for each of these funds is as follows:

	June 30, 2024				
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General	\$ 210,771	18,027,080	\$ 1,121,343	\$ 3,145,947	\$ 22,505,141
Special Aid	0	0	0	0	0
School Lunch	0	0	0	0	0
Capital Projects	0	353,938	0	(1,153,105)	(799,167)
Debt Service	0	2,447,271	0	0	2,447,271
Miscellaneous Special Revenue	0	66,238	0	0	66,238
	<u>\$ 210,771</u>	<u>\$ 20,894,527</u>	<u>\$ 1,121,343</u>	<u>\$ 1,992,842</u>	<u>\$ 24,219,483</u>

	June 30, 2023				
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General	406,127	\$ 13,258,450	\$ 1,279,667	\$ 3,002,333	\$ 17,946,577
Special Aid	0	0	0	0	-
School Lunch	1,435	0	0	(149,139)	(147,704)
Capital Projects	497,931	11,561,173	0	(55,776,675)	(43,717,571)
Debt Service	0	2,529,342	0	0	2,529,342
Miscellaneous Special Revenue	0	0	0	0	-
	<u>\$ 905,493</u>	<u>\$ 27,348,965</u>	<u>\$ 1,279,667</u>	<u>\$ (52,923,481)</u>	<u>\$ (23,389,356)</u>

General Fund Budgetary Highlights

In the General Fund, for the year ended June 30, 2024, actual revenues were greater than revised budgeted revenues by \$3,196,831 or 4.30% primarily due to \$1,486,614 additional funds received from interest over budget, \$1,470,389 of operating transfers in & charges for services of \$845,376. Actual expenditures and encumbrances were less than the revised budgeted expenditures by \$2,968,001 (3.9%). Costs within various budget codes were less than budgeted amounts in particular; the areas of Programs for Children with Handicapping Conditions were less than budgeted by \$1,161,234, Transportation was less than budgeted by \$664,090, Teaching Regular School was less than budgeted by \$380,856, and Pupil Services was less than budgeted by \$331,113.

For year 2024-2025, the District has appropriated \$981,154 of fund balance to reduce the tax levy.

Factors that continue to affect the budget process are as follows:

- New York State Aid revenues are being impacted due to statewide budget constraints.
- Employee Costs and Benefits, such as, teachers and employees retirement continue to rise.
- Changes in legislation regarding school finance.
- Impending changes in educational standards.
- Energy costs that are significantly being increased.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Management believes that the budget adopted for 2024-2025 is reasonably adaptable to any adverse changes that may arise based on the above factors.

The New York State Legislature enacted legislation, Chapter 97 of the Laws of 2011 that establishes a “property tax cap” on the amount that a school district’s property tax levy can increase each year. This legislation specifies that property taxes levied by a school district generally cannot increase by more than two percent, or the rate of inflation, whichever is less. The law does allow school districts to levy an additional amount for certain excludable expenditures. School districts can adopt a tax levy that exceeds the statutory limit, if the budget that is presented to the public is approved by sixty percent of the votes cast.

Other Fund Highlights

The Special Aid Fund ended the year with a fund balance of \$0. The revenues of this fund are expenditure driven meaning that the District receives funds based on the amount of expenditures for each grant. The District is responsible for paying 20% of the expenditures of the Summer Handicap program and as such transferred \$135,489 from the General Fund budgeted amounts to the Special Aid Fund to cover these costs for the current year.

The School Lunch Program Fund ended the year with a fund balance of \$0. The expenditures exceeded revenues by \$97,389. The General Fund transferred \$245,093 to cover the shortfall and the prior year’s negative fund balance.

The Capital Projects Fund ended the year with a fund balance of (\$799,167). The District issued bonds in the amount of \$46,185,000 during the current year to pay off BANS outstanding for construction projects. Capital expenditures for the fiscal year totaled \$10,442,067.

The Debt Service Fund ended the year with a fund balance of \$2,447,271. This fund balance will be appropriated in future years to offset principal and interest payments.

The Miscellaneous Special Revenue Fund ended the year with a fund balance of \$66,238. Revenues exceeded expenditures by \$13,442.

Capital Asset and Debt Administration

Capital Assets

The District’s investment in capital assets, net of accumulated depreciation and amortization, as of June 30, 2024 was \$104,363,765. The total increase in this net investment was 9.01% for the District as a whole (see schedule on page 15). The District’s investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2023, as restated was \$95,963,521. The District expended \$10,439,246 to acquire and construct capital assets during the year ended June 30, 2024. Capital assets disposed of during the year cost \$278,529 with accumulated depreciation of \$157,157. Depreciation expense for the year was 1,813,508. The district acquired right of use assets during the year in the amount of \$63,767. Right of use assets retired had a cost of \$48,083 and related accumulated depreciation of \$43,955. Amortization expense for the current year was \$163,762.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Capital Assets (Continued)

CAPITAL ASSETS

Net of Accumulated Depreciation and Amortization

	<u>School District Activities</u>		<u>% Change</u>
	<u>June 30, 2024</u>	<u>As Restated June 30, 2023</u>	
<u>Non-Depreciable Assets:</u>			
Land	5,272,122	\$ 5,272,122	0.00%
Construction in Progress	42,089,483	31,850,658	32.15%
<u>Depreciable Assets:</u>			
Building and Improvements	55,612,369	57,199,989	-2.78%
Furniture and Equipment	761,397	941,503	-19.13%
Vehicles	175,619	142,352	23.37%
<u>Amortizable Assets:</u>			
Equipment	452,775	556,897	-18.70%
TOTALS	<u>\$ 104,363,765</u>	<u>\$ 95,963,521</u>	8.75%

Long-Term Debt

At the end of the year, the District had total bonded and installment purchase debt outstanding of \$47,946,134. This amount is backed by the full faith and credit of the Rondout Valley Central School District with debt service fully funded by voter approved property taxes. Activity in bonded debt outstanding during the year was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>
Refunded Serial Bond - 2018	\$ 3,470,000	\$ 0	\$ 1,725,000	\$ 1,745,000
Installment Purchase Agreement	64,205	0	48,071	16,134
Serial Bond	0	8,425,000	0	8,425,000
Serial Bond	0	\$ 15,360,000	0	15,360,000
Serial Bond	0	13,560,000	0	13,560,000
Serial Bond	0	8,840,000	0	8,840,000
Total Bonded Debt Outstanding	<u>\$ 3,534,205</u>	<u>\$ 46,185,000</u>	<u>\$ 1,773,071</u>	<u>\$ 47,946,134</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Bond Ratings

Standard & Poor's has assigned a rating of Aa3 to outstanding uninsured bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Nicole Desousa, School Business Official, at the District's business offices at 122 Kyserike Road PO Box 9 Accord, NY 12404.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2024

ASSETS

Unrestricted Cash	\$ 8,965,269
Restricted Cash	20,894,527
Taxes Receivable	1,530
State & Federal Aid Receivable	2,684,410
Due from Other Governments	1,496,777
Other Receivables, Net	19,863
Prepaid Expenses	210,771
Right to Use Assets, Net	452,775
Non Depreciable Capital Assets	47,361,605
Depreciable Capital Assets, Net	<u>56,549,385</u>
TOTAL ASSETS	<u>138,636,912</u>

DEFERRED OUTFLOWS OF RESOURCES

Pensions	13,200,324
Other Postemployment Benefits	9,932,985
Deferred Charges on Refunding	<u>51,960</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>23,185,269</u>

LIABILITIES

Accounts Payable	3,346,177
Accrued Liabilities	315,151
Bond Anticipation Notes Payable	3,181,977
Due to Other Governments	9,612
Due to Teachers' Retirement System	2,768,062
Due to Employees' Retirement System	248,679
Unearned Revenues	12,387
Long-term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (including deferred amount on refunding)	4,124,425
Compensated Absences	269,768
Lease Liability	16,134
Due and Payable In More Than One Year:	
Bonds Payable (including deferred amount on refunding)	43,820,000
Compensated Absences	2,037,369
Net Pension Liability - Proportionate Share	4,333,958
Other Postemployment Benefits	<u>128,782,078</u>
TOTAL LIABILITIES	<u>193,265,777</u>

DEFERRED INFLOWS OF RESOURCES

Pensions	2,406,221
Other Postemployment Benefits	<u>43,412,957</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>45,819,178</u>

NET POSITION

Net Investment in Capital Assets	53,273,189
Restricted	20,894,527
Unassigned (Deficit)	<u>(151,430,490)</u>
TOTAL NET POSITION	<u>\$ (77,262,774)</u>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

<u>FUNCTIONS & PROGRAMS</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE & CHANGES IN NET POSITION</u>
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS</u>	
General Support	\$ (9,598,534)	\$ 0	\$ 0	\$ (9,598,534)
Instruction	(54,191,480)	864,906	3,725,273	(49,601,301)
Pupil Transportation	(6,951,298)	0	0	(6,951,298)
Debt Service - Interest	(2,731,251)	0	0	(2,731,251)
Capital Outlay	(2,821)	0	0	(2,821)
School Lunch Program	(3,202,801)	83,020	1,106,201	(2,013,580)
TOTAL FUNCTIONS & PROGRAMS	<u>\$ (76,678,185)</u>	<u>\$ 947,926</u>	<u>\$ 4,831,474</u>	<u>(70,898,785)</u>
Real Property Taxes				41,454,697
Other Tax Items				2,306,119
Use of Money & Property				6,420,393
Sale of Property & Compensation for Loss				73,610
Miscellaneous				1,276,577
State Sources				28,659,584
Federal Sources				53,321
TOTAL GENERAL REVENUES				<u>80,244,301</u>
CHANGE IN NET POSITION				9,345,516
NET POSITION, BEGINNING OF YEAR, AS RESTATED				<u>(86,608,290)</u>
NET POSITION, END OF YEAR				<u>\$ (77,262,774)</u>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	MISCELLANEOUS SPECIAL REVENUE	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>							
Unrestricted Cash	\$ 4,681,606	\$ 21,014	\$ 12,722	\$ 3,942,997	\$ 306,930	\$ 0	\$ 8,965,269
Restricted Cash	18,027,080	0	0	353,938	2,447,271	66,238	20,894,527
Taxes Receivable	1,530	0	0	0	0	0	1,530
State & Federal Aid Receivable	1,584,636	1,021,101	78,673	0	0	0	2,684,410
Due from Other Governments	1,496,777	0	0	0	0	0	1,496,777
Due from Other Funds	2,450,768	0	168,562	501,633	261,668	0	3,382,631
Other Receivables, Net	19,863	0	0	0	0	0	19,863
Prepaid Expenditures	210,771	0	0	0	0	0	210,771
TOTAL ASSETS	\$ 28,473,031	\$ 1,042,115	\$ 259,957	\$ 4,798,568	\$ 3,015,869	\$ 66,238	\$ 37,655,778

LIABILITIES & FUND BALANCES

<u>LIABILITIES</u>							
Accounts Payable	\$ 1,792,490	\$ 61,536	\$ 239,852	\$ 1,252,299	\$ 0	\$ 0	\$ 3,346,177
Accrued Liabilities	215,981	200	821	0	0	0	217,002
BAN Payable	0	0	0	3,181,977	0	0	3,181,977
Due to Other Governments	9,211	0	401	0	0	0	9,612
Due to Other Funds	670,195	980,379	0	1,163,459	568,598	0	3,382,631
Due to Teachers' Retirement System	2,768,062	0	0	0	0	0	2,768,062
Due to Employees' Retirement System	242,183	0	6,496	0	0	0	248,679
Unearned Revenues	0	0	12,387	0	0	0	12,387
Compensated Absences Payable	269,768	0	0	0	0	0	269,768
TOTAL LIABILITIES	\$ 5,967,890	\$ 1,042,115	\$ 259,957	\$ 5,597,735	\$ 568,598	\$ 0	\$ 13,436,295

FUND BALANCES

Nonspendable	210,771	0	0	0	0	0	210,771
Restricted	18,027,080	0	0	353,938	2,447,271	66,238	20,894,527
Assigned	1,121,343	0	0	0	0	0	1,121,343
Unassigned	3,145,947	0	0	(1,153,105)	0	0	1,992,842
TOTAL FUND BALANCES	\$ 22,505,141	\$ 0	\$ 0	\$ (799,167)	\$ 2,447,271	\$ 66,238	\$ 24,219,483
TOTAL LIABILITIES, & FUND BALANCES	\$ 28,473,031	\$ 1,042,115	\$ 259,957	\$ 4,798,568	\$ 3,015,869	\$ 66,238	\$ 37,655,778

See notes to financial statement

RONDCOUT VALLEY CENTRAL SCHOOL DISTRICT

ACCORD NEW YORK

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2024

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
ASSETS				
Unrestricted Cash	\$ 9,485,155	\$ 0	\$ 0	\$ 9,485,155
Restricted Cash	20,374,661	0	0	20,374,661
Taxes Receivable	1,530	0	0	1,530
State & Federal Aid Receivable	2,684,410	0	0	2,684,410
Due from Other Governments	1,496,777	0	0	1,496,777
Due from Other Funds	3,382,631	0	(3,382,631)	0
Other Receivables, Net	19,863	0	0	19,863
Prepaid Expenses	210,771	0	0	210,771
Right to Use Assets, Net	0	452,775	0	452,775
Non-Depreciable Capital Assets	0	47,361,605	0	47,361,605
Depreciable Capital Assets, Net	0	56,549,385	0	56,549,385
TOTAL ASSETS	37,655,778	104,363,765	(3,382,631)	138,636,912
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	0	13,200,324	0	13,200,324
Other Postemployment Benefits	0	9,932,985	0	9,932,985
Deferred Charges	0	51,960	0	51,960
TOTAL DEFERRED OUTFLOWS OF RESOURCES	0	23,185,269	0	23,185,269
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 37,655,778	\$ 127,549,034	\$ (3,382,631)	\$ 161,822,181
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION				
LIABILITIES				
Accounts Payable	\$ 3,346,177	\$ 0	\$ 0	\$ 3,346,177
Accrued Liabilities	217,002	98,149	0	315,151
BAN Payable	3,181,977	0	0	3,181,977
Due to Other Governments	9,612	0	0	9,612
Due to Other Funds	3,382,631	0	(3,382,631)	0
Due to Teachers' Retirement System	2,768,062	0	0	2,768,062
Due to Employees' Retirement System	248,679	0	0	248,679
Bonds Payable (including deferred amount on refunding)	0	47,944,425	0	47,944,425
Compensated Absences	269,768	0	2,037,369	2,307,137
Unearned Revenues	12,387	0	0	12,387
Lease Liability	0	16,134	0	16,134
Net Pension Liability - Proportionate Share	0	4,333,958	0	4,333,958
Other Postemployment Benefits	0	128,782,078	0	128,782,078
TOTAL LIABILITIES	13,436,295	181,174,744	(1,345,262)	193,265,777
DEFERRED INFLOWS OR RESOURCES				
Pensions	0	2,406,221	0	2,406,221
Other Postemployment Benefits	0	43,412,957	0	43,412,957
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	13,436,295	226,993,922	(1,345,262)	239,084,955
FUND BALANCES / NET POSITION	24,219,483	(99,444,888)	(2,037,369)	(77,262,774)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION	\$ 37,655,778	\$ 127,549,034	\$ (3,382,631)	\$ 161,822,181

See notes to financial statement

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	MISCELLANEOUS SPECIAL REVENUE	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Real Property Taxes	\$ 41,454,697	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 41,454,697
Other Tax Items	2,306,119	0	0	0	0	0	2,306,119
Charges for Services	1,345,376	0	0	0	0	0	1,345,376
Use of Money & Property	1,631,614	0	1,337	4,551,634	235,213	595	6,420,393
Sale of Property & Compensation for Loss	199,109	0	0	0	0	0	199,109
Miscellaneous	629,534	0	41	0	0	78,445	708,020
State Sources	28,409,584	700,964	329,840	250,000	0	0	29,690,388
Federal Sources	53,321	3,024,309	776,361	0	0	0	3,853,991
Sales	0	0	82,979	0	0	0	82,979
TOTAL REVENUES	76,029,354	3,725,273	1,190,558	4,801,634	235,213	79,040	86,061,072
EXPENDITURES							
General Support	6,472,250	1,914,854	0	0	0	0	8,387,104
Instruction	34,381,438	1,810,599	0	0	0	65,598	36,257,635
Pupil Transportation	4,743,432	0	0	0	0	0	4,743,432
Employee Benefits	19,237,421	0	163,187	0	0	0	19,400,608
Debt Service:							
Principal	4,713,071	0	0	0	0	0	4,713,071
Interest	2,595,567	0	0	0	0	0	2,595,567
Cost of Sales	0	0	1,124,760	0	0	0	1,124,760
Capital Outlay	0	0	0	10,442,067	0	0	10,442,067
TOTAL EXPENDITURES	72,143,179	3,725,453	1,287,947	10,442,067	0	65,598	87,664,244
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	3,886,175	(180)	(97,389)	(5,640,433)	235,213	13,442	(1,603,172)
OTHER SOURCES & USES							
Bond Anticipation Notes Paid from Current Year Appropriations	0	0	0	2,940,000	0	0	2,940,000
Proceeds of Long Term Debt	0	0	0	46,185,000	0	0	46,185,000
Operating Transfers In	1,470,389	135,489	245,093	586,942	251,314	0	2,689,227
Operating Transfers (Out)	(832,215)	(135,309)	0	(1,153,105)	(568,598)	0	(2,689,227)
TOTAL OTHER SOURCES & USES	638,174	180	245,093	48,558,837	(317,284)	0	49,125,000
NET CHANGE IN FUND BALANCE	4,524,349	0	147,704	42,918,404	(82,071)	13,442	47,521,828
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	17,980,792	0	(147,704)	(43,717,571)	2,529,342	52,796	(23,302,345)
FUND BALANCES, END OF YEAR	\$ 22,505,141	\$ 0	\$ 0	\$ (799,167)	\$ 2,447,271	\$ 66,238	\$ 24,219,483

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
<u>REVENUES</u>						
Real Property Taxes	\$ 41,454,697	\$ 0	\$ 0	\$ 0	\$ 0	\$ 41,454,697
Other Tax Items	2,306,119	0	0	0	0	2,306,119
Charges for Services	1,345,376	(480,470)	0	0	0	864,906
Use of Money & Property	6,420,393	0	0	0	0	6,420,393
Sale of Property & Compensation for Loss	199,109	0	(125,499)	0	0	73,610
Miscellaneous	708,020	0	0	568,598	0	1,276,618
State Sources	29,690,388	0	0	0	0	29,690,388
Federal Sources	3,853,991	0	0	0	0	3,853,991
Sales	82,979	0	0	0	0	82,979
TOTAL REVENUES	86,061,072	(480,470)	(125,499)	568,598	0	86,023,701
<u>EXPENDITURES</u>						
General Support	8,387,104	0	163,216	0	1,048,214	9,598,534
Instruction	36,257,635	(379,325)	1,714,017	0	16,599,153	54,191,480
Pupil Transportation	4,743,432	0	36,270	0	2,171,596	6,951,298
Community Services	0	0	0	0	0	0
Employee Benefits	19,400,608	2,496,396	0	0	(21,897,004)	0
Debt Service:						
Principal	4,713,071	0	0	(4,713,071)	0	0
Interest	2,595,567	98,149	0	37,535	0	2,731,251
Cost of Sales	1,124,760	0	0	0	2,078,041	3,202,801
Capital Outlay	10,442,067	0	(10,439,246)	0	0	2,821
TOTAL EXPENDITURES	87,664,244	2,215,220	(8,525,743)	(4,675,536)	0	76,678,185
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	(1,603,172)	(2,695,690)	8,400,244	5,244,134	0	9,345,516
<u>OTHER SOURCES & USES</u>						
Proceeds from Debt	46,185,000	0	0	(46,185,000)	0	0
Bond Anticipation Notes Paid from Current Appropriations	2,940,000	0	0	(2,940,000)	0	0
Operating Transfers In	2,689,227	0	0	0	(2,689,227)	0
Operating Transfers (Out)	(2,689,227)	0	0	0	2,689,227	0
TOTAL OTHER SOURCES & USES	49,125,000	0	0	(49,125,000)	0	0
NET CHANGE FOR THE YEAR	\$ 47,521,828	\$ (2,695,690)	\$ 8,400,244	\$ (43,880,866)	\$ 0	\$ 9,345,516

See notes to financial statement

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	<u>PRIVATE PURPOSE TRUSTS</u>
<u>ASSETS</u>	
Cash	\$ 0
Due from Other Funds	<u>0</u>
TOTAL ASSETS	<u><u>\$ 0</u></u>
 <u>LIABILITIES & NET POSITION</u>	
<u>LIABILITIES</u>	<u>\$ 0</u>
TOTAL LIABILITIES	<u>0</u>
<u>NET POSITION</u>	<u>0</u>
TOTAL LIABILITIES & NET POSITION	<u><u>\$ 0</u></u>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>PRIVATE PURPOSE TRUSTS</u>
<u>ADDITIONS</u>	
EPA 2022 Clean School Bus Rebate	<u>\$ 9,875,000</u>
TOTAL ADDITIONS	<u>9,875,000</u>
<u>DEDUCTIONS</u>	
EPA Rebate Remitted to First Student for Electric Bus Project	<u>9,875,000</u>
TOTAL DEDUCTIONS	<u>9,875,000</u>
CHANGE IN NET POSITION	0
NET POSITION, BEGINNING OF YEAR	<u>0</u>
NET POSITION, END OF YEAR	<u><u>\$ 0</u></u>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of the Rondout Valley Central School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Where comparative amounts are presented, certain reclassifications may have been made to the prior year amounts so that they would be in conformity with the current year’s presentation. Significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

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

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

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District’s reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District’s reporting entity.

1. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds have been included in this report. The District accounts for assets held as an agent for various student organizations in the Miscellaneous Special Revenue Fund.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

B. Joint Venture

The District is a component district in the Ulster Board of Cooperative Education Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs, which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n (a) of the New York State General Municipal Law.

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

During the year ended June 30, 2024, the Rondout Valley Central School District was billed \$2,400,410 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$4,387,428. Financial statements for BOCES are available from the Ulster County BOCES administrative office at 175 Route 32 North New Paltz, NY 12561.

C. Basis of Presentation

1. District-Wide Statements

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

The Statement of Net Position presents the financial position of the District at June 30, 2024. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended in those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Basis of Presentation (Continued)

2. Funds Statements

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

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

Special Revenue Funds: These funds account for the proceeds of the specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

Special Aid Fund: Used to account for proceeds received from State and Federal grants that are restricted for specific educational programs.

School Lunch Fund: This fund is used to account for the school lunch operations. The school lunch operation is supported by federal and state grants and charges participants for its services.

Miscellaneous Special Revenue Fund: This fund is used to account for Extraclassroom Activity Funds.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

Fiduciary Fund: Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.

The District reports the following fiduciary funds:

Custodial: These funds are strictly custodial in nature and do not involve the measurement of results of operations.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

D. Measurement Focus and Basis of Accounting

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

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1st and became a lien on August 23rd. Taxes were collected by the District during the period September 1, 2023 through November 3, 2023.

Uncollected real property taxes are subsequently enforced by the Ulster County, which is the county the District is located in. The County pay an amount representing uncollected real property taxes transmitted to the County for enforcement, to the District no later than the following April 1.

F. Restricted Resources

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

G. Interfund Transactions

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

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

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

Refer to Note 11 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, other post-employment benefits, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of The United States and its agencies and obligations of the State and its municipalities and Districts.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

J. Accounts Receivable

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

K. Inventories and Prepaid Items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. There were no prepaid items at June 30, 2024.

L. Other Assets/Restricted Assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

M. Capital Assets

Capital assets are reported at cost for acquisitions. For assets acquired prior to June 30, 2002, estimated historical costs, based on an independent third-party appraisal were used. Donated assets are reported at estimated fair market value at the time received.

Land and construction-in-process are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land Improvements	\$ 5,000	Straight Line	50 years
Buildings and Improvements	5,000	Straight Line	20-50 years
Furniture and Equipment	5,000	Straight Line	5-20 years
Vehicles	5,000	Straight Line	5-20 years

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

N. Right to Use Assets

A right of use assets is a lessee's right to use an asset over the life of the lease. Right to Use Assets are reported at present value.

O. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first deferred outflow is related to pensions reported in the Statement of Net Position. For additional information on these deferred outflows related to pensions, See Note 10. The second deferred outflow is related to other postemployment benefits reported in the Statement of Net Position. For additional information on these deferred outflows related to other postemployment benefits, see Note 12. The third item is related to deferred charges on refinancing.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The District reports deferred inflows of resources in the Statement of Net Position related to pensions reported in the district-wide statements. For additional information on deferred inflows related to pensions, see Note 10. The District also reports deferred inflows of resources in the Statement of Net Position related to other postemployment benefits reported in the district-wide statements. For additional information on deferred inflows related to other postemployment benefits see Note 12.

P. Unearned Revenue

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

Q. Vested Employee Benefits

1. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical/personal time. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Q. Vested Employee Benefits (Continued)

1. Compensated Absences (Continued)

District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken in varying time periods. Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

2. Other Benefits

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

R. Short-Term Debt

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

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

R. Short-Term Debt (Continued)

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

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

S. Accrued Liabilities and Long-Term Obligations

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

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

T. Equity Classifications

1. District-wide Statements

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

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

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

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements

In the fund statements there are five classifications of fund balances:

Non-spendable – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Non-spendable fund balance includes the prepaid expenses in the General Fund of \$210,771.

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

Reserve for Debt Service

According to General Municipal Law §6-l, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the Debt Service Fund.

Retirement Contributions

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

Employee Benefit Accrued Liability Reserve

Reserve for Employee Benefit Accrued Liability (GML §6-p) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Retirement Contribution Reserve – TRS Sub Fund

According to amendments to General Municipal Law §6-r, this reserve must be used to finance retirement contributions to the New York State Teachers Retirement System (“TRS”) and/or offset all or some of the amount deducted from the moneys apportioned to the District from the state under Education Law §521. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. The amount of moneys contributed to the TRS Sub-fund annually cannot exceed 2% of the total salaries of all teachers employed by the District paid during the previous fiscal year. In addition, the total balance of the TRS Sub-fund cannot exceed 10% of the total salaries of all teachers employed by the District paid during the previous fiscal year.

Unemployment Insurance

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

Workers’ Compensation

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Capital Reserve

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

Restricted fund balance at June 30, 2024 consisted of the following:

General Fund:

Capital Reserve	\$ 11,217,566	
Workers' Compensation Reserve	265,125	
Unemployment Insurance Reserve	406,983	
Retirement Contribution Reserve	3,971,080	
Retirement Contribution Reserve - TRS Sub Fund	1,480,092	
Employee Benefit Accrued Liability Reserve	<u>686,234</u>	
		\$ 18,027,080
Capital Fund		353,938
Debt Service Fund		2,447,271
Miscellaneous Special Revenue Fund		<u>66,238</u>
Total Restricted Fund Balance		<u><u>\$ 20,894,527</u></u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District did not classify any of its fund balances as committed as of June 30, 2024.

Assigned: Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint 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. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the year.

Unassigned: Includes fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

Order of Use of Fund Balance:

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

Limitation on Unexpended Surplus Funds:

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

U. New Accounting Standards

GASB has issued Statement 99, *Omnibus 2022*, the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The District has implemented GASB Statement 99, as required.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. New Accounting Standards (Continued)

GASB has issued Statement 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District has implemented GASB Statement 100, as required.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

V. Future Changes in Accounting Standards

GASB has issued Statement 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2025 financial statements.

GASB has issued Statement 102, *Certain Risk Disclosures*, the objective of this Statement is to provide users of governmental financial statements with essential information about risk related to government's vulnerabilities due to certain concentrations or constraints. The Statement requires a government that reports a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, the Statement requires a government to assess whether an event or events that could have a substantial impact, have occurred, have begun to occur, or are more likely than not to occur within 12 months of the date the financial statements are issued. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2026 financial statements.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS.

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:

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

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

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2024 were as follows:

Original Cost of Capital Assets	\$ 134,295,344
Accumulated Depreciation	(30,384,354)
	\$ 103,910,990

2. The cost of right to use assets (equipment) financed from governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those right to use assets among the assets of the District as a whole, with the present value capitalized and amortization expensed annually over the period of use. The balances at June 30, 2024 are as follows:

Original Cost of Right to Use Assets	\$ 850,384
Accumulated Amortization	(397,609)
	\$ 452,775

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

A. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities: (Continued)

3. In the Statement of Net Position, a liability is recognized for the District's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the District participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the District's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily result from contributions subsequent to the measurement date, as well as changes in the components of the net pension liability or asset. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at June 30, 2024 were as follows:

Deferred Outflows of Resources - Pensions	\$ 13,200,324
Net Pension Liability - Proportionate Share	(4,333,958)
Deferred Inflows of Resources - Pensions	<u>(2,406,221)</u>
	<u>\$ 6,460,145</u>

4. Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The balance at June 30, 2024 was as follows:

Deferred Charges	<u>\$ 51,960</u>
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5. Interest is accrued in the Statement of Net Position, regardless of when it is due. This liability does not appear on the Balance Sheet because interest is expended when it is due, and thus requires the use of current financial resources. This liability at June 30, 2024 was as follows:

Accrued Interest	<u>\$ 98,149</u>
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RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

A. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities: (Continued)

6. Long-term liabilities and related deferred inflows are reported in the Statement of Net Position, but not in the Balance Sheet, because the liabilities are not due and payable in the current period. The balances at June 30, 2024 were as follows:

Bonds Payable	\$ 47,930,000
Deferred Amount on Refunding	14,425
Compensated Absences	2,037,369
Leases	16,134
Deferred Outflows of Resources - OPEB	(9,932,985)
Other Postemployment Benefits	128,782,078
Deferred Inflows of Resources - OPEB	43,412,957
	\$ 212,259,978

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

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

1. Long-Term Revenue Differences

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

2. Capital Related Differences

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

3. Long-Term Debt Transaction Differences

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities (Continued):

4. Pension Plan Transaction Differences

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

5. Other Post Employment Benefit (OPEB) Related Differences

OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

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

Total Revenues and Other Funding Sources

Total revenues reported in governmental funds (Schedule 5)	\$ 135,186,072
Upon disposition of assets totaling \$326,611, the cost exceeded the accumulated depreciation of \$157,157 and accumulated amortization of \$43,955.	(125,499)
Prior year receivables, received after 90 days from year end are not reported as revenue in the governmental funds, but are recorded as revenue in the current year Statement of Activities.	(480,470)
Unamortized BAN Premium	568,598
Repayment of BANS and issuance of bonds is reported as revenue in the governmental funds, but is recorded as a liability in the Statement of Net Postion and does not affect the Statement of Activities.	<u>(49,125,000)</u>
Total revenues in the Statement of Activities (Schedule 2)	<u>\$ 86,023,701</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities (Continued):

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities (Continued)

Total Expenditures & Other Uses/Expenses

Total expenditures reported in governmental funds (Schedule 5)	\$	87,664,244
<p>When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of \$10,439,246 were more than depreciation of \$1,813,508 and the remaining depreciation.</p>		
		(8,625,738)
<p>When the lease of right to use assets are financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are paid for. However, in the Statement of Activities, the present value of those assets is capitalized and the expense is allocated over the period of use and reported as amortization expense. This is the amount by which amortization of \$163,762 was more than the present value of right to use assets of \$63,767 purchased in the current year off set by the unamortized balance of disposed assets.</p>		
		99,995
<p>In the Statement of Activities, certain operating expenses (compensated absences and special termination benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated Absences earned are less than the amount paid.</p>		
		(379,325)
<p>In the Statement of Activities, the expense for other postemployment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost and changes in benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. In the governmental funds, however, OPEB expenditures are measured by the amount of financial resources used (essentially the amounts actually paid.). This is the amount by which the OPEB expense in the Statement of Activities exceeded the amount of financial resources used during the year.</p>		
		(18,223)

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities (Continued):

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities (Continued)

<p>In the Statement of Activities , pension expense related to ERS and TRS defined benefit pension plans is measured as the change in the District's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds however, these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which the pension expense was exceeded by the amount of financial resources expended during the fiscal year.</p>	2,514,619
<p>Premiums and discounts on long-term debt issuances, bond issuance costs and deferred amounts from debt refunding are recognized in the fiscal year in which the transactions occur in the governmental fund statements. These amounts are amortized in the Statement of Activities This is the amount that was amortized during the current year.</p>	37,535
<p>Payment of lease principle is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Position, and does affect the Statement of Activities.</p>	(48,071)
<p>Repayment of BANS, bond and installment debt principal is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Position, and does not affect the Statement of Activities.</p>	<u>(4,665,000)</u>
<p>Total expenses in the Statement of Activities (Schedule 2)</p>	<p><u>\$ 76,580,036</u></p>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3. STEWARDSHIP AND COMPLIANCE.

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the year are shown on Supplemental Schedule #5.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3. STEWARDSHIP AND COMPLIANCE. (Continued)

A. Budgets (Continued)

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the year ended June 30, 2024.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent years until the completion of the projects.

B. Encumbrances

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

NOTE 4. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes.

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$	0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	\$	31,860,695

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$20,374,661 within the governmental funds.

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk. The District participates in multi-municipal cooperative investment pool agreements pursuant to New York State General Municipal Law Article 5-G, Section 110-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS. (Continued.)

Total investments of the NYClass cooperative as of year-end are \$11,833,084,338, which consisted of \$1,924,275,851 in repurchase agreements, \$6,751,135,206 in U. S. Treasury Bills, \$1,281,296,555 in U.S. Treasury Securities and \$1,765,376,726 in collateralized bank deposits all with various interest rate and due dates.

NOTE 5. CAPITAL ASSETS.

Capital asset balances and activity for the year ended June 30, 2024, were as follows:

	<u>Balance As Restated</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 5,272,122	\$ 0	\$ 0	5,272,122
Construction in Progress	31,850,658	10,238,825	0	42,089,483
Total Nondepreciable Assets	<u>37,122,780</u>	<u>10,238,825</u>	<u>0</u>	<u>47,361,605</u>
Capital assets that are depreciated:				
Buildings and Improvements	83,549,182	0	0	83,549,182
Furniture & Equipment	2,818,069	118,587	(221,806)	2,714,850
Vehicles	644,596	81,834	(56,723)	669,707
Total Depreciable Assets	<u>87,011,847</u>	<u>200,421</u>	<u>(278,529)</u>	<u>86,933,739</u>
Less: Accumulated Depreciation	<u>(28,728,003)</u>	<u>(1,813,508)</u>	<u>157,157</u>	<u>(30,384,354)</u>
Capital Assets, Net	<u>\$ 95,406,624</u>	<u>\$ 8,625,738</u>	<u>\$ (121,372)</u>	<u>\$103,910,990</u>

Depreciation expense was charged to governmental functions as follows:

General Support	\$ 163,216
Instruction	1,614,022
Transportation	<u>36,270</u>
Total Depreciation	<u>\$ 1,813,508</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS

NOTE 6. RIGHT OF USE ASSETS.

Right of use asset balances and activity for the year ended June 30, 2024, were as follows:

	Beginning Balance As Restated	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Right to use assets that are amortized:				
Furniture & Equipment	\$ 834,700	\$ 63,767	\$ (48,083)	\$ 850,384
Less: Accumulated Amortization	(277,802)	(163,762)	43,955	(397,609)
Right of Use Assets, Net	\$ 556,897	\$ (99,995)	\$ (4,127)	\$ 452,775

Amortization expense was charged to governmental functions as follows:

General Support	\$ 16,376
Instruction	147,386
Total Amortization	\$ 163,762

NOTE 7. SHORT TERM LIABILITIES.

Short-term liability balances and activity for the year are summarized below:

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance
BAN matures 2024	\$55,676,634	\$ 0	\$ 55,676,634	\$ 0
Unamortized Premium on BAN	0	0	0	0
BAN matures 2025	0	497,931	497,931	0
BAN matures 2025	0	3,181,977	0	3,181,977
Total Short-Term Debt	\$55,676,634	\$ 3,679,908	\$ 56,174,565	\$ 3,181,977
Interest Paid		2,505,449		
Plus Interest Accrued in the Current Year		1,961		
Interest Expense		2,507,410		

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8. LONG-TERM LIABILITIES.

Long-term liability balances and activity for the year are summarized below:

	As Restated			Ending Balance	Amounts Due Within One Year
	Beginning Balance	Issued	Paid/ Redeemed		
Governmental Activities:					
Bonds and Notes					
Payable:					
Bonds Payable	\$ 3,470,000	\$ 46,185,000	\$ 1,725,000	\$ 47,930,000	\$ 4,110,000
Deferred Amount on Refunding	583,023	0	568,598	14,425	14,425
Total Bonds and Notes Payable	4,053,023	46,185,000	2,293,598	47,944,425	4,124,425
Other Liabilities:					
Compensated Absences	2,416,693	269,768	379,324	2,307,137	269,768
Leases Payable	64,205	0	48,071	16,134	16,134
Other Postemployment Benefits	125,562,713	7,683,834	4,464,469	128,782,078	0
Net Pension Liability Proportionate Share	6,646,114	202,463	2,514,619	4,333,958	0
Total Other Liabilities	134,689,725	8,156,065	7,406,483	135,439,307	285,902
Total Long-Term Liabilities	\$ 138,742,748	\$ 54,341,065	\$ 9,700,081	\$ 183,383,732	\$ 4,410,327

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8. LONG-TERM LIABILITIES. (Continued)

Existing serial bond and installment purchase obligations are as follows:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Serial Bonds:				
Serial Bond - Refunded 2018	12/19/17	06/15/25	1.95%	\$ 1,745,000
Serial Bond \$8,425,000	06/27/24	06/27/36	5.00%	8,425,000
Serial Bond \$15,360,000	06/27/24	06/27/38	5.00%	15,360,000
Serial Bond \$13,560,000	06/27/24	06/27/39	5.00%	13,560,000
Serial Bond \$8,840,000	06/27/24	06/27/39	5.00%	8,840,000
				<u>\$ 47,930,000</u>

The following is a summary of maturing bond debt service requirements:

<u>For the Year Ended June 30,</u>	<u>Bonds and Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 4,110,000	\$ 2,307,456
2026	2,515,000	2,191,000
2027	2,620,000	2,065,250
2028	2,770,000	1,934,250
2029	2,905,000	1,795,750
2030 and thereafter	<u>33,010,000</u>	<u>11,629,750</u>
TOTAL	<u>\$ 47,930,000</u>	<u>\$ 21,923,456</u>

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

Interest paid	\$ 90,118
Plus: Interest accrued in the current year	<u>96,188</u>
Total interest expense	<u>\$ 186,306</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9. LEASES.

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 20, 2024
Installment Purchase Agreement - Printers	10/16/2020	48 months	\$ 4,042	1.030%	\$ 190,000	\$ 16,134
						<u>\$ 16,134</u>

The District leased printers through Ulster BOCES. These leases are paid over a four-year period. This lease is not renewable and the District will not acquire the equipment at the end of the four years.

Annual requirements to amortize long-term obligations and related interest are as follows:

For the Year Ended June 30,	Leases Payable	
	Principal	Interest
2025	\$ 16,134	\$ 34
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030 and thereafter	0	0
TOTAL	<u>\$ 16,134</u>	<u>\$ 34</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. PENSION PLANS.

Employees' Retirement System Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). ERS and the New York State and Local Police and Fire Retirement System (PFRS) are collectively referred to as New York State and Local Retirement System (the ERS System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the ERS System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the ERS System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

Teachers' Retirement System Plan Description

The New York State Teachers Retirement System (the TRS System) was created and exists pursuant to Article 11 of the New York State Education Law. The System is the administrator of a cost-sharing, multiple-employer public employee retirement system (PERS), administered by a 10-member Board to provide pension and ancillary benefits to teachers employed by participating employers in the State of New York, excluding New York City. For additional Plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the System's website located at www.nystrs.org.

ERS Benefits Provided

The ERS System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Tiers 1 and 2 (Continued)

retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent greater than the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Tiers 3, 4, and 5 (Continued)

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4 and 5 members, each year of final average salary calculation is limited to no more than 10 percent greater than the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied 1 for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent greater than the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Disability Retirement Benefits

Disability retirement benefits are available to ERS and PFRS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets or other benefits depend on a member's tier, years of service, and plan.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

TRS Benefits Provided

The benefits provided to members of the TRS System are established by New York State law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Service Retirements

Tier 1 and 2 members are generally eligible for a service retirement benefit of 2% per year of credit service times final average salary (FAS). A 5% reduction generally applies for each full year of state service under 20 years (prorated for partial years with a maximum reduction of 50%). Tier 1 and 2 members may retire as early as age 55 with five or more years of state service credit. Retirement may also occur for Tier 1 members at age 55 with less than five years of service if two years are credited since July 1, 1967, after the current membership date, and since the member turned age 53.

Generally, the maximum pension payable to Tier 1 and 2 members (with two years of credit under the Article 19 Benefit Enhancement law) is 79% of FAS. An age factor applies to Tier 2 members who retire before age 62 with less than 30 years of service. There is no age factor for Tier 1 members.

Tier 3 and 4 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 2.0% per year for 20 to 30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 3 and 4 members may retire as early as age 55 with five years of state service credit. An age factor applies for Tier 3 and 4 members who retire before age 62 with less than 30 years of service.

RONDOT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier 5 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 25 years of service, 2% per year for 25 - 30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 5 members may retire as early as age 55 with 10 years of service credit. An age factor applies to Tier 5 members who retire before age 57 or retire between age 57 and 62 with less than 30 years of service.

Tier 6 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 1.75% per year for 20 years of service, and 35% of FAS plus 2% per year for service beyond 20 years. Tier 6 members may retire as early as age 55 with 5 years of state service credit. An age factor applies for Tier 6 members who retire before age 63. In addition, vested Tier 6 members with an inactive membership must be at least 63 to retire.

Vested Benefits

Retirement benefits for Tiers 1-6 are vested after five years of credited service. Prior to April 9, 2022, Tier 5-6 members needed to attain 10 years of state service credited to be vested. Benefits are payable at age 55 or greater with the limitations noted for service retirement above.

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service, except for Tier 3 where disability retirement is permissible after five years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service and certain retirees. For active members, the benefit is based on final salary, age and the number of years of credited service. For retired members, it is also based on the number of years in retirement.

Prior and Military Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tiers 1 and 2 members may, under certain conditions, claim out of state service. Certain members may also claim military service credit prior to or interrupting membership.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. PENSION PLANS. (Continued)

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

Permanent Cost of Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the Consumer Price Index (CPI) not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of the maximum annual benefit. The applicable percentage payable beginning September 2023 is 2.5%.

Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the Consumer Price Index (CPI) with a maximum per annum increase of 3.0%.

Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' year ended March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

<u>Year</u>	<u>NYSTRS</u>	<u>NYSERS</u>
2023-2024	\$ 2,867,188	\$ 829,129
2022-2023	2,624,327	686,768
2021-2022	2,303,264	949,550

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. PENSION PLANS. (Continued)

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

At June 30, 2024, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2024 for ERS and June 30, 2023 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

Actuarial Valuation Date	ERS March 31, 2024	TRS June 30, 2023
Net Pension Asset/(Liability)	\$ (2,769,725)	\$ (1,564,233)
District's Portion of the Plan's Total Net Pension Asset/(Liability)	0.0188109%	0.136783%

At March 31, 2024, the District's proportion of the NYSERS net pension asset/(liability) was 0.0188109%, there was a increase of 0.0001893% from its proportion measured as of March 31, 2023.

At June 30, 2023, the District's proportion of the NYSTRS net pension asset/(liability) was 0.136783%, which was an decrease of 0.001468% from its proportion measured as of June 30, 2022.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. PENSION PLANS. (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2024, the District's recognized pension expense of \$1,335,797 for ERS and \$4,518,293 for TRS. At June 30, 2024 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows or Resources		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 892,126	\$ 3,792,849	\$ 4,684,975
Changes of Assumptions	1,047,171	3,367,748	4,414,919
Net difference between projected and actual earnings on pension plan investments	-	799,605	799,605
Changes in proportion and difference between the District's contributions and proportionate share of contributions	251,593	330,344	581,937
District's contributions subsequent to the measurement date	<u>242,183</u>	<u>2,476,705</u>	<u>2,718,888</u>
Total	<u>\$ 2,433,073</u>	<u>\$ 10,767,251</u>	<u>\$ 13,200,324</u>

RONDOT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. PENSION PLANS. (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	Deferred Inflows or Resources		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 75,523	\$ 9,374	\$ 84,897
Changes of Assumptions	-	733,982	733,982
Net difference between projected and actual earnings on pension plan investments	1,352,996	0	1,352,996
Changes in proportion and difference between the District's contributions and proportionate share of contributions	-	234,346	234,346
District's contributions subsequent to the measurement date	0	0	0
Total	\$ 1,428,519	\$ 977,702	\$ 2,406,221

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	<u>ERS</u>	<u>TRS</u>
2024	\$ 0	\$ (683,735)
2025	403,685	784,560
2026	(598,481)	(6,329,891)
2027	(843,914)	(480,862)
2028	276,339	(360,729)
Thereafter	0	(242,187)

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. PENSION PLANS. (Continued)

Actuarial Assumptions

The total ERS pension liability at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024. The total TRS pension liability at June 30, 2023 was determined by using an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2024. These actuarial valuations used the following actuarial assumptions.

Significant actuarial assumptions used in the actuarial valuations referred to above were as follows:

	<u>ERS</u>	<u>TRS</u>										
Inflation Rate	2.9%	2.40%										
Projected Salary Increases	4.4%	Rates of increase differ based on service. They have been calculated										
		<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: center;"><u>Service</u></th> <th style="text-align: center;"><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">5.18%</td> </tr> <tr> <td style="text-align: center;">15</td> <td style="text-align: center;">3.64%</td> </tr> <tr> <td style="text-align: center;">25</td> <td style="text-align: center;">2.50%</td> </tr> <tr> <td style="text-align: center;">35</td> <td style="text-align: center;">1.95%</td> </tr> </tbody> </table>	<u>Service</u>	<u>Rate</u>	5	5.18%	15	3.64%	25	2.50%	35	1.95%
<u>Service</u>	<u>Rate</u>											
5	5.18%											
15	3.64%											
25	2.50%											
35	1.95%											
Projected Cost of Living Adjustments	1.5%	1.3% Compounded annually										
Investment Rate of Return, Including Inflation	5.9% compounded annually, net of investment expenses, including inflation	6.95% compounded annually, net of pension plan investment expense, including inflation										
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience										
Mortality Improvement	Society of Actuaries Scale MP-2021	Society of Actuaries Scale MP-2021										

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. PENSION PLANS. (Continued)
Actuarial Assumptions (Continued)

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

The Long Term Expected Rates of Return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2023 for TRS and March 31, 2024 for ERS are summarized in the following table:

Measurement Date	ERS		Measurement Date	TRS	
	March 31, 2024			June 30, 2023	
	Target Allocation	Long-term expected real rate of return		Target Allocation	Long-term expected real rate of return*
Asset Class:			Asset Class:		
Domestic Equity	32%	4.30%	Domestic Equities	33%	6.80%
International Equity	15%	6.85%	International Equities	15%	7.60%
Private Equity	10%	7.50%	Global Equities	4%	7.20%
Real Estate	9%	4.60%	Real Estate Equities	11%	6.30%
Opportunistic/ARC Portfolio	3%	5.38%	Private Equity	9%	10.10%
Credit	4%	5.43%	Domestic Fixed Income	16%	2.20%
Real Assets	3%	5.84%	Global Bonds	2%	1.60%
Fixed Income	23%	1.50%	High-yield Bonds	1%	4.40%
Cash	1%	0.00%	Private Debt	2%	6.00%
			Real Estate Debt	6%	3.20%
			Cash Equivalents	1%	0.30%
Total	100%			100%	

The real rate of return is net of the long-term inflation assumption of 2.9%.

* Real rates of return are net of a long-term inflation assumption of 2.4%.

(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. PENSION PLANS. (Continued)

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

The following presents the District's proportionate share of the ERS and TRS net pension liability calculated using the discount rates referred to above, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate referred to above:

<u>ERS</u>	<u>1% Decrease 4.90%</u>	<u>Current Assumption 5.90%</u>	<u>1% Increase 6.90%</u>
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (8,708,298)	\$ (2,769,725)	\$ 2,190,216
<u>TRS</u>	<u>1% Decrease 5.95%</u>	<u>Current Assumption 6.95%</u>	<u>1% Increase 7.95%</u>
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (23,824,065)	\$ (1,564,233)	\$ 17,157,248

Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of the measurement dates indicated below were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2024	June 30, 2023
Employers' total pension asset/(liability)	\$ (240,696,851)	\$ (138,365,121,961)
Plan net position	<u>(225,972,801)</u>	<u>(137,221,536,942)</u>
Employer's net pension asset/(liability)	<u>\$ (14,724,050)</u>	<u>\$ (1,143,585,019)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	93.88%	99.2%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's year which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contributions for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$242,183 of employer contributions. Employee contributions are remitted monthly.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10. PENSION PLANS. (Continued)

Payables to the Pension Plan (Continued)

For TRS, employer and employee contributions for the year ended June 30, 2024 are paid to the System in September, October and November 2024 through state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the year ended June 30, 2020. Employer contributions are based on paid TRS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$2,476,705.

NOTE 11. INTERFUND BALANCES AND ACTIVITY.

Interfund balances and activity for the year ended June 30, 2024, were as follows:

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 2,450,768	\$ 670,195	\$ 1,470,389	\$ 832,215
Special Aid Fund	0	980,379	135,489	135,309
School Lunch Fund	168,562	0	245,093	0
Capital Fund	501,633	1,163,459	586,942	1,153,105
Debt Service Fund	261,668	568,598	251,314	568,598
Total Governmental Activities	3,382,631	3,382,631	2,689,227	2,689,227
Fiduciary Agency Fund	0	0	0	0
Totals	<u>\$ 3,382,631</u>	<u>\$ 3,382,631</u>	<u>\$ 2,689,227</u>	<u>\$ 2,689,227</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

The District typically transfers from the General Fund to the Special Aid Fund to fund the portion of the Summer Handicapped Program not funded by aid from New York State.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS.

Plan Description – The District’s defined benefit OPEB plan (“the District’s OPEB plan”), provides OPEB for eligible retired employees, their spouses and their dependent children. The District’s OPEB plan is a single-employer defined benefit OPEB plan administered by the District based on employment contracts. As these employment contracts are renegotiated, eligibility and benefits may change over time. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided – The District’s OPEB plan subsidizes the cost of healthcare eligible retired employees, their spouses and their dependent children. Eligibility is based on the respective rules of the New York State and Local Employees Retirement System (ERS) and the New York State Teachers Retirement System (TRS), as well as the provisions of the District’s agreements with its employees. The following eligibility rules currently apply to the District’s employees:

<u>Employee Groups</u>	<u>Date of Hire Cut - off</u>	<u>Service Requirements</u>
Teachers & Nurses		10 years
	Before 02/01/2010	10 years
Custodial & Maintenance Unit	On/After 02/01/2010	15 Years
	Before 01/01/1998	10 years
Cafeteria Unit	On/After 01/01/1998	15 Years
	Before 01/01/1994	10 years
School Related Professionals & Paraprofessionals	On/After 01/01/1994	15 Years
Administrators/Confidential Staff		10 years
Superintendent		7 years

The same health plan options are available to active employees and retirees: Orange/Ulster School District Health Plan (OUSDHP) PPO and MVP PPO. For Medicare retirees, MVP USA PPO, a Medicare Advantage plan, is also available. All health plans are considered fully-insured and experience-rated for those of this valuation. The monthly premium rates effective on July 1, 2022 used in the valuation are shown below and were provided by the District.

<u>Health Plans</u>	<u>Pre - 65</u>		<u>Post - 65</u>	
	<u>Single</u>	<u>Two-Party</u>	<u>Single</u>	<u>Two-Party</u>
OUSDHP PPO	\$ 1,108	\$ 2,386	\$ 627	\$ 1,310
MVP	\$ 1,160	\$ 2,517	N/A	N/A
MVP USA PPO	N/A	N/A	\$ 468	\$ 935

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Employees Covered by Benefit Terms – At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	366
Active employees	381
Total Employees Covered by Benefit Terms	747

Total OPEB Liability

The District’s total OPEB liability of \$128,782,078 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.7%
Projected Salary Increases, Including Wage Inflation	Varies by years of service and retirement system
Discount Rate	4.21%
Healthcare Cost Trend Rates	<p>Medical: 6.75 from 2022 to 2023, followed by 6.50% from 2023 to 2024, decreasing gradually to an ultimate rate of 4.14% by 2076.</p> <p>Part B Reimbursement: -3.06% decrease from 2022 to 2023, followed by projected Part B premium increase shown in the 2022 Medicare Trustees report, and decreasing to an ultimate rate of 4.14% by 2076.</p> <p>Dental/Vision: None</p>
Current Retirees' Share of Benefit Related Costs	Retirees pay based on their specific cost sharing arrangement.
Future Retirees' Share of Benefit Related Costs	Retirees pay based on their specific cost sharing arrangement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

The discount rate was based on a review of the yield derived from the Bond Buyer 20 GO Bond Index closest to the measurement date.

The demographic assumptions include the rates of mortality, withdrawal, retirement, and disability. They are based on the NYS ERS assumptions first effective on April 1, 2020 and NYS TRS assumptions first used on June 30, 2021 with the exception of mortality rates. The mortality rates are based on recent mortality tables published by SOA (Pub-2010) Headcount-Weighted table (Teachers for TRS group and General Employees for ERS group), projected fully generationally using MP-2021.

Changes in the Total OPEB Liability

Balance at June 30, 2023	<u>\$ 125,562,713</u>
<u>Changes for the Year:</u>	
Service cost	3,694,099
Interest	5,247,048
Differences between expected and actual experience	245,052
Changes in assumptions or other inputs	(1,502,365)
Benefit payments	<u>(4,464,469)</u>
Net Changes	<u>3,219,365</u>
Balance at June 30, 2024	<u><u>\$ 128,782,078</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.21 percent) or 1 percentage point higher (5.21 percent) than the current discount rate:

	1% Decrease (3.21%)	Current Discount Rate (4.21%)	1% Increase (5.21%)
Total OPEB Liability	<u>\$ 149,601,639</u>	<u>\$ 128,782,078</u>	<u>\$ 112,012,026</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	<u>1%</u> <u>Decrease</u>	<u>Current Health Care</u> <u>Cost Trend Rates</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability	\$ 108,530,622	\$ 128,782,078	\$ 149,601,639

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of \$4,446,246. At June 30, 2024, the District reported the following deferred inflows of resources related to OPEB.

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 1,712,409	\$ 10,834,747
Changes of assumptions or other inputs	8,220,576	32,578,210
District's contributions subsequent to the measurement date	<u>0</u>	<u>0</u>
Total	<u>\$ 9,932,985</u>	<u>\$ 43,412,957</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024. Other amounts recognized in the deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2025	\$(3,974,709)
2026	(13,527,131)
2027	(11,236,901)
2028	(4,741,231)
2029	0
Thereafter	0

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13. RETIREMENT INCENTIVES.

The District approved a local retirement incentive whereby certain teachers who were eligible to retire during the 2023-2024 year under the New York State Teacher's Retirement System, were offered a retirement incentive. Three teachers retired who were eligible for the incentive. These individuals will receive a non-elective employer contribution of \$20,000 each. The District also approved a retirement incentive to clerical staff who retired during the 2023-2024 year. Six clerical staff members were eligible for this incentive. These individuals will receive a non-elective employer contribution of \$30,000 each. These incentives are charged to expenditures in the governmental funds in the current year and totaled \$240,000 for the fiscal year.

NOTE 14. RISK MANAGEMENT.

General Information

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

Pool, Risk Sharing

The District participates in the Ulster County Workers' Compensation Fund, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. The total undiscounted liability for the Plan as of December 31, 2023, was \$17,049,972.48. For June 30, 2024, the plan had assets in excess of the liability of \$19,223,380.

NOTE 15. COMMITMENTS AND CONTINGENCIES.

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

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16. ENCUMBRANCES.

Encumbrances represent contracts, purchase orders, payroll commitments, tax payables, or legal penalties that are chargeable to an account. They cease to be encumbrances when paid or when the actual liability amount is determined and recorded as an expenditure. As discussed in Note 1, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2024 the amount of encumbrances expected to be honored upon performance by the vendor in the subsequent year were as follows:

General Fund	\$ 140,189
Total Encumbrances	\$ 140,189

NOTE 17. TAX ABATEMENTS.

The District entered into real property tax abatement agreements that reduce the District's gross tax revenues. The property tax abatement agreements are entered into with local businesses under the state municipal law for the purpose of attracting or retaining businesses within the town. For the year ended June 30, 2024, the District abated property taxes totaling \$64,346 under the property tax abatement agreements and received payments in lieu of tax (PILOT) payments totaling \$47,127.

NOTE 18. RESTATEMENT.

During fiscal year 2024, changes to or within the financial reporting entity and error corrections resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	General Fund	Miscellaneous Special Revenue	Governmental Activities
June 30, 2023, as Previously Stated	\$ 17,946,577	\$ -	\$ (89,026,346)
Accounts Payable Error Correction - June 30, 2023	34,215		34,215
Reclassification of Extraclassroom Activities to Miscellaneous Special Revenue - June 30, 2023		52,796	52,796
Right of Use Assets, Net Book Value Error Correction - June 30, 2023			556,897
Construction in Progress - Error Correction - June 30, 2023			1,914,966
Capital Projects Completed PY - Error Correction - June 30, 2023			1,477,423
Workers Compensation Prepaid - Error Correction - June 30, 2023			(356,355)
Compensated Absences - Error Correction - June 30, 2023			(1,216,714)
High School & Middle School Project Costs - Error Correction - June 30, 2023			(45,172)
June 30, 2023, as Restated	\$ 17,980,792	\$ 52,796	\$ (86,608,290)

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 19. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through October 8, 2024 the date that the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD NEW YORK
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18
<u>Total OPEB Liability</u>							
Service cost	\$ 3,694,099	\$ 4,489,368	\$ 6,568,569	\$ 7,016,714	\$ 4,528,002	\$ 2,735,178	\$ 2,853,380
Interest	5,247,048	5,311,136	3,991,623	4,284,007	5,156,342	4,628,623	4,252,784
Changes of benefit terms	0	(626,415)	0	(2,027,826)	0	0	0
Differences between expected and actual experience	245,052	(10,794,894)	369,044	(10,914,451)	43,014	9,272,707	0
Changes in assumptions or other inputs	(1,502,365)	(16,143,731)	(39,343,066)	(2,826,895)	38,633,037	12,472,191	(6,004,537)
Benefit payments	(4,464,469)	(4,392,738)	(4,167,687)	(4,097,188)	(3,707,216)	(3,491,304)	(2,595,800)
Net change in total OPEB liability	3,219,365	(22,157,274)	(32,581,517)	(8,565,639)	44,653,179	25,617,395	(1,494,173)
Total OPEB liability-beginning	125,562,713	147,719,987	180,301,504	188,867,143	144,213,964	118,596,569	120,090,742
Total OPEB liability-ending	\$ 128,782,078	\$ 125,562,713	\$ 147,719,987	\$ 180,301,504	\$ 188,867,143	\$ 144,213,964	\$ 118,596,569
Covered-employee payroll	\$ 31,710,705	\$ 29,055,770	\$ 30,003,722	\$ 29,350,079	\$ 29,821,384	\$ 26,884,664	\$ 29,625,799
Total OPEB liability as a percentage of covered-employee payroll	406.10%	432.10%	492.30%	614.30%	633.30%	536.40%	400.30%

Notes to Schedule:

Changes in assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

6/30/2018	3.87%
6/30/2019	3.51%
6/30/2020	2.21%
6/30/2021	2.16%
6/30/2022	3.54%
6/30/2023	4.13%
6/30/2024	4.21%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits
 * GASB 75 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2018, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

See paragraph on supplementary schedules included in auditor's report.

ROUNDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

<u>REVENUES</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>CURRENT YEAR'S REVENUES</u>	<u>OVER (UNDER) REVISED BUDGET</u>
LOCAL SOURCES:				
Real Property Taxes	\$ 43,545,882	\$ 43,545,882	\$ 41,454,697	\$ (2,091,185)
Other Tax Items	25,000	25,000	2,306,119	2,281,119
Charges for Services	500,000	500,000	1,345,376	845,376
Use of Money & Property	145,000	145,000	1,631,614	1,486,614
Sale of Property & Compensation for Loss	4,500	4,500	199,109	194,609
Miscellaneous	895,500	895,500	629,534	(265,966)
STATE SOURCES	29,087,030	29,087,030	28,409,584	(677,446)
FEDERAL SOURCES	100,000	100,000	53,321	(46,679)
OTHER SOURCES:				
Operating Transfers In	0	0	1,470,389	1,470,389
TOTAL REVENUES	<u>74,302,912</u>	<u>74,302,912</u>	<u>\$ 77,499,743</u>	<u>\$ 3,196,831</u>
APPROPRIATED FUND BALANCE	<u>1,279,666</u>	<u>1,780,672</u>		
TOTAL REVENUES & APPROPRIATED FUND BALANCE	<u>\$ 75,582,578</u>	<u>\$ 76,083,584</u>		

See paragraph on supplementary schedules included in auditor's report.

RONDOUIT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

<u>EXPENDITURES</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>CURRENT YEAR'S EXPENDITURES</u>	<u>ENCUMBRANCES</u>	<u>UNENCUMBERED BALANCE</u>
<u>GENERAL SUPPORT:</u>					
Board of Education	\$ 20,829	\$ 26,896	\$ 25,570	\$ 297	\$ 1,029
Central Administration	1,193,329	1,192,853	1,120,495	3,224	69,134
Finance	307,722	293,570	250,638	5,634	37,298
Staff	289,040	301,998	291,049	0	10,949
Central Services	4,052,070	4,072,310	3,803,168	91,690	177,452
Special Items	1,009,913	1,017,023	981,330	0	35,693
<u>INSTRUCTIONAL:</u>					
Instruction, Administration & Improvement	2,702,550	2,694,965	2,664,225	2,988	27,752
Programs for Children with Handicapping Conditions	11,109,080	11,059,665	9,877,296	21,135	1,161,234
Teaching - Regular School	15,628,750	15,543,702	15,150,706	12,140	380,856
Occupational Education	0	0	0	0	0
Teaching - Special Schools	50,000	57,500	57,332	0	168
Instructional Media	2,701,118	2,739,739	2,482,889	2,214	254,636
Pupil Services	4,259,697	4,480,313	4,148,990	210	331,113
<u>PUPIL TRANSPORTATION</u>					
COMMUNITY SERVICES	6,246,103	5,408,179	4,743,432	657	664,090
EMPLOYEE BENEFITS	0	0	0	0	0
DEBT SERVICE:	19,125,397	19,447,811	19,237,421	0	210,390
Debt Service - Principal					
Debt Service - Interest	4,591,163	4,731,002	4,713,071	0	17,931
	2,166,817	2,595,567	2,595,567	0	0
<u>OTHER USES:</u>					
Operating Transfers Out	75,453,578	75,663,093	72,143,179	140,189	3,379,725
	129,000	420,491	832,215	0	(411,724)
TOTAL EXPENDITURES & OTHER USES	\$ 75,582,578	\$ 76,083,584	\$ 72,975,394	\$ 140,189	\$ 2,968,001
NET CHANGES IN FUND BALANCE		\$ 4,524,349			

See paragraph on supplementary schedules included in auditor's report.

**RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024**

	NYSERS Pension Plan Last 10 Fiscal Years									
	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015
District's proportion of the net pension asset/(liability)	0.01881099%	0.0186216%	0.0178419%	0.0177520%	0.0174319%	0.0175607%	0.0182128%	0.0181781%	0.0185528%	0.0175946%
District's proportionate share of the net pension asset/(liability)	\$ (2,769,725)	\$ (3,993,230)	\$ 1,458,503	\$ (17,676)	\$ (4,616,055)	\$ (1,244,232)	\$ (587,808)	\$ (1,708,051)	\$ (2,977,747)	\$ (594,388)
District's covered-employee payroll	\$ 6,548,315	\$ 6,409,670	\$ 5,996,283	\$ 5,828,700	\$ 5,841,093	\$ 5,717,362	\$ 5,445,550	\$ 5,427,044	\$ 5,448,012	\$ 4,823,539
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-42.30%	-62.30%	24.32%	-0.30%	-79.03%	-21.76%	-10.79%	-31.47%	-54.66%	-12.32%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

	NYSTRS Pension Plan Last 10 Fiscal Years									
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's proportion of the net pension asset/(liability)	0.136783%	0.138251%	0.133757%	0.141270%	0.144561%	0.142679%	0.145054%	0.147955%	0.149246%	0.148902%
District's proportionate share of the net pension asset/(liability)	\$ (1,564,233)	\$ (2,652,881)	\$ 23,177,652	\$ (3,903,682)	\$ 3,755,703	\$ 2,580,010	\$ 1,102,557	\$ (1,584,663)	\$ 15,501,915	\$ 16,586,705
District's covered-employee payroll	\$ 26,634,529	\$ 25,838,650	\$ 25,084,063	\$ 23,147,148	\$ 23,855,122	\$ 24,712,290	\$ 23,761,746	\$ 23,459,697	\$ 23,261,908	\$ 22,500,910
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-5.87%	-10.27%	92.40%	-16.86%	15.74%	10.44%	4.64%	-6.75%	66.64%	73.72%
Plan fiduciary net position as a percentage of the total pension liability	99.2%	98.57%	113.25%	97.76%	101.53%	101.53%	100.66%	99.01%	110.46%	111.48%

See paragraph on supplementary schedules included in auditor's report.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD NEW YORK
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2024

	NYSERS Pension Plan Last 10 Fiscal Years									
	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015
Contractually required contribution	\$ 829,129	\$ 686,768	\$ 949,861	\$ 886,274	\$ 825,764	\$ 826,701	\$ 877,024	\$ 815,966	\$ 988,956	\$ 975,577
Contributions in relation to the contractually required contribution	829,129	686,768	949,861	886,274	825,764	826,701	877,024	815,966	988,956	975,577
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Employee Payroll	\$ 6,548,315	\$ 6,409,670	\$ 5,996,283	\$ 5,828,700	\$ 5,841,093	\$ 5,717,362	\$ 5,445,550	\$ 5,427,044	\$ 5,448,012	\$ 4,823,539
Contributions as a percentage of its covered-employee payroll	12.66%	10.71%	15.84%	15.21%	14.14%	14.46%	16.11%	15.04%	18.15%	20.23%

	NYSTRS Pension Plan Last 10 Fiscal Years									
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Contractually required contribution	\$ 2,599,530	\$ 2,624,327	\$ 2,303,264	\$ 2,124,456	\$ 2,731,433	\$ 2,624,445	\$ 2,328,651	\$ 2,749,476	\$ 3,084,529	\$ 3,944,410
Contributions in relation to the contractually required contribution	2,599,530	2,624,327	2,303,264	2,124,456	2,731,433	2,624,445	2,328,651	2,749,476	3,084,529	3,944,410
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Employee Payroll	\$ 26,634,529	\$ 25,838,650	\$ 25,084,063	\$ 23,147,148	\$ 23,855,122	\$ 24,712,290	\$ 23,761,746	\$ 23,459,697	\$ 23,261,908	\$ 22,500,910
Contributions as a percentage of its covered-employee payroll	9.76%	10.2%	9.18%	9.18%	11.45%	10.62%	9.80%	11.72%	13.26%	17.53%

See paragraph on supplementary schedules included in auditor's report

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

CHANGE FROM ADOPTED TO FINAL BUDGET

ADOPTED BUDGET	\$ 75,058,323
ADDITIONS:	
Encumbrances from Prior Year	524,255
ORIGINAL BUDGET	75,582,578
BUDGET REVISIONS	
Use of Employee Benefit Accrued Liability Reserve	501,006
FINAL BUDGET	\$ 76,083,584

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-2025 Voter-approved expenditure budget maximum allowed (4% of 2024-2025 budget of \$78,648,751)	\$ 3,145,949
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 1,121,343
Unassigned Fund Balance	3,145,947
Total Unrestricted Fund Balance	\$ 4,267,290
Less:	
Appropriated Fund Balance	981,154
Encumbrances Included in Assigned Fund Balance	140,189
Total Adjustments	\$ 1,121,343
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$ 3,145,947
Actual Percentage	4%

See paragraph on supplementary schedules included in auditor's report.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

ACCORD, NEW YORK

SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING SOURCES
FOR THE YEAR ENDED JUNE 30, 2024

PROJECT NUMBER	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	PRIOR YEARS	EXPENDITURES TO DATE		TOTAL	AVAILABLE BALANCE
				CURRENT YEAR	INTERFUND TRANSFER		
High School Renovation	\$ 25,247,047	\$ 25,247,047	\$ 24,815,270	\$ 0	\$ 0	\$ 24,815,270	\$ 431,777
NYSERDA Grant	233,991	233,991	205,413	0	28,578	233,991	0
Middle School Renovation	2,181,205	2,181,205	2,361,668	0	251,314	2,612,982	(431,777)
Smart School Network	1,426,380	1,426,380	1,148,505	0	0	1,148,505	277,875
Districtwide Repairs - Various	948,000	948,000	312,928	0	635,072	948,000	0
Districtwide Capital Project - 2018 referendum	61,800,000	61,800,000	49,505,581	10,006,054	0	59,511,635	2,288,365
Track & Field Storage	250,000	250,000	9,855	135,309	0	145,164	104,836
Emergency Electric Repair	275,754	275,754	251,633	0	0	251,633	24,121
Ulster BOCES Capital Project	3,629,241	3,629,241	279,172	697,931	0	977,103	2,652,138
Concession Stand	250,000	250,000	164,397	97,462	238,141	500,000	(250,000)
TOTALS	\$ 96,241,618	\$ 96,241,618	\$ 79,054,422	\$ 10,936,756	\$ 1,153,105	\$ 91,144,283	\$ 5,097,335

PROJECT NUMBER	METHODS OF FINANCING			TOTAL	FUND BALANCE June 30, 2024
	PROCEEDS OF OBLIGATIONS	STATE AID	LOCAL SOURCES		
High School Renovation	\$ 19,779,238	\$ 871,330	\$ 4,164,702	\$ 24,815,270	\$ 0
NYSERDA Grant	0	233,991	0	233,991	\$ 0
Middle School Renovation	2,609,730	0	3,252	2,612,982	\$ 0
Smart School Network	0	376,608	0	376,608	\$ (771,897)
Districtwide Repairs - Various	0	370,670	577,330	948,000	\$ 0
Districtwide Capital Project - 2018 referendum	51,231,323	0	9,040,000	60,271,323	\$ 759,688
Track & Field Storage	0	0	135,309	135,309	\$ (9,855)
Emergency Electric Repair	0	0	251,633	251,633	\$ 0
Ulster BOCES Capital Project	0	0	200,000	200,000	\$ (777,103)
Concession Stand	0	250,000	250,000	500,000	\$ 0
TOTALS	\$ 73,620,291	\$ 2,102,599	\$ 14,486,917	\$ 90,345,116	\$ (799,167)

See paragraph on supplementary schedules included in auditor's report

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS, NET		\$ 103,910,990
RIGHT TO USE ASSETS, NET		<u>452,775</u>
Total Capital Assets		104,363,765
ADDITIONS:		
Deferred Charges on Refunding		51,960
DEDUCTIONS:		
Capital Asset Bond Anticipation Note	\$ 3,181,977	
Short-term Portion of Bonds Payable	4,124,425	
Long-term Portion of Bonds Payable	43,820,000	
Short-term Portion of Leases Payable	<u>16,134</u>	
Total Deductions		<u>(51,142,536)</u>
NET INVESTMENT IN CAPITAL ASSETS		<u><u>\$ 53,273,189</u></u>

See paragraph on supplementary schedules included in auditor's report.



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

To the President and Members
of the Board of Education of the
Rondout Valley Central School District
Accord, New York 12404

Peter J. Bullis, CPA, FACFEI, DABFA
Christopher E. Melley, CPA
Gary C. Theodore, CPA
Julia R. Fraino, CPA
William T. Trainor, CPA
Mark M. Levy, CPA, CFP
Thomas R. Busse, Jr., CPA
Brent T. Napoleon, CPA
Jennifer L. Capicchioni, CPA
Patrick M. Bullis, CPA
Justin B. Wood, CPA
Richard P. Capicchioni, CPA

Norman M. Sassi, CPA
Walter J. Jung, CPA

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 fiduciary fund of Rondout Valley Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Rondout Valley Central School District's basic financial statements and have issued our report thereon dated October 8, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rondout Valley Central 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 Rondout Valley Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Rondout Valley Central School District's internal control.

A deficiency in internal control exists when the design or operation of 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 considered to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

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

Purpose of this Report

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

Nugent & Haessler PC

Montgomery, New York

October 8, 2024



Nugent & Haeussler, P.C.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the President and Members
of the Board of Education of the
Rondout Valley Central School District
Accord, New York 12404

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rondout Valley Central School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Rondout Valley Central School District's major federal programs for the year ended June 30, 2024. Rondout Valley Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Rondout Valley Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Rondout Valley Central School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Rondout Valley Central School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Rondout Valley Central School District's federal programs.

Rondout Valley Central School District

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Rondout Valley Central School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Rondout Valley Central School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Rondout Valley Central School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Rondout Valley Central School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Rondout Valley Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Nugent & Haessler PC

Montgomery, New York
October 8, 2024

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed-through NYS Education Department:				
Child Nutrition Cluster:				
Cash Assistance				
National School Breakfast Program	10.553	N/A		\$ 159,091
National School Lunch Program	10.555	N/A		520,344
National School Lunch Program - Supply Chain Assistance	10.555	N/A		<u>51,981</u>
Cash Assistance Subtotal				731,416
Non-Cash Assistance (food distribution)				
National School Lunch Program	10.555	N/A		<u>44,945</u>
TOTAL CHILD NUTRITION CLUSTER				776,361
ARPA CN Equipment Assistance Grant	10.579	N/A		44,950
TOTAL U.S. DEPT. OF AGRICULTURE				<u>821,311</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Passed-through NYS Education Department:				
Special Education Cluster:				
IDEA - Part B, Section 611	84.027	0032-24-0997	\$ 40,836	617,992
ARP - Section 611	84.027X	5532-22-0997		20,639
IDEA - Part B, Section 619	84.173	0033-24-0997	7,373	19,113
ARP - Section 619	84.173X	5533-22-0997		<u>1,226</u>
Total Special Education Cluster			\$ 48,209	658,970
Title I Parts A & D, Basic Program	84.010	0021-23-3410		3,991
Title I Parts A & D, Basic Program	84.010	0021-24-3410		465,430
Title I, School In Need of Improvement	84.010	0011-23-3120		10,001
Title I, School In Need of Improvement	84.010	0011-24-2128		41,821
Title I, School In Need of Improvement	84.010	0011-23-8086		24,301
Title II Part A, Teacher & Principal Training & Recruiting	84.367	0147-24-3410		54,681
Title IV, Part A	84.424	0204-23-3410		13,880
Title IV, Part A	84.424	0204-24-3410		<u>24,905</u>
				639,010
Education Stabilization Fund				
Coronavirus Response and Relief Supplemental Appropriation Act, 2021 (CRRSA) - ESSER II	Covid-19 84.425D	5891-21-3410		670,709
American Rescue Plan -(ARP) - ESSER 3	Covid-19 84.425U	5880-21-3410		1,010,670
Total Education Stabilization Fund				<u>1,681,379</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				2,979,359
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 3,800,670</u>

The accompanying notes are an integral part of the schedule.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION.

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Because the schedule of expenditures of federal awards presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, change in net assets, or cash flows of the District.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon a rate established by New York State and the District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance applied to overall expenditures. There is no other indirect cost allocation plan in effect.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

Federal Expenditures as reported on the Schedule of Expenditures of Federal Awards	\$ 3,800,670
Reconciling Items:	
Medicare Reimbursement	<u>53,321</u>
Federal Aid as reported on the Statement of Revenues Expenditures and Changes in Fund Balance	<u><u>\$ 3,853,991</u></u>

NOTE 2. NON-CASH ASSISTANCE.

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted \$44,945 of commodities under the Commodity Supplemental Food Program (Federal Assistance Listing Number 10.555).

NOTE 3. OTHER DISCLOSURES.

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies. There were no loans or loan guarantees outstanding at year-end.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of Report the Auditor Issued on Whether the Financial Statements
Audited Were Presented in Accordance with GAAP: Unmodified

Internal Control over Financial Reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

FEDERAL AWARDS

Internal Control over Major Programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Type of Auditor's Opinion Issued on Compliance for
Major Programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with Section 2 CFR-200.516(a)? _____ Yes X No

IDENTIFICATION OF MAJOR PROGRAMS:

FEDERAL ASSISTANCE

LISTING NUMBERS

NAME OF FEDERAL PROGRAM OR CLUSTER

84.425

Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000.00
Auditee qualified as low-risk auditee? X Yes _____ No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements as required to be reported in accordance with the Uniform Guidance.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Significant Deficiencies in Internal Control

There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR-200.516(a).

B. Compliance Findings

There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR-200.516(a).

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

II. FINANCIAL STATEMENT FINDINGS.

A. Internal Control Findings
Material Weaknesses

Finding Reference: 2023-001 Opening Fund Balances did not Agree to Prior Year Financial Statements

Condition: The District did not post entries identified during the previous audit correctly, causing the beginning fund balance to be incorrect.

Recommendation: We recommend that the District record all audit entries to ensure the fund balances agree to the audited financial statements.

Current Status: Corrected.

Finding Reference: 2023-002 Lack of Documentation

Condition: The District does not maintain complete and accurate records.

Recommendation: We recommend that the District maintain all original documents and schedules to substantiate amounts recorded in its financial software.

Current Status: Corrected.

Finding Reference: 2023-003 Receivables and Accrual of Grants Receivable and Related Payables

Condition: The District did not adjust revenues and expenses and related receivables and payables at year-end. School Districts are required to record transactions on the modified accrual basis of accounting.

Recommendation: We recommend that the District include procedures in its system for closing the accounting year, which includes consideration of grant programs for amounts due on the modified accrual basis, verifying that expenditures are recorded in the year incurred and establishing a mechanism for District departments to regularly report the status of pending invoices.

Current Status: Corrected.

Finding Reference: 2023-004 Journal Entry Approval

Condition: Journal Entries are not reviewed and approved for appropriateness.

Recommendation: We recommend that the District develop a system to prepare and review the recording of journal entries.

Current Status: Corrected.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

II. FINANCIAL STATEMENT FINDINGS. (Continued).

A. Internal Control Findings (Continued)
Material Weaknesses (Continued)

Finding Reference: 2023-005 Adjusting Entries

Condition: Audit procedures identified a significant amount of adjusting journal entries required to correct material misstatements of the District's financial records.

Recommendation: We recommend that the District develop a system to review monthly and annual financial records for accuracy.

Current Status: Corrected.

Finding Reference: 2023-006 Open Purchase Orders

Condition: Open purchase orders were recorded as expenditures at year end.

Recommendation: We recommend that the District develop a system of controls over financial recording.

Current Status: Corrected.

Finding Reference: 2023-007 Capital Assets and Construction in Progress Expenditures

Condition: The School District did not properly account for and monitor all of its capital assets and construction in progress expenditures.

Recommendation: We recommend that the District adopt a capital asset process and system of controls to accurately compile and update a list of capital assets owned by the District, along with tracking the cost of projects throughout their life, and accurately report this information to the 3rd party vendor.

Current Status: Corrected.

Finding Reference: 2023-008 Debt

Condition: The District's recording of various debt entries to debt service and BANS redeemed accounts was not accurate.

Recommendation: We recommend that the District develop a system to prepare and review the recording of debt adjustments.

Current Status: Corrected.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

II. FINANCIAL STATEMENT FINDINGS.

A. Internal Control Findings (Continued)
Material Weaknesses (Continued)

Finding Reference: 2023-009 Debt Service Fund Budgeting and Recording

Condition: The District recorded debt service transactions in other funds, but moved cash to the Debt Service Fund to pay for these transactions.

Recommendation: We recommend that the District develop a system to prepare and review the proper recording of debt service transactions.

Current Status: Corrected.

Finding Reference: 2023-010 Interfund Payable and Receivable Accounts

Condition: The District did not properly balance amounts payable and receivable between funds.

Recommendation: We recommend that the District maintain supporting documentation for all interfund payable and receivable transactions and ensure accounts are correctly recorded.

Current Status: Corrected.

Finding Reference: 2023-011 Prepaid

Condition: The District did not record payments to prepaid expenditures as applicable.

Recommendation: We recommend that the District include procedures in its system for closing the accounting year, which includes consideration of the proper recording of expenditures near year end.

Current Status: Corrected.

Significant Deficiencies

Finding Reference: 2023-012 Payroll

Condition: The District made payments under payroll in July for work done in December 2022 through June 2023.

Recommendation: We recommend that the District implement a policy designating a cutoff period for employees to hand in time sheets.

Current Status: Corrected.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

II. FINANCIAL STATEMENT FINDINGS.

B. Compliance Findings

Finding Reference: 2023-013 Extraclassroom Fund

Condition: Extraclassroom funds still maintain balances for Class of 2021 and 2022.

Recommendation: We recommend that the District develop a policy and mandate the closing out of these accounts after a specified period of time and establish the transfer of unused accounts to a specified group.

Current Status: Corrected.

Finding Reference: 2023-014 New York State Education Department Requirements

Condition: The School District did not submit its audited financial statements on time.

Recommendation: We recommend that the School District comply with the filing requirements imposed by the State Education Department.

Current Status: Corrected.

Finding Reference: 2023-015 Fund Balance Deficit

Condition: The School District's School Lunch fund balance reported a deficit of \$147,704 as of June 30, 2023.

Recommendation: We recommend that the School District maintain a positive unassigned fund balance in the School Lunch Fund by transferring sufficient revenues to the School Lunch Fund during the year such that the fund does not report a deficit.

Current Status: Corrected.

II. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

B. Compliance Findings

Finding Reference: 2023-016 Equipment and Real Property Management

Condition: Purchased items were not added to the capital asset records.

Recommendation: We recommend that the District adopt a capital asset process and system of controls to accurately compile and update annually a list of capital assets owned by the District.

Current Status: Corrected.



Peter J. Bullis, CPA, FACFEI, DABFA
Christopher E. Melley, CPA
Gary C. Theodore, CPA
Julia R. Fraino, CPA
William T. Trainor, CPA
Mark M. Levy, CPA, CFP
Thomas R. Busse, Jr., CPA
Brent T. Napoleon, CPA
Jennifer L. Capicchioni, CPA
Patrick M. Bullis, CPA
Justin B. Wood, CPA
Richard P. Capicchioni, CPA

Norman M. Sassi, CPA
Walter J. Jung, CPA

INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Rondout Valley Central School District
Accord, New York 12404

Opinion

We have audited the accompanying financial statements of Rondout Valley Central School District's Extraclassroom Activity Fund, which comprise the statement of assets, liabilities, and fund balance-cash basis as of June 30, 2024 and the related statement of receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of Rondout Valley Central School District's Extraclassroom Activity Fund as of June 30, 2024, and its receipts and disbursements-cash basis for the year then ended, in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rondout Valley Central School District Extraclassroom Activity Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Rondout Valley Central School District's Extraclassroom Activity Funds' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rondout Valley Central School District's Extraclassroom Activity Funds' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Nugent & Haussler PC

Montgomery, New York
October 8, 2024

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2024

ASSETS

Cash in Checking	\$ 66,237
------------------	-----------

FUND BALANCE

Fund Balance, Beginning of Year	\$ 52,793
Excess of Receipts over Disbursements	<u>13,444</u>
Fund Balance, End of Year	<u>\$ 66,237</u>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
EXTRACLASSROOM ACTIVITY FUND - HIGH SCHOOL
SUMMARY OF RECEIPTS & DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	CASH BALANCE JUNE 30, 2023	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2024
Class of 2021	\$ 198	\$ 0	\$ 198	\$ 0
Class of 2022	217	0	0	217
Class of 2024	7,038	32,470	39,508	0
Class of 2025	5,445	15,967	10,298	11,114
Class of 2026	1,550	5,364	1,567	5,347
Class of 2027	0	5,780	1,495	4,285
Council Fires	14,689	2,764	537	16,916
Human Rights Club	893	100	23	970
National Honor Society	1,025	0	336	689
Student Congress	11,852	14,111	8,951	17,012
Interest Earned	695	495	0	1,190
	<u>\$ 43,602</u>	<u>\$ 77,053</u>	<u>\$ 62,913</u>	<u>\$ 57,742</u>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
EXTRACLASROOM ACTIVITY FUND - MIDDLE SCHOOL
SUMMARY OF RECEIPTS & DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	CASH BALANCE JUNE 30, 2023	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2024
4-5-6 Student Council	\$ 9,030	\$ 1,888	\$ 2,684	\$ 8,234
Interest Earned	161	100	0	261
	<u>\$ 9,191</u>	<u>\$ 1,988</u>	<u>\$ 2,684</u>	<u>\$ 8,495</u>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT
ACCORD, NEW YORK
EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

- (a) The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Rondout Valley Central School District. We have included the Extraclassroom Activity Fund balances within the Miscellaneous Special Revenue Fund of the financial statements. The separate audit report of the Extraclassroom Activity Funds is required due to the fact that the transactions of this fund are controlled by student management.
- (b) The books and records of the Rondout Valley Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.
- (c) The Extraclassroom Activity Funds are used to record the activity of all student-related activities within the District. These funds are under the control of an appointed central treasurer who maintains cash receipts and cash disbursement books. All receipts are collected by the student activity treasurer and disbursements must be approved by the student management.

APPENDIX C
Form of Legal Opinion

June 24, 2025

Rondout Valley Central School District at Accord,
County of Ulster
State of New York

Re: Rondout Valley Central School District at Accord, Ulster County, New York
\$3,181,009 Bond Anticipation Note, 2025

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a \$3,181,009 Bond Anticipation Note, 2025 (the "Obligation"), of the Rondout Valley Central School District at Accord, Ulster County, New York (the "Obligor"), dated June 24, 2025, numbered 1, of the denomination of \$3,181,009, bearing interest at the rate of _____% per annum, payable at maturity, and maturing June 24, 2026.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/S/ORRICK, HERRINGTON & SUTCLIFFE LLP

/zmt

APPENDIX D
Material Event Notices

Material Event Notices

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Commission pursuant to the Securities Exchange Act of 1934, the District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) Defeasances
- (j) release, substitution, or sale of property securing repayment of the Note
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Note holders, if material: and
- (p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to events (o) and (p), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii)

guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

For the purposes of the event identified in paragraph (1) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the District determines that any such other event is material with respect to the Notes; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above

The District reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District's obligations under its material event notices undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District; provided that the District agrees that any such modification will be done in a manner consistent with the Rule upon review of nationally recognized bond counsel.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing