

**PRELIMINARY OFFICIAL STATEMENT DATED MAY 27, 2026**

**NEW**

**SERIAL BONDS**  
**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 Bonds and 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 Bonds and Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Bonds and 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 Bonds and 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 Bonds and Notes. See "TAX MATTERS" herein.*

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

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

**\$856,129**  
**SCHOOL DISTRICT SERIAL BONDS, 2026**  
**(the "Bonds")**

**Dated Date: June 17, 2026**

**Maturity Dates: June 15, 2027-2030**

**\$6,800,000**  
**BOND ANTICIPATION NOTES, 2026**  
**(the "Notes")**

**Dated Date: June 23, 2026**

**Date of Maturity: June 23, 2027**

The Bonds and 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 Bonds and Notes and interest thereon, without limitation as to rate or amount, subject to applicable statutory limitations. See "Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein. The Bonds and Notes will be issued without the option of prepayment, with interest payable at maturity.

The Bonds, and at the option of the Purchaser(s), the Notes, will be issued as registered notes payable to the Purchaser(s) or registered in the names of Cede & Co. as nominee of the Depository Trust Company ("DTC"), Jersey City, New Jersey, which will act as the securities depository for the notes.

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, one fully registered note certificate will be issued for each maturity of the Notes.

Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 each or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bond or Notes. (See "BOOK-ENTRY-ONLY SYSTEM.")

Proposals for the Bonds shall be for not less than \$856,129 and accrued interest, if any, on the total principal amount of the Bonds.

The Notes will be dated June 23, 2026 and will mature, without option of prior redemption, on June 23, 2027.

The Bonds bear interest from June 17, 2026, with interest thereon payable on December 15, 2026 and semi-annually thereafter on June 15 and December 15 in each year until maturity. The Bonds mature on June 15 in each year commencing June 15, 2027.

The Bonds and Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the legal opinion as to the validity of the Bonds and Notes of Orrick Herrington & Sutcliffe, LLP, of New York New York, Bond Counsel, and certain other conditions. It is anticipated that the Bonds will be available for delivery in Jersey City, New Jersey (through the facilities of DTC) or at such other place as may

be agreed with the purchaser(s) on or about June 17, 2026. The Notes will be available for delivery in Jersey City, New Jersey (through the facilities of DTC) or at such other place as may be agreed with the purchaser(s) on or about June 23, 2026.

Facsimile or telephone bids will be received TUESDAY, JUNE 2, 2026 until 11:30 a.m. Prevailing Time, pursuant to the terms of the Notices of Sale for the Bonds and Notes. No bids will be accepted after the time for receiving bids as detailed above.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE BONDS AND NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF BOND SALE WITH RESPECT TO THE BONDS AND THE NOTICE SALE WITH RESPECT TO THE NOTES. UNLESS THE BOND AND NOTES ARE PURCHASED FOR THE SUCCESSFUL BIDDER'S OWN ACCOUNT AS PRINCIPAL FOR INVESTMENT AND NOT FOR RESALE, THE DISTRICT WILL ENTER INTO IN SEPARATE UNDERTAKINGS FOR THE BONDS AND NOTES TO PROVIDE CERTAIN CONTINUING DISCLOSURE, AS REQUIRED BY THE RULE (SEE "DISCLOSURE UNDERTAKING,") HEREIN.

DATED: MAY 26, 2026

The Bonds mature on June 15 in each year as set forth below:

Year	Amount*	Interest Rate	Yield	CUSIP Number***
2027	\$611,129			
2028	85,000			
2029	80,000			
2030	80,000			

\*Principal amounts are subject to change pursuant to the accompanying Notice of Bond Sale in order to achieve substantially level or declining annual debt service.

\*\*CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the holders of the Bonds. The District is not responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness on the Bonds or as indicated above.

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

School District Officials

**2025-26 BOARD OF EDUCATION**

Carolyn Peck - President  
Chris Schoonmaker - Vice President

Paul Bogart  
Carol Kosins  
James Malak  
Patricia Meoli  
Dimity Palmer-Smith  
Nicole Parete  
Dean Rylewicz



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 Bonds and 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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**OFFICIAL STATEMENT**

of the

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

Relating To

**\$856,129 School District Serial Bonds, 2026  
(the “Bonds”)**

**\$6,800,000 Bond Anticipation Notes, 2026  
(the “Notes”)**

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” or “School District”, “County” and “State,” respectively) in connection with the sale by the District of its \$856,129 Serial Bonds, 2026 (the “Bonds”) and \$6,800,000 Bond Anticipation Notes, 2026 (the “Notes”).

The factors affecting the District’s financial condition and the Bonds and 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’s 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 Bonds and Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and Notes and such proceedings.

**DESCRIPTION OF THE BONDS**

The Bonds 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 Bonds as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount.

The Bonds will be dated June 17, 2026 and mature in the principal amounts and on the dates as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading “Optional Redemption” hereunder. The “Record Date” of the Bonds will be the last business day of the calendar month preceding each such interest payment date.

The Bonds will be issues as registered bonds and, when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry only form, in the principal amount of \$5,000 or integral multiples thereof except for an odd denomination as being or including \$6,129 in the 2027 fiscal year. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and Interest will be paid by the District to the Securities Depository, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds bear interest from June 23, 2026, with interest thereon payable on December 15, 2026, June 15, 2027 and semi-annually thereafter on December 15 and June 15.

## **No Optional Redemption**

The Bonds will not be subject to optional redemption prior to maturity.

## **Purpose and Authorization for the Bonds**

The Bonds 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 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").

The proceeds of the Bonds will provide \$856,129 of new monies.

## **Certificated Bonds**

In the event the book-entry-only system is discontinued the following provisions will apply: The Bonds will be issued registered form in denominations of \$5,000 each or integral multiples thereof for any single maturity except for an odd denomination being or including \$6,129 in the 2027 year. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District upon termination of the book-entry-only system. Interest on the Bonds will remain payable on December 15, 2026, June 15, 2027 and semi-annually thereafter on December 15 and June 15, in each year to maturity. Interest on the Bonds will be payable by check or draft mailed by the fiscal agent to the registered owners of the Bonds, as shown on the registration books of the District maintained by the fiscal agent as of the close of business on the Record Date, being the last day of business day of the calendar month preceding each interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner for Bonds of the same maturity or any other authorized denomination or denominations in the same aggregate principal amount in the manner described on the Bonds and as referenced in certain proceedings of the District referred to therein.

## **THE NOTES**

### **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.

The Notes are dated June 23, 2026 and mature, without option of prior redemption, June 23, 2027. 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 and, at the option of the purchaser, may be registered to the Depository Trust Company ("DTC") or may be registered in the name of the purchaser.

If the Notes will be issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Notes. Payments of principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes.

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds by the District.

## **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 bond resolution dated January 14, 2025 authorizing the issuance of obligations of the District in the amount of \$17,454,459 for the cost of reconstruction and construction of improvements to various buildings and facilities, including athletic fields, playgrounds, and site improvements. This is the first issuance against said authorization.

The proceeds of the Notes will provide \$6,800,000 of new monies.

## **Certificated Notes**

In the event the purchaser does not request the DTC book-entry-only system apply to the Notes on the date of initial issuance thereof, or in the event that book-entry only system is requested but subsequently discontinued by either DTC or the District, the following provisions will apply:

The Notes will be issued registered in the name of the purchaser in denominations of \$5,000 each or integral multiples thereof, except for any necessary odd denomination. Principal of and interest on the 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 BONDS AND NOTES**

### **Nature of the Obligation**

Each Bond and Note 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 Bonds and 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.

Although the State Legislature is restricted by Article VIII, 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 Bonds and the Notes and is required to raise real estate taxes, and without specification, 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 that limitation. See "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 bonds and notes takes 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 levy, 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 such 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 an 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 and apply 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 holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

## **Book-Entry Only System**

DTC will act as securities depository for the Bonds and if so requested, the Notes. The Bonds and if so requested, the Notes will be issued as fully-registered securities 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.

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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and 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 Bonds and 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 Bonds and Notes, except in the event that use of the book-entry system for the Bond and Note is discontinued.

To facilitate subsequent transfers, all Bonds and 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 Bonds and 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 and Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and 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 Bonds and Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds and Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bond and Note documents. For example, Beneficial Owners of Bonds and Notes may wish to ascertain that the nominee holding the Bonds and 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.

Principal and interest payments on the Bonds and 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 or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal and interest payments to 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 Bonds and Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, bond 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, bond 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 BONDS AND NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS AND NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS AND 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 BONDS; (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 BONDS.

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.

## **THE 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 2024 population of the School District is estimated to be 16,660. (Source: 2024 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, Villages and Counties listed below. The Figures set below with respect to such Towns, Villages, 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, Villages, Counties 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>2020-2024</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>
Towns						
Of:						
Marbletown	\$42,459	\$38,315	\$63,493	\$107,955	\$85,769	\$128,293
Rochester	26,873	33,265	59,488	60,701	72,021	108,852
Rosendale	30,009	35,538	50,663	74,415	91,844	106,680
Wawarsing	18,380	24,368	30,813	50,588	66,310	70,854
County Of:						
Ulster	28,954	35,816	47,778	70,513	87,034	113,659
State Of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Note: 2021-2025 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 2020-2024 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 350 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	214	6/30/2027
Teachers' Aides	65	6/30/2031
Custodial/Maintenance	32	6/30/2029
Secretarial	28	6/30/2028
Principals/Admin.	21	6/30/2027
Mgr./Confidential	4	N/A

Source: District Officials

## Historical and Projected Enrollment

<u>Fiscal Year</u>	<u>Actual</u>	<u>Fiscal Year</u>	<u>Projected</u>
2021-22	1,661	2026-27	1,592
2022-23	1,682	2027-28	1,576
2023-24	1,696	2028-29	1,560
2024-25	1,674	2029-30	1,544
2025-26	1,608	2030-31	1,529

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.
- 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 District is required to contribute at an actuarially determined rate. The actual contribution for the last five years and the budgeted figures for the 2025-26 and 2026-27 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
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	2,476,705
2024-2025	1,001,869	2,544,456
2025-2026 (Budgeted)	1,268,715	2,556,800
2026-2027 (Budgeted)	1,319,464	2,659,072

Source: Audited financial statements for the 2020-2021 fiscal year through the 2024-2025 fiscal year and the adopted budgets of the District for the 2025-2026 and 2026-2027 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 (2021-22 to 2026-27) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2021-2022	16.2%	9.80%
2022-2023	11.6	10.29
2023-2024	13.1	9.76
2024-2025	15.2	10.11
2025-2026	16.5	9.59
2026-2027	17.6	8.24*

\*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, 2025 is \$1,050,092.

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, 2024 and financial data as of June 30, 2025 the School District's beginning year total OPEB liability was \$128,782,078, the net change for the year was (\$21,466,468) resulting in a total OPEB liability of \$107,315,610 for a fiscal year ending June 30, 2025. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2025 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 never 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 Mountain House	Hotel	800
Ulster County Community College	Higher Education	400
Rondout Valley CSD at Accord	Education	364
Charles River Laboratories	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) are the Counties of Otsego and Delaware. The data set forth below with respect to the County 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 County or vice versa.

Year	Ulster County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2021	4.7%	6.9%	5.3%
2022	3.2%	4.3%	3.5%
2023	3.4%	4.2%	3.7%
2024	3.6%	4.3%	4.0%
2025	N/A	4.3%	4.3%

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

### 2025-2026 Monthly Figures

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Ulster County	3.6%	2.9%	2.9%	3.2%	3.7%	4.0%	3.8%	N/A	3.6%	3.5%	4.1%	4.5%
New York State	4.1%	3.8%	3.8%	4.1%	4.8%	4.9%	4.7%	N/A	4.4%	4.3%	4.7%	5.2%

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

N/A October figures are not available due to Government shutdown.

## **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 moneys 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 moneys. 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 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.

The budget for the 2026-27 fiscal year was adopted by the qualified voters on May 19, 2026 by a vote of 1,031 yes to 376 no. The School District's 2026-27 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 and the 2024-25 State budget which was not adopted until April 20, 2024. 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**

The State 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.

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.

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.

### **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 States 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 (such as State Aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provides that 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 an 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 the 2025-26 fiscal year and proposed figures for the 2026-27 fiscal year.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
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	76,586,744	28,472,359	37.18%
2025-2026 (Budgeted)	77,438,300	27,847,724	35.96%
2026-2027 (Proposed)	77,675,382	27,288,809	35.13%

Source: Audited financial statements for the 2020-2021 fiscal year through the 2024-2025 fiscal year and the adopted budget of the District for the 2025-2026 fiscal year and the proposed budget for the 2026-2027 fiscal year . 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 them 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>
2025	No Designation	0.0
2024	No Designation	3.3
2023	No Designation	6.7
2022	No Designation	3.3
2021	No Designation	6.7

Note: See the official website of the New York State Comptroller for more information on FSMS. Reference to websites implies no warranty of accuracy nor inclusion herein by reference 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),<sup>1</sup> 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.

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 Bonds and 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 Bonds and 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, 2025, 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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Assessed Valuations:					
Marbletown	\$ 1,013,504,185	\$ 1,026,878,718	\$ 1,044,523,776	\$ 1,066,199,281	\$ 1,091,804,851
Rochester	930,415,561	947,694,796	965,622,157	996,659,265	1,024,239,279
Rosendale	230,814,996	232,538,881	233,021,305	234,378,501	238,706,163
Wawarsing	<u>101,237,415</u>	<u>103,549,364</u>	<u>102,622,326</u>	<u>104,749,513</u>	<u>104,989,064</u>
Total	<u>\$ 2,275,972,157</u>	<u>\$ 2,310,661,759</u>	<u>\$ 2,345,789,564</u>	<u>\$ 2,401,986,560</u>	<u>\$ 2,459,739,357</u>

Equalization Rates:

Marbletown	93.00%	70.00%	61.00%	56.00%	52.00%
Rochester	100.00%	72.00%	63.00%	58.00%	53.00%
Rosendale	93.00%	74.00%	65.00%	63.00%	56.00%
Wawarsing	91.00%	81.00%	71.00%	70.00%	60.00%

Full Valuations:

Marbletown	\$ 1,089,789,446	\$ 1,466,969,597	\$ 1,712,334,059	\$ 1,903,927,288	\$ 2,099,624,713
Rochester	930,415,561	1,316,242,772	1,532,733,583	1,718,378,043	1,932,526,942
Rosendale	248,188,168	314,241,731	358,494,315	372,029,367	426,261,005
Wawarsing	<u>111,249,907</u>	<u>127,838,721</u>	<u>144,538,487</u>	<u>149,642,161</u>	<u>174,981,773</u>
Total	<u>\$ 2,379,643,082</u>	<u>\$ 3,225,292,821</u>	<u>\$ 3,748,100,444</u>	<u>\$ 4,143,976,859</u>	<u>\$ 4,633,394,434</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.

### Tax Rate per \$1,000 Assessed Value

Fiscal Year Ending  
June 30:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Marbletown	\$ 18.15	\$ 18.73	\$ 19.05	\$ 19.33	\$ 19.39
Rochester	16.88	18.21	18.44	18.66	19.02
Rosendale	18.15	17.71	17.87	17.18	18.01
Wawarsing	18.55	16.18	16.36	15.46	16.81

### 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:	2022	2023*	2024	2025	2026*
General Fund Tax Levy	\$40,165,552	\$42,279,109	\$43,545,882	\$41,919,995	\$44,988,982
STAR Program	\$2,344,716	\$2,217,639	\$2,097,343	\$1,932,263	\$1,729,834
Uncollected Date of Return to County	\$2,799,382	\$3,114,389	\$3,589,145	\$3,735,615	\$3,925,460
Percentage Uncollected	6.97%	7.37%	8.24%	8.91%	8.73%

\*Tax Collection Figures as of 11/5/25

## 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
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	76,586,744	42,919,994	56.04%
2025-2026 (Budgeted)	77,438,300	46,718,816	60.33%
2026-2027 (Proposed)	77,675,382	48,504,813	62.45%

Source: Audited financial statements for the 2020-21 fiscal year through 2024-25 fiscal year and the adopted budget of the District for the 2025-2026 fiscal year and proposed budget of the 2026-2027 fiscal year. This table is not audited.

## Major Taxpayers 2025

For 2025-26 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Full Value</u>
Central Hudson Gas & Electric Corp.	Utility	\$75,284,324
City of New York - DEP	Utility	63,763,244
Smiley Brothers, Inc.	Hospitality	55,914,824
New York State Land	State Lands	17,960,259
Stone Ridge Partners	Healthcare Mergers & Acquisitions	9,109,423
Hudson Valley Resort Holding LLC	Real Estate	8,301,886
Charles River Laboratories	Global Medical Research	8,064,423
Criterion Atlantic Property, Inc.	Real Estate	6,919,285
The Hero's Journey Foundation	Sanctuary	5,803,571
DiDonna Bros LLC	Real Estate	<u>5,673,077</u>
		\$256,794,316

1. The above taxpayers represent 5.54% of the School District's 2025-26 Full value of \$4,633,394,434

As of the date of this Official Statement, the District does not currently have any pending or outstanding tax certioraris that are known or believed 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, 2025, 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 \$93,200 or less in 2023 and \$98,700 or less in 2024, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first \$81,400 for the 2023-24 school year and the first \$84,000 for the 2024-25 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.

The 2022-23 State budget provided \$2.2 billion in State funding for a new one-year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below \$250,000 and Enhanced STAR recipients were eligible for the property tax rebate where the benefit was a percentage of the homeowners’ existing STAR benefit.

## **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.

## **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 and is applicable to the Notes.

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 bonds and 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 the 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>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Serial Bonds	\$6,875,000	\$5,190,000	\$3,470,000	\$47,930,000	\$43,820,000
Bond Anticipation Notes	3,084,000	45,790,355	56,245,232	3,181,977	3,181,009
Lease Purchase*	0	0	64,205	16,134	170,324
<b>Total Debt Outstanding</b>	<b>\$9,959,000</b>	<b>\$50,980,355</b>	<b>\$59,779,437</b>	<b>\$51,128,111</b>	<b>\$47,171,333</b>

\*The District entered into a Lease Purchase Agreement with Ulster BOCES for printers. The lease was \$190,000 at a 5.28% interest rate.

**Status of Outstanding Bond Issues**

Year of Issue:	2024		2024	
Amount Issued:	\$8,840,000		\$13,560,000	
Purpose/Instrument	DASNY Serial Bond		DASNY Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>		
2026	\$ 405,000	\$ 399,250	\$ 715,000	\$ 655,500
2027	460,000	379,000	750,000	619,750
2028	460,000	356,000	755,000	582,250
2029	480,000	333,000	800,000	544,500
2030	495,000	309,000	820,000	504,500
2031	530,000	284,250	865,000	463,500
2032	560,000	257,750	905,000	420,250
2033	575,000	229,750	965,000	375,000
2034	595,000	201,000	1,045,000	326,750
2035	640,000	171,250	1,095,000	274,500
2036	670,000	139,250	1,150,000	219,750
2037	715,000	105,750	1,150,000	162,250
2038	705,000	70,000	1,090,000	104,750
2039	<u>695,000</u>	<u>34,750</u>	<u>1,005,000</u>	<u>50,250</u>
<b>Totals:</b>	<b>\$ 7,985,000</b>	<b>\$ 3,270,000</b>	<b>\$ 13,110,000</b>	<b>\$ 5,303,500</b>

Year of Issue:	2024		2024	
Amount Issued:	\$8,425,000		\$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>
2026	\$ 565,000	\$ 397,250	\$ 830,000	\$ 739,000
2027	555,000	369,000	855,000	697,500
2028	620,000	341,250	935,000	654,750
2029	650,000	310,250	975,000	608,000
2030	675,000	277,750	1,055,000	559,250
2031	715,000	244,000	1,095,000	506,500
2032	755,000	208,250	1,145,000	451,750
2033	790,000	170,500	1,200,000	394,500
2034	835,000	131,000	1,230,000	334,500
2035	870,000	89,250	1,290,000	273,000
2036	<u>915,000</u>	<u>45,750</u>	1,350,000	208,500
2037			1,420,000	141,000
2038			<u>1,400,000</u>	<u>70,000</u>
Totals:	\$ 7,945,000	\$ 2,584,250	\$ 14,780,000	\$ 5,638,250

Year of Issue:	2026*	
Amount Issued:	\$1,465,000	
Purpose/Instrument	DASNY Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>
2026	\$ -	\$ -
2027	70,000	94,615
2028	100,000	69,750
2029	90,000	64,750
2030	100,000	60,250
2031	100,000	55,250
2032	105,000	50,250
2033	115,000	45,000
2034	120,000	39,250
2035	120,000	33,250
2036	125,000	27,250
2037	135,000	21,000
2038	140,000	14,250
2039	<u>145,000</u>	<u>7,250</u>
Totals:	\$ 1,465,000	\$ 582,115

\*This issue has priced and is anticipated to close 6/16/2026..

## 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>
2026	\$ 2,515,000	\$ 2,191,000	\$ 4,706,000	7.51%
2027	2,690,000	2,159,865	4,849,865	15.25%
2028	2,870,000	2,004,000	4,874,000	23.03%
2029	2,995,000	1,860,500	4,855,500	30.78%
2030	3,145,000	1,710,750	4,855,750	38.53%
2031	3,305,000	1,553,500	4,858,500	46.28%
2032	3,470,000	1,388,250	4,858,250	54.03%
2033	3,645,000	1,214,750	4,859,750	61.79%
2034	3,825,000	1,032,500	4,857,500	69.54%
2035	4,015,000	841,250	4,856,250	77.29%
2036	4,210,000	640,500	4,850,500	85.03%
2037	3,420,000	430,000	3,850,000	91.17%
2038	3,335,000	259,000	3,594,000	96.91%
2039	<u>1,845,000</u>	<u>92,250</u>	<u>1,937,250</u>	100.00%
Totals:	\$ 45,285,000	\$ 17,378,115	\$ 62,663,115	

## 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	6/24/2025	6/24/2026	4.25%	\$3,181,009

\*To be paid in full, at maturity, with proceeds of \$1,465,000 DASNY SB that is anticipated to close June 16, 2026 and \$1,716,009 available funds.

## Cash Flow Borrowings

The District has no revenue anticipation notes or tax anticipation notes nor budget or deficiency notes outstanding and has not issued them in recent years, nor does it plan to in the foreseeable future

## 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. The proceeds of the \$1,735,000 Notes, together with \$265,000 available funds, redeemed and renewed the \$2,000,000 Bond Anticipation Notes maturing June 25, 2025. The

District intends to issue a \$1,465,000 DASNY Bond. The proceeds of the DASNY Bond plus \$270,000 of available funds will pay off a portion of the \$3,181,009 Bond Anticipation Note coming due June 24, 2026.

The Bonds 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 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"). The District issued a \$497,931 Bond Anticipation Note on July 11, 2023. The District issued a \$1,181,977 Bond Anticipation Note on June 25, 2024. A portion (\$497,931) renewed the maturing Bond Anticipation Note and a portion (\$684,046) provided new money. The District issued a \$3,181,009 Bond Anticipation Note on June 25, 2025. A portion (\$1,446,009) renewed \$734,046 of the maturing Bond Anticipation Note and provided \$711,963 of new money. The remaining \$447,931 was paid off with available funds. The District will pay off the maturing \$1,446,009 with available funds. The \$865,129 School District (Serial) Bonds will provide new money.

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. This is the first issuance against the capital project.

### **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 26, 2026

<u>Town</u>	<u>Taxable Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Taxable Full Valuation</u>
Marbletown	\$ 1,091,804,851	52.00%	\$ 2,099,624,713
Rochester	1,024,239,279	53.00%	1,932,526,942
Rosendale	238,706,163	56.00%	426,261,005
Wawarsing	104,989,064	60.00%	174,981,773
			<u>\$ 4,633,394,434</u>
Debt Limit: 10% of Full Valuation			\$ 463,339,443
Inclusions:			
Serial Bonds	1		\$ 45,285,000
Bond Anticipation Notes			3,181,009
Total Inclusions:			<u>\$ 48,466,009</u>
Exclusions:			
Building Aid Estimate	2		\$0
Total Exclusions:			<u>\$0</u>
Total Net Indebtedness Before Giving Effect to This Issue:			\$ 48,466,009
New Monies This Issue:			7,656,129
Total Net Indebtedness After Giving Effect to This Issue:			<u>\$ 56,122,138</u>
Net Debt Contracting Margin			\$ 407,217,305
Percentage of Debt-Contracting Power Exhausted			12.11%

Notes: 1. Includes \$1,465,000 DASNY SB which has priced and is anticipated to close June 16, 2026.

2. 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

## Estimated Overlapping Indebtedness

<u>Overlapping Unit</u>	<u>Applicable Equalized Value</u>	<u>Percent</u>	<u>Gross Indebtedness</u>	<sup>1</sup> <u>Exclusions</u>	<u>Net Indebtedness</u>	<u>Estimated Applicable Overlapping Indebtedness</u>
Ulster County	\$ 4,633,394,434					
	\$ 30,993,176,559	14.95%	\$ 191,057,970	N/A	\$ 191,057,970	\$ 28,562,640
Town of Marbletown	\$ 2,099,624,713					
	\$ 2,099,624,713	100.00%	1,500,000	N/A	1,500,000	1,500,000
Town of Rochester	\$ 1,932,526,942					
	\$ 1,932,526,942	100.00%	-	N/A	-	-
Town of Rosendale	\$ 426,261,005					
	\$ 849,213,585	50.19%	6,457,231	N/A	6,457,231	3,241,194
Town of Wawarsing	\$ 174,981,773					
	\$ 1,663,378,427	10.52%	20,877,256	N/A	20,877,256	<u>2,196,217</u>
<b>Total</b>						<u><u>\$ 35,500,050</u></u>

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2024.

Notes: 1 Bonds and Bond Anticipation notes as of 2024 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 19, 2026:

	Amount	Per Capita(a)	Percentage of Full Value (b)
Net Indebtedness	\$ 56,122,138	\$ 3,368.68	1.211%
Net Indebtedness Plus Net Overlapping Indebtedness	\$ 91,622,188	\$ 5,499.53	1.977%

(a) The District's estimated population is 16,660 (Source: 2024 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2025-26 is \$4,633,394,434.

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 Bond or 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 Bonds and 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 Bonds and Notes in the event of a default in the payment of the principal of and interest on the Bonds and 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 Bonds and Notes. The following is a discussion of certain events that could affect the risk of investing in the Bonds and 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 Bonds and 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 Bonds and 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 Bonds and 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 Bonds and 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 Bonds and 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 Bonds and Notes, or tax status of interest on the Bonds and 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 Bonds and 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. The District had a State Comptroller audit in 2022 regarding the safeguarding of computerized data (see New York State Comptroller Report of Examination section herein).

## **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 Bonds and 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 Bonds and Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Bonds and 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 and Notes is less than the amount to be paid at maturity of such Bonds and Notes (excluding amounts stated to be interest and payable at least annually over the term of such Bonds and Notes), 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 and Notes 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 and Notes is the first price at which a substantial amount of such maturity of the Bonds and Notes 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 and Notes accrues daily over the term to maturity of such Bonds and Notes 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 and Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds and Notes. Owners of the Bonds and Notes should consult their own tax advisors with respect to the tax consequences of ownership of Bonds and Notes with original issue discount, including the treatment of owners who do not purchase such Bonds and Notes in the original offering to the public at the first price at which a substantial amount of such Bonds and Notes is sold to the public.

Bonds and Notes 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" and "Premium Notes") 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 and Premium Notes, 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 Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds and Premium Notes 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 Bonds and 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 Bonds and 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 and Notes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds and Notes 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 and Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds and Notes. 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 and Notes may adversely affect the value of, or the tax status of interest on, the Bonds and Notes. 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 and Notes.

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 and Notes) 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 and Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Bonds and Notes 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 and Notes 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.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds and 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 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 and Notes. Prospective purchasers of the Bonds and Notes 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 and Notes 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 and Notes ends with the issuance of the Bonds and Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Bonds and Notes 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 and Notes 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 Notes, and may cause the District or the owners to incur significant expense.

Payments on the Bonds and Notes 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 and Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and Notes and the gross proceeds of a sale, exchange, redemption, retirement, or other disposition of the Bonds and Notes. 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 Bonds and Notes will be covered by the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the School District, such opinion to be delivered with the Bonds and 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".

## **LITIGATION**

The School District is subject to a number of lawsuits in the ordinary conduct of its affairs. The School 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 School District.

There is no other 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 School District, threatened against or affecting the School District to restrain or enjoin the issuance, sale or delivery of the Bonds and Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds and Notes or any proceedings or authority of the School District taken with respect to the authorization, issuance or sale of the Bonds and Notes or contesting the corporate existence or boundaries of the School District.

## **RATING**

The Bonds and 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.

The District does not currently have an underlying rating on its long-term general obligation indebtedness.

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 Bonds and 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 Bonds and 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 Bonds and Notes.

Statements in this official statement, and the documents included by specific reference, which 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 Bonds 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 Bonds and 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 Bonds and 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 Bonds and 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](http://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](mailto: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](http://www.RGTimbsInc.net).

**Rondout Valley Central School District**

**Dated: May 27, 2026  
Accord, New York**

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Carolyn Peck

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						
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	
Beginning Fund Balance - July 1	\$8,729,819	\$13,932,413	\$13,423,516	\$17,980,792	\$22,505,141	\$20,991,029	E
<u>Revenues:</u>							
Real Property Taxes	\$36,294,193	\$37,807,966	\$40,068,760	\$41,454,697	\$42,919,994	\$46,718,816	
Other Tax Items	2,593,481	2,519,814	2,405,369	2,306,119	2,176,524	162,000	
Charges for Services	558,634	471,884	836,107	1,345,376	491,990	500,000	
Use of Money & Property	48,418	22,311	657,074	1,631,614	1,354,057	578,260	
Sale of Property/Comp. for Loss	37,596	122,262	44,016	199,109	0	29,500	
Miscellaneous	1,052,021	657,921	905,450	629,534	1,067,901	527,000	
State Aid	22,155,586	23,126,937	24,800,911	28,409,584	28,472,359	27,847,724	
Federal Aid	504,417	567,163	81,874	53,321	95,910	75,000	
Interfund Transfer	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,470,389</u>	<u>8,009</u>	<u>1,000,000</u>	
Total Revenues	\$63,244,346	\$65,296,258	\$69,799,561	\$77,499,743	\$76,586,744	\$77,438,300	
<u>Expenditures:</u>							
General Support	\$3,486,716	\$5,618,532	\$5,998,409	\$6,472,250	\$5,927,646	\$7,205,141	
Instruction	29,902,589	32,490,276	33,492,094	34,381,438	34,433,099	37,832,357	
Transportation	2,120,761	3,598,406	5,348,809	4,743,432	5,877,458	7,673,491	
Employee Benefits	16,318,411	16,609,963	17,644,261	19,237,421	19,140,328	20,895,927	
Debt Service	1,000,000	2,265,500	48,505	7,308,638	7,299,479	6,476,365	
Capital Outlay	1,857,001	694,743	150,709	0	296,930	0	
Interfund Transfer	<u>3,356,274</u>	<u>4,527,735</u>	<u>5,278,231</u>	<u>832,215</u>	<u>5,125,916</u>	<u>386,835</u>	
Total Expenditures	\$58,041,752	\$65,805,155	\$67,961,018	\$72,975,394	\$78,100,856	\$80,470,116	
Adjustments	0	0	2,718,733	0	0	0	
Year End Fund Balance	\$13,932,413	\$13,423,516	\$17,980,792	\$22,505,141	\$20,991,029	\$17,959,213	E
Excess (Deficit) Revenues Over Expenditures	\$5,202,594	(\$508,897)	\$1,838,543	\$4,524,349	(\$1,514,112)	(\$3,031,816)	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

2026-27 Adopted Budget

### Revenues:

Real Property Taxes & STAR	\$	48,504,813
Other Tax Items		162,000
Charges for Services		500,000
Use of Money & Property		588,260
Sale of Property		29,500
Miscellaneous		527,000
State Aid		27,288,809
Federal Aid		75,000
Reserve Usage		1,250,000
Interfund Transfers		-
Appropriated Fund Balance		3,168,143
Total Revenues	\$	<u>82,093,526</u>

### Expenditures:

General Support	\$	7,455,553
Instruction		37,816,929
Transportation		7,932,696
Community Service		
Employee Benefits		22,130,415
Debt Service		6,369,935
Interfund Transfers		387,998
Total Expenditures	\$	<u>82,093,526</u>

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

## General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assets:					
Cash and Equivalents	\$10,715,151	\$16,841,594	\$3,082,967	\$4,681,606	\$11,282,218
Restrict cash	3,421,992	0	13,258,450	18,027,080	15,018,746
Accounts Receivable	54,465	0	0	0	1,530
State and Federal Aid Receivable	516,764	616,414	571,850	1,584,636	1,537,788
Due from Other Governments	1,566,040	477,955	1,414,960	1,496,777	464,269
Due from Other Funds	3,791,308	1,920,808	4,712,405	2,450,768	3,063,401
Prepaid Expenditures	<u>214,790</u>	<u>214,790</u>	<u>406,127</u>	<u>232,164</u>	<u>266,149</u>
Total Assets	<u>\$20,280,510</u>	<u>\$20,071,561</u>	<u>\$23,446,759</u>	<u>\$28,473,031</u>	<u>\$31,634,101</u>
Liabilities:					
Accounts Payable	\$103,591	\$521,475	\$1,433,116	\$1,792,490	\$1,514,580
Accrued Liabilities	478,524	462,166	80,632	215,981	333,483
Due to Retirement Systems	2,523,920	2,787,587	3,065,582	3,010,245	3,133,166
Due to Other Funds	2,551,870	2,864,076	143,524	670,195	5,629,244
Unearned Revenues	599	12,741	442,379	0	0
Due to Other Governments	689,593	0	334,949	9,211	0
Compensated Absences	0	0	0	269,768	0
Other Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32,599</u>
Total Liabilities:	<u>\$6,348,097</u>	<u>\$6,648,045</u>	<u>\$5,500,182</u>	<u>\$5,967,890</u>	<u>\$10,643,072</u>
Fund Balances:					
Non-spendable	214,790	214,790	406,127	210,771	266,149
Restricted	6,421,992	10,546,221	13,258,450	18,027,080	14,335,969
Assigned:					
Encumbrances	0	0	0	0	0
Appropriated Fund Balance	1,081,431	1,717,366	1,279,667	1,121,343	3,170,107
Unassigned					
Unappropriated Fund Balance	<u>6,214,200</u>	<u>945,139</u>	<u>3,002,333</u>	<u>3,145,947</u>	<u>3,218,804</u>
Total Fund Balance	<u>\$13,932,413</u>	<u>\$13,423,516</u>	<u>\$17,946,577</u>	<u>\$22,505,141</u>	<u>\$20,991,029</u>
Total Liabilities and Fund Balance	<u>\$20,280,510</u>	<u>\$20,071,561</u>	<u>\$23,446,759</u>	<u>\$28,473,031</u>	<u>\$31,634,101</u>

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

## **APPENDIX B**

### **Audited Financial Statements For The Fiscal Year Ended June 30, 2025**

*Note: Such Financial Reports and opinions were prepared as of the date thereof and have not been reviewed and/or updated by the District's Auditors in connection with the preparation and dissemination of this official statement. Consent of the Auditors for inclusion of the Audited Financial Reports in this Official Statement has neither been requested nor obtained.*

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK

AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2025  
INCLUDING REPORT ON  
EXTRACLASSROOM ACTIVITY FUNDS

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
JUNE 30, 2025  
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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

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

***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, 2025, 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, 2025, 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.

***Emphasis of Matter***

As discussed in Note 3 to the financial statements, management has adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. 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 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 72 through 76 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 77 through 79 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. 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 77 through 79 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 November 13, 2025 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 & Haessler PC***

Montgomery, New York  
November 13, 2025

## 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, 2025. 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, 2025 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. As of June 30, 2025, the district is still awaiting the implementation of the electric bus fleet. First Student has experienced resistance from the local municipality when it comes to amending the site that the bus fleet currently utilizes to park. The district has begun to explore opportunities to place charging stations to the district property in order to meet the criteria of EPA rebates. The expected launch date of the new electric bus fleet has been moved to May or June of 2026.

## 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"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
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 \$10,657,298 from (\$81,024,821), as restated to (\$70,367,523). The District's net position at June 30, 2025 is (\$70,367,523). The following table provides a summary of the District's net position:

Summary of Net Position

	School District Activities			
	June 30, 2025	As Restated June 30, 2024	Increase/ (Decrease)	% Change
Current Assets	\$ 37,973,825	\$ 34,273,147	\$ 3,700,678	10.80%
Non Current Assets	103,845,535	103,869,076	(23,541)	-0.02%
Total Assets	<u>141,819,360</u>	<u>138,142,223</u>	<u>3,677,137</u>	2.66%
Deferred Outflows of Resources	<u>11,448,101</u>	<u>23,185,269</u>	<u>(11,737,168)</u>	-50.62%
Current Liabilities	8,460,228	11,013,022	(2,552,794)	-23.18%
Long-Term Liabilities	159,382,529	185,520,113	(26,137,584)	-14.09%
Total Liabilities	<u>167,842,757</u>	<u>196,533,135</u>	<u>(28,690,378)</u>	-14.60%
Deferred Inflows of Resources	<u>55,792,227</u>	<u>45,819,178</u>	<u>9,973,049</u>	21.77%
Net Position:				
Net Investment in Capital Assets	56,674,202	53,273,189	3,401,013	6.38%
Restricted	22,950,430	20,374,661	2,575,769	12.64%
Unrestricted, (As Restated)	<u>(149,992,155)</u>	<u>(154,672,671)</u>	<u>4,680,516</u>	3.03%
Total Net Position	<u>\$ (70,367,523)</u>	<u>\$ (81,024,821)</u>	<u>\$ 10,657,298</u>	13.15%

The prior year information provided above has been adjusted to include the restatement of net position to provide a more meaningful comparison of net position.

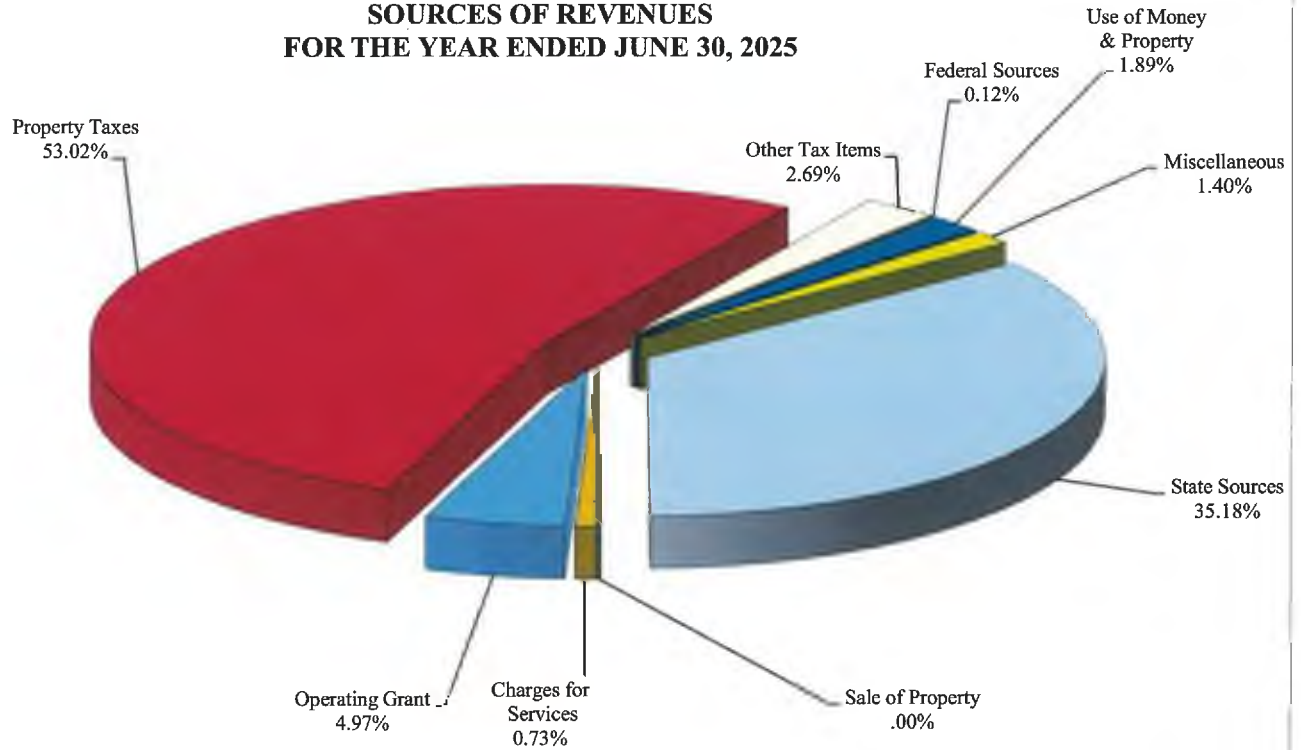
The following table and supporting graphs provides a summary of revenues, expenses and changes in net position for the year ended June 30, 2025 and 2024:

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

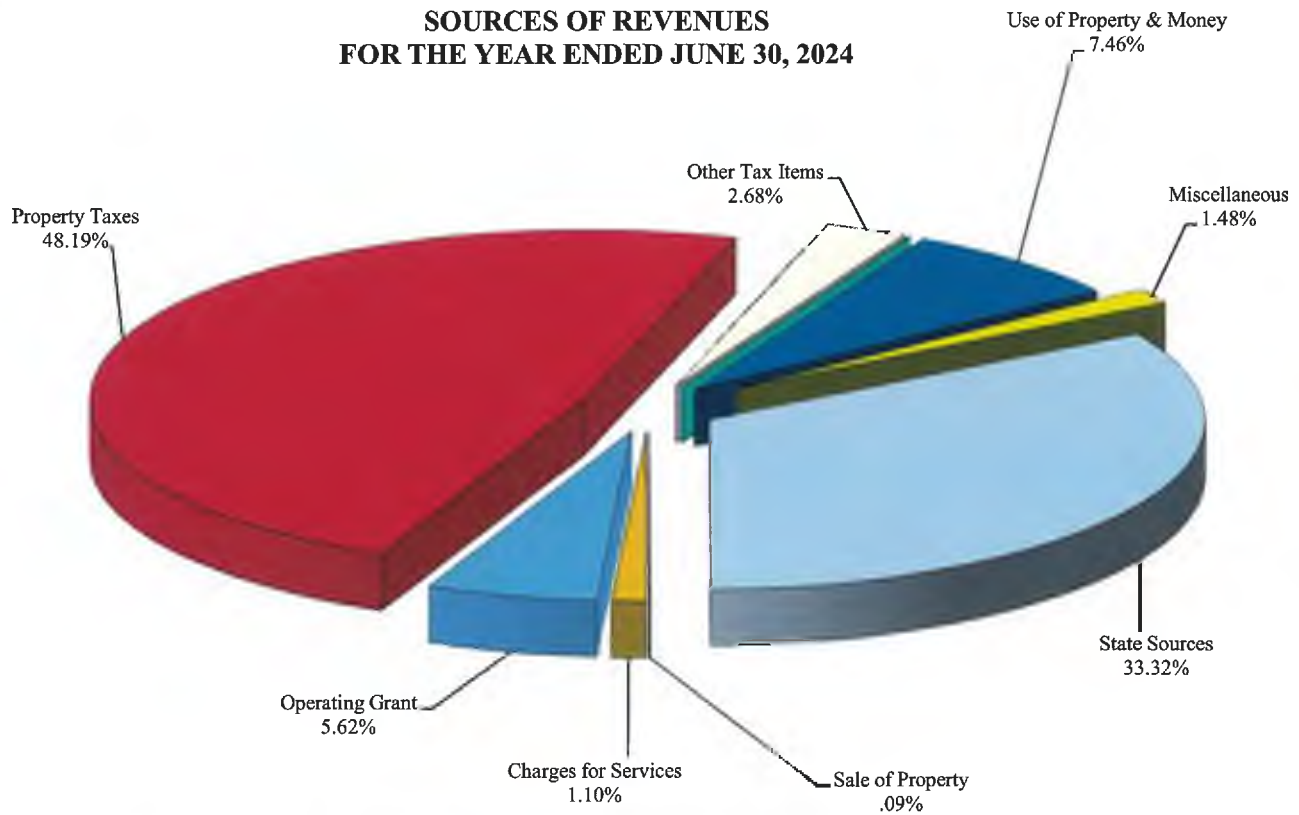
	FOR THE YEAR ENDED JUNE 30, 2025	%	FOR THE YEAR ENDED JUNE 30, 2024	%	\$ Change	% Change
<u>REVENUES</u>						
PROGRAM REVENUES:						
Charges for Services	\$ 589,365	0.73%	\$ 947,926	1.10%	\$ (358,561)	-37.83%
Operating Grants	4,020,880	4.97%	4,831,474	5.62%	(810,594)	-16.78%
GENERAL REVENUES:						
Property Taxes	42,919,994	53.02%	41,454,697	48.18%	1,465,297	3.53%
Other Tax Items	2,176,524	2.69%	2,306,119	2.68%	(129,595)	-5.62%
Use of Money & Property	1,529,084	1.89%	6,420,393	7.46%	(4,891,309)	-76.18%
Sale of Property	0	0.00%	73,610	0.09%	(73,610)	-100.00%
Miscellaneous	1,134,084	1.40%	1,276,577	1.48%	(142,493)	-11.16%
State Sources	28,472,359	35.18%	28,659,584	33.32%	(187,225)	-0.65%
Federal Sources	95,910	0.12%	53,321	0.06%	42,589	79.87%
	<u>80,938,200</u>	100.00%	<u>86,023,701</u>	99.99%	<u>(5,085,501)</u>	
TOTAL REVENUES					-	
<u>EXPENSES</u>						
General Support	7,441,803	10.59%	8,397,104	10.95%	(955,301)	-11.38%
Instruction	35,765,263	50.89%	35,968,305	46.90%	(203,042)	-0.56%
Pupil Transportation	6,080,779	8.65%	4,743,432	6.19%	1,337,347	28.19%
Employee Benefits	13,804,808	19.64%	21,897,004	28.56%	(8,092,196)	-36.96%
Debt Service Interest	3,199,373	4.55%	2,731,251	3.56%	468,122	17.14%
Depreciation & Amortization	2,089,170	2.97%	1,813,508	2.37%	275,662	15.20%
Capital Outlay	884,047	1.26%	2,821	0.00%	881,226	0%
School Lunch Program	1,015,659	1.45%	1,124,760	1.47%	(109,101)	-9.70%
	<u>70,280,902</u>	100.00%	<u>76,678,185</u>	100.00%	<u>(6,397,283)</u>	-8.34%
TOTAL EXPENSES						
CHANGES IN NET POSITION	<u>\$ 10,657,298</u>		<u>\$ 9,345,516</u>		<u>\$ 1,311,782</u>	

RONDOT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK

**SOURCES OF REVENUES  
FOR THE YEAR ENDED JUNE 30, 2025**

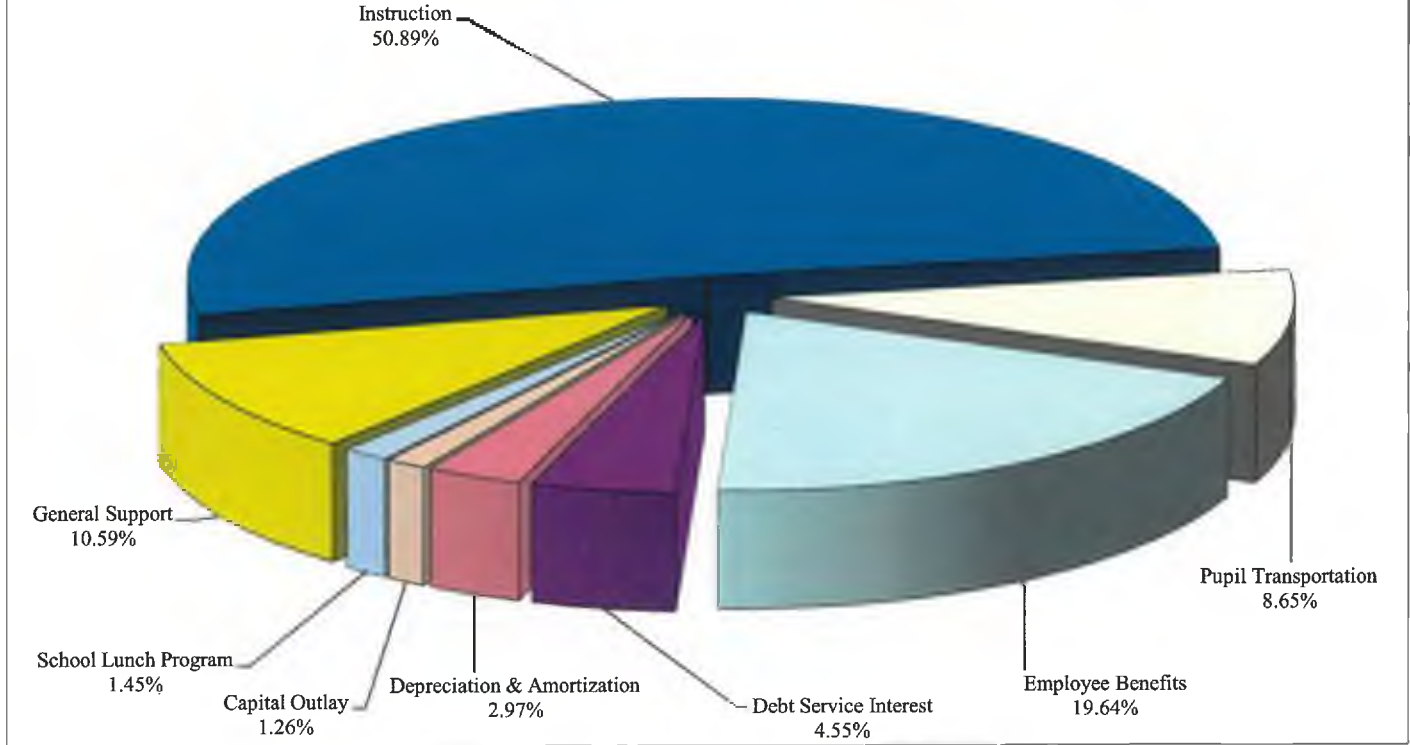


**SOURCES OF REVENUES  
FOR THE YEAR ENDED JUNE 30, 2024**

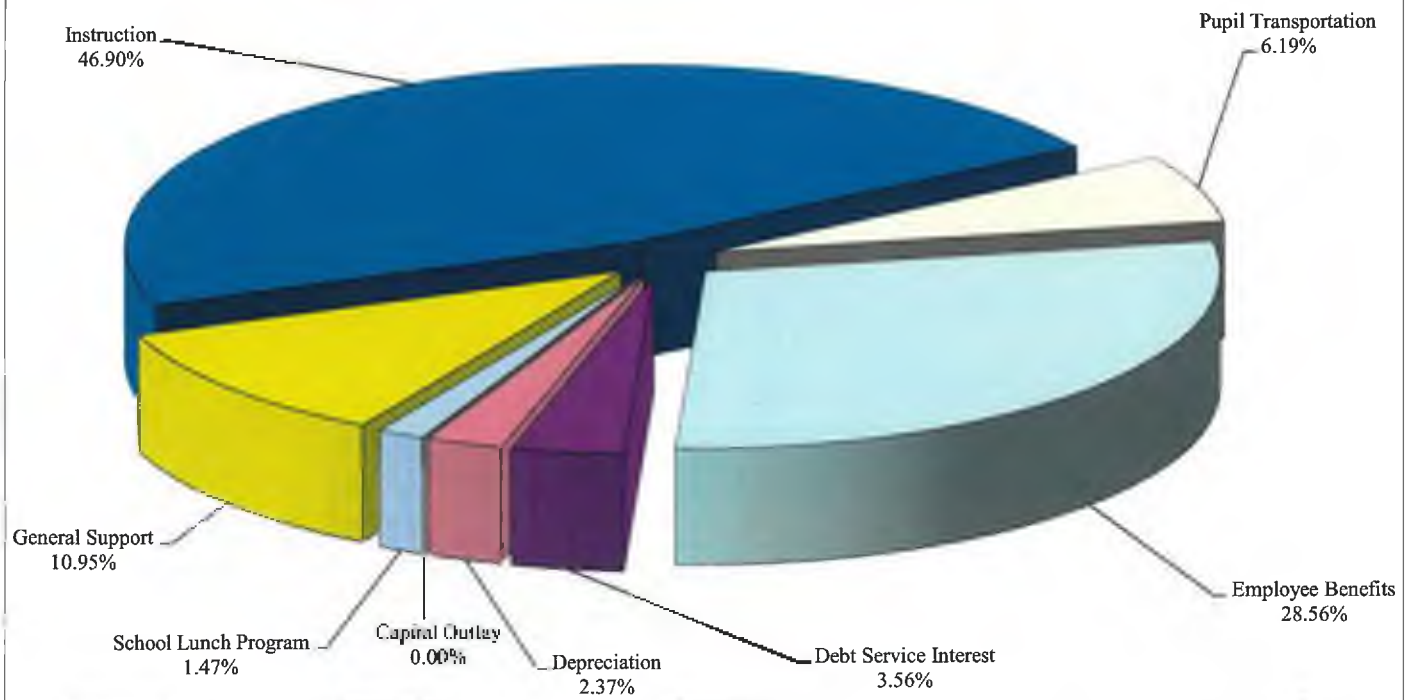


RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK

**EXPENSES FOR THE YEAR ENDED JUNE 30, 2025**



**EXPENSES FOR THE YEAR ENDED JUNE 30, 2024**

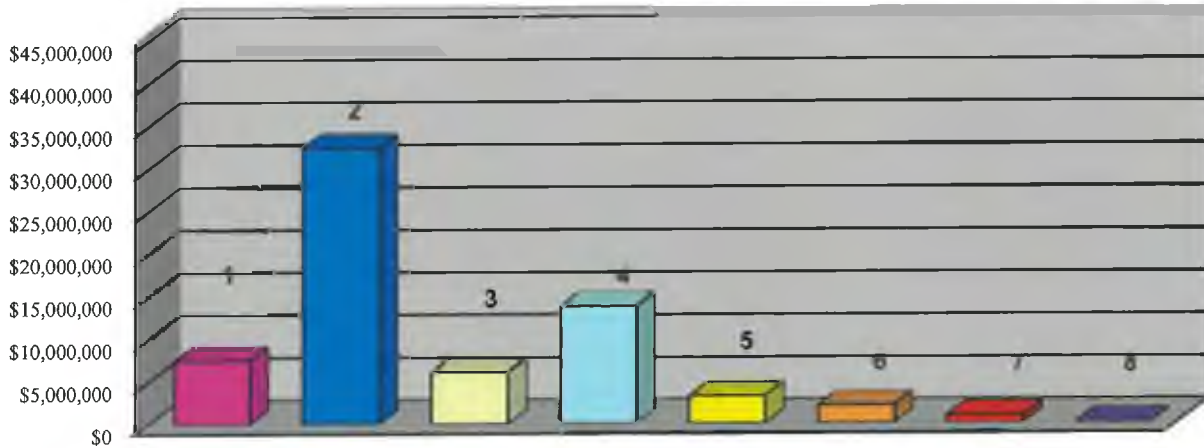


RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
STATEMENT OF ACTIVITIES  
NET COSTS

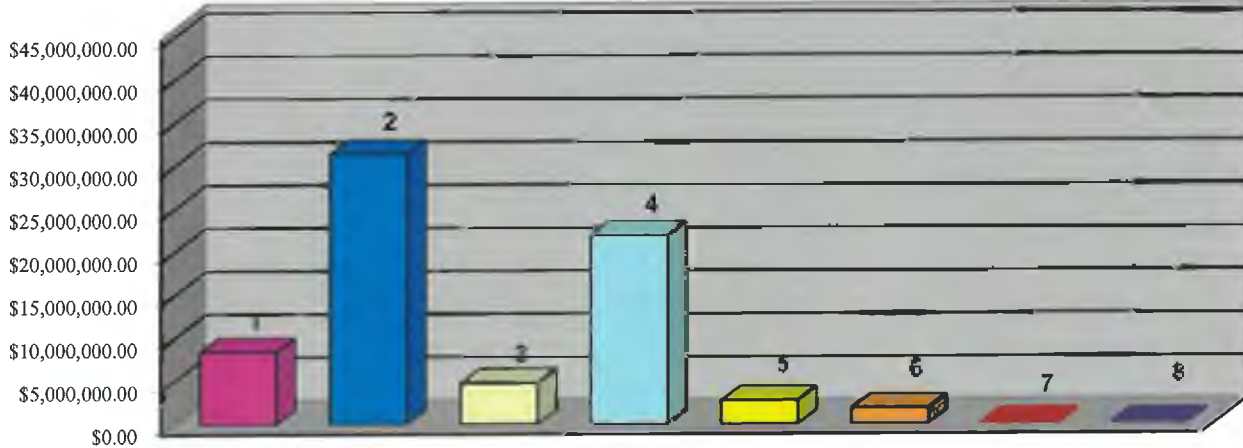
The following information is provided to disclose the net cost of governmental activities:

	TOTAL COST OF SERVICES 2024-2025	NET COST OF SERVICES 2024-2025	TOTAL COST OF SERVICES 2023-2024	NET COST OF SERVICES 2023-2024
General Support	\$ 7,441,803	\$ 7,441,803	\$ 8,397,104	\$ 8,397,104
Instruction	35,765,263	32,390,397	35,968,305	31,378,126
Pupil Transportation	6,080,779	6,080,779	4,743,432	4,743,432
Employee Benefits	13,804,808	13,804,808	21,897,004	21,897,004
Debt Service - Interest	3,199,373	3,199,373	2,731,251	2,731,251
Depreciation	2,089,170	2,089,170	1,813,508	1,813,508
Capital Outlay	884,047	884,047	2,821	2,821
School Lunch Program	1,015,659	(219,720)	1,124,760	(64,461)
	<u>\$ 70,280,902</u>	<u>\$ 65,670,657</u>	<u>\$ 76,678,185</u>	<u>\$ 70,898,785</u>

**NET COSTS 2024-2025**



**NET COSTS 2023-2024**



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, 2025				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	\$ 266,149	14,335,969	\$ 3,170,107	\$ 3,218,804	\$ 20,991,029
Special Aid	0	0	0	0	0
School Lunch	0	220,040	0	0	220,040
Capital Projects	0	1,764,602	0	0	1,764,602
Debt Service	0	2,613,593	0	0	2,613,593
Miscellaneous Special Revenue	0	50,892	0	0	50,892
	<u>\$ 266,149</u>	<u>\$ 18,985,096</u>	<u>\$ 3,170,107</u>	<u>\$ 3,218,804</u>	<u>\$ 25,640,156</u>

	June 30, 2024				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	210,771	\$ 18,027,080	\$ 1,121,343	\$ 3,145,947	\$ 22,505,141
Special Aid	0	0	0	0	-
School Lunch	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>

**General Fund Budgetary Highlights**

In the General Fund, for the year ended June 30, 2025, actual revenues were greater than revised budgeted revenues by \$319,146 or 0.42% primarily due to \$804,057 additional funds received from interest over budget offset by less revenue received than budgeted in other categories. Actual expenditures and encumbrances were less than the revised budgeted expenditures by \$4,549,794 (5.50%). Costs within various budget codes were less than budgeted amounts in particular; the areas of Employee Benefits were less than budgeted by \$554,301, Transportation was less than budgeted by \$1,486,764, Teaching Regular School was less than budgeted by \$561,254, Central Services was less than budgeted by \$658,065 and Programs for Children with Handicapping Conditions was less than budgeted by \$627,208.

For year 2025-2026, the District has appropriated \$3,031,816 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)**

- Change in the District's calculated cost based aides due to the rising assessed values of homes within the District that has caused a reduction in the aid ratio for BOCES services specifically.

Management believes that the budget adopted for 2025-2026 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 \$212,984 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 \$220,040. The revenues exceeded expenditures by \$220,040.

The Capital Projects Fund ended the year with a fund balance of \$1,764,602. The district transferred \$4,000,000 from the Capital Reserve for expenditures related to the \$21M capital project approved during 24/25. Capital expenditures for the fiscal year totaled \$2,653,854.

The Debt Service Fund ended the year with a fund balance of \$2,613,593. 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 \$50,982. Expenditures exceeded revenues by \$15,346.

#### Capital Asset and Debt Administration

##### Capital Assets

The District's investment in capital assets, net of accumulated depreciation and amortization, as of June 30, 2025 was \$103,845,535. The total decrease in this net investment was 0.02% 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, 2024, as restated was \$103,869,076. The District expended \$1,579,807 to acquire and construct capital assets during the year ended June 30, 2025. Capital assets disposed of during the year cost \$11,741 with accumulated depreciation of \$10,633. Depreciation expense for the year was 1,881,062. The district acquired right of use assets during the year in the amount of \$486,930. Amortization expense for the current year was \$208,108.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis  
(Continued)**

Capital Assets (Continued)

CAPITAL ASSETS

Net of Accumulated Depreciation and Amortization

	School District Activities		<u>% Change</u>
	<u>June 30, 2025</u>	<u>As Restated June 30, 2024</u>	
<u>Non-Depreciable Assets:</u>			
Land	5,272,122	\$ 5,272,122	0.00%
Construction in Progress	7,844,198	41,594,794	-81.14%
<u>Depreciable Assets:</u>			
Building and Improvements	89,233,627	55,612,369	60.46%
Furniture and Equipment	582,484	761,397	-23.50%
Vehicles	181,507	175,619	3.35%
<u>Amortizable Assets:</u>			
Equipment	731,597	452,775	61.58%
<b>TOTALS</b>	<u>\$ 103,845,535</u>	<u>\$ 103,869,076</u>	-0.02%

Long-Term Debt

At the end of the year, the District had total bonded and installment purchase debt outstanding of \$43,820,000. 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	\$ 1,745,000	\$ 0	\$ 1,745,000	\$ 0
Installment Purchase Agreement	16,134	0	16,134	0
Serial Bond	8,425,000	0	480,000	7,945,000
Serial Bond	15,360,000	0	580,000	14,780,000
Serial Bond	13,560,000	0	450,000	13,110,000
Serial Bond	8,840,000	0	855,000	7,985,000
<b>Total Bonded Debt Outstanding</b>	<u>\$ 47,946,134</u>	<u>\$ 0</u>	<u>\$ 4,126,134</u>	<u>\$ 43,820,000</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 Tabatha Biggane, 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, 2025

<u>ASSETS</u>		\$	12,210,369
Unrestricted Cash			18,985,096
Restricted Cash			1,530
Taxes Receivable			2,081,078
State & Federal Aid Receivable			464,269
Due from Other Governments			266,149
Prepaid Expenses			3,965,334
Net Pension Asset, Proportionate Share (TRS)			731,597
Right to Use Assets, Net			13,116,320
Non Depreciable Capital Assets			89,997,618
Depreciable Capital Assets, Net			<u>141,819,360</u>
TOTAL ASSETS			
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			11,178,053
Pensions			270,048
Other Postemployment Benefits			<u>11,448,101</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES			
<u>LIABILITIES</u>			1,668,005
Accounts Payable			425,376
Accrued Liabilities			3,181,009
Bond Anticipation Notes Payable			2,619
Due to Other Governments			2,883,674
Due to Teachers' Retirement System			249,492
Due to Employees' Retirement System			32,599
Other Liabilities			17,454
Unearned Revenues			
Long-term Liabilities:			
Due and Payable Within One Year:			
Bonds Payable (including deferred amount on refunding)			2,515,000
Compensated Absences			1,191,286
Lease Liability			35,169
Due and Payable In More Than One Year:			
Bonds Payable (including deferred amount on refunding)			41,305,000
Compensated Absences			3,923,970
Lease Liability			135,155
Net Pension Liability - Proportionate Share (ERS)			2,961,339
Other Postemployment Benefits			107,315,610
TOTAL LIABILITIES			<u>167,842,757</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			5,159,967
Pensions			50,632,260
Other Postemployment Benefits			<u>55,792,227</u>
TOTAL DEFERRED INFLOWS OF RESOURCES			
<u>NET POSITION</u>			56,674,202
Net Investment in Capital Assets			22,950,430
Restricted			(149,992,155)
Unassigned ( Deficit)			<u>\$ (70,367,523)</u>
TOTAL NET POSITION			

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025

<u>FUNCTIONS &amp; PROGRAMS</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE &amp; CHANGES IN NET POSITION</u>
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS</u>	
General Support	\$ (9,695,440)	\$ 0	\$ 0	\$ (9,695,440)
Instruction	(47,664,845)	491,990	2,882,876	(44,289,979)
Pupil Transportation	(7,821,538)	0	0	(7,821,538)
Debt Service - Interest	(3,199,373)	0	0	(3,199,373)
Capital Outlay	(884,047)	0	0	(884,047)
School Lunch Program	(1,015,659)	97,375	1,138,004	219,720
<b>TOTAL FUNCTIONS &amp; PROGRAMS</b>	<b>\$ (70,280,902)</b>	<b>\$ 589,365</b>	<b>\$ 4,020,880</b>	<b>(65,670,657)</b>
Real Property Taxes				42,919,994
Other Tax Items				2,176,524
Use of Money & Property				1,529,084
Miscellaneous				1,134,084
State Sources				28,472,359
Federal Sources				95,910
<b>TOTAL GENERAL REVENUES</b>				<b>76,327,955</b>
<b>CHANGE IN NET POSITION</b>				<b>10,657,298</b>
<b>NET POSITION, BEGINNING OF YEAR, AS RESTATED</b>				<b>(81,024,821)</b>
<b>NET POSITION, END OF YEAR</b>				<b>\$ (70,367,523)</b>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2025

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	MISCELLANEOUS SPECIAL REVENUE	TOTAL GOVERNMENTAL FUNDS
Unrestricted Cash	\$ 11,282,218	\$ 928,151	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,210,369
Restricted Cash	15,018,746	0	20,023	1,614,087	2,281,348	50,892	18,985,096
Taxes Receivable	1,530	0	0	0	0	0	1,530
State & Federal Aid Receivable	1,537,788	449,039	94,251	0	0	0	2,081,078
Due from Other Governments	464,269	0	0	0	0	0	464,269
Due from Other Funds	3,063,401	1,031,665	458,035	4,000,000	340,254	0	8,893,355
Prepaid Expenditures	266,149	0	0	0	0	0	266,149
<b>TOTAL ASSETS</b>	<b>\$ 31,634,101</b>	<b>\$ 2,408,855</b>	<b>\$ 572,309</b>	<b>\$ 5,614,087</b>	<b>\$ 2,621,602</b>	<b>\$ 50,892</b>	<b>\$ 42,901,846</b>

LIABILITIES & FUND BALANCES

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	MISCELLANEOUS SPECIAL REVENUE	TOTAL GOVERNMENTAL FUNDS
Accounts Payable	\$ 1,514,580	\$ 39,223	\$ 92,950	\$ 21,252	\$ 0	\$ 0	\$ 1,668,005
Accrued Liabilities	333,483	0	0	0	0	0	333,483
BAN Payable	0	0	0	3,181,009	0	0	3,181,009
Due to Other Governments	0	2,250	369	0	0	0	2,619
Due to Other Funds	5,629,244	2,362,382	246,496	647,224	8,009	0	8,893,355
Due to Teachers' Retirement System	2,883,674	0	0	0	0	0	2,883,674
Due to Employees' Retirement System	249,492	0	0	0	0	0	249,492
Other Liabilities	32,599	0	0	0	0	0	32,599
Unearned Revenues	0	5,000	12,454	0	0	0	17,454
<b>TOTAL LIABILITIES</b>	<b>10,643,072</b>	<b>2,408,855</b>	<b>352,269</b>	<b>3,849,485</b>	<b>8,009</b>	<b>0</b>	<b>17,261,690</b>

FUND BALANCES

Nonspendable	266,149	0	0	0	0	0	266,149
Restricted	14,335,969	0	220,040	1,764,602	2,613,593	50,892	18,985,096
Assigned	3,170,107	0	0	0	0	0	3,170,107
Unassigned	3,218,804	0	0	0	0	0	3,218,804
<b>TOTAL FUND BALANCES</b>	<b>20,991,029</b>	<b>0</b>	<b>220,040</b>	<b>1,764,602</b>	<b>2,613,593</b>	<b>50,892</b>	<b>25,640,156</b>
<b>TOTAL LIABILITIES, &amp; FUND BALANCES</b>	<b>\$ 31,634,101</b>	<b>\$ 2,408,855</b>	<b>\$ 572,309</b>	<b>\$ 5,614,087</b>	<b>\$ 2,621,602</b>	<b>\$ 50,892</b>	<b>\$ 42,901,846</b>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025

<u>ASSETS</u>	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
Unrestricted Cash	\$ 12,210,369	\$ 0	\$ 0	\$ 12,210,369
Restricted Cash	18,985,096	0	0	18,985,096
Taxes Receivable	1,530	0	0	1,530
State & Federal Aid Receivable	2,081,078	0	0	2,081,078
Due from Other Governments	464,269	0	0	464,269
Due from Other Funds	8,893,355	0	(8,893,355)	0
Prepaid Expenses	266,149	0	0	266,149
Net Pension Asset - Proportionate Share (TRS)	0	3,965,334	0	3,965,334
Right to Use Assets, Net	0	731,597	0	731,597
Non-Depreciable Capital Assets	0	13,116,320	0	13,116,320
Depreciable Capital Assets, Net	0	89,997,618	0	89,997,618
<b>TOTAL ASSETS</b>	<b>42,901,846</b>	<b>107,810,869</b>	<b>(8,893,355)</b>	<b>141,819,360</b>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pensions	0	11,178,053	0	11,178,053
Other Postemployment Benefits	0	270,048	0	270,048
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>0</b>	<b>11,448,101</b>	<b>0</b>	<b>11,448,101</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 42,901,846</b>	<b>\$ 119,258,970</b>	<b>\$ (8,893,355)</b>	<b>\$ 153,267,461</b>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION

<u>LIABILITIES</u>	TOTAL	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
Accounts Payable	\$ 1,668,005	\$ 0	\$ 0	\$ 1,668,005
Accrued Liabilities	333,483	91,893	0	425,376
BAIN Payable	3,181,009	0	0	3,181,009
Due to Other Governments	2,619	0	0	2,619
Due to Other Funds	8,893,355	0	(8,893,355)	0
Due to Teachers' Retirement System	2,883,674	0	0	2,883,674
Due to Employees' Retirement System	249,492	0	0	249,492
Other Liabilities	32,599	0	0	32,599
Bonds Payable (including deferred amount on refunding)	0	43,820,000	0	43,820,000
Compensated Absences	0	5,115,256	0	5,115,256
Unearned Revenues	17,454	0	0	17,454
Lease Liability	0	170,324	0	170,324
Net Pension Liability - Proportionate Share	0	2,961,339	0	2,961,339
Other Postemployment Benefits	0	107,315,610	0	107,315,610
<b>TOTAL LIABILITIES</b>	<b>17,261,690</b>	<b>159,474,422</b>	<b>(8,893,355)</b>	<b>167,842,757</b>
<u>DEFERRED INFLOWS OR RESOURCES</u>				
Pensions	0	5,159,967	0	5,159,967
Other Postemployment Benefits	0	50,632,260	0	50,632,260
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>17,261,690</b>	<b>215,266,649</b>	<b>(8,893,355)</b>	<b>223,634,984</b>
<b>FUND BALANCES / NET POSITION</b>	<b>25,640,156</b>	<b>(96,007,679)</b>	<b>0</b>	<b>(70,367,523)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES / NET POSITION</b>	<b>\$ 42,901,846</b>	<b>\$ 119,258,970</b>	<b>\$ (8,893,355)</b>	<b>\$ 153,267,461</b>

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, 2025

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	MISCELLANEOUS SPECIAL REVENUE	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>							
Real Property Taxes	\$ 42,919,994	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,919,994
Other Tax Items	2,176,524	0	0	0	0	0	2,176,524
Charges for Services	491,990	0	0	0	0	0	491,990
Use of Money & Property	1,354,057	0	320	0	174,331	376	1,529,084
Miscellaneous	1,067,901	0	0	0	0	52,866	1,120,767
State Sources	28,472,359	817,098	354,936	0	0	0	29,644,393
Federal Sources	95,910	2,065,778	783,068	0	0	0	2,944,756
Sales	0	0	97,375	0	0	0	97,375
<b>TOTAL REVENUES</b>	<b>76,578,735</b>	<b>2,882,876</b>	<b>1,235,699</b>	<b>0</b>	<b>174,331</b>	<b>53,242</b>	<b>80,924,883</b>
<u>EXPENDITURES</u>							
General Support	5,927,646	1,514,157	0	0	0	0	7,441,803
Instruction	34,433,099	1,263,576	0	0	0	68,588	35,765,263
Pupil Transportation	5,877,458	203,321	0	0	0	0	6,080,779
Employee Benefits	19,140,328	115	0	0	0	0	19,140,443
Debt Service:							
Principal	4,145,810	0	0	0	0	0	4,145,810
Interest	3,153,669	0	0	0	0	0	3,153,669
Cost of Sales	0	0	1,015,659	0	0	0	1,015,659
Capital Outlay	296,930	0	0	2,653,854	0	0	2,950,784
<b>TOTAL EXPENDITURES</b>	<b>72,974,940</b>	<b>2,981,169</b>	<b>1,015,659</b>	<b>2,653,854</b>	<b>0</b>	<b>68,588</b>	<b>79,694,210</b>
<b>EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES</b>	<b>3,603,795</b>	<b>(98,293)</b>	<b>220,040</b>	<b>(2,653,854)</b>	<b>174,331</b>	<b>(15,346)</b>	<b>1,230,673</b>
<u>OTHER SOURCES &amp; USES</u>							
Bond Anticipation Notes Paid from Current Year Appropriations	(712,931)	0	0	712,931	0	0	0
Leases	0	0	0	190,000	0	0	190,000
Operating Transfers In	8,009	212,984	0	4,314,692	0	0	4,535,685
Operating Transfers (Out)	(4,412,985)	(114,691)	0	0	(8,009)	0	(4,535,685)
<b>TOTAL OTHER SOURCES &amp; USES</b>	<b>(5,117,907)</b>	<b>98,293</b>	<b>0</b>	<b>5,217,623</b>	<b>(8,009)</b>	<b>0</b>	<b>190,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,514,112)</b>	<b>0</b>	<b>220,040</b>	<b>2,563,769</b>	<b>166,322</b>	<b>(15,346)</b>	<b>1,420,673</b>
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	<b>22,505,141</b>	<b>0</b>	<b>0</b>	<b>(799,167)</b>	<b>2,447,271</b>	<b>66,238</b>	<b>24,219,483</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 20,991,029</b>	<b>\$ 0</b>	<b>\$ 220,040</b>	<b>\$ 1,764,602</b>	<b>\$ 2,613,593</b>	<b>\$ 50,892</b>	<b>\$ 25,640,156</b>

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, 2025

<u>REVENUES</u>	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
Real Property Taxes	\$ 42,919,994	\$ 0	\$ 0	\$ 0	0	\$ 42,919,994
Other Tax Items	2,176,524	0	0	0	0	2,176,524
Charges for Services	491,990	0	0	0	0	491,990
Use of Money & Property	1,529,084	0	0	0	0	1,529,084
Miscellaneous	1,120,767	0	(1,108)	14,425	0	1,134,084
State Sources	29,644,393	0	0	0	0	29,644,393
Federal Sources	2,944,756	0	0	0	0	2,944,756
Sales	97,375	0	0	0	0	97,375
<b>TOTAL REVENUES</b>	<b>80,924,883</b>	<b>0</b>	<b>(1,108)</b>	<b>14,425</b>	<b>0</b>	<b>80,938,200</b>
<u>EXPENDITURES</u>						
General Support	7,441,803	0	169,296	0	2,084,341	9,695,440
Instruction	35,765,263	0	1,882,253	0	10,017,329	47,664,845
Pupil Transportation	6,080,779	0	37,621	0	1,703,138	7,821,538
Employee Benefits	19,140,443	(5,335,635)	0	0	(13,804,808)	0
Debt Service:						
Principal	4,145,810	0	0	(4,145,810)	0	0
Interest	3,153,669	(6,256)	0	51,960	0	3,199,373
Cost of Sales	1,015,659	0	0	0	0	1,015,659
Capital Outlay	2,950,784	0	(2,066,737)	0	0	884,047
<b>TOTAL EXPENDITURES</b>	<b>79,694,210</b>	<b>(5,341,891)</b>	<b>22,433</b>	<b>(4,093,850)</b>	<b>0</b>	<b>70,280,902</b>
<b>EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES</b>	<b>1,230,673</b>	<b>5,341,891</b>	<b>(23,541)</b>	<b>4,108,275</b>	<b>0</b>	<b>10,657,298</b>
<u>OTHER SOURCES &amp; USES</u>						
Leases	190,000	0	0	(190,000)	0	0
Operating Transfers In	4,535,685	0	0	0	(4,535,685)	0
Operating Transfers (Out)	(4,535,685)	0	0	0	4,535,685	0
<b>TOTAL OTHER SOURCES &amp; USES</b>	<b>190,000</b>	<b>0</b>	<b>0</b>	<b>(190,000)</b>	<b>0</b>	<b>0</b>
<b>NET CHANGE FOR THE YEAR</b>	<b>1,420,673</b>	<b>5,341,891</b>	<b>(23,541)</b>	<b>3,918,275</b>	<b>0</b>	<b>10,657,298</b>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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, 2025

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, 2025, the Rondout Valley Central School District was billed \$1,968,016 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$4,637,522. 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, 2025. 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, 2025

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, 2025

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 1<sup>st</sup> and became a lien on August 24<sup>th</sup>. Taxes were collected by the District during the period September 1, 2024 through November 3, 2024.

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, 2025

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 12 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, 2025

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, 2025.

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, 2025

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 11. 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 13. 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 11. 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 13.

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.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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

Q. Vested Employee Benefits

1. Compensated Absences

A compensated absence is leave for which employees may receive one or more cash payments when the leave is used for time off, other cash payments, or noncash settlements. The payment or settlement could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. Examples of compensated absences include vacation (or annual) leave, sick leave, paid time off, holidays, parental leave, bereavement leave, and certain types of sabbatical leave.

Compensated absence eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Some earned benefits may be forfeited if not taken in varying time periods. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

Consistent with GASB Statement 101, Compensated Absences, the liability has been calculated for leave that has not been used and leave that has been used but not yet paid or settled. The liability includes applicable salary-related payments.

Leave that has not been used includes leave that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. When evaluating whether leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means, management assesses relevant factors, including employment policies related to compensated absences, whether leave that has been earned is, or will become, eligible for use or payment in the future, historical information about the use, payment, or forfeiture of compensated absences, and information known to the District that would indicate that historical information may not be representative of future trends or patterns. This leave is generally measured using an employee's pay rate as of the date of the financial statements. If some or all of the leave is more likely than not to be paid at a rate different from the employee's pay rate at the time the payment is made, the District measures that portion of the liability using that different rate as of the date of the financial statements. For leave that is not attributable to a specific employee as of the date of the financial statements, the District measures the liability using an estimated pay rate that is representative of the eligible employee population.

For types of compensated absences that are dependent upon the occurrence of a sporadic event (such as parental, military and jury duty leave) that affect a relatively small proportion of employees in any particular reporting period, the District does not recognize a liability until the leave commences.

The District reports a liability for leave that has been used for time off but has not yet been paid in cash or settled through noncash means. This liability, including any applicable salary-related payments, is measured at the amount of the cash payment or noncash settlement to be made for the use of the leave.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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

Q. Vested Employee Benefits (Continued)

1. Compensated Absences (Continued)

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources, as discussed in paragraph 14 of Interpretation 6, as amended.

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, 2025

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, 2025

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 \$266,149.

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, 2025

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, 2025

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, 2025 consisted of the following:

General Fund:

Capital Reserve	\$	7,778,444	
Workers' Compensation Reserve		228,381	
Unemployment Insurance Reserve		407,332	
Retirement Contribution Reserve		3,673,402	
Retirement Contribution Reserve - TRS Sub Fund		1,527,864	
Employee Benefit Accrued Liability Reserve		720,546	
	\$		14,335,969
School Lunch Fund			220,172
Capital Fund			1,764,602
Debt Service Fund			2,613,593
Miscellaneous Special Revenue Fund			50,892
Total Restricted Fund Balance	\$		18,985,228

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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, 2025.

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.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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

U. New 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 has implemented GASB Statement 101, as required.

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 has implemented GASB Statement 102, as required.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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

V. Future Changes in Accounting Standards

GASB has issued Statement 103, *Financial Reporting Model Improvements*, the objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2026 financial statements.

GASB has issued Statement 104, *Disclosure of Certain Capital Assets*, the objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed in the capital assets note disclosures required by Statement 34. Leased assets, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, subscription assets and intangible assets should all be disclosed separately by major class. 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, 2025

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, 2025 were as follows:

Original Cost of Capital Assets	\$ 135,368,721
Accumulated Depreciation	<u>(32,254,783)</u>
	<u>\$ 103,113,938</u>

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, 2025 are as follows:

Original Cost of Right to Use Assets	\$ 1,337,314
Accumulated Amortization	<u>(605,717)</u>
	<u>\$ 731,597</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
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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, 2025 were as follows:

Net Pension Asset - Proportionate Share (TRS)	\$	3,965,334
Deferred Outflows of Resources - Pensions		11,178,053
Net Pension Liability - Proportionate Share (ERS)		(2,961,339)
Deferred Inflows of Resources - Pensions		<u>(5,159,967)</u>
	<u>\$</u>	<u>7,022,081</u>

4. 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, 2025 was as follows:

Accrued Interest	\$	<u>91,893</u>
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RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
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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, 2025 were as follows:

Bonds Payable	\$ 43,820,000
Compensated Absences	5,115,256
Leases	170,324
Deferred Outflows of Resources - OPEB	(270,048)
Other Postemployment Benefits	107,315,610
Deferred Inflows of Resources - OPEB	50,632,260
	\$ 206,783,402

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  
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JUNE 30, 2025

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)	\$	81,114,883
Upon disposition of assets totaling \$11,741, the cost exceeded the accumulated depreciation of \$10,633.		(1,108)
Unamortized BAN Premium		14,425
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 Position and does not affect the Statement of Activities.		<u>(190,000)</u>
Total revenues in the Statement of Activities (Schedule 2)	\$	<u><u>80,938,200</u></u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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)	\$	79,694,210
<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 \$1,579,807 were less than depreciation of \$1,881,062 and the remaining depreciation.</p>		
		301,255
<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 \$208,108 was less than the present value of right to use assets of \$486,930 purchased in the current year.</p>		
		(278,822)
<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>		
		(189,471)
<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>		
		(4,584,228)

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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)

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.	(561,936)
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.	51,960
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.	(16,134)
Interest payable is recognized as an accrued liability in the entity wide statement under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable this year is more than the interest payable last year.	(6,256)
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.	(4,129,676)
Total expenses in the Statement of Activities (Schedule 2)	<hr style="border: 0.5px solid black;"/> <u>\$ 70,280,902</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 3. CHANGE IN ACCOUNTING PRINCIPLES, RESTATEMENT OF NET POSITION

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*, the objective which 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 implementation of GASB Statement No. 101 has resulted in the District's beginning net position being restated. See note 19 for details.

NOTE 4. 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.

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, 2025.

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.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 4. STEWARDSHIP AND COMPLIANCE. (Continued)

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 5. 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	\$	33,168,990

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 \$18,985,096 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.

Total investments of the NYClass cooperative as of year-end are \$14,108,395,161, which consisted of \$3,819,691,492 in repurchase agreements, \$8,249,690,125 in U. S. Treasury Bills, \$1,460,809,349 in U.S. Treasury Securities and \$578,204,195 in collateralized bank deposits all with various interest rate and due dates.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 6. CAPITAL ASSETS.

Capital asset balances and activity for the year ended June 30, 2025, were as follows:

	Beginning Balance <u>As Restated</u>	<u>Additions</u>	Retirements/ <u>Reclassifications</u>	Ending Balance <u>Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 5,272,122	\$ 0	\$ 0	5,272,122
Construction in Progress	41,594,794	712,346	(34,462,942)	7,844,198
Total Nondepreciable Assets	<u>46,866,916</u>	<u>712,346</u>	<u>(34,462,942)</u>	<u>13,116,320</u>
Capital assets that are depreciated:				
Buildings and Improvements	83,549,182	867,461	34,459,253	118,875,896
Furniture & Equipment	2,714,850	0	(8,052)	2,706,798
Vehicles	669,707	0	0	669,707
Total Depreciable Assets	<u>86,933,739</u>	<u>867,461</u>	<u>34,451,201</u>	<u>122,252,401</u>
Less: Accumulated Depreciation	<u>(30,384,354)</u>	<u>(1,881,062)</u>	<u>10,633</u>	<u>(32,254,783)</u>
Capital Assets, Net	<u>\$ 103,416,301</u>	<u>\$ (301,255)</u>	<u>\$ (1,108)</u>	<u>\$ 103,113,938</u>

Depreciation expense was charged to governmental functions as follows:

General Support	\$ 169,296
Instruction	1,674,145
Transportation	37,621
Total Depreciation	<u>\$ 1,881,062</u>

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

NOTE 7. RIGHT OF USE ASSETS.

Right of use asset balances and activity for the year ended June 30, 2025, were as follows:

	Beginning Balance <u>As Restated</u>	<u>Additions</u>	Retirements/ <u>Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Right to use assets that are amortized:				
Furniture & Equipment	\$ 850,384	\$ 486,930	\$ 0	\$ 1,337,314
Less: Accumulated Amortization	<u>(397,609)</u>	<u>(208,108)</u>	<u>0</u>	<u>(605,717)</u>
Right of Use Assets, Net	<u>\$ 452,775</u>	<u>\$ 278,822</u>	<u>\$ 0</u>	<u>\$ 731,597</u>

Amortization expense was charged to governmental functions as follows:

Instruction	<u>208,108</u>
Total Amortization	<u>\$ 208,108</u>

NOTE 8. SHORT TERM LIABILITIES.

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

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance
BAN matures 2025	\$ 3,181,977	\$ 0	\$ 3,181,977	\$ 0
BAN matures 2026	0	3,181,009		3,181,009
Total Short-Term Debt	<u>\$ 3,181,977</u>	<u>\$ 3,181,009</u>	<u>\$ 3,181,977</u>	<u>\$ 3,181,009</u>
Interest Paid		\$ 143,189		
Less Interest Accrued in the Prior Year		(1,961)		
Plus Interest Accrued in the Current Year		<u>1,852</u>		
Interest Expense		<u>143,080</u>		

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 9. 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	\$ 47,930,000	\$ 0	\$ 4,110,000	\$ 43,820,000	\$ 2,515,000
Deferred Amount on Refunding	14,425	0	14,425	0	0
Total Bonds and Notes Payable	<u>47,944,425</u>	<u>0</u>	<u>4,124,425</u>	<u>43,820,000</u>	<u>2,515,000</u>
Other Liabilities:					
Compensated Absences	5,304,727	(189,471)	0	5,115,256	1,191,286
Leases Payable	16,134	190,000	35,810	170,324	35,169
Other Postemployment Benefits	128,782,078	0	21,466,468	107,315,610	0
Net Pension Liability Proportionate Share (ERS)	4,333,958	0	1,372,619	2,961,339	0
Total Other Liabilities	<u>138,436,897</u>	<u>529</u>	<u>22,874,897</u>	<u>115,562,529</u>	<u>1,226,455</u>
Total Long-Term Liabilities	<u>\$ 186,381,322</u>	<u>\$ 529</u>	<u>\$ 26,999,322</u>	<u>\$ 159,382,529</u>	<u>\$ 3,741,455</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 9. 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 \$8,425,000	06/27/24	06/27/36	5.00%	\$ 7,945,000
Serial Bond \$15,360,000	06/27/24	06/27/38	5.00%	14,780,000
Serial Bond \$13,560,000	06/27/24	06/27/39	5.00%	13,110,000
Serial Bond \$8,840,000	06/27/24	06/27/39	5.00%	7,985,000
				<u>\$ 43,820,000</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>
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	3,045,000	1,650,500
2030 and thereafter	<u>29,965,000</u>	<u>9,979,250</u>
TOTAL	<u>\$ 43,820,000</u>	<u>\$ 19,616,000</u>

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

Interest paid	\$ 648,220
Less: Interest accrued in the prior year	(98,149)
Plus: Interest accrued in the current year	<u>90,041</u>
Total interest expense	<u>\$ 640,112</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 10. LEASES.

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 20, 2025
Installment Purchase Agreement #29 - Xero Printer/Copiers	11/1/2024	60 months	\$ 3,610	5.280%	\$ 190,000	\$ 170,324
						<u>\$ 170,324</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
2026	\$ 35,170	\$ 8,150
2027	37,072	6,248
2028	39,077	4,242
2029	41,191	2,128
2030	17,814	236
TOTAL	<u>\$ 170,324</u>	<u>\$ 21,004</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 11. 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](http://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](http://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  
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JUNE 30, 2025

NOTE 11. 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  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 11. 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 5 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 2 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, 2025

NOTE 11. 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, 2025

NOTE 11. 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.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 11. 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.

*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, 2025

NOTE 11. 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 2024 is 1.8%.

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>
2024-2025	\$ 2,544,456	\$ 1,001,869
2023-2024	2,476,705	829,129
2022-2023	2,624,327	686,768

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, 2025

NOTE 11. PENSION PLANS. (Continued)

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

At June 30, 2025, 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, 2025 for ERS and June 30, 2024 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.

	ERS	TRS
Actuarial Valuation Date	March 31, 2025	June 30, 2024
Net Pension Asset/(Liability)	\$ (2,961,339)	\$ 3,965,334
District's Portion of the Plan's Total		
Net Pension Asset/(Liability)	0.0172716%	0.132904%

At March 31, 2025, the District's proportion of the NYSERS net pension asset/(liability) was 0.0172716%, there was a decrease of 0.0015393% from its proportion measured as of March 31, 2024.

At June 30, 2024, the District's proportion of the NYSTRS net pension asset/(liability) was 0.132904%, which was an decrease of 0.003879% from its proportion measured as of June 30, 2023.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 11. 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, 2025, the District's recognized pension expense of \$311,070 for ERS and \$250,866 for TRS. At June 30, 2025 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	\$ 735,024	\$ 4,269,937	\$ 5,004,961
Changes of Assumptions	124,193	2,372,073	2,496,266
Net difference between projected and actual earnings on pension plan investments	232,338	-	232,338
Changes in proportion and difference between the District's contributions and proportionate share of contributions	288,539	362,001	650,540
District's contributions subsequent to the measurement date	<u>249,492</u>	<u>2,544,456</u>	<u>2,793,948</u>
Total	<u>\$ 1,629,586</u>	<u>\$ 9,548,467</u>	<u>\$ 11,178,053</u>

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 11. 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	\$ 34,672	\$ -	\$ 34,672
Changes of Assumptions	-	399,005	399,005
Net difference between projected and actual earnings on pension plan investments	0	4,405,824	4,405,824
Changes in proportion and difference between the District's contributions and proportionate share of contributions	147,880	172,586	320,466
District's contributions subsequent to the measurement date	0	0	0
Total	\$ 182,552	\$ 4,977,415	\$ 5,159,967

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, 2025. 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>
2025	\$ 0	\$ 1,996,965
2026	(584,398)	(4,916,135)
2027	(807,418)	767,865
2028	223,109	885,084
2029	(28,835)	(544,273)
Thereafter	0	(216,101)

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)

Actuarial Assumptions

The total ERS pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension liability to March 31, 2025. The total TRS pension liability at June 30, 2024 was determined by using an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2025. 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	4.3%	Rates of increase differ based on service. They have been calculated										
		<table border="0" style="margin-left: auto; margin-right: auto;"> <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										

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations* and generally accepted accounting principles. ASOP No. 27

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)  
Actuarial Assumptions (Continued)

provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

The Long Term Expected Rates of Return are presented by asset allocation classification. 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, 2024 for TRS and March 31, 2025 for ERS are summarized in the following table:

Measurement Date	ERS		Measurement Date	TRS	
	March 31, 2025			June 30, 2024	
	Target Allocation	Long-term expected real rate of return	Target Allocation	Long-term expected real rate of return*	
Asset Class:			Asset Class:		
Domestic Equity	25%	3.54%	Domestic Equities	33%	6.80%
International Equity	14%	6.57%	International Equities	15%	7.60%
Private Equity	15%	7.25%	Global Equities	4%	7.20%
Real Estate	12%	4.95%	Real Estate Equities	11%	6.30%
Opportunistic/ARC Portfolio	3%	5.25%	Private Equity	9%	10.10%
Credit	4%	5.40%	Domestic Fixed Income	16%	2.20%
Real Assets	4%	5.55%	Global Bonds	2%	1.60%
Fixed Income	22%	2.00%	High-yield Bonds	1%	4.40%
Cash	1%	0.25%	Private Debt	2%	6.00%
			Real Estate Debt	6%	3.20%
Total	100%		Cash Equivalents	1%	0.30%
				100%	

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

\* Real rates of return are net of pension plan investment expenses and long-term inflation expectations.

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, 2025

NOTE 11. 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)	\$ (8,570,488)	\$ (2,961,339)	\$ 1,722,304
<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)	\$ (18,316,107)	\$ 3,965,334	\$ 22,704,624

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>Measurement Date</u>	<u>ERS March 31, 2025</u>	<u>TRS June 30, 2024</u>
Employers' total pension asset/(liability)	\$ (247,600,239)	\$ (142,837,826,465)
Plan net position	<u>(230,454,512)</u>	<u>(145,821,434,780)</u>
Employer's net pension asset/(liability)	<u>\$ (17,145,727)</u>	<u>\$ 2,983,608,315</u>
Ratio of plan net position to the employers' total pension asset/(liability)	93.08%	102.1%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2025 represent the projected employer contributions for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$249,492 of employer contributions. Employee contributions are remitted monthly.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 11. PENSION PLANS. (Continued)

Payables to the Pension Plan (Continued)

For TRS, employer and employee contributions for the year ended June 30, 2025 are paid to the System in September, October and November 2025 through state aid intercept. Accrued retirement contributions as of June 30, 2025 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, 2025 amounted to \$2,544,456.

NOTE 12. INTERFUND BALANCES AND ACTIVITY.

Interfund balances and activity for the year ended June 30, 2025, were as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 3,063,401	\$ 5,629,244	\$ 8,009	\$ 4,412,984
Special Aid Fund	1,031,665	2,362,382	212,984	114,691
School Lunch Fund	458,035	246,496	0	0
Capital Fund	4,000,000	647,224	4,314,692	0
Debt Service Fund	340,254	8,009	0	8,009
Total Governmental Activities	8,893,355	8,893,355	4,535,685	4,535,684
Fiduciary Agency Fund	0	0	0	0
Totals	<u>\$ 8,893,355</u>	<u>\$ 8,893,355</u>	<u>\$ 4,535,685</u>	<u>\$ 4,535,684</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, 2025

NOTE 13. 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>District Service Requirements</u>
Teachers & Nurses, Administrators & Confidential Staff		10 years
	Before 02/01/2010	10 years
Custodial & Maintenance Unit	On/After 02/01/2010	15 Years
	Before 01/01/1994	10 years
School Related Professionals & Paraprofessionals	On/After 01/01/1994	15 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, 2024 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>	
	Single	Two-Party	Single	Two-Party
OUSDHP PPO	\$ 1,176	\$ 2,572	\$ 644	\$ 1,367
MVP	\$ 1,359	\$ 2,718	N/A	N/A
MVP USA PPO	N/A	N/A	\$ 507	\$ 1,013

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Employees Covered by Benefit Terms – At June 30, 2025, the following employees were covered by the benefit terms:

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

Total OPEB Liability

The District’s total OPEB liability of \$107,315,610 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2025 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	2.6%
Projected Salary Increases, Including Wage Inflation	Varies by pension retirement system membership and years of service
Discount Rate	4.81%
Healthcare Cost Trend Rates	Medical: 6.75 from 2024 to 2025, followed by 6.50% from 2025 to 2026, decreasing gradually to an ultimate rate of 4.04% by 2075.  Actual rate increase from 2024 to 2025, followed by projected Part B premium increase shown in the 2024 Medicare Trustees report and ultimately decreasing to an ultimate rate of 4.04% by 2027. Dental/Vision: None
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, 2025

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

The discount rate was based on a review of the yield derived from the S&P Municipal Bond 20-Year High Grade Index as of 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), which were based on the public pension plans mortality experience from calendar years 2008 to 2013.

Changes in the Total OPEB Liability

Balance at June 30, 2024	<u>\$ 128,782,078</u>
<u>Changes for the Year:</u>	
Service cost	3,761,257
Interest	5,490,721
Changes of benefit terms	(358,208)
Differences between expected and actual experience	(15,771,802)
Changes in assumptions or other inputs	(10,299,384)
Benefit payments	<u>(4,289,052)</u>
Net Changes	<u>(21,466,468)</u>
Balance at June 30, 2025	<u>\$ 107,315,610</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 (3.81 percent) or 1 percentage point higher (5.81 percent) than the current discount rate:

	1% Decrease (3.81%)	Current Discount Rate (4.81%)	1% Increase (5.81%)
Total OPEB Liability	\$ 123,629,837	\$ 107,315,610	\$ 94,083,750

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 13. 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:

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 93,920,588	\$ 107,315,610	\$ 124,236,034

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$4,584,228. At June 30, 2025, the District reported the following deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 270,048	\$ 19,833,965
Changes of assumptions or other inputs	0	30,798,295
District's contributions subsequent to the measurement date	0	0
Total	\$ 270,048	\$ 50,632,260

District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2025. Other amounts recognized in the deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
2025	\$ (18,741,368)
2026	(16,451,138)
2027	(9,955,468)
2028	(5,214,238)
2029	0
Thereafter	0

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 14. RETIREMENT INCENTIVES.

The District approved a local retirement incentive whereby certain teachers who were eligible to retire during the 2024-2025 year under the New York State Teacher's Retirement System, were offered a retirement incentive. Six teachers retired 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 members who retired during the 2024-2025 year. Two clerical staff members were eligible for this incentive. One received an incentive of \$15,000 and the other an incentive of \$30,000. Additionally, a retirement incentive was offered to paraprofessionals. Three were eligible for the incentive and received \$7,500 each. These incentives are charged to expenditures in the governmental funds in the current year and totaled \$187,500 for the fiscal year.

NOTE 15. 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, 2024, was \$14,121,781. The plan had assets in excess of the liability of \$25,284,160.

NOTE 16. 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, 2025

NOTE 17. 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, 2025 the amount of encumbrances expected to be honored upon performance by the vendor in the subsequent year were as follows:

General Fund	\$ <u>138,291</u>
Total Encumbrances	\$ <u><u>138,291</u></u>

NOTE 18. 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, 2025, the District abated property taxes totaling \$51,642 under the property tax abatement agreements and received payments in lieu of tax (PILOT) payments totaling \$47,766.

NOTE 19. RESTATEMENT.

During fiscal year 2025, changes to or within the financial reporting entity and error corrections resulted in adjustments of and restatements of beginning net position and fund net position, as follows:

	<u>Governmental Activities</u>
Net Position, Beginning of Year, as Previously Reported:	\$ (77,262,774)
Change in Accounting Principles, Compensated Absences - GASB 101	(3,267,358)
Construction in Progress - Error Correction - June 30, 2023	<u>(494,689)</u>
Net Position, Beginning of Year, as Restated:	<u><u>\$ (81,024,821)</u></u>

NOTE 20. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through November 13, 2025 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.

RONDOUIT 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, 2025

	06/30/25	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	\$ 3,761,257	\$ 3,694,099	\$ 4,489,368	\$ 6,568,569	\$ 7,016,714	\$ 4,528,002	\$ 2,735,178	\$ 2,853,380
Interest	5,490,721	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	(358,208)	0	(626,415)	0	(2,027,826)	0	0	0
Differences between expected and actual experience	(15,771,802)	245,052	(10,794,894)	369,044	(10,914,451)	43,014	9,272,707	0
Changes in assumptions or other inputs	(10,299,384)	(1,502,365)	(16,143,731)	(39,343,066)	(2,826,895)	38,633,037	12,472,191	(6,004,537)
Benefit payments	(4,289,052)	(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	(21,466,468)	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	128,782,078	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	\$ 107,315,610	\$ 128,782,078	\$ 125,562,713	\$ 147,719,987	\$ 180,301,504	\$ 188,867,143	\$ 144,213,964	\$ 118,596,569
Covered-employee payroll	\$ 30,385,433	\$ 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	353.20%	406.10%	432.10%	492.30%	614.30%	633.30%	536.40%	400.30%

Notes to Schedule:

Changes in 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%
6/30/2025	4.81%

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.

RONDOUT 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, 2025

<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	\$ 44,852,258	\$ 42,919,995	\$ 42,919,994	(1)
Other Tax Items	162,000	2,094,263	2,176,524	82,261
Non Property Taxes	0	0	0	0
Charges for Services	500,000	500,000	491,989	(8,011)
Use of Money & Property	550,000	550,000	1,354,057	804,057
Sale of Property & Compensation for Loss	29,500	29,500	0	(29,500)
Miscellaneous	527,000	527,000	1,067,901	540,901
STATE SOURCES	29,571,839	29,571,839	28,472,359	(1,099,480)
FEDERAL SOURCES	75,000	75,000	95,910	20,910
OTHER SOURCES:				
Operating Transfers In	0	0	8,009	8,009
<b>TOTAL REVENUES</b>	<u>76,267,597</u>	<u>76,267,597</u>	<u>\$ 76,586,743</u>	<u>\$ 319,146</u>
APPROPRIATED FUND BALANCE	2,521,343	6,521,343		
<b>TOTAL REVENUES &amp; APPROPRIATED FUND BALANCE</b>	<u>\$ 78,788,940</u>	<u>\$ 82,788,940</u>		

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 (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2025

EXPENDITURES	ORIGINAL BUDGET	REVISED BUDGET	CURRENT YEAR'S EXPENDITURES	ENCUMBRANCES	UNENCUMBERED BALANCE
<b>GENERAL SUPPORT:</b>					
Board of Education	\$ 23,767	\$ 23,324	\$ 10,560	\$ 0	\$ 12,764
Central Administration	1,142,396	1,119,411	982,642	0	136,769
Finance	311,330	409,765	364,912	0	44,853
Staff	287,284	294,535	288,746	0	5,789
Central Services	3,858,867	3,850,865	3,192,800	0	658,065
Special Items	1,266,802	1,116,215	1,087,985	0	28,230
<b>INSTRUCTIONAL:</b>					
Instruction, Administration & Improvement	2,514,949	2,529,070	2,471,222	0	57,848
Programs for Children with Handicapping Conditions	11,303,543	11,218,493	10,591,285	0	627,208
Teaching - Regular School	15,541,530	15,446,840	14,781,486	104,100	561,254
Occupational Education	0	0	0	0	0
Teaching - Special Schools	60,830	60,830	54,747	0	6,083
Instructional Media	2,867,777	2,821,911	2,609,018	34,191	178,702
Pupil Services	4,564,602	4,579,418	4,222,270	0	357,148
<b>PUPIL TRANSPORTATION</b>					
EMPLOYEE BENEFITS	7,516,821	7,364,223	5,877,459	0	1,486,764
	19,955,699	19,694,629	19,140,328	0	554,301
<b>DEBT SERVICE:</b>					
Debt Service - Principal	4,735,680	4,870,949	4,858,741	0	12,208
Debt Service - Interest	2,712,063	3,063,462	3,153,669	0	(90,207)
<b>OTHER USES:</b>					
Operating Transfers Out	78,663,940	78,463,940	73,687,870	138,291	4,637,779
	125,000	4,325,000	4,412,985	0	(87,985)
<b>TOTAL EXPENDITURES &amp; OTHER USES</b>	<b>\$ 78,788,940</b>	<b>\$ 82,788,940</b>	<b>78,100,855</b>	<b>\$ 138,291</b>	<b>\$ 4,549,794</b>
<b>NET CHANGES IN FUND BALANCE</b>			<b>\$ (1,514,112)</b>		

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

RONDOUIT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2025

	NYSERS Pension Plan Last 10 Fiscal Years									
	3/31/2025	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
District's proportion of the net pension asset/(liability)	0.0172716%	0.0188109%	0.0186216%	0.0178419%	0.0177520%	0.0174319%	0.0175607%	0.0182128%	0.0181781%	0.0185526%
District's proportionate share of the net pension asset/(liability)	\$ (2,961,339)	\$ (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)
Districts covered-employee payroll	\$ 6,017,325	\$ 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
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-49.21%	-42.30%	-62.30%	24.32%	-0.30%	-79.03%	-21.76%	-10.79%	-31.47%	-54.66%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

	NYSTRS Pension Plan Last 10 Fiscal Years									
	6/30/2024	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
District's proportion of the net pension asset/(liability)	0.132904%	0.136783%	0.138251%	0.133757%	0.141270%	0.144561%	0.142679%	0.145054%	0.147955%	0.149246%
District's proportionate share of the net pension asset/(liability)	\$ 3,965,334	\$ (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
Districts covered-employee payroll	\$ 25,376,071	\$ 25,262,682	\$ 25,838,650	\$ 25,084,063	\$ 23,147,148	\$ 23,855,122	\$ 24,712,290	\$ 23,761,746	\$ 23,459,697	\$ 23,261,908
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	15.63%	-6.19%	-10.27%	92.40%	-16.86%	15.74%	10.44%	4.64%	-6.75%	66.64%
Plan fiduciary net position as a percentage of the total pension liability	102.1%	99.2%	98.57%	113.25%	97.76%	101.53%	101.53%	100.66%	99.01%	110.46%

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, 2025

	NYSERS Pension Plan Last 10 Fiscal Years									
	3/31/2025	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
Contractually required contribution	\$ 1,001,869	\$ 829,129	\$ 686,768	\$ 949,861	\$ 886,274	\$ 825,764	\$ 826,701	\$ 877,024	\$ 815,966	\$ 988,956
Contributions in relation to the contractually required contribution	1,001,869	829,129	686,768	949,861	886,274	825,764	826,701	877,024	815,966	988,956
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Employee Payroll	\$ 6,017,325	\$ 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
Contributions as a percentage of the covered-employee payroll	16.65%	12.66%	10.71%	15.84%	15.21%	14.14%	14.46%	16.11%	15.04%	18.15%

	NYSTRS Pension Plan Last 10 Fiscal Years									
	6/30/2024	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
Contractually required contribution	\$ 2,476,705	\$ 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
Contributions in relation to the contractually required contribution	2,476,705	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
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Employee Payroll	\$ 25,376,071	\$ 25,262,682	\$ 25,838,650	\$ 25,084,063	\$ 23,147,148	\$ 23,855,122	\$ 24,712,290	\$ 23,761,746	\$ 23,459,697	\$ 23,261,908
Contributions as a percentage of the covered-employee payroll	9.76%	10.29%	10.2%	9.18%	9.18%	11.45%	10.62%	9.80%	11.72%	13.26%

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, 2025

CHANGE FROM ADOPTED TO FINAL BUDGET

ADOPTED BUDGET	\$ 78,648,751
ADDITIONS:	
Encumbrances from Prior Year	140,189
ORIGINAL BUDGET	78,788,940
BUDGET REVISIONS	
Voter Approved Appropriation of Capital Reserve	4,000,000
FINAL BUDGET	\$ 82,788,940

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-2026 Voter-approved expenditure budget maximum allowed (4% of 2025-2026 budget of \$80,470,116)	\$ 3,218,804
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 3,170,107
Unassigned Fund Balance	3,218,804
Total Unrestricted Fund Balance	\$ 6,388,911
Less:	
Appropriated Fund Balance	3,031,816
Encumbrances Included in Assigned Fund Balance	138,291
Total Adjustments	\$ 3,170,107
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$ 3,218,804
Actual Percentage	4.00%

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, 2025

PROJECT NUMBER	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	PRIOR YEARS	EXPENDITURES TO DATE		TOTAL	AVAILABLE BALANCE
				CURRENT YEAR	INTERFUND TRANSFER		
Smart School Network	\$ 1,426,380	\$ 1,426,380	\$ 1,148,505	\$ 13,850	\$ 0	\$ 1,162,355	\$ 264,025
Districtwide Capital Project - 2018 referendum	61,776,634	61,766,634	59,026,801	907,374	0	59,934,175	1,832,459
Track & Field Storage - ARP	250,000	250,000	135,309	114,691	0	250,000	0
Ulster BOCES Capital Project	3,629,241	3,629,241	977,103	884,046	0	1,861,149	1,768,092
\$21 M District-Wide Renovations Project	21,454,459	21,454,459	0	543,892	0	543,892	20,910,567
BOCES IPA#29	190,000	190,000	0	190,000	0	190,000	0
<b>TOTALS</b>	<b>\$ 88,726,714</b>	<b>\$ 88,716,714</b>	<b>\$ 61,287,718</b>	<b>\$ 2,653,853</b>	<b>\$ 0</b>	<b>\$ 63,941,571</b>	<b>\$ 24,775,143</b>

PROJECT NUMBER	METHODS OF FINANCING			TOTAL	FUND BALANCE June 30, 2025
	PROCEEDS OF OBLIGATIONS	STATE AID	LOCAL SOURCES		
Smart School Network	\$ 0	\$ 376,608	\$ 0	\$ 376,608	\$ (785,747)
Districtwide Capital Project - 2018 referendum	50,736,634	0	9,305,000	60,041,634	107,459
Track & Field Storage	0	0	0	250,000	0
Ulster BOCES Capital Project	0	0	847,931	847,931	(1,013,218)
\$21 M District-Wide Renovations Project	0	0	4,000,000	4,000,000	3,456,108
BOCES IPA#29	190,000	0	0	190,000	0
<b>TOTALS</b>	<b>\$ 50,926,634</b>	<b>\$ 376,608</b>	<b>\$ 14,152,931</b>	<b>\$ 65,706,173</b>	<b>\$ 1,764,602</b>

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, 2025

CAPITAL ASSETS, NET		\$ 103,113,938
RIGHT TO USE ASSETS, NET		<u>731,597</u>
Total Capital Assets		103,845,535
DEDUCTIONS:		
Capital Asset Bond Anticipation Note	\$ 3,181,009	
Short-term Portion of Bonds Payable	2,515,000	
Long-term Portion of Bonds Payable	41,305,000	
Short-term Portion of Leases Payable	35,169	
Long-term Portion of Leases Payable	<u>135,155</u>	
Total Deductions		<u>(47,171,333)</u>
NET INVESTMENT IN CAPITAL ASSETS		<u><u>\$ 56,674,202</u></u>

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



**Nugent & Haeussler, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
ESTABLISHED 1925

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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, 2025, 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 November 13, 2025.

**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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. This significant deficiency is identified as 2025-001.

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**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 & Haussler PC*

Montgomery, New York  
November 13, 2025

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2025

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  No

Significant Deficiency(ies) Identified?  Yes  No

Noncompliance material to financial statements noted?  Yes  No

SECTION II – FINANCIAL STATEMENT FINDINGS

**Finding 2025-001 Internal Control Over Financial Closing**

**Finding:** The Districts books and records were not reconciled and closed with all supporting documentation provided at the start of the audit.

**Criteria:** Each fund must be fully closed with final reconciliations, appropriate schedules and all supporting documentation prepared and reviewed timely after year end. This must be complete in order to start the audit process.

**Condition:** Two key employees left the District in the fall of 2024. With the change in staff the District was not preparing and maintaining supporting documentation in a manner that facilitates timely, effective reconciliation, review and closing of the District's books at year end.

**Cause:** The District did not have effective internal controls to ensure that account reconciliations, schedules and supporting documentation are prepared and reviewed in order to close the books timely.

**Effect:** Without having effective internal controls over this process, this delays the audit process and completion as well as results in non-compliance with established filing deadlines.

**Recommendations:** We recommend that internal controls be established for the preparation and review of account reconciliations, schedules and supporting documentation along with established timelines. We further recommend that this information be compiled in an organized manner to be provided at the start of the audit.

**Managements Response:** See response on pages 83-84.



## RONDOUT VALLEY CENTRAL SCHOOL DISTRICT

PO BOX 9 • ACCORD, NY 12404 • (845) 687-2400

**Paul Spadaro, Ph.D.**, Superintendent • Ext. 4803

**Lisa I. Pacht**, Asst. Superintendent • Ext. 4805

**Meg Braren**, Asst. Superintendent • Ext. 4863

**Tabatha Biggane**, Asst. Superintendent • Ext. 4812

November 13, 2025

### Finding 2025-001 – Internal Control Over Financial Closing

#### **Finding:**

The District's books and records were not fully reconciled and closed with all supporting documentation provided at the start of the audit.

#### **Management Response:**

The District concurs with the auditor's findings. The District recognizes that the financial closing process must be completed in accordance with NYS Education Law §2116-a, Commissioner's Regulation §170.12(c), and GASB Concept Statement No. 1, which emphasize timeliness, accountability, and reliability of financial reporting.

During the 2024–2025 fiscal year, staffing changes within the Business Office, temporarily affected the District's ability to complete year-end reconciliations and compile supporting schedules prior to the audit fieldwork. Management acknowledges that this caused delays in audit readiness and created a control weakness in the financial close process.

To address this finding, the District has implemented and is continuing to strengthen internal controls over year-end closing procedures as follows:

#### **Year-End Closing Calendar:**

A formalized year-end closing calendar is being developed outlining required reconciliations, schedules, and reports by fund, with due dates and assigned responsibilities.

#### **Internal Review and Approval:**

All reconciliations and supporting documentation will be prepared by the Treasurer or designee and reviewed by the Assistant Superintendent for Business prior to audit submission.

#### **Documentation Standardization:**

Supporting schedules (including cash reconciliations, accounts payable listings, trial balances, and interfund balances) will be compiled electronically in a centralized Business Office drive organized by fund and fiscal year for easy retrieval and audit review.

Cross-Training:

Key Business Office personnel will be cross-trained to ensure continuity of operations and prevent disruption due to staff turnover.

Pre-Audit Review:

Beginning with the fiscal year ending June 30, 2026, the Business Office will perform a pre-audit readiness review by April 30th each year to confirm all accounts are reconciled and documentation is completed prior to the start of external audit fieldwork.

The District is committed to maintaining strong internal controls and ensuring compliance with all applicable NYSED and GASB standards. These corrective measures will enhance financial reporting accuracy, improve audit readiness, and ensure timely submission of the annual financial report (ST-3) and audited financial statements.

Responsible Official:

Assistant Superintendent for Business / District Treasurer

Implementation Date:

Procedures implemented beginning with the fiscal year ending June 30, 2026

Status:

Corrective action in progress



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

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

**Opinion**

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

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, 2025 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, 2025, 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 & Haessler PC*

Montgomery, New York  
November 13, 2025

RONDOT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
EXTRACLASSROOM ACTIVITY FUND  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS  
JUNE 30, 2025

ASSETS

Cash in Checking	<u>\$ 50,892</u>
------------------	------------------

FUND BALANCE

Fund Balance, Beginning of Year	\$ 66,238
Excess of Receipts over Disbursements	<u>(15,346)</u>
Fund Balance, End of Year	<u>\$ 50,892</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, 2025

	CASH BALANCE JUNE 30, 2024	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2025
Class of 2022	\$ 217	\$ 0	\$ 217	\$ 0
Class of 2025	11,114	29,365	36,818	3,661
Class of 2026	5,347	9,459	9,411	5,395
Class of 2027	4,285	2,614	1,086	5,813
Class of 2028	0	298	87	211
Council Fires (Yearbook)	16,916	1,194	5,623	12,487
Human Rights Club	970	0	0	970
National Honor Society	469	0	0	469
Student Congress	17,014	4,028	8,773	12,269
Interest Earned	1,411	327	0	1,738
	<u>\$ 57,743</u>	<u>\$ 47,284</u>	<u>\$ 62,015</u>	<u>\$ 43,012</u>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
EXTRACLASSROOM ACTIVITY FUND - MIDDLE SCHOOL  
SUMMARY OF RECEIPTS & DISBURSEMENTS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2025

	CASH BALANCE JUNE 30, 2024	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2025
4-5-6 Student Council	\$ 8,234	\$ 5,722	\$ 6,573	\$ 7,383
7-8 Student Council	0	187	0	187
Interest Earned	261	49	0	310
	<u>\$ 8,495</u>	<u>\$ 5,958</u>	<u>\$ 6,573</u>	<u>\$ 7,880</u>

See notes to financial statement.

RONDOUT VALLEY CENTRAL SCHOOL DISTRICT  
ACCORD, NEW YORK  
EXTRACLASSROOM ACTIVITY FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

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.



**Nugent & Haeussler, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS  
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November 13, 2025

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 the financial statements of the governmental activities, each major fund, and the Fiduciary fund information of Rondout Valley Central School District for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 23, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Rondout Valley Central School District are described in Note 1 to the financial statements. New accounting policies associated with GASB Statement 101, Compensated Absences, were adopted and the application of other existing policies was not changed during the year ended June 30, 2025. We noted no transactions entered into by Rondout Valley Central School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the Rondout Valley Central School District's financial statements were:

Management's estimates of the annual Other Postemployment Benefit costs, deferred inflows and outflows of resources and related obligations which are based on a census of employee data and other relevant data provided to an independent actuarial firm. We evaluated the key factors and assumptions used to develop the

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*1925 - 2025*

annual OPEB costs and related obligation in determining that it is reasonable in relation to the financial statements taken as a whole.

Depreciation of fixed assets is based on estimated useful lives of the assets. We evaluated the key factors and assumptions used to develop the depreciation of fixed assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The present value of right of use assets leased are capitalized and the expense is amortized over the period of use. We evaluated the key factors and assumptions used to develop the amortization of right of use assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the annual pension costs and its proportionate share of related net pension assets, deferred outflows, net pension liabilities and deferred inflows which are based on information provided by New York State Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS) and other relevant data provided to independent actuarial firms hired by the retirement systems. We evaluated the key factors and assumptions used by the retirement systems to develop the annual pension costs and the District's proportionate share of related net pension assets, deferred outflows, net pension liabilities and deferred inflows in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimates of the compensated absence liability and the portion of such liability due within one year, which are based on assessing the likelihood that leave will be paid as time off, paid at termination of employment or forfeited. Management's estimate is also based on an assessment of whether leave that has been earned is, or will become, eligible for use or payment in the future. These estimates may involve historical usage trends, information known to the government that would indicate that historical information may not be representative of future trends or patterns, employment termination patterns and relevant contractual provisions. We evaluated the key factors and assumptions used to develop the compensated absence liability and the portion of such liability due within one year in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following misstatements

detected as a result of audit procedures were corrected by management. See attached detail of audit adjustments.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 13, 2025.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Rondout Valley Central School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

##### Financial Closing Process

Our audit process revealed that the year-end financial closing process needs to be improved. The books and records were not fully reconciled with all supporting documentation provided at the start of the audit.

We recommend that internal controls be established for the preparation and review of account reconciliations, schedules and supporting documentation. We further recommend that this information be compiled in an organized manner to be provided at the start of the audit.

##### Bank Reconciliations

Upon our review of the Districts cash reconciliations we found that there were transactions for June that had not been recorded timely.

We recommend that the ensure that all transactions are recorded into the District's general ledger and complete all bank reconciliations in a timely manner. We further recommend that the preparation, review and approval of all bank reconciliations be documented with a date and signature.

##### Budget Transfers

Upon our review budget transfers we found that support is not being maintained for all transfers. We also found one transfer that should have been approved by the board but did not have any indication of such approval.

We recommend that the District implement procedures to retain all information related to budget transfers. A budget transfer request form could be utilized to document the requested transfer, the purpose, date of request, requestors signature and approval signature(s). This form should then be

retained along with the supporting documentation. We further recommend that the District ensure proper approval are obtained for all transfers as per Board policy.

#### Journal Entries

Our review of journal entries revealed that there were many entries made during the year due to entries being made in reverse order or for net amounts and having to be corrected. We further noted that the journal entry support is not being retained along with documentation of who prepared, approved and entered the journal entry.

We recommend that journal entries be prepared, reviewed and approved prior to being entered into the accounting system and all documentation be retained. This will help to limit the risk of error prior to posting.

#### General Fund

Upon our review of year end accounts payable and encumbrances we found that accounts payable balances had not been declared at year end and encumbrances liquidated timely after year end.

We recommend that the District ensure that a system is in place after year end to declare payable balances and liquidate encumbrances timely.

#### Debt Service

Upon our review of the debt principal and interest payments for the current year we found that payments were not posted to the correct budget codes. We also found that current year debt activity had not been recorded correctly.

We recommend that the District implement internal controls to ensure that debt payments are verified to the amortization schedules prior to issuance of the payment and that the payments are posted to the correct budget code when payment is made.

#### Cafeteria Fund

Upon our review of the cafeteria fund we found that the District had not recorded all revenue and did not segregate grant funds from other revenue sources.

We recommend that the District implement a process to ensure that all revenue is recorded timely and ensure that it is segregated into the appropriate categories.

#### Special Aid Fund

a. Upon our review of the Federal Fund grants and summer special education program we found that the revenues and expenditures for several of the grants did not agree.

We recommend that the District prepare a grant reconciliation schedule to ensure that the revenues and expenditures by grant equal and all receivables and deferred revenues are recorded as appropriate.

b. Upon our review of the Federal Grants we found that the District had filed a final cost report for a particular grant however, the necessary journal entries to reflect the total costs in the Federal fund had not been made prior to this filing.

We recommend that the District implement internal controls to ensure that prior to filing of the grant final cost reports, a reconciliation is done to verify the amounts reported agree with District records.

### Capital Projects

Upon our review of the District's Capital Project Funds we found that the District did not have a reconciliation for the current year activity by project along with all of the necessary supporting documentation for all final cost reports filed.

We recommend that the District implement an internal control system to track project expenses by project number and that as projects and final cost reports are completed they are reconciled to the Capital Fund.

### Fixed Assets

Upon our review of the fixed asset information and construction in progress we found that the District has not had a full inventory valuation in a number of years. We also noted that the District was not maintaining a list of fixed asset additions/deletions and CIP activity throughout the year.

We recommend that the District have a full inventory performed of all district assets. We further recommend the District implement to track current year activity to be sent to CBIZ, (The third party hired by the District to prepare Fixed Asset reports.), as well as to maintain an up to date schedule of all construction in progress activity.

### Extraclassroom Activity Funds

a. Upon our review of the Extraclassroom Activity Funds we found that the District is not recording the current year activity in the Miscellaneous Special Revenue Fund general ledger.

We recommend that this information is presented to the Treasurer each month for review and entry into the District's accounting system.

b. Upon our review of the clubs we noted that the students for many of the clubs are not maintaining their own set of books and records as required.

We recommend that the Advisors for each club ensure that the students are preparing and maintaining their own records and verifying the activity with that of the Central Treasurer.

c. Upon our review of the club balances we noted that there is an "interest" account. The interest earned each month should be allocated to each of the clubs.

We recommend that the District prepare the calculations for the interest allocation and credit to the appropriate clubs.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Rondout Valley Central School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Schedule of Funding Progress – Schedule of Changes in The District’s Total OPEB Liability and Related Ratio’s and the Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget to Actual – General Fund, the Schedule of the District’s Proportionate Share of the Net Pension Liability and the Schedule of District Contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the following schedules which accompany the financial statements but are not RSI:

Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, the Schedule of Capital Projects Fund – Project Expenditures and Financing Sources, the Net Investment in Capital Assets, are supplemental schedules required by the New York State Education Department.

With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with prescribed New York State Education Department guidelines and Uniform Guidance requirements, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Education and management of Rondout Valley Central School District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Nugent & Haeussler PC*

---

NUGENT & HAEUSSLER, P.C.

Client: **Rond10576 - Rondout Valley Central School District**  
 Engagement: **Rondout Valley Central School District**  
 Period Ending: **6/30/2025**  
 Trial Balance: **3000A.00 - Fund A TB**  
 Workpaper: **3700A.01 - Adjusting Journal Entries Report - General**

Account	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
To record June interest - PBC			
A200.01		615.90	
A200.05		80,106.32	
A200.06		81.89	
A200.10		3,807.04	
A201.TA		192.81	
A980.2401.000			3,807.04
A980.2401.000			80,998.92
<b>Total</b>		<b>84,803.96</b>	<b>84,803.96</b>
<b>Adjusting Journal Entries JE # 2</b>			
To record June interest from Federal Fund - PBC			
A391.F0		436.35	
A980.2401.000			436.35
<b>Total</b>		<b>436.35</b>	<b>436.35</b>
<b>Adjusting Journal Entries JE # 3</b>			
To record BAN interest paid by Capital			
A522.9733-700-10-0000		143,188.97	
A630.H0			143,188.97
<b>Total</b>		<b>143,188.97</b>	<b>143,188.97</b>
<b>Adjusting Journal Entries JE # 4</b>			
To transfer FICA for HCWB recorded in the federal fund			
A391.F0		114.75	
A522.9030-800-10-0000			114.75
<b>Total</b>		<b>114.75</b>	<b>114.75</b>
<b>Adjusting Journal Entries JE # 5</b>			
To reverse client entries 252, 253 & 251			
A522.9010-800-10-0000		900,000.00	
A522.9020-800-10-0000		430,000.00	
A522.9040-800-10-0000		50,000.00	
A814.00			50,000.00
A827.00			900,000.00
A828.00			430,000.00
<b>Total</b>		<b>1,380,000.00</b>	<b>1,380,000.00</b>
<b>Adjusting Journal Entries JE # 6</b>			
To record Board approved use of reserves			
A814.00		50,000.00	
A815.00		20,000.00	
A827.00		900,000.00	
A828.00		430,000.00	
A917.00			1,400,000.00
<b>Total</b>		<b>1,400,000.00</b>	<b>1,400,000.00</b>
<b>Adjusting Journal Entries JE # 7</b>			
To record transfer from Debt service of PY BAN premium for CY BAN interest payment			
A391.V0		8,009.00	
A980.5050.000			8,009.00
<b>Total</b>		<b>8,009.00</b>	<b>8,009.00</b>
<b>Adjusting Journal Entries JE # 8</b>			
To reclassify salaries misposted to Title I SINI grant			
A522.2110-449-01-0000		413.00	
A391.F0			413.00
<b>Total</b>		<b>413.00</b>	<b>413.00</b>
<b>Adjusting Journal Entries JE # 9</b>			
To adjust appropriated fund balance for 25/26 per Budget			
A917.00		2,050,662.00	
A914.00			2,050,662.00
<b>Total</b>		<b>2,050,662.00</b>	<b>2,050,662.00</b>

Client: **Rond10576 - Rondout Valley Central School District**  
 Engagement: **Rondout Valley Central School District**  
 Period Ending: **6/30/2025**  
 Trial Balance: **3000A.00 - Fund A TB**  
 Workpaper: **3700A.01 - Adjusting Journal Entries Report - General**

Account	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 10</b>			
To add funds to reserves for based on Board approval			
06.10.25 - PBC			
A917.00		807,535.00	
A827.00			403,768.00
A828.00			403,767.00
<b>Total</b>		<b>807,535.00</b>	<b>807,535.00</b>
<b>Adjusting Journal Entries JE # 11</b>			
To adjust non spendable fund balance			
A917.00		55,378.00	
A807.00			55,378.00
<b>Total</b>		<b>55,378.00</b>	<b>55,378.00</b>
<b>Adjusting Journal Entries JE # 12</b>			
To adjust Assigned unappropriated Fund balance			
A915.00		140,189.00	
A917.00			140,189.00
<b>Total</b>		<b>140,189.00</b>	<b>140,189.00</b>
<b>Adjusting Journal Entries JE # 13</b>			
To adjust for overpayment deducted June 25 from Gen Aid payment received.			
A631.00		9,211.00	
A980.3101.000			9,211.00
<b>Total</b>		<b>9,211.00</b>	<b>9,211.00</b>
<b>Adjusting Journal Entries JE # 14</b>			
To adjust for misposting of principle and interest payments			
A522.9711-600-10-0000		23,029.00	
A522.9711-700-10-0000			23,029.00
<b>Total</b>		<b>23,029.00</b>	<b>23,029.00</b>
<b>Adjusting Journal Entries JE # 15</b>			
To adjust for prepaid OU BOCES prepaid health insurance.			
A480.00		266,149.00	
A522.9060-800-10-0000			266,149.00
<b>Total</b>		<b>266,149.00</b>	<b>266,149.00</b>
<b>Adjusting Journal Entries JE # 16</b>			
To adjust reverse receivable recorded for Gen Aid due and record based on Gen Aid output report			
A410.00		8,421.00	
A980.3101.000		106,073.00	
A410.00			106,073.00
A980.3101.000			8,421.00
<b>Total</b>		<b>114,494.00</b>	<b>114,494.00</b>
<b>Adjusting Journal Entries JE # 17</b>			
To reverse client entry to record Excess cost aid receivable and record based on Gen aid output			
A410.00		626,022.95	
A980.3101.XSC		669,532.95	
A410.00			669,532.95
A980.3101.XSC			626,022.95
<b>Total</b>		<b>1,295,555.90</b>	<b>1,295,555.90</b>
<b>Adjusting Journal Entries JE # 18</b>			
To record 24/25 Summer Handicap Interfund Transfer			
A522.9901-950-10-0000		212,983.65	
A391.F0			212,983.65
<b>Total</b>		<b>212,983.65</b>	<b>212,983.65</b>
<b>Adjusting Journal Entries JE # 19</b>			
To adjust for funds received in General for the CASE grant accounted for in Federal fund			
A980.2770.000		5,000.00	
A391.F0			5,000.00
<b>Total</b>		<b>5,000.00</b>	<b>5,000.00</b>
<b>Adjusting Journal Entries JE # 20</b>			
To adjust for payment of ERS cafeteria py liability from General Fund			
A391.C0		6,496.00	

Client: **Rond10576 - Rondout Valley Central School District**  
 Engagement: **Rondout Valley Central School District**  
 Period Ending: **6/30/2025**  
 Trial Balance: **3000A.00 - Fund A TB**  
 Workpaper: **3700A.01 - Adjusting Journal Entries Report - General**

Account	W/P Ref	Debit	Credit
A522.9010-800-10-0000			6,496.00
<b>Total</b>		<b><u>6,496.00</u></b>	<b><u>6,496.00</u></b>
<b>Adjusting Journal Entries JE # 21</b>			
To reclassify IPA lease payments			
A522.9788-600-10-0000		16,134.03	
A522.9788-700-10-0000		34.49	
A522.2630-490-10-0000			16,168.52
<b>Total</b>		<b><u>16,168.52</u></b>	<b><u>16,168.52</u></b>
<b>Adjusting Journal Entries JE # 22</b>			
To reclassify principle & interest payments on 24/25 BOCES Copier IPA #26			
A522.9785.60		19,675.92	
A522.9785.70		5,593.80	
A522.2630-490-10-0000			25,269.72
<b>Total</b>		<b><u>25,269.72</u></b>	<b><u>25,269.72</u></b>
<b>Adjusting Journal Entries JE # 23</b>			
To reclassify funds withheld for employee disability premiums thorough 06.30.25			
A720.02		924.00	
A522.9050-800-10-0000			924.00
<b>Total</b>		<b><u>924.00</u></b>	<b><u>924.00</u></b>
<b>Adjusting Journal Entries JE # 24</b>			
To reclassify funds withheld for employee dental premiums through 06.30.25			
A720.01		4,384.08	
A522.9060-800-10-0000			4,384.08
<b>Total</b>		<b><u>4,384.08</u></b>	<b><u>4,384.08</u></b>
<b>Adjusting Journal Entries JE # 25</b>			
To reclassify funds withheld for employee health insurance premiums through 06.30.25			
A720.04		135,633.63	
A522.9060-800-10-0000			135,633.63
<b>Total</b>		<b><u>135,633.63</u></b>	<b><u>135,633.63</u></b>
<b>Adjusting Journal Entries JE # 26</b>			
To adjust due to NYSERS to liability at year end.			
A637.00		68,597.00	
A522.9010-800-10-0000			68,597.00
<b>Total</b>		<b><u>68,597.00</u></b>	<b><u>68,597.00</u></b>
<b>Adjusting Journal Entries JE # 27</b>			
To record check #105615 against AP Misposted to expense.			
A600.00		4,000.00	
A522.2250-490-08-0000			4,000.00
<b>Total</b>		<b><u>4,000.00</u></b>	<b><u>4,000.00</u></b>
<b>Adjusting Journal Entries JE # 28</b>			
To adjust TRS liability at year end.			
A632.00		13,995.50	
A522.9020-800-10-0000			13,995.50
<b>Total</b>		<b><u>13,995.50</u></b>	<b><u>13,995.50</u></b>
<b>Adjusting Journal Entries JE # 29</b>			
To record payment of sales tax amount for extraclassroom fund - not recorded.			
A391.00		163.78	
A200.01			163.78
<b>Total</b>		<b><u>163.78</u></b>	<b><u>163.78</u></b>
<b>Adjusting Journal Entries JE # 30</b>			
To record reserve interest			
A917.00		901,354.01	
A814.00			13,256.25
A815.00			20,349.15
A827.00			198,554.00
A828.00			74,004.60
A867.00			34,311.71
A878.00			560,878.30
<b>Total</b>		<b><u>901,354.01</u></b>	<b><u>901,354.01</u></b>

Client: **Rond10576 - Rondout Valley Central School District**  
 Engagement: **Rondout Valley Central School District**  
 Period Ending: **6/30/2025**  
 Trial Balance: **3000A.00 - Fund A TB**  
 Workpaper: **3700A.01 - Adjusting Journal Entries Report - General**

Account	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 31</b>			
To record transfer to capital fund to cover incidental costs for storage building			
A522.9950-900-10-0000		9,855.00	
A630.H0			9,855.00
<b>Total</b>		<b>9,855.00</b>	<b>9,855.00</b>
<b>Adjusting Journal Entries JE # 32</b>			
To record additional retiree payouts not included in year end payroll accruals.			
A522.9030-800-10-0000		1,981.61	
A522.9089-100-10-0000		157,653.36	
A601.00			159,634.97
<b>Total</b>		<b>159,634.97</b>	<b>159,634.97</b>
<b>Adjusting Journal Entries JE # 33</b>			
To record adjustment to invoice amount to account for change in services provided for FY23-24 - PBC			
A980.2230.000		11,628.24	
A440.00			11,628.24
<b>Total</b>		<b>11,628.24</b>	<b>11,628.24</b>
<b>Adjusting Journal Entries JE # 34</b>			
To record adjustment to invoice amount to account for change in services provided to students 23/24 - PBC			
A980.2230.000		12,917.00	
A440.00			12,917.00
<b>Total</b>		<b>12,917.00</b>	<b>12,917.00</b>
<b>Adjusting Journal Entries JE # 35</b>			
To record adjustment to invoice amount based on information provided by New Paltz CSD due to disqualified			
A980.2280.000		1,813.37	
A440.00			1,813.37
<b>Total</b>		<b>1,813.37</b>	<b>1,813.37</b>
<b>Adjusting Journal Entries JE # 36</b>			
To record additional accounts payable at year end.			
A522.1010-501-10-0000		76.45	
A522.1310-409-10-0000		6,975.00	
A522.1310-435-10-0000		722.71	
A522.1620-426-10-0000		1,083.92	
A522.1620-433-10-0000		1,116.56	
A522.1620-456-10-0000		160.00	
A522.1621-409-10-0000		236.00	
A522.1621-427-10-0000		1,758.52	
A522.1621-436-10-0000		206.22	
A522.1621-444-10-0000		850.00	
A522.1621-465-10-0000		534.38	
A522.1621-466-10-0000		877.00	
A522.1621-541-10-0000		6,453.00	
A522.1621-571-10-0000		540.11	
A522.1625-409-10-0000		38,200.27	
A522.2020-414-02-0000		900.00	
A522.2020-430-02-0000		520.00	
A522.2020-514-02-0000		965.58	
A522.2110-409-01-0000		400.00	
A522.2110-449-01-0000		3,684.22	
A522.2110-480-01-0000		30,723.68	
A522.2110-501-01-0000		5,041.88	
A522.2110-501-02-0000		22.45	
A522.2110-501-17-0000		292.15	
A522.2250-409-08-0000		28,342.06	
A522.2250-436-08-0000		280.63	
A522.2250-472-08-0000		67,370.40	
A522.2630-428-07-0000		4,762.62	
A522.2630-435-07-0000		694.32	
A522.2630-460-07-0000		20.00	
A522.2815-409-10-0000		3,850.00	
A522.2820-436-08-0000		81.34	
A522.2820-512-08-0000		588.00	
A522.2830-435-08-0000		50.75	
A522.2830-436-08-0000		627.69	
A522.2855-430-09-0000		2,058.76	
A522.2855-436-09-0000		200.13	
A522.2855-504-09-0000		143.81	
A522.5540-409-10-0000		957,767.33	
A522.5540-415-02-0000		689.96	
A522.5540-415-17-0000		2,537.06	
A522.5540-430-10-0000		98,303.40	

Client: **Rondout10576 - Rondout Valley Central School District**  
 Engagement: **Rondout Valley Central School District**  
 Period Ending: **6/30/2025**  
 Trial Balance: **3000A.00 - Fund A TB**  
 Workpaper: **3700A.01 - Adjusting Journal Entries Report - General**

Account	W/P Ref	Debit	Credit
A522.5540-571-10-0000		5,053.34	
A600.99			1,276,761.70
<b>Total</b>		<b>1,276,761.70</b>	<b>1,276,761.70</b>
<b>Adjusting Journal Entries JE # 37</b>			
To liquidate encumbrances reclassified as AP			
A821.00		1,276,761.70	
A521.00			1,276,761.70
<b>Total</b>		<b>1,276,761.70</b>	<b>1,276,761.70</b>
<b>Adjusting Journal Entries JE # 38</b>			
To liquidate encumbrances at year end			
A821.00		1,714,948.11	
A521.00			1,714,948.11
<b>Total</b>		<b>1,714,948.11</b>	<b>1,714,948.11</b>
<b>Adjusting Journal Entries JE # 39</b>			
To record liability for employer contributions to VDC.			
A522.9010-800-10-0001		16,956.93	
A632.01			16,956.93
<b>Total</b>		<b>16,956.93</b>	<b>16,956.93</b>
<b>Adjusting Journal Entries JE # 40</b>			
To reverse client entry 151-25 and correct			
A391.F0		18,500.00	
A391.F0		18,500.00	
A522.2815-160-17-0000			18,500.00
A522.2815-160-17-0000			18,500.00
<b>Total</b>		<b>37,000.00</b>	<b>37,000.00</b>
<b>Adjusting Journal Entries JE # 41</b>			
To record adjust for a portion of salaries to be coded to the ARP grant - PBC			
A391.F0		4,256.90	
A630.F0		64,778.00	
A630.F0		69,952.00	
A522.2815-160-02-0000			8.00
A980.2703.000			1,572.10
A980.2703.000			2,676.80
A980.2703.000			64,778.00
A980.2703.000			69,952.00
A980.2703.000			
<b>Total</b>		<b>138,986.90</b>	<b>138,986.90</b>
<b>Adjusting Journal Entries JE # 42</b>			
To adjust for NY University amount to be charged to ARP grant - PBC			
A391.F0		35,584.00	
A980.2703.000			35,584.00
<b>Total</b>		<b>35,584.00</b>	<b>35,584.00</b>
<b>Adjusting Journal Entries JE # 43</b>			
To record transfer from Capital Reserve fund to Capital Fund for \$21M project			
A522.9950-900-10-0000		4,000,000.00	
A878.00		4,000,000.00	
A630.H0			4,000,000.00
A917.00			4,000,000.00
<b>Total</b>		<b>8,000,000.00</b>	<b>8,000,000.00</b>
<b>Adjusting Journal Entries JE # 44</b>			
To reverse entry 31			
A630.H0		9,855.00	
A522.9950-900-10-0000			9,855.00
<b>Total</b>		<b>9,855.00</b>	<b>9,855.00</b>

Client: **Rond10576 - Rondout Valley Central School District**  
 Engagement: **Rondout Valley Central School District**  
 Period Ending: **6/30/2025**  
 Trial Balance: **3000F.00 - Fund F TB**  
 Workpaper: **3700F.01 - Adjusting Journal Entries Report - Federal**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>				
To record June interest - PBC				
F200.01	Cash - Special Aid Fund (0719)		436.35	
F630.A0	Due to General Fund			436.35
<b>Total</b>			<b>436.35</b>	<b>436.35</b>
<b>Adjusting Journal Entries JE # 2</b>				
To move FICA for HCWB				
F522.2250-800-00-HWB024	SOCIAL SECURITY BENEFITS		114.75	
F630.A0	Due to General Fund			114.75
<b>Total</b>			<b>114.75</b>	<b>114.75</b>
<b>Adjusting Journal Entries JE # 3</b>				
To correct receivable posting for Title IIA				
F980.4289.000-TL2A25	TITLE II A		439.00	
F410.00	Due From State and Federal			439.00
<b>Total</b>			<b>439.00</b>	<b>439.00</b>
<b>Adjusting Journal Entries JE # 4</b>				
To correct the balance of Receivable for Title IV				
F980.4129.000-TL4A25	NCLB Title IV Safe & Drug Free		21,617.00	
F410.00	Due From State and Federal			21,617.00
<b>Total</b>			<b>21,617.00</b>	<b>21,617.00</b>
<b>Adjusting Journal Entries JE # 5</b>				
To correct misposting for Cash Receipt 425 - to move revenue from CARP to match to 24-25 expenses				
F980.4289.000-CARP23	Other Fed Aid ESSER3 RESCUE PL		16,453.00	
F980.4126.000-TL1A24	TITLE I A			6,204.00
F980.4129.000-TL4A24	NCLB Title IV Safe & Drug Free			3,950.00
F980.4289.000-TL1S24	TITLE 1 - SCHOOL IMPROVE			2,942.00
F980.4289.000-TL2A24	TITLE II A			3,357.00
<b>Total</b>			<b>16,453.00</b>	<b>16,453.00</b>
<b>Adjusting Journal Entries JE # 6</b>				
To correct misposting Cash Receipt 425 - for Title IV underspent by \$2,249.17 and Title I SINI overspent by \$413.68				
F980.4289.000-CARP23	Other Fed Aid ESSER3 RESCUE PL		1,835.49	
F980.4289.000-TL1S24	TITLE 1 - SCHOOL IMPROVE		413.68	
F980.4129.000-TL4A24	NCLB Title IV Safe & Drug Free			2,249.17
<b>Total</b>			<b>2,249.17</b>	<b>2,249.17</b>
<b>Adjusting Journal Entries JE # 7</b>				
To move expenses from School Lunch for CN Equipment Grant				
F522.1620-200-10-CNEQUP	EQUIPMENT-ARP CN GRANT		3,644.00	
F630.00	Due to Other Funds			3,644.00
<b>Total</b>			<b>3,644.00</b>	<b>3,644.00</b>
<b>Adjusting Journal Entries JE # 8</b>				
To move expenses from Title I SINI to Title IV for double reported expenses on FS-10-Fs				
F522.2070-409-16-TL4A24	CONTRACTUAL AND OTHER		2,250.00	
F522.2070-409-10-TL1S24	CONTRACTUAL-PD-DW			2,250.00
<b>Total</b>			<b>2,250.00</b>	<b>2,250.00</b>
<b>Adjusting Journal Entries JE # 9</b>				
To move overspent salaries in 23-24 Title I SINI to A Fund				
F630.A0	Due to General Fund		413.00	
F522.2070-150-10-TL1S24	INSTR. SALARIES-PROF. DEV			413.00
<b>Total</b>			<b>413.00</b>	<b>413.00</b>
<b>Adjusting Journal Entries JE # 10</b>				

Client: *Rond10576 - Rondout Valley Central School District*  
 Engagement: *Rondout Valley Central School District*  
 Period Ending: *6/30/2025*  
 Trial Balance: *3000F.00 - Fund F TB*  
 Workpaper: *3700F.01 - Adjusting Journal Entries Report - Federal*

Account	Description	W/P Ref	Debit	Credit
To move Overpayment to Due to Other Governments for Title I SINI overpayment, expense booked twice				
F980.4289.000-TL1S24	TITLE 1 - SCHOOL IMPROVE		2,250.00	
F631.00	Due to Other Governments			2,250.00
<b>Total</b>			<b>2,250.00</b>	<b>2,250.00</b>
<b>Adjusting Journal Entries JE # 11</b>				
To reclassify CASE Grant to Deferred Revenue				
F630.A0	Due to General Fund		5,000.00	
F691.00	Deferred Revenue			5,000.00
<b>Total</b>			<b>5,000.00</b>	<b>5,000.00</b>
<b>Adjusting Journal Entries JE # 12</b>				
To record Interfund Transfer for Summer Handicap 24/25				
F630.A0	Due to General Fund		212,983.65	
F980.5031.000-440825	Interfund Transfers			212,983.65
<b>Total</b>			<b>212,983.65</b>	<b>212,983.65</b>
<b>Adjusting Journal Entries JE # 13</b>				
To correct the receivable balance for Summer Handicap receivable				
F980.3289.000-440825	Other State Aid-4408		123,634.65	
F410.00	Due From State and Federal			123,634.65
<b>Total</b>			<b>123,634.65</b>	<b>123,634.65</b>
<b>Adjusting Journal Entries JE # 14</b>				
To reclassify payment to Ferrari & Sons for Storage building capital project funded by ESSER 3 grant as transfer to capital				
F522.9901-900-10-CARP23	INTERFUND TO CAPITAL		114,691.00	
F522.1620-409-10-CARP23	CONTRACTUAL-STORAGE BLDG			114,691.00
<b>Total</b>			<b>114,691.00</b>	<b>114,691.00</b>
<b>Adjusting Journal Entries JE # 15</b>				
To reverse client entry 151-25 and correct				
F522.2815-160-10-CARP23	ARP HLTH NON-IN SAL DW		18,500.00	
F522.2815-160-10-CARP23	ARP HLTH NON-IN SAL DW		18,500.00	
F630.A0	Due to General Fund			18,500.00
F630.A0	Due to General Fund			18,500.00
<b>Total</b>			<b>37,000.00</b>	<b>37,000.00</b>
<b>Adjusting Journal Entries JE # 16</b>				
To reclassify				
F522.2830-160-10-CARP23	PPS Speech Salaries		2,677.00	
F522.2830-150-10-CARP23	PPS SALARIES SPEECH			2,677.00
<b>Total</b>			<b>2,677.00</b>	<b>2,677.00</b>
<b>Adjusting Journal Entries JE # 17</b>				
To record a portion of a salaries to the ARP grant paid from GF - PBC				
F522.2110-160-10-CARP23	NONINSTRUCTIONAL SALARIES		1,572.10	
F522.2815-150-10-CARP22	HLTH NON-INST SALARY IS		8.00	
F522.2815-150-10-CARP22	HLTH NON-INST SALARY IS		64,778.00	
F522.2815-150-10-CARP23	HLTH NON-INST SALARY IS		2,676.80	
F522.2815-150-10-CARP23	HLTH NON-INST SALARY IS		69,952.00	
F391.A0	Due From General Fund			64,778.00
F391.A0	Due From General Fund			69,952.00
F630.A0	Due to General Fund			8.00
F630.A0	Due to General Fund			1,572.10
F630.A0	Due to General Fund			2,676.80
<b>Total</b>			<b>138,986.90</b>	<b>138,986.90</b>
<b>Adjusting Journal Entries JE # 18</b>				
To adjust for portion of NY University amount charged to ARP grant.				
F522.2110-409-10-CARP23	CONTRACTUAL AND OTHER		35,584.00	

Client: *Rond10576 - Rondout Valley Central School District*  
 Engagement: *Rondout Valley Central School District*  
 Period Ending: *6/30/2025*  
 Trial Balance: *3000F.00 - Fund F TB*  
 Workpaper: *3700F.01 - Adjusting Journal Entries Report - Federal*

	<b>Account</b>	<b>Description</b>	<b>W/P Ref</b>	<b>Debit</b>	<b>Credit</b>
	F630.A0	Due to General Fund			35,584.00
<b>Total</b>				<u>35,584.00</u>	<u>35,584.00</u>

Client: **Rond10576 - Rondout Valley Central School District**  
 Engagement: **Rondout Valley Central School District**  
 Period Ending: **6/30/2025**  
 Trial Balance: **3000C.00 - Fund C TB**  
 Workpaper: **3700C.01 - Adjusting Journal Entries Report - Cafeteria**

Account	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
To record June interest - PBC			
C200.01		17.80	
C980.2401.000			17.80
<b>Total</b>		<b><u>17.80</u></b>	<b><u>17.80</u></b>
<b>Adjusting Journal Entries JE # 2</b>			
To reclassify expenses misposted for grant			
C391.F0		3,644.00	
C522.2860-200-00-0000			3,644.00
<b>Total</b>		<b><u>3,644.00</u></b>	<b><u>3,644.00</u></b>
<b>Adjusting Journal Entries JE # 3</b>			
To adjust deferred revenue to student balance report at 06.30.25			
C690.00		6.30	
C980.1445.000		73.00	
C690.00			73.00
C980.1445.000			6.30
<b>Total</b>		<b><u>79.30</u></b>	<b><u>79.30</u></b>
<b>Adjusting Journal Entries JE # 4</b>			
To adjust for payment of ERS liability made from the General Fund			
C637.00		6,496.00	
C630.A0			6,496.00
<b>Total</b>		<b><u>6,496.00</u></b>	<b><u>6,496.00</u></b>
<b>Adjusting Journal Entries JE # 5</b>			
To record the value of commodities			
C522.2860-401-00-0000		45,246.00	
C980.4191.000			45,246.00
<b>Total</b>		<b><u>45,246.00</u></b>	<b><u>45,246.00</u></b>
<b>Adjusting Journal Entries JE # 6</b>			
To reclassify funds received for supply chain assistance			
C980.4190.000		4,872.00	
C980.4190.SCA			4,872.00
<b>Total</b>		<b><u>4,872.00</u></b>	<b><u>4,872.00</u></b>
<b>Adjusting Journal Entries JE # 7</b>			
To record cash receipt for June entered after the start of the audit.- PBC			
C200.01		5,056.60	
C631.00			71.48
C980.1445.000			4,985.12
<b>Total</b>		<b><u>5,056.60</u></b>	<b><u>5,056.60</u></b>

Client: *Rond10576 - Rondout Valley Central School District*  
 Engagement: *Rondout Valley Central School District*  
 Period Ending: *6/30/2025*  
 Trial Balance: *3000H.00 - Fund H TB*  
 Workpaper: *Adjusting Journal Entries Report - 2*

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>				
to record June interest & amount due to V fund - PBC				
H200.01	Cash - Capital Fund (0727)		53.15	
H200.10	Cash - NY CLASS Capital Fund		3,428.17	
H200.20	Cash - BOGC Bond Proceed (0701)		92.87	
H630.V0	Due To Debt Service			146.02
H630.V0	Due To Debt Service			3,428.17
<b>Total</b>			<b>3,574.19</b>	<b>3,574.19</b>
<b>Adjusting Journal Entries JE # 2</b>				
To record BANS redeemed from appropriations				
H626.00	BANs Payable		265,000.00	
H626.01	BANs Payable-BOCES		447,931.00	
H980.5731.000-00GEN4	BANs Redmd Appro			712,931.00
<b>Total</b>			<b>712,931.00</b>	<b>712,931.00</b>
<b>Adjusting Journal Entries JE # 3</b>				
To record new BANs issued				
H630.A0	Due To General Fund		143,188.97	
H630.V0	Due To Debt Service		598,048.64	
H626.01	BANs Payable-BOCES			711,963.00
H630.A0	Due To General Fund			2,458.70
H630.V0	Due To Debt Service			26,815.91
<b>Total</b>			<b>741,237.61</b>	<b>741,237.61</b>
<b>Adjusting Journal Entries JE # 4</b>				
To adjust client entry 268-25 transfer to debt service included opening balance of cash in error.				
H630.V0	Due To Debt Service		458.70	
H200.20	Cash - BOGC Bond Proceed (0701)			458.70
<b>Total</b>			<b>458.70</b>	<b>458.70</b>
<b>Adjusting Journal Entries JE # 5</b>				
To record 24/25 Copier Installment Lease with BOCES IPA #29				
H522.2110.200	Districtwide Equipment		190,000.00	
H980.5785	Installment Purchase Debt			190,000.00
<b>Total</b>			<b>190,000.00</b>	<b>190,000.00</b>
<b>Adjusting Journal Entries JE # 6</b>				
To record payment to Ferrari & Sons Inc. for Storage building paid with ESSER 3 funds				
H522.2110.Fed	Track & Field Storage Federal		114,691.50	
H980.5031.000	Interfund Revenue			114,691.50
<b>Total</b>			<b>114,691.50</b>	<b>114,691.50</b>
<b>Adjusting Journal Entries JE # 7</b>				
To record transfer from General to cover incidental costs for storage building project				
H391.A0	Due From General Fund		9,855.00	
H980.5031.000	Interfund Revenue			9,855.00
<b>Total</b>			<b>9,855.00</b>	<b>9,855.00</b>
<b>Adjusting Journal Entries JE # 8</b>				
To reverse entry				
H980.5031.000	Interfund Revenue		9,855.00	
H391.A0	Due From General Fund			9,855.00
<b>Total</b>			<b>9,855.00</b>	<b>9,855.00</b>
<b>Adjusting Journal Entries JE # 9</b>				
To record transfer from Capital reserve for \$21M project				
H391.A0	Due From General Fund		4,000,000.00	
H980.5031.000	Interfund Revenue			4,000,000.00
<b>Total</b>			<b>4,000,000.00</b>	<b>4,000,000.00</b>

Client: **Rond10576 - Rondout Valley Central School District**  
 Engagement: **Rondout Valley Central School District**  
 Period Ending: **6/30/2025**  
 Trial Balance: **3000V.00 - Fund V TB**  
 Workpaper: **3700V.01 - Adjusting Journal Entries Report - Debt**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>				
To record interest for June and due from Capital - PBC				
V200.01	Cash - BOGC Debt Serv (0751)		6,344.53	
V200.11	Cash - NY CLASS DEBT		222.12	
V391.H0	Due From Capital Fund		146.02	
V391.H0	Due From Capital Fund		3,428.17	
V980.2401.000	INTEREST & EARNINGS			146.02
V980.2401.000	INTEREST & EARNINGS			222.12
V980.2401.000	INTEREST & EARNINGS			3,428.17
V980.2401.000	INTEREST & EARNINGS			6,344.53
<b>Total</b>			<b>10,140.84</b>	<b>10,140.84</b>
<b>Adjusting Journal Entries JE # 2</b>				
To adjust for misposting of BAN entries				
V600.00	Accounts Payable		595,589.94	
V980.2710.000	Premium on Obligations		8,009.00	
V391.H0	Due From Capital Fund			595,589.94
V600.00	Accounts Payable			8,009.00
<b>Total</b>			<b>603,598.94</b>	<b>603,598.94</b>
<b>Adjusting Journal Entries JE # 3</b>				
To record premium on BAN June 2025				
V391.H0	Due From Capital Fund		26,815.91	
V980.2710.000	Premium on Obligations			26,815.91
<b>Total</b>			<b>26,815.91</b>	<b>26,815.91</b>
<b>Adjusting Journal Entries JE # 4</b>				
To record transfer to GF to pay interest on BAN from PY BAN premium.				
V522.9901-900-00-0000	Interfund Transfers		8,009.00	
V630.A0	Due To General Fund			8,009.00
<b>Total</b>			<b>8,009.00</b>	<b>8,009.00</b>
<b>Adjusting Journal Entries JE # 5</b>				
To adjust for error in client entry 268-25 - opening balance of cash account included in amount to be transferred in error.				
V600.00	Accounts Payable		458.70	
V391.H0	Due From Capital Fund			458.70
<b>Total</b>			<b>458.70</b>	<b>458.70</b>

Client: **Rond10576 - Rondout Valley Central School District**  
 Engagement: **Rondout Valley Central School District**  
 Period Ending: **6/30/2025**  
 Trial Balance: **3000CM - Fund CM TB**  
 Workpaper: **3700CM.1 - CM Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries</b>				
<b>Adjusting Journal Entries JE # 1</b>				
To record 24/25 HS activity				
522.00	Expenditures		62,015.42	
200.02	Cash - EC Club - HS			14,731.07
980.01	Revenue			46,957.57
980.02	Interest Earnings			326.78
200.01	Cash - EC Club - IS/JHS			
<b>Total</b>			<b>62,015.42</b>	<b>62,015.42</b>
<b>Adjusting Journal Entries JE # 2</b>				
To Record 24/25 activity MS				
522.00	Expenditures		6,573.51	
200.01	Cash - EC Club - IS/JHS			615.21
980.01	Revenue			5,908.92
980.02	Interest Earnings			49.38
<b>Total</b>			<b>6,573.51</b>	<b>6,573.51</b>
	<b>Total Adjusting Journal Entries</b>		<b>68,588.93</b>	<b>68,588.93</b>
	<b>Total All Journal Entries</b>		<b>68,588.93</b>	<b>68,588.93</b>

**APPENDIX C**  
**Form of Legal Opinion**

[DRAFT FORM OF APPROVING OPINION]

June 17, 2026

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  
\$856,129 School District (Serial) Bonds, 2026

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$856,129 School District (Serial) Bonds, 2026 (the "Obligations"), of the Rondout Valley Central School District at Accord, Ulster County, New York (the "Obligor"), dated June 17, 2026, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of \_\_\_\_\_ centum (\_\_\_\_\_% ) per annum, payable on December 15, 2026 and semi-annually thereafter on June 15 and December 15, and maturing in the amount of \$611,129 on June 15, 2027, \$85,000 on June 15, 2028, and \$80,000 on June 15 in each of the years 2029 and 2030.

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 Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations 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 Obligations 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 Obligations 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 Obligations 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 Obligations, including the form of the Obligations. 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 Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligations: (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 Obligations; 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 Obligations 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(s) is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Obligations 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 Obligations.

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 Obligations) 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 Obligations 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 Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations 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 Obligations 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 real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations 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 Obligations, 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

[DRAFT FORM OF APPROVING OPINION]

June 23, 2026

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  
\$6,800,000 Bond Anticipation Notes, 2026 (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$6,800,000 Bond Anticipation Notes, 2026 (the "Obligation"), of the Rondout Valley Central School District at Accord, Ulster County, New York (the "Obligor"), dated June 23, 2026, numbered \_\_\_\_, of the denomination of \$6,800,000, bearing interest at the rate of \_\_\_\_\_% per annum, payable at maturity, and maturing June 23, 2027.

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. 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

**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