

OFFICIAL STATEMENT

BOND ANTICIPATION NOTES

NEW ISSUE

This Official Statement is in a form "deemed final" by the District for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). For a description of the District's agreement to provide continuing disclosure as described in securities and exchange commission Rule 15c2 12, see "Undertaking to Provide Notice of Events" herein.

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "TAX MATTERS" herein.

The Notes will NOT be designated as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

\$10,000,000



HARRISON CENTRAL SCHOOL DISTRICT WESTCHESTER COUNTY, NEW YORK

GENERAL OBLIGATIONS \$10,000,000 Bond Anticipation Notes – 2024 (the "Notes")

Dated: July 25, 2024

Due: July 25, 2025

The Notes are general obligations of the Harrison Central School District, Westchester County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation as to rate or amount. See "THE NOTES – Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity.

At the option of the purchaser, the Notes may be either (i) registered in the name of the purchaser or (ii) registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes. A single note certificate shall be delivered to the purchaser for those Notes of an issue registered in the name of the purchaser and bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Those Notes issued in book-entry form will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the Securities Depository for the Notes. Individual purchases of any Notes issued in book-entry form may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof. Holders of book-entry Notes will not receive certificates representing their respective ownership interests in any Notes issued in book-entry form. (See "Description of Book-Entry System" herein).

Payment of the principal of and interest on the Notes registered to the purchaser will be payable in lawful money of the United States of America (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. Payment of the principal of and interest on any Notes issued in book-entry form will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC Participants or Indirect Participants and not of DTC or the District, subject to any statutory and regulatory requirements as may be in effect from time to time. Principal and interest payments on any book-entry Notes shall be payable at the office of the District Clerk. (See "Book-Entry System" herein).

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on July 9, 2024 until 11:00 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

THE DATE OF THIS PRELIMINARY OFFICIAL STATEMENT IS JUNE 25, 2024.

The Notes are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Notes in book-entry or registered form through the facilities of DTC located in Jersey City, New Jersey, or as otherwise agreed by the purchaser and the District, on or about July 25, 2024.

This Preliminary Offering Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Offering Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**HARRISON CENTRAL SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK**

DISTRICT OFFICIALS

2023-2024 BOARD OF EDUCATION

KELLY KOZAK
President



KELLY MULVOY MANGAN
Vice President

BENJAMIN BLAUSTEIN
DENNIS DI LORENZO
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* * * * *

ADMINISTRATION

DR. LOUIS N. WOOL
Superintendent of Schools

TIMOTHY P. WHIPPLE
Assistant Superintendent for Business

JOSEPH CECERE
District Treasurer

MICHELLE DECARLO
District Clerk

BOND SCHOENECK & KING
School District Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

HAWKINS

HAWKINS DELAFIELD & WOOD LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
HARRISON CENTRAL SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK

Relating To
\$10,000,000 Bond Anticipation Notes-2024

This Official Statement, which includes the cover page, has been prepared by the Harrison Central School District, Westchester County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$10,000,000 principal amount of Bond Anticipation Notes-2024 (the "Notes").

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

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

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 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 Notes and interest thereon without limitation as to rate or amount. See "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated July 25, 2024 and will mature July 25, 2025. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes will be issued in either (i) the name of the purchaser with principal and interest payable in Federal Funds at such bank or trust company located and authorized to do business in the State as may be selected by such successful bidder or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "*DESCRIPTION OF BOOK-ENTRY-ONLY SYSTEM*" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution of the District dated November 29, 2023 authorizing the issuance of up to \$79,530,000 serial bonds and the use of up to \$5,000,000 capital reserve funds for the construction of alterations and improvements to District facilities and sites thereof at a maximum estimated cost of \$79,530,000.

The proceeds of the Notes will provide new money as the first borrowing for the aforementioned project.

NATURE OF OBLIGATION

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

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the District has power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor. However, the Tax Levy Limit Law imposes a statutory limitation on the District's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. (See also "TAX LEVY LIMIT LAW" herein)

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefore. However, Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limit Law. The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such bonds or notes. As the Notes are being issued to finance voter approved capital expenditures, the Notes qualify for such exclusion to the annual tax levy limitation. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See "The Tax Levy Limit Law" herein.)

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the District default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. The Notes are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District's contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. 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 judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Notes, the owners of such Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 41 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "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. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), 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 the 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 or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the 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.

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

SECTION 99-B OF THE STATE FINANCE LAW

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, 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 or note issued by a school district for school purposes shall file with the State Comptroller, a verified statement describing such bond or note 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 or note. Such investigation by the State Comptroller shall set forth a description of all such bonds and notes 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 and notes 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 the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes 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 or notes pursuant to said section of the SFL.

NO PAST DUE DEBT

No principal or interest payment on District indebtedness is past due.

BANKRUPTCY

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes 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 become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

DESCRIPTION OF BOOK-ENTRY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, 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. One fully-registered note certificate will be issued for each note of an issue bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, a limited-purpose trust company organized under the New York Banking Law, is 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, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

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

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments 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 Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

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

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 NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

Certificated Notes

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

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof. 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 fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is located in the southeastern portion of the County, about 22 miles northeast of Manhattan, and includes all of the Town of Harrison (the “Town”) and minor portions of the towns of North Castle and Rye. Although primarily residential in nature, the District is home to several “Fortune 500” corporations such as Mastercard International, IBM, and Pepsico. Manhattanville College and the State University of New York at Purchase are also located in the District.

Rail transportation is provided by the Metro-North Railroad. Major highways serving the District include State Route 127, Interstates 95 and 287, the Hutchinson River and Merritt parkways. The District is also served by an extensive network of County and Town roads. Public bus transportation is generally available in the area of the District. Air transportation is provided by the County Airport, partially located in the District, as well as the Metropolitan New York airports.

Source: District officials.

Population

The 2022 estimated population of the District is 28,721. (Source: U.S. Census Bureau, 2018-2022 American Community Survey 5-Year data.)

Larger Employers

The following are the largest employers located within or in close proximity to the District.

<u>Name</u>	<u>Approximate Number Employed</u>
Morgan Stanley	1,800
Pepsico, Inc.	1,500
US Postal Service	825
Mastercard, Inc.	800
DANSK International Designs	600
Diversified Investment Advisors	555
Citigroup	500
Consolidated Edison	500

Source: Village of Harrison – 2023 Continuing Disclosure Statement.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The figures set below with respect to such Towns, and County are included for information only. It should not be inferred from the inclusion of such data in this Official Statement that the Towns, or the County 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>2018-2022</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>
Towns of:						
Harrison	\$ 66,547	\$ 67,190	\$ 76,274	\$ 131,712	\$ 155,625	\$ 182,099
North Castle	76,063	101,213	110,771	152,610	206,324	236,074
Rye	39,563	47,742	55,892	77,883	107,135	119,483
County of:						
Westchester	47,814	57,953	67,776	100,863	126,992	147,091
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

Note: 2019-2023 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2006-2010, 2016-2020, 2018-2022 American Community Survey data.

Unemployment Rate Statistics

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

	<u>Annual Average</u>						
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Westchester County	4.5%	3.9%	3.6%	8.0%	4.8%	3.2%	3.4%
New York State	4.6	4.1	3.9	9.8	7.0	4.3	4.2

	<u>2024 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Westchester County	3.8%	4.0%	3.8%	3.4%	N/A	N/A
New York State	4.3	4.5	4.2	3.9	4.2	N/A

Note: Unemployment rates for May and June 2024 are not available as of the date of this Official Statement.

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

District Organization

The District is an independent entity governed by an elected board of education comprised of seven members. District operations are subject to the provisions of the Education Law affecting school districts; other statutes applicable to the District include the General Municipal Law, the Local Finance Law and the Real Property Tax Law.

Members of the Board of Education are elected on a staggered term basis by qualified voters at the annual election of the District (held on the third Tuesday in May). The term of office for each board member is 3 years and the number of terms that may be served is unrestricted. A president is selected by the board from its members and also serves as the chief fiscal officer of the District. The Board of Education is vested with various powers and duties as set forth in the Education Law. Among these are the adoption of annual budgets (subject to voter approval), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law.

The Board of Education appoints the Superintendent of Schools who serves at the pleasure of the Board. Such Superintendent is the chief executive officer of the District and the education system. It is the responsibility of the Superintendent to enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities under the direction of the Board of Education. Also, certain of the financial functions of the District are the responsibility of the Superintendent of Schools and the Assistant Superintendent for Business and the District Treasurer.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares a detailed statement of estimated sums necessary for the various expenditures of the District for the ensuing fiscal year (tentative budget) and makes that statement available to the public not less than fourteen days prior to the date on which the District's annual meeting is conducted, at which time such tentative budget is voted upon. Notice of the annual meeting is published as required by statute with a first publication not less than forty-five days prior to the day of such meeting. If the qualified voters at the annual meeting approve the tentative budget, the Board of Education, by resolution, adopts it as the budget of the District for the ensuing fiscal year.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "Tax Cap") plus exclusions, then a majority vote is required for approval. If the proposed budget requires a tax levy 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 District to exceed the 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.

Recent Budget Vote Results

The budget for the 2023-2024 fiscal year was approved by qualified voters on May 16, 2023 by a vote of 918 to 213. The adopted budget called for a total tax levy increase of 1.79%, which was within the District’s Tax Cap of 1.79%.

The budget for the 2024-2025 fiscal year was approved by qualified voters on May 21, 2024 by a vote of 1,129 to 554. The adopted budget called for a total tax levy increase of 4.49%, which exceeded the District’s Tax Cap of 3.13%. The District received the 60% majority vote required to exceed its Tax Cap.

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the District’s current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

The District does not invest in so-called “derivatives” including reverse purchase agreements, which are not authorized investments for municipalities and school districts in the State.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2024-25 fiscal year, approximately 4.74% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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 (See also “MARKET AND RISK FACTORS”).

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 and 2021 to 2023 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 2025-26 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 aid to 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.

Since March 2020, the State has been awarded over \$14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately \$3,040,419 in ARP funds and \$1,352,811 in CRRSA funds. As of May 13, 2024, the District has received \$1,319,072 in ARP funds and \$1,352,811 in CRRSA funds.

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.

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District, and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

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. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2024-25 preliminary building aid ratios, the District expects to receive State building aid of approximately 10.0% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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.

State aid history:

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School district fiscal year (2020-2021): 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 came in below 99% of estimates or if actual disbursements exceeded 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.

School district fiscal year (2021-2022): The State's 2021-22 Enacted 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 included the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, 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 were allocated to expand full-day kindergarten programs. Under the budget, school districts were 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 also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget included \$31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also included \$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, was 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 allocated \$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's 2022-23 Enacted Budget increased 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.

School district fiscal year (2023-2024): The State's 2023-24 Enacted Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%, which is the highest level of State aid to date. 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 will establish 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.

School district fiscal year (2024-25): 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.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York (“CFE”) 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 CFE 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 CFE 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 CFE 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 reached an agreement to settle and discontinue the NYSER 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 CFE cases, and had 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 State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enacted this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately \$21.3 billion, covering 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.

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State Aid Revenues

The following table illustrates the percentage of total revenues of the District for the below fiscal years comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2018-2019	\$ 115,067,984	\$ 4,546,634	3.95%
2019-2020	118,417,473	4,690,628	3.96
2020-2021	121,308,299	4,479,090	3.69
2021-2022	123,342,618	5,178,794	4.20
2022-2023	130,644,461	5,736,790	4.39
2023-2024 (Budgeted)	131,993,436	6,081,116	4.61
2024-2025 (Budgeted)	138,398,806	6,556,068	4.74

⁽¹⁾ Does not include appropriated fund balance or appropriated reserve funds.

Source: Audited Financial Statements for the 2018-2019 through 2022-2023 fiscal years, and the adopted budgets for the 2023-2024 and 2024-2025 fiscal years. This table is not audited.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built</u>
Harrison High School	9-12	1365	1973
Louis M. Klein Middle School	6-8	1200	1939
Harrison Avenue School	K-5	874	1923
Parsons Memorial School	K-5	929	1898
Purchase School	K-5	350	1929
Samuel J. Preston School	K-5	475	1932

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2019-20	3,602	2024-25	3,750
2020-21	3,675	2025-26	3,725
2021-22	3,614	2026-27	3,700
2022-23	3,636	2027-28	3,700
2023-24	3,747	2028-29	3,700

Source: District officials.

Employees

The District currently employs 665 full-time and 49 part-time persons. The following employees are represented by the following bargaining agents:

<u>Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
409	Instructional	June 30, 2026
106	Clerical and Custodial	June 30, 2026
161	School Teacher Aides & Assistants	June 30, 2027
32	Administrators	June 30, 2027
6	Non-Union Staff	N/A

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. 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 and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022.
- 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.

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 contributions for the last five years and the proposed budgeted figures for the 2024-25 fiscal year are as follows:

<u>Fiscal Year</u>	<u>TRS</u>	<u>ERS</u>
2018-2019	\$ 5,570,004	\$ 1,506,160
2019-2020	4,853,422	1,521,491
2020-2021	5,374,399	1,629,269
2021-2022	5,670,231	1,507,148
2022-2023	6,184,978	1,288,810
2023-2024 (Budgeted)	5,982,090	1,425,000
2024-2025 (Budgeted)	6,364,424	1,710,000

Source: District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually.

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 currently does not have early retirement incentive programs for its teaching employees.

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

A chart of average ERS and TRS rates as a percent of payroll (2020-21 to 2024-25) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.02 ⁽¹⁾

⁽¹⁾ Estimated. Final contribution rate expected to be adopted at the July 31, 2024 TRS Retirement Board meeting.

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 14% 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 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.

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve 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 established a TRS reserve fund in the 2018-2019 fiscal year. The balance of TRS reserve fund as of June 30, 2023 was \$4,308,991.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by 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. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist 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. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires school districts to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45, school districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with USI Consulting Group, an actuarial firm, to calculate its valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2022 and 2023 fiscal years, by source.

	Balance beginning at:	July 1, 2021	July 1, 2022
		\$ 274,709,119	\$ 226,545,217
<u>Changes for the year:</u>			
Service cost		14,209,553	5,676,238
Interest on total OPEB liability		6,182,563	7,390,862
Changes in Benefit Terms		-	-
Differences between expected and actual experience		-	(6,731,377)
Changes in Assumptions or other inputs		(63,149,316)	(18,124,519)
Benefit payments		(5,406,702)	(5,112,669)
Net Changes		\$ (48,163,902)	\$ (16,901,465)
	Balance ending at:	June 30, 2022	June 30, 2023
		\$ 226,545,217	\$ 209,643,752

Note: The above table is not audited. For additional information see “APPENDIX – D” attached hereto.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved \$0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District’s finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

Other Information

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

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

Except for as shown under “STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness”, this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2023 and may be found attached hereto as “APPENDIX – D” to this Official Statement. Certain financial information of the District can be found attached as appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the 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 Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003 the District is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis. The School District is currently in full compliance with GASB Statement No. 34.

Unaudited Results of Operations for the Fiscal Year Ending June 30, 2024

The District expects to conclude the fiscal year ending June 30, 2024 with an unappropriated unreserved fund balance of approximately \$5,662,246. Summary unaudited projected information for the General Fund for the period ending June 30, 2024 is as follows:

Projected Revenues:	\$ 135,054,449
Projected Expenditures:	<u>134,486,896</u>
Projected Excess (Deficit) Revenues Over Expenditures:	<u>\$ 567,553</u>
Total Fund Balance at June 30, 2023:	\$ 35,493,979
Total Projected General Fund Balance at June 30, 2024:	\$ 36,061,532

Note: These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

Source: District officials.

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 its most recent audit report of the District on July 3, 2019. The purpose of the audit was to determine whether the Board and District officials adopted budgets with reasonable estimates for the period July 1, 2013 through July 19, 2018.

Key Findings:

The Board and District Officials:

- Did not reasonably estimate certain general fund appropriations in the annual budget in each of the past five years (2013-14 through 2017-18).

Key Recommendations:

- Adopt annual budgets that contain reasonable estimates for appropriations based on historical and/or other known factors.

A copy of the complete report and the District’s response can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

Other than as stated above, there have been no other State Comptroller’s audits of the District released within the past five years, nor are there any that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not included herein by reference.

The State Comptroller’s Fiscal Stress Monitoring System

The Office of the State Comptroller has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district’s ST-3 report filed with the State Education Department annually, and each municipality’s annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in “Significant Fiscal Stress”, in “Moderate Fiscal Stress,” as “Susceptible 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 the State Comptroller for the last three fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not included herein by reference.

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TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Towns of:					
Harrison	\$ 129,395,544	\$ 127,113,340	\$ 126,075,019	\$ 126,443,874	\$ 125,214,775
North Castle	45,670	45,363	45,505	45,550	45,446
Rye	11,426,026	10,968,739	11,429,586	10,858,056	10,858,048
Total Assessed Values	<u>\$ 140,867,240</u>	<u>\$ 138,127,442</u>	<u>\$ 137,550,110</u>	<u>\$ 137,347,480</u>	<u>\$ 136,118,269</u>
State Equalization Rates					
Towns of:					
Harrison	1.54%	1.45%	1.47%	1.42%	1.29%
North Castle	2.26%	2.30%	2.38%	2.24%	1.94%
Rye	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	<u>\$ 8,415,754,874</u>	<u>\$ 8,779,378,285</u>	<u>\$ 8,589,873,466</u>	<u>\$ 8,917,389,707</u>	<u>\$ 9,719,772,331</u>

Source: District officials.

Tax Rates Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Towns of:					
Harrison	\$ 838.28	\$ 871.42	\$ 895.19	\$ 917.96	\$ 944.27
North Castle	571.53	549.65	553.18	582.32	627.92
Rye	12.91	12.64	13.17	13.04	12.18

Source: District officials.

Tax Collection Procedure

Real property taxes are levied by the District but are collected by the Towns which comprise the District. Such taxes may be paid in two equal installments on September 1 and January 1 and may be paid without penalty on or before September 30 and January 31, respectively. Delinquent school tax payments are assessed penalties in accordance with an ascending scale which starts at 2% in the month of October and increases to a maximum of 12% for all payments received the following April and thereafter.

According to the County Tax Code, the Towns must remit school tax collections to the District by the fifth day of the month following their collection. In addition, the Towns are obligated to pay the District the full amount of its current tax levy by April 1. The District is therefore guaranteed 100% of its real property during the current fiscal year. Subsequently, the Towns enforce unpaid school taxes in the same manner as unpaid Town taxes.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Tax Levy	\$ 108,704,351	\$ 110,990,190	\$ 113,090,944	\$ 116,318,295	\$ 118,402,804
Amount Uncollected ⁽¹⁾	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

⁽¹⁾ The District receives 100% of its tax levy each year. See “Tax Collection Procedure” herein.

Source: District officials.

Real Property Taxes & Tax Items

The following table illustrates the percentage of total General Fund revenues of the District for each of the below completed fiscal years and budgeted new figures comprised of Real Property Taxes.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total Real Property Taxes & Other Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2018-2019	\$115,067,984	\$106,953,530	92.95%
2019-2020	118,417,473	109,687,753	92.63
2020-2021	121,308,299	111,974,467	92.31
2021-2022	123,342,617	114,114,605	92.52
2022-2023	130,644,461	117,552,827	89.98
2023-2024 (Budgeted)	131,993,436	121,101,320	91.75
2024-2025 (Budgeted)	138,398,806	126,225,238	91.20

⁽¹⁾ Does not include appropriated fund balance or appropriated reserve funds.

Source: Audited Financial Statements for the 2018-2019 through 2022-2023 fiscal years, and the adopted budgets for the 2023-2024 and 2024-2025 fiscal years. This table is not audited.

Ten Largest Taxpayers – 2023 Assessment Roll for 2023-2024 School District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
Consolidated Edison of New York	Utility	\$3,221,860
Carraway Apartments, LLC	Apartment Complex	1,401,225
OCC Purchase, LLC	Office Complex	1,386,000
MasterCard International	Corporate Headquarters	1,245,000
County of Westchester	Airport Hangars	1,064,473
Consolidated Edison	Utility	741,420
ESRT 500 Mamaroneck Avenue	Office Building	639,775
2500/2700 Westchester	Office Building	575,000
Harrison Rye Realty	Office Building	573,170
100 Manhattanville Road	Office Building	507,500

The taxpayers listed above have a total assessed valuation of \$11,355,423 which represents 8.3% of the 2023-2024 tax base of the District.

The District currently does not have any pending or outstanding tax certioraris that are known or believed could have a material impact on the finances of the District. The District maintains a tax certiorari reserve that District management believes is sufficient to settle active cases after Board of Education approval.

Source: District tax rolls.

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 \$98,700 or less in 2023-2024, 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 (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 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of \$250,000 or less have the option to select the credit or the exemption.

The 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent.

The 2022-23 Enacted 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 are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.

The below table lists the basic and enhanced exemption amounts for the 2024-25 District tax roll for the municipalities applicable to the District:

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Harrison	\$2,760	\$1,010	10/18/2023
North Castle	4,340	1,600	10/18/2023
Rye	213,980	76,420	10/18/2023

\$2,035,971 of the District's \$118,402,804 school tax levy for the 2023-2024 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2024.

Approximately \$1,855,702 of the District's \$123,713,449 school tax levy for the 2024-2025 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in January 2025.

Additional Tax Information

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-65%; Commercial-20%; Agricultural-15%.

The estimated total annual school tax bill for an average residential property with a market value of \$1,482,000 located in the District is approximately \$17,996.

TAX LEVY LIMIT LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 (herein referred to as the "Tax Levy Limit Law" or "Law") was signed by the Governor. The Tax Levy Limit Law modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. The Law will affect 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 twice 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 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 consumer price index, as described in the Law. A budget with a tax levy that does 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 budget with a tax levy in excess of the limit. In the event the voters reject the budget twice, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year.

The Law permits certain significant exclusions to the tax levy limit for school BOCES's. These include taxes to pay the local share of debt service on bonds or notes (such as the Notes) issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County 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 New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground 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 and Statutory Requirements

The New York State Constitution and Local Finance Law limit the power of the District (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the District and the Notes:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual, or private corporation 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 in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been initially contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purpose for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. 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, bond anticipation notes and capital notes.

General. 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 to prevent abuses in the exercise of such power; 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. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in such law. (See "TAX LEVY LIMIT LAW," herein).

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 law, 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 the anticipation of the bonds. No down payment is required in connection with the issuance of District obligations. 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 Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, or summary thereof, together with a statutory form of notice which, in effect, estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Except on rare occasions the District complies with this estoppel procedure.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Notes. However, such finance board may delegate the power to sell the Notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York, provided the aggregate 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 such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

Debt Outstanding End of Fiscal Year

<u>Fiscal Year Ending June 30th:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bonds ⁽¹⁾	\$ 41,475,000	\$ 45,005,000	\$ 43,920,000	\$ 42,840,000	\$ 41,725,000
Bond Anticipation Notes	0	0	0	0	0
Energy Performance Contracts ⁽²⁾	<u>6,709,282</u>	<u>6,393,152</u>	<u>6,068,496</u>	<u>5,735,084</u>	<u>\$ 5,392,680</u>
Total Debt Outstanding	<u>\$ 48,184,282</u>	<u>\$ 51,398,152</u>	<u>\$ 49,988,496</u>	<u>\$ 48,575,084</u>	<u>\$ 47,117,680</u>

⁽¹⁾ Does not include refunded bonds outstanding at the end of the respective fiscal year, where applicable.

⁽²⁾ See “Energy Performance Contract Leases” herein

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of June 25, 2024.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2024-2048	\$ 40,575,000
<u>Bond Anticipation Notes</u>	-	<u>0</u>
	Total Debt Outstanding	<u>\$ 40,575,000</u>

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 25, 2024:

Full Valuation of Taxable Real Property	\$ 9,719,772,331
Debt Limit – 10% thereof	971,977,233

Inclusions:

Bonds.....	\$ 40,575,000	
Bond Anticipation Notes (BANs):.....	_____	-
Total Inclusions prior to issuance of the Notes	40,575,000	
Less: BANs being redeemed from appropriations		-
Add: New money proceeds of the Notes	10,000,000	
Total Net Inclusions after issuance of the Notes		<u>\$ 50,575,000</u>

Exclusions:

State Building Aid ⁽¹⁾	\$ _____	0
Total Exclusions		<u>\$ _____</u>

Total Net Indebtedness	<u>\$ 50,575,000</u>
Net Debt-Contracting Margin	<u>\$ 921,402,233</u>
The percent of debt contracting power exhausted is	5.20%

⁽¹⁾ Based on 2024-2025 preliminary building aid estimates, the District anticipates State Building aid of 10.0% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The 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 District will receive in relation to the outstanding bonds.

Notes: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the statutory debt limit of the School District.
 Figures above do not include anergy performance contract indebtedness of the District. See “Energy Performance Contract” herein for a summary of debt service payments.

Bonded Debt Service

A schedule of bonded debt service may be found in “APPENDIX – B” to this Official Statement.

Cash Flow Borrowings

The District, historically, does not issue tax or revenue anticipation notes, nor does it anticipate issuing any in the foreseeable future.

Capital Project Plans

On November 16, 2023, District voters approved a capital project referendum in the amount of \$79,530,000 which addresses critical building and instructional needs throughout the district and will enhance the safety and quality of educational spaces for students and staff. The District is utilizing up to \$5 million capital reserve funds for the project along with \$2 million from its annual capital budget to offset a portion of debt service. The Notes are being issued as the first borrowing for the aforementioned project. Future borrowings will be pursuant to approval from the State Education Department and as the project’s cash flow needs warrant. It is anticipated the project will conclude in 2027.

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Energy Performance Contract

The District, during 2018 entered into a \$6,969,318 contractual agreement to install energy saving equipment and/or upgrade existing facilities to enhance performance. The agreement provides for annual payments of \$493,754 including interest at 2.679% through September 2035. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms.

The following is a summary of the payments to be made:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 351,639	\$ 142,115
2025	361,123	132,631
2026	370,863	122,891
2027	380,865	112,889
2028-2032	2,064,064	404,706
2033-2037	<u>1,864,125</u>	<u>110,891</u>
TOTAL	<u>\$ 5,392,680</u>	<u>\$1,026,124</u>

Energy performance contracts (leases) do not constitute debt for Local Finance Law purposes; however, they are included for purposes of calculating the debt limit of the District.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated indebtedness of the respective municipalities is outlined in the table below:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Net Overlapping Indebtedness</u>
County of:						
Westchester	11/30/2023	\$1,330,629,455 ⁽³⁾	\$ 287,358,421	\$1,043,271,034	4.51%	\$ 47,051,524
Town of:						
Harrison	12/31/2022	- ⁽⁴⁾	- ⁽⁵⁾	-	100.00%	-
North Castle	12/31/2022	26,108,000 ⁽³⁾	13,733,463	12,374,537	0.04%	4,950
Rye	12/31/2022	11,955,000 ⁽³⁾	-	11,955,000	0.14%	<u>16,737</u>
Total:						<u>\$ 47,073,210</u>

⁽¹⁾ Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.

⁽²⁾ Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

⁽³⁾ Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.

⁽⁴⁾ Gross indebtedness sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.

⁽⁵⁾ Information regarding excludable debt not available.

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Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 25, 2024:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 50,575,000	\$ 1,760.91	0.52%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	97,648,210	3,399.89	1.00

(a) The 2022 estimated population of the District is 28,721. (See "THE SCHOOL DISTRICT – District Population" herein.)

(b) The District's full value of taxable real estate for 2023-2024 is \$9,719,772,331. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary" herein.

(d) Estimated net overlapping indebtedness is \$47,073,210. (See "Estimated Overlapping Indebtedness" herein.)

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

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

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

The District's credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the District's credit rating could adversely affect the market value of the Notes.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future 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 timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak 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. (See "State Aid" and "Events Affecting New York School Districts" herein). Should the District fail to receive State aid expected from the State in the amounts or 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.

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "Tax Matters" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Notes. (See "TAX LEVY LIMIT LAW" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the District could impair the financial condition of such entities, including the District and the ability of such entities, including the District to pay debt service on the Notes.

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the District (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District, in executing the Tax Certificate, will certify to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner’s adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Note (a “Premium Note”). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the bond premium over the remaining term of the Premium Note, based on the owner’s yield over the remaining term of the Premium Note determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such note). An owner of a Premium Note must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Note, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

This Official Statement is in a form "deemed final" by the District for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Notes, the District will provide an executed copy of its "Undertaking to Provide Notices of Events", substantially as set forth in "APPENDIX – C" to this Official Statement."

LITIGATION

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

The District is a defendant in a matter involving alleged sexual abuse by a teacher that took place forty years ago. The case has not progressed further than the pre-discovery phase. Council for the District is likely to submit a motion for summary judgement.

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

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), is a municipal advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to the Municipal Advisor are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District; provided, however, the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to request that a rating be assigned after the sale pending the approval of the District and applicable rating agency, and at the expense of the purchaser(s), including any rating agency and other fees to be incurred by the District, as such rating action may result in a material event notice to be posted to EMMA and/or the provision of a Supplement to the final Official Statement.

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

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds.

MISCELLANEOUS

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

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

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

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

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

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

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

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The District's contact information is as follows: Timothy Whipple, Assistant Superintendent for Business, Harrison Central School District, 50 Union Avenue, Harrison, New York 10528 , Phone: (914) 630-3010, Fax: (914) 835-3356, Email: whippet@harrisoncsd.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., Phone: (315) 752-0051, or at www.fiscaladvisors.com.

HARRISON CENTRAL SCHOOL DISTRICT

Dated: June 25, 2024

**PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER**

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
ASSETS					
Cash and equivalents	\$ 39,422,471	\$ 41,987,408	\$ 44,286,046	\$ 43,964,654	\$ 184,325
Investments	-	-	-	-	45,732,076
Due from Other Governments	627,260	752,880	999,590	907,407	946,456
Due from Other Funds	1,312,393	1,717,579	2,297,544	1,385,534	3,363,036
Accounts Receivable	224,308	5,344	6,064	93,934	17,973
State and Federal Aid Receivable	463,257	439,794	822,344	566,508	903,471
Prepaid Expenditures	-	4,848	4,848	-	-
Deferred Expenditures	-	-	-	-	-
TOTAL ASSETS	<u>\$ 42,049,689</u>	<u>\$ 44,907,853</u>	<u>\$ 48,416,436</u>	<u>\$ 46,918,037</u>	<u>\$ 51,147,337</u>
LIABILITIES AND FUND BALANCES					
Accounts Payable	\$ 2,671,804	\$ 3,376,993	\$ 3,403,828	\$ 3,545,749	\$ 4,644,398
Accrued Liabilities	242,736	155,182	658,547	480,776.00	289,602.00
Due to Other Funds	3,449,346	3,121,659	3,417,650	445,863	2,045,362
Due to Other Governments	180,315	401,597	963,757	922,257	748,126
Employee Payroll Deductions	-	-	20,447	23,103	4,268
Due to Retirement Systems	6,620,575	5,885,552	6,636,097	6,871,987	7,598,606
Unearned Revenue	198,554	587,090	505,267	372,937	322,996
TOTAL LIABILITIES	<u>\$ 13,363,330</u>	<u>\$ 13,528,073</u>	<u>\$ 15,605,593</u>	<u>\$ 12,662,672</u>	<u>\$ 15,653,358</u>
FUND BALANCES					
Nonspendable	\$ -	\$ 4,848	\$ 4,848	\$ -	\$ -
Restricted	20,355,421	22,191,721	24,571,085	22,913,894	26,791,347
Assigned	3,554,566	4,246,080	3,212,596	3,939,917	3,291,895
Unassigned	4,776,372	4,937,131	5,022,314	7,401,554	5,410,737
TOTAL FUND BALANCE	<u>\$ 28,686,359</u>	<u>\$ 31,379,780</u>	<u>\$ 32,810,843</u>	<u>\$ 34,255,365</u>	<u>\$ 35,493,979</u>
TOTAL LIABILITIES and FUND BALANCES	<u>\$ 42,049,689</u>	<u>\$ 44,907,853</u>	<u>\$ 48,416,436</u>	<u>\$ 46,918,037</u>	<u>\$ 51,147,337</u>

Source: Audited financial reports of the District. This Appendix is not itself audited.

APPENDIX - A1
Harrison Central School District

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES					
Real Property Taxes	\$ 101,881,748	\$ 105,193,880	\$ 107,762,093	\$ 110,257,964	\$ 113,901,777
Other Tax Items	5,071,782	4,493,873	4,212,374	3,856,641	3,651,050
Non-Property Tax Items	1,599,024	2,159,239	2,631,429	2,472,920	2,882,644
Charges for Services	335,285	368,795	388,469	401,844	347,323
Use of Money & Property	856,914	720,687	243,827	144,839	2,295,765
Sale of Property and Compensation for Loss	76,158	32,152	78,715	179,594	11,283
Miscellaneous	667,060	758,224	961,526	687,721	768,954
Interfund Revenue	-	-	-	-	-
Revenues from State Sources	4,546,634	4,690,627	4,479,091	5,178,794	5,736,790
Revenues from Federal Sources	33,375	-	550,773	162,300	1,048,875
Total Revenues	<u>\$ 115,067,980</u>	<u>\$ 118,417,477</u>	<u>\$ 121,308,297</u>	<u>\$ 123,342,617</u>	<u>\$ 130,644,461</u>
Other Sources:					
Proceeds from Refunding Bonds	-	-	-	-	-
Interfund Transfers	681,124	458,826	110,962	1,109,636	-
Total Revenues and Other Sources	<u>115,749,104</u>	<u>118,876,303</u>	<u>121,419,259</u>	<u>124,452,253</u>	<u>130,644,461</u>
EXPENDITURES					
General Support	\$ 12,867,258	\$ 12,790,450	\$ 13,512,725	\$ 12,694,968	\$ 13,407,593
Instruction	63,224,006	64,796,236	67,095,101	69,315,464	72,443,956
Pupil Transportation	6,539,820	6,408,997	6,236,476	6,876,989	7,256,245
Community Services	-	-	-	-	-
Employee Benefits	27,665,727	28,190,819	29,417,409	30,035,537	31,046,498
Debt Service	-	-	-	3,012,588	3,011,863
Total Expenditures	<u>\$ 110,296,811</u>	<u>\$ 112,186,502</u>	<u>\$ 116,261,711</u>	<u>\$ 121,935,546</u>	<u>\$ 127,166,155</u>
Other Uses:					
Payment to refunding bond escrow agent	-	-	-	-	-
Interfund Transfers	3,719,968	3,996,380	3,726,485	1,072,185	2,239,692
Total Expenditures and Other Uses	<u>114,016,779</u>	<u>116,182,882</u>	<u>119,988,196</u>	<u>123,007,731</u>	<u>129,405,847</u>
Excess (Deficit) Revenues Over Expenditures	<u>1,732,325</u>	<u>2,693,421</u>	<u>1,431,063</u>	<u>1,444,522</u>	<u>1,238,614</u>
FUND BALANCE					
Fund Balance - Beginning of Year	26,954,034	28,686,359	31,379,780	32,810,843	34,255,365
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 28,686,359</u>	<u>\$ 31,379,780</u>	<u>\$ 32,810,843</u>	<u>\$ 34,255,365</u>	<u>\$ 35,493,979</u>

Source: Audited financial reports of the District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:

	2023			2024		2025
	Adopted Budget	Modified Budget	Actual	Adopted Budget	Adopted Budget	
REVENUES						
Real Property Taxes & Other Tax Items	\$ 117,553,382	\$ 117,553,382	\$ 117,552,827	\$ 121,101,320	\$ 126,225,238	
Non-Property Tax Items	2,380,000	2,380,000	2,882,644	2,800,000	2,850,000	
Charges for Services	378,500	378,500	347,323	443,500	475,000	
Use of Money & Property	314,583	314,583	2,295,765	1,052,500	1,752,500	
Sale of Property and						
Compensation for Loss	-	-	11,283	-	-	
Miscellaneous	516,714	516,714	768,954	515,000	540,000	
Interfund Revenues	-	-	-	-	-	
Revenues from State Sources	5,393,298	5,393,298	5,736,790	6,081,116	6,556,068	
Revenues from Federal Sources	-	-	1,048,875	-	-	
Total Revenues	\$ 126,536,477	\$ 126,536,477	\$ 130,644,461	\$ 131,993,436	\$ 138,398,806	
Other Sources:						
Appropriated Fund Balance	\$ -	\$ -	\$ -	\$ 2,275,000	\$ 3,157,334	
Appropriated Reserve	-	-	-	1,000,000	-	
Interfund Transfers	-	-	-	-	-	
Total Revenues and Other Sources	126,536,477	126,536,477	130,644,461	135,268,436	141,556,140	
EXPENDITURES						
General Support	\$ 13,141,120	\$ 14,498,951	\$ 13,407,593	\$ 12,425,294	\$ 12,997,128	
Instruction	74,250,379	74,271,365	72,443,956	76,246,211	78,581,429	
Pupil Transportation	7,553,451	7,517,013	7,256,245	8,827,549	9,252,207	
Community Services	-	-	-	-	-	
Employee Benefits	31,351,581	31,163,581	31,046,498	32,572,606	35,458,052	
Debt Service	3,011,863	3,011,863	3,011,863	3,008,776	3,014,324	
Total Expenditures	\$ 129,308,394	\$ 130,462,773	\$ 127,166,155	\$ 133,080,436	\$ 139,303,140	
Other Uses:						
Payment to refunding bond escrow agent	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	
Interfund Transfers	2,168,000	2,253,000	2,239,692	2,188,000	2,253,000	
Total Expenditures and Other Uses	131,476,394	132,715,773	129,405,847	135,268,436	141,556,140	
Excess (Deficit) Revenues Over						
Expenditures	(4,939,917)	(6,179,296)	1,238,614	-	-	
FUND BALANCE						
Fund Balance - Beginning of Year	4,939,917	6,179,296	34,255,365	-	-	
Prior Period Adjustments (net)	-	-	-	-	-	
Fund Balance - End of Year	\$ -	\$ -	\$ 35,493,979	\$ -	\$ -	

Source: Audited financial report and budgets of the District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2024	\$ 1,150,000	\$ 1,365,020	\$ 2,515,020
2025	1,195,000	1,325,570	2,520,570
2026	1,230,000	1,284,520	2,514,520
2027	1,275,000	1,242,283	2,517,283
2028	1,320,000	1,198,445	2,518,445
2029	1,365,000	1,155,058	2,520,058
2030	1,405,000	1,110,170	2,515,170
2031	1,445,000	1,069,483	2,514,483
2032	1,490,000	1,028,108	2,518,108
2033	1,525,000	984,920	2,509,920
2034	1,575,000	940,558	2,515,558
2035	1,625,000	894,708	2,519,708
2036	1,675,000	847,370	2,522,370
2037	1,720,000	797,005	2,517,005
2038	1,775,000	743,850	2,518,850
2039	1,825,000	687,988	2,512,988
2040	1,890,000	630,381	2,520,381
2041	1,680,000	569,800	2,249,800
2042	1,735,000	511,713	2,246,713
2043	1,800,000	450,463	2,250,463
2044	1,860,000	386,938	2,246,938
2045	1,930,000	321,313	2,251,313
2046	1,995,000	253,238	2,248,238
2047	2,070,000	180,450	2,250,450
2048	2,150,000	101,935	2,251,935
2049	1,020,000	20,400	1,040,400
TOTALS	\$ 41,725,000	\$ 20,101,681	\$ 61,826,681

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2018			2019		
	Serial Bonds			Serial Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 530,000	\$ 679,270	\$ 1,209,270	\$ 450,000	\$ 586,913	\$ 1,036,913
2025	550,000	662,045	1,212,045	465,000	573,188	1,038,188
2026	565,000	644,170	1,209,170	480,000	559,013	1,039,013
2027	585,000	625,808	1,210,808	495,000	544,388	1,039,388
2028	605,000	606,795	1,211,795	510,000	529,313	1,039,313
2029	625,000	587,133	1,212,133	525,000	513,788	1,038,788
2030	645,000	566,820	1,211,820	540,000	497,813	1,037,813
2031	665,000	545,858	1,210,858	555,000	481,388	1,036,388
2032	685,000	524,245	1,209,245	575,000	464,438	1,039,438
2033	705,000	501,983	1,206,983	590,000	446,963	1,036,963
2034	730,000	479,070	1,209,070	610,000	428,963	1,038,963
2035	755,000	455,345	1,210,345	630,000	410,363	1,040,363
2036	780,000	430,808	1,210,808	650,000	391,163	1,041,163
2037	805,000	405,068	1,210,068	665,000	371,438	1,036,438
2038	830,000	378,100	1,208,100	690,000	350,250	1,040,250
2039	860,000	350,088	1,210,088	710,000	327,500	1,037,500
2040	890,000	321,063	1,211,063	735,000	304,019	1,039,019
2041	920,000	291,025	1,211,025	760,000	278,775	1,038,775
2042	950,000	259,975	1,209,975	785,000	251,738	1,036,738
2043	985,000	226,725	1,211,725	815,000	223,738	1,038,738
2044	1,015,000	192,250	1,207,250	845,000	194,688	1,039,688
2045	1,055,000	156,725	1,211,725	875,000	164,588	1,039,588
2046	1,090,000	119,800	1,209,800	905,000	133,438	1,038,438
2047	1,130,000	81,650	1,211,650	940,000	98,800	1,038,800
2048	1,170,000	41,535	1,211,535	980,000	60,400	1,040,400
2049	-	-	-	1,020,000	20,400	1,040,400
TOTALS	\$ 20,125,000	\$ 10,133,350	\$ 30,258,350	\$ 17,800,000	\$ 9,207,456	\$ 27,007,456

Fiscal Year Ending June 30th	2020		
	Serial Bonds		
	Principal	Interest	Total
2024	\$ 170,000	\$ 98,838	\$ 268,838
2025	180,000	90,338	270,338
2026	185,000	81,338	266,338
2027	195,000	72,088	267,088
2028	205,000	62,338	267,338
2029	215,000	54,138	269,138
2030	220,000	45,538	265,538
2031	225,000	42,238	267,238
2032	230,000	39,425	269,425
2033	230,000	35,975	265,975
2034	235,000	32,525	267,525
2035	240,000	29,000	269,000
2036	245,000	25,400	270,400
2037	250,000	20,500	270,500
2038	255,000	15,500	270,500
2039	255,000	10,400	265,400
2040	265,000	5,300	270,300
TOTALS	\$ 3,800,000	\$ 760,875	\$ 4,560,875

MATERIAL EVENT NOTICESSection 1. Definitions

“EMMA” shall mean Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the **Harrison Central School District, Westchester County, New York**.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of July 25, 2024.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

“Securities” shall mean the Issuer’s \$10,000,000 Bond Anticipation Notes – 2024, dated July 25, 2024, maturing on July 25, 2025, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) 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 of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;

- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, 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 Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material,
- (15) 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
- (16) 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.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **July 25, 2024**.

HARRISON CENTRAL SCHOOL DISTRICT

By _____
President of the Board of Education and Chief Fiscal Officer

HARRISON CENTRAL SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2023

The Audited Financial Statements, including opinion, were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

Harrison Central School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2023

Harrison Central School District, New York

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Harrison Central School District, New York

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Independent Auditors' Report

The Board of Education of the
Harrison Central School District, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Harrison Central School District, New York ("School District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2023, and the respective changes in financial position and the budgetary comparison for the General Fund 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 ("GAAS") 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

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Auditors' 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 auditors' 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 GAAS 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 GAAS 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 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information 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 School District's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* 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 combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
October 11, 2023

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Harrison Central School District, New York

Management's Discussion and Analysis
June 30, 2023

The following is a discussion and analysis of the Harrison Central School District's ("School District") financial performance for the fiscal year ended June 30, 2023. This section, which is introductory only, is a summary of the School District's financial activities based on currently known facts, decisions, or conditions, inclusive of both the district-wide and fund-based financial statements. The complete information is included in the School District's basic financial statements, which immediately follow this section.

School District Overview

The School District was established as a centralized school district in 1969 and is situated in the Town/Village of Harrison in the southern portion of Westchester County, New York. The School District is a 22 square mile community, approximately twenty minutes northeast of New York City and due west of the Long Island Sound. The School District includes all of the Town/Village of Harrison and minor portions of the towns of North Castle and Rye. The latest data available indicates that the Town/Village of Harrison has a population of 29,369 with a per capita income of \$72,033 and an unemployment rate of 3.0%.

The School District employs approximately 653 full and part-time professional and support staff. These employees are organized into four collective bargaining units (Teaching Staff, Support Staff, Teacher/School Aides and Assistants and Administrators). On May 3, 2023, the School District's Board of Education approved a successor bargaining agreement with the Harrison Association of Teachers ("HAT") Unit covering the period of July 1, 2023 - June 30, 2026. The other three bargaining units have current contracts with the following terms:

CSEA Harrison Unit ("CSEA") – July 1, 2022 – June 30, 2026
Harrison Teacher/School Aide and Teaching Assistants Unit – July 1, 2020 – June 30, 2024
Harrison Administrators' Association ("HAA") – July 1, 2020 – June 30, 2024

The School District's voters overwhelmingly passed the 2023-2024 budget developed by the Board of Education on May 16, 2023, with a total of 918 yes votes and 213 no votes, translating into 81.2% of the total community participants voting in the affirmative. Total projected expenditures for 2023-2024 are \$135,268,436, and carried an estimated tax levy increase of 1.79%. Through careful and prudent fiscal management, the Board of Education has never asked district residents to approve a tax levy that has exceeded the New York State tax levy limit, despite periods of tough fiscal and economic climates. As a result, the School District enjoys the third lowest tax rate on true value of all Westchester County school districts at \$13.04 per thousand of assessed value.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- The General Fund's total fund balance, as reflected in the fund financial statements, increased by \$1,238,614 to a total fund balance of \$35,493,979.
- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget. Unassigned fund balance in the General Fund was in excess of the 4% statutory limit at the end of the prior fiscal year. This was rectified as of

June 30, 2023, in part, through the creation of a Future Capital Project restriction of fund balance, which was approved by district voters in May 2023. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$5,410,737, or 4% of the 2023-2024 adopted budget.

- Active claims relating to tax certiorari challenges against the School District increased during the 2022-23 fiscal year. However, despite the small increase, total restricted funds for potential tax certiorari claims of \$10,027,500 are below the six year average from 2015-16 through 2020-21 of \$13,424,000.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded the assets and deferred outflows of resources at June 30, 2023 by \$167,860,234 (deficit net position), a decrease of \$4,989,329 from the deficit net position of \$172,849,563 for the year ended June 30, 2022. This is primarily the result of the School District's implementation of the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB")*". This statement addresses accounting and financial reporting for OPEB by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. Since no mechanism exists under current New York State law for New York municipalities and school districts to pre-fund these obligations in an irrevocable trust, entities such as the School District are required to report their *total* OPEB liability (as opposed to the *net* OPEB liability that had been reported under a prior standard). For the year ending June 30, 2023, the School District's OPEB liability of \$209,643,752 is reflected as a liability on the district-wide Statement of Net Position and, thus, negatively impacts the total net position calculation. More detailed information about the School District's OPEB liabilities reported in accordance with the provisions of GASB Statement No. 75 is presented in Note 3E in the notes to the financial statements.
- The district-wide financial statements for the year ended June 30, 2023 are also significantly impacted by the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions.*" This pronouncement established accounting and financial reporting requirements associated with the School District's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS"). Under this standard, cost-sharing employers are required to report in their district-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At June 30, 2023, the non-current liabilities reported in its Statement of Net Position includes a liability for its proportionate share of the ERS net pension liability in the amount of \$6,925,559 and a liability in the amount of \$6,140,674 for its proportionate share of the TRS net pension liability. More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in Note 3E in the notes to financial statements.
- The School District retired \$1,115,000 in outstanding bonded indebtedness and \$342,404 in energy performance contract debt during the year ended June 30, 2023. More detailed information regarding this debt is presented in Note 3E in the notes to financial statements.

Overview of the Financial Statements

This annual report consists of four parts - management's discussion and analysis (*this section*), the basic financial statements, fund financial statements and schedules, and supplementary information. The basic financial statements consist of district-wide financial statements, fund financial statements and notes to financial statements.

The District-Wide Financial Statements

The district-wide financial statements are organized to provide an understanding of the fiscal performance of the School District as a whole in a manner similar to a private sector business. There are two district-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the School District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

Statement of Net Position

The statement of net position presents information on all of the School District's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Increases or decreases in net position may serve over time as a useful indicator of whether the financial position of the School District is improving or deteriorating.

Statement of Activities

The statement of activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

The Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, not the School District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the School District are reported in the *governmental funds* and the *fiduciary funds*.

These governmental funds statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of expendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the

governmental fund statements provide a detailed short-term view of the School District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, you may better understand the long-term impact of the School District's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School District maintains five (5) individual governmental funds: General Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General and Capital Projects Funds, since the School District has elected to report them as major funds. Combining information for the non-major funds can be found elsewhere in this report.

The School District adopts an annual budget for the General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the School District on behalf of others. All of the School District's fiduciary activities are reported in a separate Custodial Fund. The fiduciary activities have been excluded from the School District's district-wide financial statements because the School District cannot use these assets to finance its operations.

Notes to Financial Statements

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

Other Information

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

Financial Analysis of the School District as a Whole

Net Position

The School District's total net position increased by \$4,989,329 between fiscal year 2022 and 2023. A summary of the School District's Statement of Net Position for June 30, 2023 and 2022 is as follows:

	June 30,		Increase (Decrease)	Percentage Change
	2023	2022		
Current Assets	\$ 51,703,889	\$ 48,686,323	\$ 3,017,566	6.20 %
Net Pension Asset	-	59,901,538	(59,901,538)	(100.00)
Capital Assets, net	<u>91,688,990</u>	<u>90,836,072</u>	<u>852,918</u>	<u>0.94</u>
Total Assets	<u>143,392,879</u>	<u>199,423,933</u>	<u>(56,031,054)</u>	<u>(28.10)</u>
Deferred Outflows of Resources	<u>69,531,575</u>	<u>78,066,921</u>	<u>(8,535,346)</u>	<u>(10.93)</u>
Current Liabilities	14,706,236	13,671,285	1,034,951	7.57
Long-term Liabilities	<u>273,187,437</u>	<u>278,873,442</u>	<u>(5,686,005)</u>	<u>(2.04)</u>
Total Liabilities	<u>287,893,673</u>	<u>292,544,727</u>	<u>(4,651,054)</u>	<u>(1.59)</u>
Deferred Inflows of Resources	<u>92,891,015</u>	<u>157,795,690</u>	<u>(64,904,675)</u>	<u>(41.13)</u>
Net Position				
Net Investment in				
Capital Assets	44,571,310	42,260,988	2,310,322	5.47
Restricted	24,565,710	19,877,833	4,687,877	23.58
Unrestricted	<u>(236,997,254)</u>	<u>(234,988,384)</u>	<u>(2,008,870)</u>	<u>0.85</u>
Total Net Position	<u>\$ (167,860,234)</u>	<u>\$ (172,849,563)</u>	<u>\$ 4,989,329</u>	<u>(2.89) %</u>

Total assets decreased by \$56,031,054. The net pension asset for ERS and TRS decreased by \$59,901,538 (and became net pension liabilities) due to investment losses of the retirement systems for their fiscal years ended March 31, 2023 for ERS and June 30, 2022 for TRS.

Long-term liabilities, which consist primarily of general obligation bonds and energy performance contract debt decreased by \$5,686,005 from the previous year. The OPEB liability decreased by \$16,901,465 primarily due to an increase in the discount rate. The ERS and TRS net pension assets reported in the prior year became net pension liabilities in the current year as noted above, thus eliminating net pension assets reported in the prior year and increasing long-term liabilities by \$13,066,233. The School District retired \$1,115,000 and \$342,404 in previously issued bonded indebtedness and energy performance contract debt, respectively.

The net investment in capital assets relates to the investment in capital assets at cost such as land, buildings and improvements and machinery and equipment, net of depreciation, less any related outstanding debt used to acquire those assets. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. This amount has increased from the prior year by \$2,310,322 and consists of a combination of the retirement of debt and additional capital assets as a result of improvements to buildings.

The restricted net position in the amount of \$24,565,710 relates to the School District's restrictions for capital projects, future capital projects, tax certiorari obligations, property loss and liability claims, retirement contributions, special purposes and debt service.

While overall net position improved, the unrestricted net position has decreased by \$2,008,870 for a variety of reasons, the most significant of which are attributable to the increase in restricted net position components, including \$2,436,438 more for future capital projects, \$676,413 more for tax certiorari claims and \$1,133,818 more for TRS retirement contributions.

Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. A summary of this statement for the years ended June 30, 2023 and 2022 is as follows:

	<u>2022-23</u>	<u>2021-22</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
REVENUES				
Program revenues				
Charges for services	\$ 1,636,862	\$ 1,070,935	\$ 565,927	52.84 %
Operating grants and contributions	7,779,100	5,201,886	2,577,214	49.54
Capital grants and contributions	4,116	1,834	2,282	124.43
Total Program Revenues	<u>9,420,078</u>	<u>6,274,655</u>	<u>3,145,423</u>	<u>50.13</u>
General revenues				
Real property taxes	113,901,777	110,257,964	3,643,813	3.30
Other tax items	1,234,532	1,236,019	(1,487)	(0.12)
Unrestricted intergovernmental revenues				
School tax relief reimbursement	2,416,518	2,620,622	(204,104)	(7.79)
Non-property tax distribution from County	2,882,644	2,472,920	409,724	16.57
Unrestricted use of money and property	1,550,373	144,839	1,405,534	970.41
Sale of property and compensation for loss	11,283	179,594	(168,311)	(93.72)
Unrestricted State aid	5,384,160	4,474,483	909,677	20.33
Miscellaneous	768,954	687,721	81,233	11.81
Total General Revenues	<u>128,150,241</u>	<u>122,074,162</u>	<u>6,076,079</u>	<u>4.98</u>
Total Revenues	<u>137,570,319</u>	<u>128,348,817</u>	<u>9,221,502</u>	<u>7.18</u>
PROGRAM EXPENSES				
General support	20,874,380	16,595,789	4,278,591	25.78
Instruction	100,690,675	98,161,680	2,528,995	2.58
Pupil transportation	7,461,366	7,100,392	360,974	5.08
Cost of food sales	1,804,943	1,827,509	(22,566)	(1.23)
Other	207,218	186,885	20,333	10.88
Interest	1,542,408	1,587,852	(45,444)	(2.86)
Total Expenses	<u>132,580,990</u>	<u>125,460,107</u>	<u>7,120,883</u>	<u>5.68</u>
Change in Net Position	4,989,329	2,888,710	<u>\$ 2,100,619</u>	
NET POSITION				
Beginning	<u>(172,849,563)</u>	<u>(175,738,273)</u>		
Ending	<u>\$ (167,860,234)</u>	<u>\$ (172,849,563)</u>		

The following are the major changes in Net Position:

Revenues:

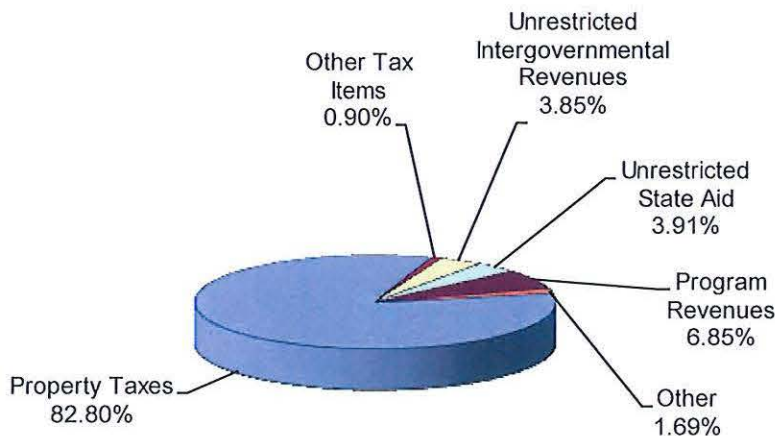
- Real property taxes increased by \$3,643,813 or 3.3%. The current property tax increase is attributed to projected increased expenses related to instructional programs. It is also a result of the continuing decrease in STAR (see below). The School District relies upon real property taxes as its primary source of revenue.
- Other tax items include revenues received for the School Tax Relief Reimbursement Program ("STAR"). The STAR Program provides tax relief to homeowners by decreasing the assessments taxable to the homeowner or by providing a refund of a portion of school taxes paid. As a result of changes to the NYS law, this revenue decreased by \$204,104 during the 2022-2023 fiscal year.
- The non-property tax distribution from County (i.e. sales tax) increased by \$409,724 or 16.6% due to an increase in Westchester County's sales tax rate, internet collections and increased sales activity post pandemic.
- Unrestricted use of money and property increased by \$1,405,534 or more than 970% due to significantly higher interest rates due to actions by the Federal Reserve to curb inflation.
- Operating grants and contributions increased by \$2,577,214 primarily due to the use of pandemic era federal assistance under the American Rescue Plan and CARES Act funding.
- Unrestricted State aid increased by \$909,677 or 20.3%, as a result of increases in foundation aid, excess cost aid, transportation aid and building aid.

Expenses:

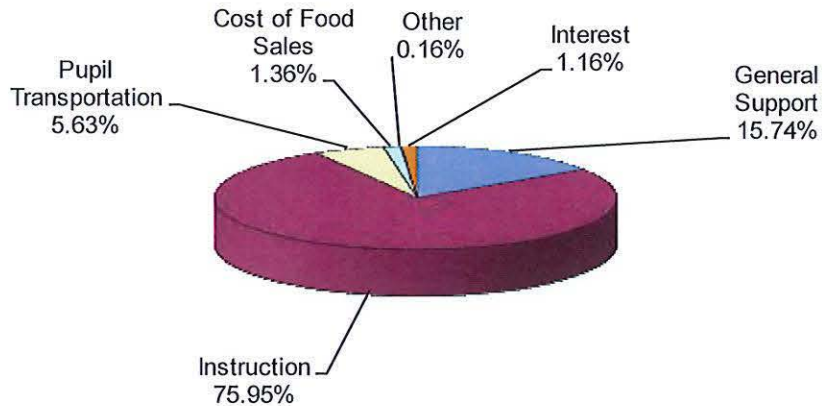
- General Support expenses increased by \$4,278,591. There was an increase in judgments and claims as well as increases related to pension liabilities.
- Instructional program expenses increased by \$2,528,995 from the prior year. This is primarily the result of increases to instructional salaries and associated employee benefits.

As indicated on the pie charts that follow, real property taxes and unrestricted intergovernmental revenues (comprised of school tax relief reimbursement and non-property tax distribution from County) are the largest components of revenues recognized. Instructional expenses are the largest category of expenses incurred.

**Sources of Revenue for Fiscal Year 2022-23
Governmental Activities**



**Expenses for Fiscal Year 2022-23
Governmental Activities**



Financial Analysis of the School District's Fund Balances

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

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

At June 30, 2023, the School District's governmental funds, excluding the Capital Projects Fund, reported a combined fund balance of \$36,652,050, representing an increase of \$1,367,253 over the prior year. The School District continues to recognize savings through efficiencies by reducing its reliance on the use of outside contractors and utilizes its trained in-house crews to perform much of the work that is contracted to outside vendors in most school districts. This model not only saves taxpayers' dollars, but provides the School District with greater control over the project. This, combined with stringent fiscal oversight and monitoring, has led to further recognized district-wide savings.

The revenue side of the budget concluded with a favorable variance in the amount of \$4,107,984, or 3.2%. While significant, the vast majority of the variance is driven by three revenue categories: Sales tax payments from Westchester County (+\$502,644), earnings on investments (+\$1,983,682) and federal aid due to FEMA reimbursement of Covid-19 expenses (+\$1,048,875). In total, these three positive variances account for 86% of the total variance. Other positive variances include basic formula state aid (+\$352,788) and prior year refunds (+\$228,253). Negative variances include: Day School Tuition – other districts (-\$34,500) and BOCES aid (-\$10,026).

The fund balance in the Capital Projects Fund increased by \$603,311 during the fiscal year. The School District has funded its capital program during the past several years solely from budgetary appropriations from the General Fund, rather than through borrowings.

A summary of the change in fund balance by fund is as follows:

	<u>2022-23</u>	<u>2021-22</u>	<u>Changes</u>
General Fund			
Restricted			
Tax certiorari	\$ 10,027,500	\$ 9,724,421	\$ 303,079
Employee benefit accrued liability	776,583	798,303	(21,720)
Employee benefit accrue liability - for			
subsequent year's expenditures	125,000	125,000	-
ERS retirement contributions	6,375,000	6,375,000	-
ERS retirement contributions - for			
subsequent year's expenditures	875,000	875,000	-
TRS retirement contributions	4,308,991	3,175,173	1,133,818
Property loss and liability	22,243	33,819	(11,576)
Liability claims	800,000	800,000	-
Capital Reserve	2,436,438	-	2,436,438
Debt Service	1,044,592	1,007,178	37,414
Assigned			
Encumbrances	1,016,895	1,164,917	(148,022)
For subsequent year's expenditures	2,275,000	2,775,000	(500,000)
Unassigned	5,410,737	7,401,554	(1,990,817)
	<u>35,493,979</u>	<u>34,255,365</u>	<u>1,238,614</u>
School Lunch Fund			
Assigned	835,861	701,493	134,368
Capital Projects Fund			
Restricted	766,974	163,663	603,311
Total Fund Balances	<u>\$ 37,096,814</u>	<u>\$ 35,120,521</u>	<u>\$ 1,976,293</u>

Note: The fund balance of the Special Purpose Fund is not included on this chart.

General Fund Budgetary Highlights

2022-23 Budget

The School District's General Fund adopted budget for the year ended June 30, 2023 was \$130,311,477. This amount was then increased by the encumbrances carried forward from the prior year in the amount of \$1,164,917. Additionally, the Board of Education took action to increase 2022-23 appropriations for the payment of tax certiorari claims \$1,139,379 as well as for the remediation and repair of stage rigging \$100,000. Total authorized spending for the 2022-2023 fiscal year was \$132,715,773.

The 2022-23 budget was funded through a combination of local, county and state generated revenues, as well as assigned fund balance. The majority of this funding source totaling \$116,318,295 (over 90%) was derived from the levy of real property taxes and STAR property tax relief aid from New York State. Additional revenue from county sales tax receipts and state aid support from NYS was included in the funding plan, as well as appropriated fund balance in the amount of \$3,775,000.

Change In General Fund's Unassigned Fund Balance (Budget to Actual)

The General Fund's unassigned fund balance is the component of total fund balance that is the residual of excess revenues over expenditures, net of transfers to restricted fund balance components and assignments to fund subsequent year's budgets. It is this balance that is commonly referred to as the "Fund Balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

	<u>2022-23</u>
Opening, unassigned fund balance	\$ 7,401,554
Revenues over budget	4,107,984
Expenditures, other financing uses and encumbrances under budget	2,293,031
Revenues allocated to restricted fund balances	(745,392)
Appropriated fund balance for stage rigging	(100,000)
Transfers to restricted fund balances, net	(4,271,440)
Assigned to balance the 2023-24 budget	<u>(3,275,000)</u>
Closing, unassigned fund balance	<u>\$ 5,410,737</u>

The \$5,410,737 shown in the table above is the portion of the School District's June 30, 2023 fund balance that was retained as unassigned. This represents 4% of the School District's 2023-24 approved operating budget of \$135,268,436, the maximum permitted by New York State.

The revised 2022-23 budget for expenditures and other financing uses, including prior year open encumbrances as of June 30, 2023, was \$132,715,773. Actual expenditures and other financing uses as of June 30, 2023 were \$129,405,847 plus outstanding encumbrances of \$1,016,895. Combined, the expenditures plus encumbrances for 2022-23 were \$130,422,742 which was \$2,293,031 less than anticipated.

The expenditure savings in the 2022-23 budget is primarily attributable to the following areas and amounts:

Staff	\$ 32,310
Central Services	413,859
Instruction, Administration and Improvement	282,955
Teaching - Regular School	644,133
Programs for Students with Disabilities	218,508
Instructional Media	50,468
Pupil Services	198,839
Pupil Transportation	260,768
Employee Benefits	117,083
The net sum of all other variances	<u>74,108</u>
Net Total of All Budgetary Expenditure Variances	<u>\$ 2,293,031</u>

Assigned/Restricted Fund Balance For Use In 2023-24

The School District utilized \$3,275,000 of its available June 30, 2023 fund balance to provide property tax relief and partially fund its 2023-24 approved operating budget. A significant portion of the appropriated fund balance, \$1,875,000, was derived and assigned from operations over a series of years. There were also funds appropriated from restricted fund balance that was planned for use in 2023-24, including monies from the restricted for ERS retirement system contributions (\$875,000) and Employee Benefits Accrued Liability Reserve (\$125,000). The Board also allocated an additional \$400,000 of unassigned fund balance for additional capital projects during the year.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2023, the School District invested in a broad range of capital assets, including land, construction-in-progress, land improvements, buildings and improvements and machinery and equipment. A summary of the School District's capital assets, net of depreciation at June 30, 2023 and 2022 is as follows:

	2022-23	2021-22	Increase (Decrease)
Land	\$ 1,403,050	\$ 1,403,050	\$ -
Construction-in-Progress	593,413	317,562	275,851
Land Improvements	6,780,806	7,225,116	(444,310)
Buildings and improvements	82,072,486	80,883,436	1,189,050
Machinery and equipment	839,235	1,006,908	(167,673)
Capital assets, net	\$ 91,688,990	\$ 90,836,072	\$ 852,918

More detailed information about the School District's capital assets is presented in Note 3C in the notes to financial statements.

Debt Administration

The School District retired \$1,115,000 in outstanding bonded indebtedness and \$342,404 in energy performance contract debt during the year ended June 30, 2023. More detailed information regarding this debt is presented in Note 3E in the notes to financial statements.

Economic Factors and Next Year's Budget

The General Fund budget for the year ended June 30, 2024 was overwhelmingly approved by the voters on May 16, 2023. Community participants affirmatively passed the budget with a total of 918 yes votes and 213 no votes, a success rate of 81.2%. Total appropriations for 2023-24 were approved at \$135,268,436, representing an increase of \$4,956,959, or 3.8%, and carried a tax levy increase of 1.79%. Of that amount, \$400,000 was allocated from fund balance for capital improvements during the 2023-24 school year. In June of 2022, yearly inflation hit a 40-year high at 9.1%. Cost fluctuations and increases to budgetary allocations have begun to subside somewhat for operational supplies, gas and electric utility costs, as well as equipment. At year end, June 2023, consumer prices increased 3.0 percent after increasing 4.0 percent over the year ended May 2023. While inflation and consumer price indicators have subsided as the 2023-24 fiscal year begins, the School District is faced with expenditure increases in the areas of health insurance, retirement costs and energy. While it remains to be seen how the economy fares in the upcoming year, the School District has been effective at strategically managing the budget and available reserves to protect the taxpayers from significant tax increase fluctuations, while preserving and expanding the educational programming for students. As evidenced by the final 2022 assessment roll for the Town of Harrison and the 2023-24 school district tax levy, the School District enjoys the third lowest tax rate on true value of all Westchester County school districts at \$12.18 per thousand of assessed value.

Contacting the School District

This financial report is designed to provide the reader with a general overview of the School District's finances and to demonstrate the School District's accountability for the funds it receives. Requests for additional information can be directed to:

Dr. Louis N. Wool, Superintendent
Harrison Central School District
50 Union Avenue
Harrison, NY 10528

Harrison Central School District, New York

Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 435,382
Investments	45,732,076
Receivables	
Accounts	17,973
State and Federal aid	4,572,002
Due from other governments	946,456
Capital assets	
Not being depreciated	1,996,463
Being depreciated, net	<u>89,692,527</u>
Total Assets	<u>143,392,879</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	37,981,381
OPEB related	<u>31,550,194</u>
Total Deferred Outflows of Resources	<u>69,531,575</u>
LIABILITIES	
Accounts payable	5,108,890
Accrued liabilities	289,602
Employee payroll deductions	4,268
Due to other governments	748,126
Unearned revenues	535,373
Due to retirement systems	7,598,606
Accrued interest payable	421,371
Non-current liabilities	
Due within one year	1,969,670
Due in more than one year	<u>271,217,767</u>
Total Liabilities	<u>287,893,673</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	3,633,172
OPEB related	<u>89,257,843</u>
Total Deferred Inflows of Resources	<u>92,891,015</u>
NET POSITION	
Net investment in capital assets	44,571,310
Restricted	
Capital projects	766,974
Future capital projects	2,436,438
Tax certiorari	7,614,262
Property loss	22,243
Liability	800,000
ERS retirement contribution	7,250,000
TRS retirement contribution	4,308,991
Debt service	1,044,592
Special purposes	
Extraclassroom activities	163,257
Other	158,953
Unrestricted	<u>(236,997,254)</u>
Total Net Position	<u>\$ (167,860,234)</u>

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

Harrison Central School District, New York

Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 20,874,380	\$ -	\$ 2,978,798	\$ -	\$ (17,895,582)
Instruction	100,690,675	347,323	3,781,984	4,116	(96,557,252)
Pupil transportation	7,461,366	-	171,590	-	(7,289,776)
Cost of food sales	1,804,943	1,289,539	635,678	-	120,274
Other	207,218	-	211,050	-	3,832
Interest	1,542,408	-	-	-	(1,542,408)
Total Governmental Activities	\$ 132,580,990	\$ 1,636,862	\$ 7,779,100	\$ 4,116	(123,160,912)
General revenues					
Real property taxes					113,901,777
Other tax items					
Payments in lieu of taxes					1,234,532
Unrestricted intergovernmental revenues					
School tax relief reimbursement					2,416,518
Non-property tax distribution from County					2,882,644
Unrestricted use of money and property					1,550,373
Sale of property and compensation for loss					11,283
Unrestricted State aid					5,384,160
Miscellaneous					768,954
Total General Revenues					128,150,241
Change in Net Position					4,989,329
Net Position - Beginning					(172,849,563)
Net Position - Ending					\$ (167,860,234)

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

Harrison Central School District, New York

Balance Sheet
 Governmental Funds
 June 30, 2023

	General	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 184,325	\$ -	\$ 251,057	\$ 435,382
Investments	45,732,076	-	-	45,732,076
Accounts	17,973	-	-	17,973
State and Federal aid	903,471	4,116	3,664,415	4,572,002
Due from other governments	946,456	-	-	946,456
Due from other funds	3,363,036	818,301	1,227,061	5,408,398
Total Assets	\$ 51,147,337	\$ 822,417	\$ 5,142,533	\$ 57,112,287
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 4,644,398	\$ 55,443	\$ 409,049	\$ 5,108,890
Accrued liabilities	289,602	-	-	289,602
Employee payroll deductions	4,268	-	-	4,268
Due to other funds	2,045,362	-	3,363,036	5,408,398
Due to other governments	748,126	-	-	748,126
Unearned revenues	322,996	-	212,377	535,373
Due to retirement systems	7,598,606	-	-	7,598,606
Total Liabilities	15,653,358	55,443	3,984,462	19,693,263
Fund balances				
Restricted	26,791,347	766,974	322,210	27,880,531
Assigned	3,291,895	-	835,861	4,127,756
Unassigned	5,410,737	-	-	5,410,737
Total Fund Balances	35,493,979	766,974	1,158,071	37,419,024
Total Liabilities and Fund Balances	\$ 51,147,337	\$ 822,417	\$ 5,142,533	\$ 57,112,287

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

Harrison Central School District, New York

Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position June 30, 2023

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

Fund Balances - Total Governmental Funds	<u>\$ 37,419,024</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	1,996,463
Capital assets - depreciable	135,591,211
Accumulated depreciation	<u>(45,898,684)</u>
	<u>91,688,990</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	37,981,381
Deferred outflows - OPEB related	31,550,194
Deferred inflows - pension related	(3,633,172)
Deferred inflows - OPEB related	<u>(89,257,843)</u>
	<u>(23,359,440)</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(421,371)
General obligation bonds payable	(41,725,000)
Energy performance contract debt payable	(5,392,680)
Compensated absences	(946,534)
Claims payable	(2,413,238)
Net pension liability - ERS	(6,925,559)
Net pension liability - TRS	(6,140,674)
Total OPEB liability	<u>(209,643,752)</u>
	<u>(273,608,808)</u>
Net Position of Governmental Activities	<u><u>\$ (167,860,234)</u></u>

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

Harrison Central School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2023

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
REVENUES				
Real property taxes	\$ 113,901,777	\$ -	\$ -	\$ 113,901,777
Other tax items	3,651,050	-	-	3,651,050
Non-property taxes	2,882,644	-	-	2,882,644
Charges for services	347,323	-	-	347,323
Use of money and property	2,295,765	-	5,141	2,300,906
Sale of property and compensation for loss	11,283	-	-	11,283
State aid	5,736,790	4,116	660,822	6,401,728
Federal aid	1,048,875	-	4,691,628	5,740,503
Food sales	-	-	1,289,391	1,289,391
Miscellaneous	768,954	-	274,760	1,043,714
Total Revenues	130,644,461	4,116	6,921,742	137,570,319
EXPENDITURES				
Current				
General support	13,407,593	-	1,184,531	14,592,124
Instruction	72,443,956	-	3,650,607	76,094,563
Pupil transportation	7,256,245	-	171,590	7,427,835
Employee benefits	31,046,498	-	-	31,046,498
Cost of food sales	-	-	1,790,849	1,790,849
Other	-	-	207,218	207,218
Debt service				
Principal	1,457,404	-	-	1,457,404
Interest	1,554,459	-	-	1,554,459
Capital outlay	-	1,428,805	-	1,428,805
Total Expenditures	127,166,155	1,428,805	7,004,795	135,599,755
Excess (Deficiency) of Revenues Over Expenditures	3,478,306	(1,424,689)	(83,053)	1,970,564
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,028,000	211,692	2,239,692
Transfers out	(2,239,692)	-	-	(2,239,692)
Total Other Financing Sources (Uses)	(2,239,692)	2,028,000	211,692	-
Net Change in Fund Balances	1,238,614	603,311	128,639	1,970,564
FUND BALANCES				
Beginning of Year	34,255,365	163,663	1,029,432	35,448,460
End of Year	<u>\$ 35,493,979</u>	<u>\$ 766,974</u>	<u>\$ 1,158,071</u>	<u>\$ 37,419,024</u>

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

Harrison Central School District, New York

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2023

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 1,970,564</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay expenditures	3,972,049
Depreciation expense	<u>(3,119,131)</u>
	<u>852,918</u>
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Principal paid on general obligation bonds	1,115,000
Principal paid on energy performance contract debt	<u>342,404</u>
	<u>1,457,404</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Accrued interest	12,051
Compensated absences	20,035
Claims payable	373,334
Changes in pension liabilities and related deferred outflows and inflows of resources	(2,950,432)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>3,253,455</u>
	<u>708,443</u>
Change in Net Position of Governmental Activities	<u><u>\$ 4,989,329</u></u>

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

Harrison Central School District, New York

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 113,901,777	\$ 113,901,777	\$ 113,901,777	\$ -
Other tax items	3,651,605	3,651,605	3,651,050	(555)
Non-property taxes	2,380,000	2,380,000	2,882,644	502,644
Charges for services	378,500	378,500	347,323	(31,177)
Use of money and property	314,583	314,583	2,295,765	1,981,182
Sale of property and compensation for loss	-	-	11,283	11,283
State aid	5,393,298	5,393,298	5,736,790	343,492
Federal aid	-	-	1,048,875	1,048,875
Miscellaneous	516,714	516,714	768,954	252,240
Total Revenues	126,536,477	126,536,477	130,644,461	4,107,984
EXPENDITURES				
Current				
General support	13,141,120	14,498,951	13,407,593	1,091,358
Instruction	74,250,379	74,271,365	72,443,956	1,827,409
Pupil transportation	7,553,451	7,517,013	7,256,245	260,768
Employee benefits	31,351,581	31,163,581	31,046,498	117,083
Debt service				
Principal	1,457,404	1,457,404	1,457,404	-
Interest	1,554,459	1,554,459	1,554,459	-
Total Expenditures	129,308,394	130,462,773	127,166,155	3,296,618
Excess (Deficiency) of Revenues Over Expenditures	(2,771,917)	(3,926,296)	3,478,306	7,404,602
OTHER FINANCING USES				
Transfers out	(2,168,000)	(2,253,000)	(2,239,692)	13,308
Net Change in Fund Balance	(4,939,917)	(6,179,296)	1,238,614	7,417,910
FUND BALANCE				
Beginning of Year	4,939,917	6,179,296	34,255,365	28,076,069
End of Year	\$ -	\$ -	\$ 35,493,979	\$ 35,493,979

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

Harrison Central School District, New York

Fiduciary Fund
Statement of Fiduciary Net Position
June 30, 2023

	<u>Custodial Fund</u>
ASSETS	
Cash and equivalents	<u>\$ 38,885</u>
LIABILITIES	
Accounts payable	<u>6,538</u>
NET POSITION	
Restricted for individuals and organizations	<u><u>\$ 32,347</u></u>

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

Harrison Central School District, New York

Fiduciary Fund
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2023

	<u>Custodial Fund</u>
ADDITIONS	
Miscellaneous	\$ 118,327
DEDUCTIONS	
Payments to individuals and organizations	<u>155,568</u>
Change in Fiduciary Net Position	(37,241)
NET POSITION	
Beginning of Year	<u>69,588</u>
End of Year	<u><u>\$ 32,347</u></u>

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

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Note 1 - Summary of Significant Accounting Policies

The Harrison Central School District, New York ("School District"), as presently constituted, was established in 1969 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The School District's significant accounting policies are described below:

A. Financial Reporting Entity

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

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

The School District participates in the Southern Westchester Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating district's governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined in Education Law. Copies of BOCES' financial statement can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Fund Categories

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for

Note 1 - Summary of Significant Accounting Policies (Continued)

capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

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

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

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

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

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with grantor or contributor stipulations. Among the activities included in the Special Purpose Fund are extraclassroom activity funds.

- b. Fiduciary Funds (Not Included in District-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the School District on behalf of others. The Custodial Fund is used to account for certain deposits payable.

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

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

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as is the Fiduciary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day

Note 1 - Summary of Significant Accounting Policies (Continued)

availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, certain claims, net pension liabilities and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

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

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

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

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The School District participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of

Note 1 - Summary of Significant Accounting Policies (Continued)

the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issues separately available audited financial statements with a year end of June 30th.

The School District's position in the pool of \$20,766,842 is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days.

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

Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC, 717 17th Street, Suite 1850, Denver, CO 80202.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2023.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School

Harrison Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

District's investment policy limits the amount on deposit at each of its banking institutions.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable in two installments in September and January. The Town of Harrison, New York ("Town") is responsible for the billing and collection of the taxes. The Town guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

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

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the School District. Purchases of inventoriable items are recorded as expenditures at the time of purchase and year-end balances are not material.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

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

Land and construction-in-progress are not depreciated. Property, plant and equipment of the School District are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Land Improvements	5-50
Buildings and Improvements	20-50
Machinery and Equipment	5-20

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the district-wide financial statements, unearned revenues consist of revenue received in advance and/or grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$322,996 in the General Fund (\$40,715 for health insurance premiums and non-resident tuition received in advance, \$9,719 for tuition received in advance, and \$272,562 rebate for utilities.), \$1,646 in the Special Aid Fund for Federal aid received in advance, and \$210,731 in the School Lunch Fund (\$63,855 for student meal monies received in advance and \$146,876 for Federal aid received in advance). Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The School District reports deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3E.

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

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

Compensated Absences - The various collective bargaining agreements and contractual agreements with certain administrators provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide Statement of Net Position as current and long-term liabilities. A liability for these

Note 1 - Summary of Significant Accounting Policies (Continued)

amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

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

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the School District provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*".

Net Position - Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the School District includes restricted for capital projects, future capital projects, tax certiorari, property loss, liability, retirement contribution, debt service and special purposes.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they

Note 1 - Summary of Significant Accounting Policies (Continued)

are legally or contractually required to be maintained intact (the corpus of a permanent fund).

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

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

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

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

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

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the

Note 1 - Summary of Significant Accounting Policies (Continued)

General Fund. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities (See Note 3F).

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 11, 2023.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.

Harrison Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 2 - Stewardship, Compliance and Accountability (Continued)

- f) Formal budgetary integration is employed during the year as a management control device for the General Fund.
- g) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, School Lunch and Special Purpose funds since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Limitation on Fund Balance

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

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing 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 subject to certain exclusions. A budget with a tax levy that does 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 budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

Harrison Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 2 - Stewardship, Compliance and Accountability (Continued)

D. New Accounting Pronouncement

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements (SBITA's)", established a single model for SBITA accounting based on the concept that SBITA's are a financing of a "right-to-use" underlying asset. This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. The requirements of GASB Statement No. 96 are effective for the School District's fiscal year ended June 30, 2023. The School District has completed its evaluation of the financial impact of GASB Statement No. 96 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

E. Expenditures in Excess of Budget

The workers' compensation benefit expenditure exceeded its budgetary provision by \$40.

Note 3 - Detailed Notes on All Funds

A. Investments

Investments of the School District consist of the following:

Fund	CLASS	U.S. Treasury Bills	Total
General	\$ 20,766,842	\$ 24,965,234	\$ 45,732,076

The investment in CLASS has been described in Note 1E. The U.S. Treasury Bills are zero coupon instruments maturing July 13, 2023 and are measured using Level 1 inputs.

B. Interfund Receivables/Payables

The composition of due from/to other funds at June 30, 2023 was as follows:

Fund	Due From	Due To
General	\$ 3,363,036	\$ 2,045,362
Capital Projects	818,301	-
Non-Major Governmental	1,227,061	3,363,036
	<u>\$ 5,408,398</u>	<u>\$ 5,408,398</u>

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

Harrison Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

C. Capital Assets

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

Class	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 1,403,050	\$ -	\$ -	\$ 1,403,050
Construction-in-progress	317,562	593,413	317,562	593,413
Total Capital Assets, not being depreciated	<u>\$ 1,720,612</u>	<u>\$ 593,413</u>	<u>\$ 317,562</u>	<u>\$ 1,996,463</u>
Capital assets, being depreciated:				
Land Improvements	\$ 11,595,083	\$ 75,666	\$ -	\$ 11,670,749
Buildings and Improvements	115,644,898	3,583,710	-	119,228,608
Machinery and Equipment	4,656,273	36,822	1,241	4,691,854
Total Capital Assets, being depreciated	<u>131,896,254</u>	<u>3,696,198</u>	<u>1,241</u>	<u>135,591,211</u>
Less Accumulated Depreciation for:				
Land Improvements	4,369,967	519,976	-	4,889,943
Buildings and Improvements	34,761,462	2,394,660	-	37,156,122
Machinery and Equipment	3,649,365	204,495	1,241	3,852,619
Total Accumulated Depreciation	<u>42,780,794</u>	<u>3,119,131</u>	<u>1,241</u>	<u>45,898,684</u>
Total Capital Assets, being depreciated, net	<u>\$ 89,115,460</u>	<u>\$ 577,067</u>	<u>\$ -</u>	<u>\$ 89,692,527</u>
Capital Assets, net	<u>\$ 90,836,072</u>	<u>\$ 1,170,480</u>	<u>\$ 317,562</u>	<u>\$ 91,688,990</u>

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

General Support	\$ 3,044,302
Instruction	60,735
Cost of Food Sales	14,094
	<u>\$ 3,119,131</u>

D. Accrued Liabilities

Accrued liabilities at June 30, 2023 were as follows:

	<u>General Fund</u>
Payroll and Employee Benefits	<u>\$ 289,602</u>

Harrison Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2023:

	Balance July 1, 2022	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2023	Due Within One-Year
General Obligation Bonds Payable	\$ 42,840,000	\$ -	\$ 1,115,000	\$ 41,725,000	\$ 1,150,000
Energy Performance Contract Debt Payable	5,735,084	-	342,404	5,392,680	351,639
Other Non-current Liabilities:					
Compensated Absences	966,569	76,665	96,700	946,534	94,700
Claims Payable	2,786,572	-	373,334	2,413,238	373,331
Net Pension Liability - ERS	-	6,925,559	-	6,925,559	-
Net Pension Liability - TRS	-	6,140,674	-	6,140,674	-
Other Postemployment Benefit Liability	226,545,217	13,067,100	29,968,565	209,643,752	-
Total Other Non- Current Liabilities	230,298,358	26,209,998	30,438,599	226,069,757	468,031
Total Long-Term Liabilities	\$ 278,873,442	\$ 26,209,998	\$ 31,896,003	\$ 273,187,437	\$ 1,969,670

Each governmental fund's liability for general obligation bonds, energy performance contract debt, compensated absences, claims payable, net pension liability and other postemployment benefit liability is liquidated by the General Fund.

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2023 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2023
District-Wide Reconstruction	2018	\$ 22,580,000	March, 2048	3.25-3.55 %	\$ 20,125,000
District-Wide Reconstruction	2019	19,380,000	September, 2048	3.00-4.00	17,800,000
District-Wide Reconstruction	2020	4,300,000	June, 2040	1.25-5.00	3,800,000
					<u>\$ 41,725,000</u>

Interest expenditures of \$1,403,109 were recorded in the General Fund. Interest expense of \$1,393,732 was recorded in the district-wide financial statements.

Harrison Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Energy Performance Contract Payable

The School District, during 2018, entered into a \$6,969,318 contractual agreement to install energy saving equipment and/or to upgrade existing facilities to enhance performance. The agreement provides for annual payments of \$493,754, including interest at 2.679% through September 2035. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. Interest expenditures of \$151,350 were recorded in the General Fund. Interest expense was \$148,676 in the district-wide financial statements. The balance due at June 30, 2023 was \$5,392,680.

Payments to Maturity

The annual requirements to amortize all outstanding bonded and energy performance contract debt as of June 30, 2023 including interest payments of \$21,127,805 are as follows:

Year Ending June 30,	General Obligation Bonds		Energy Performance Contract Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,150,000	\$ 1,365,020	\$ 351,639	\$ 142,115	\$ 1,501,639	\$ 1,507,135
2025	1,195,000	1,325,570	361,123	132,631	1,556,123	1,458,201
2026	1,230,000	1,284,520	370,863	122,891	1,600,863	1,407,411
2027	1,275,000	1,242,283	380,865	112,889	1,655,865	1,355,172
2028	1,320,000	1,198,445	391,138	102,617	1,711,138	1,301,062
2029-2033	7,230,000	5,347,737	2,119,733	349,037	9,349,733	5,696,774
2034-2038	8,370,000	4,223,490	1,417,319	63,944	9,787,319	4,287,434
2039-2043	8,930,000	2,850,344	-	-	8,930,000	2,850,344
2044-2048	10,005,000	1,243,872	-	-	10,005,000	1,243,872
2049	1,020,000	20,400	-	-	1,020,000	20,400
	<u>\$ 41,725,000</u>	<u>\$ 20,101,681</u>	<u>\$ 5,392,680</u>	<u>\$ 1,026,124</u>	<u>\$ 47,117,680</u>	<u>\$ 21,127,805</u>

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

Legal Debt Margin

The School District is subject to legal limitations on the amount of debt that it may issue. The School District's legal debt margin is 10% of the most recent full valuation of taxable real property. At June 30, 2023, that amount was \$871,940,261. As of June 30, 2023, the total outstanding debt applicable to the limit was \$41,725,000, which is 4.79% of the total debt limit.

Compensated Absences

Under the terms of existing collective bargaining agreements, upon separation of service, the School District converts each employee's unused sick leave into a bank for the purpose of paying their portion of retiree health insurance premiums. Compensated absences also includes the value for twelve month employee's vacation days earned in the prior year. The value of the compensated absences has been reflected in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Claims Payable

Claims payable reflects a liability of \$2,413,238 for court ordered tax certiorari refunds, which were not due and payable at year-end. These amounts have been recorded as an expense in the district-wide financial statements.

Pension Plans

New York State and Local Employees' Retirement System and Teachers' Retirement System

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

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

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of

Harrison Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the ERS plan year ended March 31, 2023 and TRS plan year ended June 30, 2023 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A15	13.1 %
	4 A15	13.1
	5 A15	11.2
	6 A15	8.3
TRS	1-6	10.29 %

At June 30, 2023, the School District reported the following for its proportionate share of the net pension liability for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Net pension liability	\$ 6,925,559	\$ 6,140,674
School Districts' proportion of the net pension liability	0.0322960 %	0.320012 %
Change in proportion since the prior measurement date	0.0000419 %	(0.010444) %

The net pension liability was measured as of March 31, 2023 for ERS and June 30, 2022 for TRS and the total pension liability used to calculate the net pension liability were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension liability for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2023, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$10,448,765 (\$2,534,386 for ERS and \$7,914,379 for TRS). Pension expenditures of \$7,473,788 (\$1,288,810 for ERS and \$6,184,978 for TRS) and \$24,545 (\$6,478 for ERS and \$18,067 for TRS) were recorded in the fund financial statements and were charged to the General and Special Aid funds, respectively.

Harrison Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2023, the School District reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 737,626	\$ 194,496	\$ 6,434,649	\$ 123,048
Changes of assumptions	3,363,498	37,173	11,911,869	2,473,637
Net difference between projected and actual earnings on pension plan investments	-	40,687	7,934,333	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	390,913	111,715	590,469	652,416
School District contributions subsequent to the measurement date	414,979	-	6,203,045	-
	<u>\$ 4,907,016</u>	<u>\$ 384,071</u>	<u>\$ 33,074,365</u>	<u>\$ 3,249,101</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 7,172,275	\$ 317,544		
Changes of assumptions	15,275,367	2,510,810		
Net difference between projected and actual earnings on pension plan investments	7,934,333	40,687		
Changes in proportion and differences between School District contributions and proportionate share of contributions	981,382	764,131		
School District contributions subsequent to the measurement date	6,618,024	-		
	<u>\$ 37,981,381</u>	<u>\$ 3,633,172</u>		

\$414,979 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the plan's year ended March 31, 2024. The \$6,203,045 reported as deferred outflows of resources related to TRS will be recognized as a decrease of the net pension liability in the plan's year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31,	June 30,
	ERS	TRS
2023	\$ -	\$ 4,537,379
2024	1,011,622	2,316,810
2025	(296,069)	(1,027,373)
2026	1,477,318	15,597,535
2027	1,915,095	2,045,594
Thereafter	-	152,274
	<u>\$ 4,107,966</u>	<u>\$ 23,622,219</u>

Harrison Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

The total pension liability for the ERS and TRS measurement dates were determined by using actuarial valuation dates as noted below, with update procedures used to roll forward the total pension liabilities to those measurement dates. Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Investment rate of return	5.9% *	6.95% *
Salary scale	4.4%	1.95%-5.18%
Inflation rate	2.9%	2.4%
Cost of living adjustments	1.5%	1.3%

*Compounded annually, net of pension plan investment expenses, including inflation.

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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

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

Harrison Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

Asset Type	ERS March 31, 2023		TRS June 30, 2022	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.30 %	33 %	6.5 %
International Equity	15	6.85	16	7.2
Private Equity	10	7.50	8	9.9
Real Estate	9	4.60	11	6.2
Domestic Fixed Income Securities	-	-	16	1.1
Global Bonds	-	-	2	0.6
High Yield Bonds	-	-	1	3.3
Global Equities	-	-	4	6.9
Private Debt	-	-	2	5.3
Real Estate Debt	-	-	6	2.4
Opportunistic/ARS Portfolio	3	5.38	-	-
Credit	4	5.43	-	-
Real Assets	3	5.84	-	-
Fixed Income	23	1.50	-	-
Cash	1	-	1	0.3
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.9% for ERS and 2.4% for TRS.

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 determined. Based upon those 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.

The following presents the School District's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for ERS and 5.95% for TRS) or 1 percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

Harrison Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	\$ 16,736,105	\$ 6,925,559	\$ (1,272,294)
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension (asset)	\$ 56,619,894	\$ 6,140,674	\$ (36,312,019)

The components of the collective net pension liability as of the March 31, 2023 ERS measurement date and the June 30, 2022 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 232,627,259,000	\$ 133,883,473,797
Fiduciary net position	211,183,223,000	131,964,582,107
Employers' net pension asset	\$ 21,444,036,000	\$ 1,918,891,690
Fiduciary net position as a percentage of total pension liability	90.78%	98.57%

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2023 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2023 were \$414,979 to ERS and \$7,183,627 to TRS (including current year employee contributions of \$822,139 and accrued amounts from prior years of \$158,443).

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will

Harrison Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Postemployment Benefit Liability (“OPEB”)

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing postemployment health care benefits is shared between the School District and the retired employee as noted below. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the School District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions”, so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	374
Active employees	<u>626</u>
	<u><u>1,000</u></u>

The School District's total OPEB liability of \$209,643,752 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.50%, average, including inflation
Discount rate	3.65%
Healthcare cost trend rates	7.5% for 2023, decreasing 0.5% per year to an ultimate rate of 5.0% for 2028 and later years
Retirees' share of benefit-related costs	For those employees who retired prior to July 1, 2009, the School District is responsible for 100% of the cost of the retiree's health insurance plan. For those employees retiring after July 1, 2009, the retiree's share varies depending on bargaining unit, years of service to the School District and whether the retiree has reached age 65. The retiree's share of the health insurance premium ranges between 2% and 20%, based on these factors.

The discount rate was based on the Bond Buyer's 20 Bond Index.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy

Harrison Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Annuitant Tables for pre and post retirement projected with mortality improvements using the most current Society of Actuaries' Mortality Improvement Scale MP-2021.

The School District's change in the total OPEB liability for the year ended June 30, 2023 is as follows:

Total OPEB Liability - Beginning of Year	\$ 226,545,217
Service cost	5,676,238
Interest	7,390,862
Changes of benefit terms	-
Differences between expected and actual experience	(6,731,377)
Changes in assumptions or other inputs	(18,124,519)
Benefit payments	<u>(5,112,669)</u>
 Total OPEB Liability - End of Year	 <u><u>\$ 209,643,752</u></u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65 %) than the current discount rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	<u>\$ 250,005,499</u>	<u>\$ 209,643,752</u>	<u>\$ 178,265,999</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) or 1 percentage point higher (8.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 4.0%)	Current Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Total OPEB Liability	<u>\$ 176,790,164</u>	<u>\$ 209,643,752</u>	<u>\$ 252,156,015</u>

For the year ended June 30, 2023, the School District recognized OPEB expense of \$1,859,214 in the district-wide financial statements. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Harrison Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ 31,550,194	\$ 65,988,120
Differences between expected and actual experience	<u>-</u>	<u>23,269,723</u>
	<u>\$ 31,550,194</u>	<u>\$ 89,257,843</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	
2024	\$ (11,207,886)
2025	(10,497,466)
2026	(9,727,857)
2027	(8,847,912)
2028	(9,556,359)
Thereafter	<u>(7,870,169)</u>
	<u>\$ (57,707,649)</u>

F. Significant Commitments – Encumbrances

As discussed in Note 2A, Budgetary Data, 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, 2023, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	<u>\$ 1,016,895</u>
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G. Revenues and Expenditures

Interfund Transfers

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

	<u>Transfers In</u>		
	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	
<u>Transfers Out</u>			
General Fund	<u>\$ 2,028,000</u>	<u>\$ 211,692</u>	<u>\$ 2,239,692</u>

Note 3 - Detailed Notes on All Funds (Continued)

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Capital Projects and Special Aid funds expenditures.

H. Net Position

The components of net position are detailed below:

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

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects.

Restricted for Future Capital Projects – the component of net position that has been established in accordance with the Education Law of the State of New York to set aside funds to be used for future capital projects.

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

Restricted for Property Loss - the component of net position that has been established to set aside funds for property loss claims in accordance with Section 6-n of the General Municipal Law of the State of New York.

Restricted for Liability - the component of net position that has been established to pay liability claims in accordance with the Education Law of the State of New York.

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

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

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

Restricted for Special Purposes - the component of net position that has been established to set aside funds to be used for extraclassroom activities and other purposes with constraints placed on their use by either external parties and/or statute.

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

Harrison Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2023				2022			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Restricted:								
Tax certiorari	\$ 10,027,500	\$ -	\$ -	\$ 10,027,500	\$ 9,724,421	\$ -	\$ -	\$ 9,724,421
Employee benefit accrued liability	776,583	-	-	776,583	798,303	-	-	798,303
Employee benefit accrued liability - for subsequent year's expenditures	125,000	-	-	125,000	125,000	-	-	125,000
ERS retirement contributions	6,375,000	-	-	6,375,000	6,375,000	-	-	6,375,000
ERS retirement contributions - for subsequent year's expenditures	875,000	-	-	875,000	875,000	-	-	875,000
TRS retirement contributions	4,308,991	-	-	4,308,991	3,175,173	-	-	3,175,173
Property loss	22,243	-	-	22,243	33,819	-	-	33,819
Liability claims	800,000	-	-	800,000	800,000	-	-	800,000
Capital projects	-	766,974	-	766,974	-	163,663	-	163,663
Future capital projects	2,436,438	-	-	2,436,438	-	-	-	-
Special purposes - extraclassroom activities	-	-	163,257	163,257	-	-	159,425	159,425
Special purposes - other	-	-	158,953	158,953	-	-	168,514	168,514
Debt service	1,044,592	-	-	1,044,592	1,007,178	-	-	1,007,178
Total Restricted	26,791,347	766,974	322,210	27,880,531	22,913,894	163,663	327,939	23,405,496
Assigned:								
Purchases on order:								
General government support	584,389	-	-	584,389	636,001	-	-	636,001
Instruction	432,506	-	-	432,506	501,337	-	-	501,337
Pupil transportation	-	-	-	-	27,579	-	-	27,579
	1,016,895	-	-	1,016,895	1,164,917	-	-	1,164,917
For subsequent year's expenditures -								
General Fund	2,275,000	-	-	2,275,000	2,775,000	-	-	2,775,000
School Lunch Fund	-	-	835,861	835,861	-	-	701,493	701,493
Total Assigned	3,291,895	-	835,861	4,127,756	3,939,917	-	701,493	4,641,410
Unassigned	5,410,737	-	-	5,410,737	7,401,554	-	-	7,401,554
Total Fund Balances	\$ 35,493,979	\$ 766,974	\$ 1,158,071	\$ 37,419,024	\$ 34,255,365	\$ 163,663	\$ 1,029,432	\$ 35,448,460

Harrison Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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

Restricted for Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to Section 6-p of the General Municipal Law of the State of New York to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

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

Subsequent year's expenditures represent that at June 30, 2023, the Board of Education has utilized the above amounts to be appropriated for the ensuing year's budget.

Assigned for School Lunch Fund represents the component of fund balance that reports the difference between assets and liabilities in the School Lunch Fund.

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the School District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made. The district-wide financial statements reflect a liability of \$2,413,238 at June 30, 2023 for tax certiorari obligations due but not yet payable.

The School District is defendant in a matter involving alleged sexual abuse by a teacher that took place forty years ago. The case is in the pre-discovery phase. Council for the School District is likely to submit a motion for summary judgment. Based on other Child Victims Act cases, a summary judgment motion is unlikely. While punitive damages are not recoverable, other damages could still be substantial.

B. Contingencies

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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

C. Risk Management

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

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million per occurrence. The School District maintains liability coverage for school board members up to \$1 million per occurrence and \$3 million in the aggregate. The School District also maintains an excess liability policy with coverage up to \$25 million per occurrence. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District and neighboring school districts in Southern Westchester County participate in the State-Wide Schools Cooperative Health Plan. This Plan operates under an agreement, as amended, dated December 12, 1985. The purposes of the Plan are to effect cost savings in members' expenses for health coverage; to provide for centralized administration, funding and disbursements for health coverage; and to provide for such risk management services as may be appropriate to reduce future expense and liability for health coverage. The governance of the Plan shall be in all respects in the hands of the Board of Trustees. The Board of Trustees shall consist of seven trustees elected by the general membership of the Plan. No action may be taken by the Board of Trustees except by a vote of a majority of the total number of trustees. Billings to participants are based upon coverage provided to each participants' employees. The School District has transferred all related risk to the Plan.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The School District and neighboring school districts in Southern Westchester County, participate in the Southern Westchester Schools Cooperative Self-Insurance Plan for Workers' Compensation. The purpose of the Plan is to provide efficient and economical evaluation, processing, administration, defense and payment of claims against plan members for workers' compensation and to provide for risk management to reduce future liability for workers' compensation and employers' liability payments. The Plan is managed and governed by a Board of Trustees comprised of a representative from each district. Billings are based upon participants' experience rating. The School District has transferred all related risk to the Plan.

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 101, "*Compensated Absences*", provides guidance on the accounting and financial reporting for 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 recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the School District believes will most impact its financial statements. The School District will evaluate the impact of this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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Harrison Central School District, New York

Required Supplementary Information - Schedule of Changes in the
School District's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1)(2)

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service cost	\$ 5,676,238	\$ 14,209,553	\$ 13,653,018	\$ 9,289,818	\$ 8,110,829	\$ 8,429,274
Interest	7,390,862	6,182,563	5,938,388	7,593,808	7,446,927	7,849,377
Changes of benefit terms	-	-	-	-	(11,121)	-
Differences between expected and actual experience	(6,731,377)	-	(10,029,383)	(5,365,878)	(23,958,440)	-
Changes of assumptions or other inputs	(18,124,519) (4)	(63,149,316) (4)	(3,228,893)	56,809,086	10,586,556	(11,129,812)
Benefit payments	(5,112,669)	(5,406,702)	(4,938,059)	(5,331,946)	(5,129,087)	(5,357,708)
Net Change in Total OPEB Liability	(16,901,465)	(48,163,902)	1,395,071	62,994,888	(2,954,336)	(208,869)
Total OPEB Liability – Beginning of Year	226,545,217	274,709,119	273,314,048	210,319,160	213,273,496	213,482,365 (3)
Total OPEB Liability – End of Year	<u>\$ 209,643,752</u>	<u>\$ 226,545,217</u>	<u>\$ 274,709,119</u>	<u>\$ 273,314,048</u>	<u>\$ 210,319,160</u>	<u>\$ 213,273,496</u>
School District's covered-employee payroll	<u>\$ 69,402,837</u>	<u>\$ 67,035,940</u>	<u>\$ 65,248,794</u>	<u>\$ 56,374,777</u>	<u>\$ 54,999,782</u>	<u>\$ 53,410,184</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>302.07%</u>	<u>337.95%</u>	<u>421.02%</u>	<u>484.82%</u>	<u>382.40%</u>	<u>399.31%</u>
Discount Rate	<u>3.65%</u>	<u>3.54%</u>	<u>2.16%</u>	<u>2.21%</u>	<u>3.50%</u>	<u>3.87%</u>

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

(4) Decrease in liability due to increase in discount rate.

See independent auditors' report.

Harrison Central School District, New York

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

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)

	2023 (3)	2022 (4)	2021 (3)	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (asset)	0.320012%	0.330456%	0.318515%	0.311993%	0.310794%	0.306607%	0.309822%	0.313699%	0.312539%
School District's proportionate share of the net pension liability (asset)	\$ 6,140,674	\$ (57,264,898)	\$ 8,801,423	\$ (8,105,587)	\$ (5,619,980)	\$ (2,330,521)	\$ 3,318,320	\$ (32,583,296)	\$ (34,814,853)
School District's covered payroll	\$ 58,035,413	\$ 56,471,417	\$ 54,509,341	\$ 52,497,704	\$ 50,955,296	\$ 49,294,676	\$ 48,452,860	\$ 47,688,368	\$ 46,479,123
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	10.58%	(101.41)%	16.15%	(15.44)%	(11.03)%	(4.73)%	6.85%	(68.33)%	(74.90)%
Plan fiduciary net position as a percentage of the total pension liability	98.57%	113.20%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount Rate	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

Schedule of Contributions

	2022	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 6,203,045	\$ 5,687,471	\$ 5,381,726	\$ 4,854,528	\$ 5,575,256	\$ 4,993,619	\$ 5,777,336	\$ 6,424,849	\$ 8,359,771
Contributions in relation to the contractually required contribution	(6,203,045)	(5,687,471)	(5,381,726)	(4,854,528)	(5,575,256)	(4,993,619)	(5,777,336)	(6,424,849)	(8,359,771)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 60,282,266	\$ 58,035,413	\$ 56,471,417	\$ 54,509,341	\$ 52,497,704	\$ 50,955,296	\$ 49,294,676	\$ 48,452,860	\$ 47,688,368
Contributions as a percentage of covered payroll	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

- (1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".
 (2) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.
 (3) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.
 (4) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

Harrison Central School District, New York

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

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)

	2023 (3)	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (asset)	0.0322960%	0.0322541%	0.0327576%	0.0344692%	0.0349333%	0.0372104%	0.0352946%	0.0358263%	0.0366299%
School District's proportionate share of the net pension liability (asset)	\$ 6,925,559	\$ (2,636,640)	\$ 32,618	\$ 9,127,643	\$ 2,475,131	\$ 1,200,945	\$ 3,316,358	\$ 5,750,226	\$ 1,237,446
School District's covered payroll	\$ 10,932,696	\$ 10,861,264	\$ 10,588,479	\$ 10,859,447	\$ 10,495,882	\$ 10,650,981	\$ 10,204,328	\$ 9,678,523	\$ 9,863,064
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	63.35%	(24.28)%	0.31%	84.05%	23.58%	11.28%	32.50%	59.41%	12.55%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
Discount Rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%

Schedule of Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,217,325	\$ 1,664,874	\$ 1,570,870	\$ 1,543,093	\$ 1,513,593	\$ 1,582,343	\$ 1,552,878	\$ 1,710,235	\$ 1,947,445
Contributions in relation to the contractually required contribution	(1,217,325)	(1,664,874)	(1,570,870)	(1,543,093)	(1,513,593)	(1,582,343)	(1,552,878)	(1,710,235)	(1,947,445)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 11,200,972	\$ 10,793,565	\$ 10,714,936	\$ 11,038,494	\$ 10,951,746	\$ 10,620,442	\$ 10,284,020	\$ 10,285,320	\$ 10,132,715
Contributions as a percentage of covered payroll	10.87%	15.42%	14.66%	14.48%	13.82%	14.90%	15.10%	16.63%	19.22%

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

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

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Harrison Central School District, New York

General Fund
 Comparative Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Years Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 113,901,777	\$ 113,901,777	\$ 113,901,777	\$	\$ -
Other tax items	3,651,605	3,651,605	3,651,050		(555)
Non-property taxes	2,380,000	2,380,000	2,882,644		502,644
Charges for services	378,500	378,500	347,323		(31,177)
Use of money and property	314,583	314,583	2,295,765		1,981,182
Sale of property and compensation for loss	-	-	11,283		11,283
State aid	5,393,298	5,393,298	5,736,790		343,492
Federal aid	-	-	1,048,875		1,048,875
Miscellaneous	516,714	516,714	768,954		252,240
Total Revenues	126,536,477	126,536,477	130,644,461		4,107,984
EXPENDITURES					
Current					
General support					
Board of education	97,853	95,091	87,260	175	7,656
Central administration	549,861	551,997	550,823	-	1,174
Finance	1,185,816	1,184,968	1,136,958	-	48,010
Staff	1,189,705	1,109,215	1,072,405	4,500	32,310
Central services	8,757,741	9,052,352	8,058,779	579,714	413,859
Special items	1,360,144	2,505,328	2,501,368	-	3,960
Total General Support	13,141,120	14,498,951	13,407,593	584,389	506,969
Instruction					
Instruction, administration and improvement	7,410,935	7,472,764	7,107,736	82,073	282,955
Teaching - Regular school Programs for students with disabilities	41,962,424	41,424,692	40,545,384	235,175	644,133
Teaching - Special schools	14,594,385	14,776,318	14,529,310	28,500	218,508
Instructional media	626,542	561,139	561,139	-	-
Pupil services	2,733,218	3,144,722	3,055,354	38,900	50,468
	6,922,875	6,891,730	6,645,033	47,858	198,839
Total Instruction	74,250,379	74,271,365	72,443,956	432,506	1,394,903
Pupil transportation	7,553,451	7,517,013	7,256,245	-	260,768
Employee benefits	31,351,581	31,163,581	31,046,498	-	117,083
Debt Service					
Principal	1,457,404	1,457,404	1,457,404	-	-
Interest	1,554,459	1,554,459	1,554,459	-	-
Total Expenditures	129,308,394	130,462,773	127,166,155	1,016,895	2,279,723
Excess (Deficiency) of Revenues Over Expenditures	(2,771,917)	(3,926,296)	3,478,306	(1,016,895)	6,387,707
OTHER FINANCING USES					
Transfers out	(2,168,000)	(2,253,000)	(2,239,692)	-	13,308
Net Change in Fund Balance	(4,939,917)	(6,179,296)	1,238,614	\$ (1,016,895)	\$ 6,401,015
FUND BALANCE					
Beginning of Year	4,939,917	6,179,296	34,255,365		
End of Year	\$ -	\$ -	\$ 35,493,979		

See independent auditors' report.

Harrison Central School District, New York

General Fund

Schedule of Revenues Compared to Budget

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	\$ 113,901,777	\$ 113,901,777	\$ 113,901,777	\$ -
OTHER TAX ITEMS				
Payments in lieu of taxes	1,235,087	1,235,087	1,234,532	(555)
School tax relief reimbursement	2,416,518	2,416,518	2,416,518	-
	<u>3,651,605</u>	<u>3,651,605</u>	<u>3,651,050</u>	<u>(555)</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	2,380,000	2,380,000	2,882,644	502,644
CHARGES FOR SERVICES				
Day school tuition - other districts	34,500	34,500	-	(34,500)
Other charges for services	12,000	12,000	11,298	(702)
Health services - Other districts	332,000	332,000	336,025	4,025
	<u>378,500</u>	<u>378,500</u>	<u>347,323</u>	<u>(31,177)</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	312,083	312,083	2,295,765	1,983,682
Rental of real property - BOCES	2,500	2,500	-	(2,500)
	<u>314,583</u>	<u>314,583</u>	<u>2,295,765</u>	<u>1,981,182</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Sale of equipment	-	-	1,651	1,651
Insurance recoveries	-	-	9,632	9,632
	<u>-</u>	<u>-</u>	<u>11,283</u>	<u>11,283</u>

STATE AID

Basic formula	4,432,050	4,432,050	4,784,838	352,788
BOCES	609,348	609,348	599,322	(10,026)
Textbooks	260,929	260,929	261,659	730
Computer software	64,190	64,190	64,190	-
Library aid	26,781	26,781	26,781	-

	<u>5,393,298</u>	<u>5,393,298</u>	<u>5,736,790</u>	<u>343,492</u>
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FEDERAL AID

Emergency management assistance	<u>-</u>	<u>-</u>	<u>1,048,875</u>	<u>1,048,875</u>
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MISCELLANEOUS

Refund of prior year's expenditures	450,500	450,500	536,183	85,683
Refund for BOCES aided services	25,000	25,000	167,570	142,570
Other	41,214	41,214	65,201	23,987

	<u>516,714</u>	<u>516,714</u>	<u>768,954</u>	<u>252,240</u>
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TOTAL REVENUES

	<u><u>\$ 126,536,477</u></u>	<u><u>\$ 126,536,477</u></u>	<u><u>\$ 130,644,461</u></u>	<u><u>\$ 4,107,984</u></u>
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See independent auditors' report.

Harrison Central School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 43,650	\$ 39,940	\$ 39,187	\$ 175	\$ 578
District clerk	20,953	23,001	23,001	-	-
District meeting	33,250	32,150	25,072	-	7,078
Total Board of Education	<u>97,853</u>	<u>95,091</u>	<u>87,260</u>	<u>175</u>	<u>7,656</u>
CENTRAL ADMINISTRATION					
Chief school administrator	549,861	551,997	550,823	-	1,174
FINANCE					
Business administration	839,807	841,007	826,130	-	14,877
Accounting and auditing	89,000	89,600	84,186	-	5,414
Treasurer	143,300	143,300	142,800	-	500
Purchasing	113,709	111,061	83,842	-	27,219
Total Finance	<u>1,185,816</u>	<u>1,184,968</u>	<u>1,136,958</u>	<u>-</u>	<u>48,010</u>
STAFF					
Legal	515,384	443,884	439,093	4,500	291
Human resources	576,133	566,333	543,082	-	23,251
Public information and services	95,250	96,060	87,292	-	8,768
Records management officer	2,938	2,938	2,938	-	-
Total Staff	<u>1,189,705</u>	<u>1,109,215</u>	<u>1,072,405</u>	<u>4,500</u>	<u>32,310</u>

CENTRAL SERVICES

Operation of plant	6,656,822	6,936,692	6,156,359	451,566	328,767
Maintenance of plant	1,219,863	1,230,253	1,077,150	128,148	24,955
Central printing and mailing	203,576	166,809	121,125	-	45,684
Central data processing	677,480	718,598	704,145	-	14,453
Total Central Services	<u>8,757,741</u>	<u>9,052,352</u>	<u>8,058,779</u>	<u>579,714</u>	<u>413,859</u>

SPECIAL ITEMS

Unallocated insurance	438,750	422,150	419,528	-	2,622
Judgments and claims	-	1,139,379	1,139,379	-	-
School association dues	8,000	8,000	6,699	-	1,301
Assessments on school property	127,000	144,305	144,305	-	-
Refund on real property taxes	150,000	155,100	155,063	-	37
Administrative charge - BOCES	636,394	636,394	636,394	-	-
Total Special Items	<u>1,360,144</u>	<u>2,505,328</u>	<u>2,501,368</u>	<u>-</u>	<u>3,960</u>
Total General Support	<u>13,141,120</u>	<u>14,498,951</u>	<u>13,407,593</u>	<u>584,389</u>	<u>506,969</u>

INSTRUCTION**INSTRUCTION, ADMINISTRATION
AND IMPROVEMENT**

Curriculum development and supervision	434,248	443,714	442,088	600	1,026
Supervision - Regular school	5,728,274	5,692,082	5,458,203	127	233,752
Supervision - Special education	797,835	802,335	763,934	-	38,401
In-service training - Instruction	450,578	534,633	443,511	81,346	9,776
Total Instruction, Administration and Improvement	<u>7,410,935</u>	<u>7,472,764</u>	<u>7,107,736</u>	<u>82,073</u>	<u>282,955</u>

TEACHING - REGULAR SCHOOL

	<u>41,962,424</u>	<u>41,424,692</u>	<u>40,545,384</u>	<u>235,175</u>	<u>644,133</u>
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**PROGRAMS FOR STUDENTS
WITH DISABILITIES**

	<u>14,594,385</u>	<u>14,776,318</u>	<u>14,529,310</u>	<u>28,500</u>	<u>218,508</u>
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TEACHING - SPECIAL SCHOOLS

	<u>626,542</u>	<u>561,139</u>	<u>561,139</u>	<u>-</u>	<u>-</u>
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(Continued)

Harrison Central School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
INSTRUCTION (Continued)					
INSTRUCTIONAL MEDIA					
School library and audiovisual	\$ 1,397,877	\$ 1,378,877	\$ 1,348,276	\$ 3,900	\$ 26,701
Computer assisted instruction	1,335,341	1,765,845	1,707,078	35,000	23,767
Total Instructional Media	<u>2,733,218</u>	<u>3,144,722</u>	<u>3,055,354</u>	<u>38,900</u>	<u>50,468</u>
PUPIL SERVICES					
Attendance - Regular school	188,902	119,704	119,704	-	-
Guidance - Regular school	1,645,175	1,682,286	1,657,436	-	24,850
Health services - Regular school	1,380,329	1,386,830	1,313,338	25,000	48,492
Psychological services - Regular school	1,485,337	1,484,040	1,459,112	-	24,928
Social work services - Regular school	112,160	113,457	113,337	-	120
Co-curricular activities - Regular school	656,237	621,478	583,099	80	38,299
Interscholastic athletics - Regular school	1,454,735	1,483,935	1,399,007	22,778	62,150
Total Pupil Services	<u>6,922,875</u>	<u>6,891,730</u>	<u>6,645,033</u>	<u>47,858</u>	<u>198,839</u>
Total Instruction	<u>74,250,379</u>	<u>74,271,365</u>	<u>72,443,956</u>	<u>432,506</u>	<u>1,394,903</u>
PUPIL TRANSPORTATION					
District transportation services	121,776	121,776	90,416	-	31,360
Contract and public carrier transportation	7,416,595	7,380,157	7,158,291	-	221,866
Public transportation	10,080	10,080	7,538	-	2,542
Transportation from BOCES	5,000	5,000	-	-	5,000
Total Pupil Transportation	<u>7,553,451</u>	<u>7,517,013</u>	<u>7,256,245</u>	<u>-</u>	<u>260,768</u>

EMPLOYEE BENEFITS

State retirement	1,250,000	1,289,000	1,288,810	-	190
Teachers' retirement	6,125,349	6,185,349	6,184,978	-	371
Social security	5,344,944	5,309,744	5,309,661	-	83
Hospital, medical and dental insurance	17,136,738	16,946,938	16,852,833	-	94,105
Workers' compensation benefits	429,550	434,550	434,590	-	(40)
Unemployment benefits	85,000	56,000	38,311	-	17,689
Dental and life insurance	980,000	942,000	937,315	-	4,685
	<u>31,351,581</u>	<u>31,163,581</u>	<u>31,046,498</u>	<u>-</u>	<u>117,083</u>
Total Employee Benefits					

DEBT SERVICE

Principal					
Serial bonds	1,115,000	1,115,000	1,115,000	-	-
Energy performance contract	342,404	342,404	342,404	-	-
	<u>1,457,404</u>	<u>1,457,404</u>	<u>1,457,404</u>	<u>-</u>	<u>-</u>
Interest					
Serial bonds	1,403,109	1,403,109	1,403,109	-	-
Energy performance contract	151,350	151,350	151,350	-	-
	<u>1,554,459</u>	<u>1,554,459</u>	<u>1,554,459</u>	<u>-</u>	<u>-</u>
Total Debt Service	<u>3,011,863</u>	<u>3,011,863</u>	<u>3,011,863</u>	<u>-</u>	<u>-</u>

TOTAL EXPENDITURES

	<u>129,308,394</u>	<u>130,462,773</u>	<u>127,166,155</u>	<u>1,016,895</u>	<u>2,279,723</u>
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OTHER FINANCING USES

Transfers out					
Capital Projects Fund	2,028,000	2,028,000	2,028,000	-	-
Special Aid Fund	140,000	225,000	211,692	-	13,308
	<u>2,168,000</u>	<u>2,253,000</u>	<u>2,239,692</u>	<u>-</u>	<u>13,308</u>
TOTAL OTHER FINANCING USES					

TOTAL EXPENDITURES AND OTHER FINANCING USES

	<u>\$ 131,476,394</u>	<u>\$ 132,715,773</u>	<u>\$ 129,405,847</u>	<u>\$ 1,016,895</u>	<u>\$ 2,293,031</u>
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See independent auditors' report.

Harrison Central School District, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project through June 30, 2023

Project	Account	Original Authoriza- tion	Amended Authoriza- tion	Expenditures and Transfers to Date		
				Prior Years	Current Year	Total
LMK RENOVATE AND REPAIR TOILET ROOMS	H1006	\$ 300,000	\$ 374,850	\$ 306,829	\$ 24,395	\$ 331,224
DISTRICT-WIDE PAVING	H1620	54,068	108,644	-	84,392	84,392
SMART SCHOOLS BOND ACT	H1705	430,913	430,913	393,597	4,116	397,713
PARSONS ADDITION - NEW CONSTRUCTION	H1765	5,224,976	6,501,773	6,501,114	-	6,501,114
PRESTON ROOF	H1901	741,997	845,905	845,905	-	845,905
PARSONS PARTIAL ROOF REPLACEMENT	H1906	124,600	124,332	124,332	-	124,332
HHS TENNIS COURTS	H2102	641,000	590,424	590,424	-	590,424
PURCHASE ELEMENTARY AC	H2104	123,850	77,361	8,944	68,417	77,361
DISTRICT-WIDE FLOOR/OFFICE REPLACEMENT	H2200	421,000	603,283	177,080	211,232	388,312
PARSONS CORRIDOR REPLACEMENT	H2201	257,000	207,165	-	207,165	207,165
PARSONS ROOF	H2202	396,500	296,749	5,132	291,617	296,749
PRESTON A/C	H2203	123,500	123,500	-	45,172	45,172
DISTRICT-WIDE PAINTING	H2204	75,000	63,756	-	63,756	63,756
LMK LOBBY RENOVATION	H2205	80,000	90,965	-	85,986	85,986
PARSONS AIR CIRCULATION	H2206	200,000	177,500	-	100,445	100,445
DISTRICT-WIDE SECURITY PA/SOUND	H2207	-	175,000	-	127,301	127,301
HAS ROOF REPLACEMENT	H2208	-	40,500	-	25,600	25,600
PURCHASE ELEMENTARY PARTIAL ROOF REPLACEMENT	H2209	-	34,500	-	5,950	5,950
PRE-REFERENDUM COSTS	H2250	475,000	300,000	-	68,045	68,045
STUDENT/TEACHER FURNITURE	H5001	235,330	225,669	210,453	15,216	225,669
Totals		<u>\$ 9,904,734</u>	<u>\$ 11,192,789</u>	<u>\$ 8,963,810</u>	<u>\$ 1,428,805</u>	<u>\$ 10,392,615</u>

See independent auditors' report.

Unexpended Balance	Methods of Financing				Fund Balance at June 30, 2023
	Proceeds of Obligations	Interfund Transfers	State Aid/ Other	Total	
\$ 43,626	\$ -	\$ 374,850	\$ -	\$ 374,850	\$ 43,626
24,252	-	108,644	-	108,644	24,252
33,200	-	-	397,713	397,713	-
659	6,266,083	235,690	-	6,501,773	659
-	-	645,905	-	645,905	-
-	-	124,332	-	124,332	-
-	-	590,424	-	590,424	-
-	-	77,361	-	77,361	-
214,971	-	603,283	-	603,283	214,971
-	-	207,165	-	207,165	-
-	-	296,749	-	296,749	-
78,328	-	123,500	-	123,500	78,328
-	-	63,756	-	63,756	-
4,979	-	90,965	-	90,965	4,979
77,055	-	177,500	-	177,500	77,055
47,699	-	175,000	-	175,000	47,699
14,900	-	40,500	-	40,500	14,900
28,550	-	34,500	-	34,500	28,550
231,955	-	300,000	-	300,000	231,955
-	-	225,669	-	225,669	-
<u>\$ 800,174</u>	<u>\$ 6,266,083</u>	<u>\$ 4,495,793</u>	<u>\$ 397,713</u>	<u>\$ 11,159,589</u>	<u>\$ 766,974</u>

Harrison Central School District, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2023

	Special Aid	School Lunch	Special Purpose	Total Non-Major Governmental Funds
ASSETS				
Cash and equivalents	\$ -	\$ 64,253	\$ 186,804	\$ 251,057
Receivables				
State and Federal aid	3,618,472	45,943	-	3,664,415
Due from other funds	-	1,090,066	136,995	1,227,061
	<u>3,618,472</u>	<u>1,136,009</u>	<u>136,995</u>	<u>4,891,476</u>
Total Assets	<u>\$ 3,618,472</u>	<u>\$ 1,200,262</u>	<u>\$ 323,799</u>	<u>\$ 5,142,533</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 253,790	\$ 153,670	\$ 1,589	\$ 409,049
Due to other funds	3,363,036	-	-	3,363,036
Unearned revenues	1,646	210,731	-	212,377
Total Liabilities	<u>3,618,472</u>	<u>364,401</u>	<u>1,589</u>	<u>3,984,462</u>
Fund balances				
Restricted	-	-	322,210	322,210
Assigned	-	835,861	-	835,861
Total Fund Balances	<u>-</u>	<u>835,861</u>	<u>322,210</u>	<u>1,158,071</u>
Total Liabilities and Fund Balances	<u>\$ 3,618,472</u>	<u>\$ 1,200,262</u>	<u>\$ 323,799</u>	<u>\$ 5,142,533</u>

See independent auditors' report.

Harrison Central School District, New York

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Non-Major Governmental Funds
 Year Ended June 30, 2023

	Special Aid	School Lunch	Special Purpose	Total Non-Major Governmental Funds
REVENUES				
Use of money and property	\$ -	\$ 4,071	\$ 1,070	\$ 5,141
State aid	636,462	24,360	-	660,822
Federal aid	4,084,381	607,247	-	4,691,628
Food sales	-	1,289,391	-	1,289,391
Miscellaneous	-	148	274,612	274,760
Total Revenues	<u>4,720,843</u>	<u>1,925,217</u>	<u>275,682</u>	<u>6,921,742</u>
EXPENDITURES				
Current				
General support	1,184,531	-	-	1,184,531
Instruction	3,576,414	-	74,193	3,650,607
Pupil transportation	171,590	-	-	171,590
Cost of food sales	-	1,790,849	-	1,790,849
Other	-	-	207,218	207,218
Total Expenditures	<u>4,932,535</u>	<u>1,790,849</u>	<u>281,411</u>	<u>7,004,795</u>
Excess (Deficiency) of Revenues Over Expenditures	(211,692)	134,368	(5,729)	(83,053)
OTHER FINANCING SOURCES				
Transfers in	211,692	-	-	211,692
Net Change in Fund Balances	-	134,368	(5,729)	128,639
FUND BALANCES				
Beginning of Year	-	701,493	327,939	1,029,432
End of Year	<u>\$ -</u>	<u>\$ 835,861</u>	<u>\$ 322,210</u>	<u>\$ 1,158,071</u>

See independent auditors' report.

Harrison Central School District, New York

General Fund
 Analysis of Change from Adopted Budget to Final Budget
 Year Ended June 30, 2023

Adopted Budget		\$ 130,311,477
Encumbrances		<u>1,164,917</u>
Original Budget		131,476,394
Budget Amendments		<u>1,239,379</u>
Final Budget		<u><u>\$ 132,715,773</u></u>

General Fund
 Section 1318 of Real Property Tax Law Limit Calculation

2023-24 Expenditure Budget		<u>\$ 135,268,436</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	\$ 3,291,895	
Unassigned fund balance	<u>5,410,737</u>	
Total Unrestricted Fund Balance		<u>8,702,632</u>
Less		
Appropriated for subsequent year's budget	2,275,000	
Encumbrances	<u>1,016,895</u>	
Total Adjustments		<u><u>3,291,895</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u><u>\$ 5,410,737</u></u>
Actual Percentage		<u><u>4.00%</u></u>

See independent auditors' report.

Harrison Central School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2023

Capital Assets, net		\$ 91,688,990
Less		
General obligation bonds payable	\$ (41,725,000)	
Energy performance contract debt payable	<u>(5,392,680)</u>	<u>(47,117,680)</u>
Net Investment in Capital Assets		<u>\$ 44,571,310</u>

See independent auditors' report.

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Harrison Central School District, New York ("School District") as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 11, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
October 11, 2023



**Report on Compliance For Each Major Federal Program and Report
on Internal Control Over Compliance Required by
the Uniform Guidance**

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Harrison Central School District, New York's ("School District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
October 11, 2023

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Harrison Central School District, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub- recipients	Total Federal Expenditures
<u>U.S. Department of Agriculture</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Child Nutrition Cluster</i>				
School Breakfast Program	10.553	N/A	\$ -	\$ 65,499
School Lunch Program - Commodities	10.555	N/A	-	26,373
National School Lunch Program - Cash	10.555	N/A	-	511,607
Subtotal Child Nutrition Cluster			-	603,479
State Pandemic EBT Administrative Costs Grant	10.649	N/A	-	3,768
Total U.S. Department of Agriculture			-	607,247
<u>U.S. Department of Education</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States	84.027	0032-23-1066		857,930
Special Education - Grants to States (ARP Supplemental 611)	84.027X	5532-22-1066	-	118,759
Special Education - Preschool Grants	84.173	0033-23-1066	-	14,420
Special Education - Preschool Grants (ARP Supplemental 619)	84.173X	5533-22-1066	-	21,875
Subtotal Special Education Cluster			-	1,012,984
Title I Grants to Local Educational Agencies	84.010	0021-22-3695	-	162,455
Title I Grants to Local Educational Agencies	84.010	0021-23-3695	-	227,913
			-	390,368
English Language Acquisition State Grants	84.365	0293-22-3695	-	44,573
English Language Acquisition State Grants	84.365	0293-23-3695	-	36,498
English Language Acquisition State Grants	84.365	0149-22-3695	-	20,029
			-	101,100
Supporting Effective Instruction State Grants	84.367	0147-22-3695	-	(5,524)
Supporting Effective Instruction State Grants	84.367	0147-23-3695	-	85,940
			-	80,416
Student Support and Academic Enrichment Program	84.424	0204-22-3695	-	12,150
Student Support and Academic Enrichment Program	84.424	0204-23-3695	-	10,745
			-	22,895
Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)	84.425R	5891-21-3695	-	1,184,532
American Rescue Plan (ARP) ESSER II	84.425U	5880-21-3695	-	1,291,391
ARP Homeless II	84-425W	5218-21-3695	-	695
			-	2,476,618
Total U.S. Department of Education			-	4,084,381
<u>U.S. Department of Homeland Security</u>				
Indirect Programs - Passed through New York State Division of Homeland Security and Emergency Services				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4480-DR-NY	-	1,041,600
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4615-DR-NY	-	7,275
Total U.S. Department of Homeland Security			-	1,048,875
Total Expenditures of Federal Awards			\$ -	\$ 5,740,503

The accompanying notes are an integral part of this schedule.

Harrison Central School District, New York

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") includes the federal award activity of the Harrison Central School District, New York ("School District") under programs of the federal government for the year ended June 30, 2023. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

Note 3 - Indirect Cost Rate

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Harrison Central School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

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

____ Yes X No
____ Yes X None reported

Noncompliance material to financial statements noted?

____ Yes X No

Federal Awards

Internal control over major federal programs:

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

____ Yes X No
____ Yes X None reported

Type of auditors' report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

____ Yes X No

Identification of major federal programs:

Assistance Listing Numbers

Name of Federal Program or Cluster

84.425R

Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)

84.425U

American Rescue Plan (ARP) ESSER II

84.425W

ARP Homeless II

97.036

Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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

\$750,000

Auditee qualified as low-risk auditee?

X Yes ____ No

Harrison Central School District, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended June 30, 2023

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Harrison Central School District, New York

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

None

FORM OF BOND COUNSEL’S OPINION

July 25, 2024

The Board of Education of the
Harrison Central School District,
in the County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Harrison Central School District, (the “School District”), in the County of Westchester, a school district of the State of New York and have examined a record of proceedings relating to the authorization, sale and issuance of the \$10,000,000 Bond Anticipation Note – 2024 (the “Note”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Note is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excludable from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the School District will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District’s representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Note or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the School District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.