

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 13, 2025

NEW ISSUE

BOND ANTICIPATION NOTES

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 School District will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

\$7,500,000

**SOUTH ORANGETOWN CENTRAL SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK**

**\$7,500,000 Bond Anticipation Notes - 2025
(the "Notes")**

Dated: March 6, 2025

Due: August 6, 2025

The Notes will be general obligations of the South Orangetown Central School District, Rockland County, New York (the "District" or "School District"), and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District without limitation as to rate or amount. **The Notes will not be subject to redemption prior to maturity.**

At the option of the purchaser(s), the Notes will be issued in (i) registered form registered in the name of the successful bidder(s) or (ii) registered book-entry form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

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 will be made on or about March 6, 2025.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on February 20, 2025 by no later than 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the School District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

February __, 2025

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX-D, FORM OF UNDERTAKING TO PROVIDE NOTICE OF EVENTS" HEREIN.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**SOUTH ORANGETOWN CENTRAL SCHOOL
DISTRICT
ROCKLAND COUNTY, NEW YORK**

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

STEVEN FINN
President

DAVID SANSONE
Vice President

KATIE GRAVINO
DIANA KORABEL
J. ROBERT COLEMAN

* * * * *



ADMINISTRATION

BRIAN CULOT ED.D
Superintendent of Schools

NATALIE ESPINAL, CPA
Assistant Superintendent for Business and Operations

JENNIFER OSORIO
Supervisor of Fiscal Services

MAUREEN CLANCY
District Treasurer

KATHLEEN MUSCARI
District Clerk



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

HAWKINS

HAWKINS DELAFIELD & WOOD LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
SOUTH ORANGETOWN CENTRAL SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK
Relating To
\$7,500,000 Bond Anticipation Notes - 2025

This Official Statement, which includes the cover page, has been prepared by the South Orangetown Central School District, Rockland County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$7,500,000 principal amount of Bond Anticipation Notes - 2025 (the "Notes").

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

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

THE NOTES

Description of the Notes

The Notes will be dated and will mature, without option of prior redemption, as reflected on the cover page hereof. The District will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s).

Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Authority for and Purpose of Issue

The Notes are issued pursuant to the Constitution and laws of the State, including the Education Law, constituting Chapter 16, and the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York and bond resolution adopted by the Board of Education of the District on March 31, 2022, authorizing the construction of alterations and improvements to all District school buildings and sites at an estimated total cost of \$49,932,000 to be financed through the expenditure of \$18,000,000 from the "District-Wide renovations and reconstruction reserve fund" and the issuance of \$31,932,000 serial bonds..

The proceeds of the Notes will provide \$7,500,000 in new monies 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)

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.

NO PAST DUE DEBT

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

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.

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.

DESCRIPTION OF BOOK-ENTRY-ONLY-SYSTEM

In the event that the Notes are issued in registered book-entry form, 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 bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, 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.

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC 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(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in 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.

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.

If and when an owner of any of the Notes should elect to sell all or a part of the Notes prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Notes are sold prior to its maturity.

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 is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The District's receipt of State aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the District fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the District is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the District will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially 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 "*THE SCHOOL DISTRICT - State Aid*" herein.)

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 School 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.

LITIGATION

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

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

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to Provide Notice of Material Events Certificate, the form, substantially of which, is attached hereto as "*APPENDIX-D – FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS*".

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 financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial 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 Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

If the Notes are issued as book-entry securities, 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.

RATINGS

The Notes are NOT rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale with the approval of the School District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "*APPENDIX-D - UNDERTAKING TO PROVIDE NOTICES OF EVENTS*" herein.)

Moody's Investors Service ("Moody's") has assigned their rating of "Aa2" to the District's outstanding general obligation bonds. The rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich St., New York, New York 10007. Phone: (212) 553-0038, Fax: (212) 553-1390.

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 change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

THE SCHOOL DISTRICT

General Information

The District is located in the southeastern portion of Rockland County (the "County") about 20 miles north of New York City. The District is located wholly within the Town of Orangetown (the "Town") and encompasses the Villages of Grand View on Hudson and Piermont.

The area is primarily residential in character with some commercial development. Most residential development consists of single-family homes: commercial facilities are comprised of office complexes and manufacturing companies. The population is estimated at 20,460 residents based on the U.S. Census Bureau, 2019-2023 5-Year American Survey data. A significant number of these residents commute to jobs in New York City.

Rail transportation in the Town is provided by Metro-North Commuter Railroad. Major roadways serving the District include the Palisades Interstate Parkway, the New York State Thruway and the Garden State Parkway.

Electricity and natural gas are provided throughout the District by Orange and Rockland Utilities. Water services are provided by Veolia. The Town provides sanitary sewer services and police protection to District residents. Fire protection is provided by the fire companies located in the villages and fire districts situated in the Town.

Source: District officials.

District Population

The 2023 estimated population of the District is 20,460. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates).

Larger Employers

The following table shows the larger employers located in the County and in close proximity to the District:

<u>Name</u>	<u>Industry/Business</u>	<u>Number of Employees</u>
Hamaspik of Rockland County	Health Services	1,996
Nyack Hospital	Hospital	1,875
Bon Secours Good Samaritan Hospital	Hospital	1,825
Rockland Psychiatric Center	Healthcare	1,221
Jawonio, Inc.	Healthcare	1,105
Helen Hayes Hospital	Hospital	902
Verizon Wireless	Communications	855
Northern Services Group	Nursing Home	832
St. Dominic's Home	Nursing Home	821
Orange & Rockland Utilities	Public Utility	821
AT&T Healthcare	Healthcare	803
Pfizer, Inc.	Pharmaceuticals	800
Nice-Pak/PDI	Paper Manufacturing	768
ARC of Rockland	Healthcare	720
Camp Venture, Inc.	Health Services	681
Aide Services, Inc.	Health Services	603
Par Pharmaceutical, Inc.	Pharmaceuticals	599
Community Home Health & Aide Svc, Inc.	Health Services	563
Lamont-Doherty Earth Observatory	Earth Sciences Research	560
Chestnut Ridge Transportation, Inc.	Transportation	537
Hudson Valley Dev. Disability Services	Health Services	529
Intercos America, Inc.	Cosmetic Manufacturing	427
Raymour & Flanigan	Commercial	415
Rockland Bakery Inc.	Commercial	400
Aluf Plastics, A Division of API	Commercial	398

Source: Rockland County 2023 Annual Financial Information and Operating Data dated December 31, 2023 (sourced from emma.msrb.org).

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which include the District, are the Town and County listed below. The figures set below with respect to the Town and County are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Town or 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>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Town of:						
Orangetown	\$ 40,401	\$ 58,016	\$ 66,722	\$117,199	\$ 155,491	\$ 178,654
County of:						
Rockland	34,304	39,923	45,538	96,836	112,034	130,026
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2019-2023 5-Year American Community Survey data.

Unemployment Rate Statistics

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

	<u>Annual Averages</u>						
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Town of Orangetown	4.4%	3.8%	3.4%	7.3%	4.3%	3.0%	3.3%
Rockland County	4.3	3.7	3.4	7.7	4.5	2.9	3.1
New York State	4.6	4.1	3.9	9.8	7.1	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>	<u>Jul</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Town of Orangetown	3.5%	3.6%	3.4%	3.1%	3.5%	3.4%	3.8%	3.8%	3.0%	3.1%	3.0%	2.9%
Rockland County	3.6	3.6	3.4	3.1	3.5	3.4	3.7	3.7	2.9	2.9	3.0	2.9
New York State	4.3	4.5	4.2	3.9	4.2	4.3	4.9	4.9	4.0	4.1	4.2	4.1

Note: Certain unemployment rates for January and February 2025 are unavailable as of the date of this Official Statement.

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

Average Employed Civilian Labor Force 2000-2023

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, the Assistant Superintendent for Business and Operations, and the District Clerk.

District Organization

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education (the "Board"). In May of each year an election is held within the District boundaries to elect members to the Board, who serve a term of three years. During the first fifteen days of July of each year, the Board meets for the purpose of reorganization. At that time, an election is held within the Board to elect a President and Vice President, as well as to appoint a District Clerk and District Treasurer.

The major administrative officers of the District, whose duty it is to implement the policies of the Board and who are appointed by the Board, include the following: Superintendent of Schools, Assistant Superintendent for Curriculum and Instruction, Assistant Superintendent for Business and Operations, Assistant Superintendent for Pupil Personnel Services, Director of Facilities, Assistant Superintendent of Staff Relations, Director of Technology, Director of Safety, Security, and Compliance, Director of Athletics, Health and Physical Education, District Treasurer, District Clerk, and Purchasing Agent.

Budgetary Procedures and Recent Budget Votes

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

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

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 “School District Tax Cap”), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap 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 2024-25 fiscal year was adopted by the qualified voters on May 21, 2024 by a vote of 1,648 to 556. The District’s adopted budget for 2024-25 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 1.5% which was less than the District tax levy limit of 1.81%

See APPENDIX – A2 for a summary of the 2023-24 and 2024-25 adopted budgets.

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law (“GML”), the District has adopted an investment policy applicable to the investment of all moneys and financial resources of the District. The responsibility for the investment program has been delegated by the Board of Education to the District Treasurer who was required to establish written operating procedures consistent with the District's investment policy guidelines. According to the investment policy of the District, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return. The District reviews its investment policy on an annual basis. It is the policy of the District to diversify its deposits and investments by financial institution, type and term.

Authorized Investments. The District may deposit funds in one or more banks or trust companies which are located and authorized to conduct business in the state. In addition, the District may also invest fund in any investment cooperative established pursuant to Article 3-A of the GML. Presently, the District has designated one bank and an investment cooperative to receive funds.

In addition to bank deposits and cooperative, the District is permitted to invest funds in the direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America. Other eligible investments for the District include: obligations of the State, revenue and tax anticipation notes issued by any municipality school district or district corporation other than the District (investment subject to approval of the State Comptroller), obligations of certain public authorities or agencies, obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the District but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The District may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York, securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the District, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State.

Collateral Requirements. All District deposits in excess of the applicable insurance coverage provide by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. The District only accepts “eligible securities” and “eligible surety bonds” as collateral.

Eligible securities pledged to secure deposits must be held by the depository or third-party bank or trust company pursuant to written security and custodial agreements. The District's security agreements provide that the aggregate market value of pledged securities must equal or exceed the principal amount of deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection such deposits in the event of a default. Securities not registered or inscribed in the name of the District must be delivered, in a form suitable for transfer or with an assignment in blank, to the District or its designated custodial bank. The custodial agreements used by the District provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

An eligible irrevocable letter or credit may be issued, in favor of the District, by a qualified bank other than the depository bank. Such letters may have a term not to exceed 90 days and must have an aggregate value equal to 140% of the deposit obligations and the agreed upon interest. Qualified banks include those with commercial paper or other unsecured or short-term debt ratings within one of the three highest categories assigned by at least one nationally recognized statistical rating organization or a bank that is in compliance with applicable Federal minimum risk-based capital requirements.

An eligible surety bond must be underwritten by an insurance company authorized to do business in the State which has claims paying ability rated in the highest rating category for claims paying ability by at least two nationally recognized statistical rating organizations. The surety bond must be payable to the District in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

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 2024-2025 fiscal year, approximately 16.1% 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.

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 State's 2023-24 Budget which was not adopted until May 3, 2023 and the State's 2024-25 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 \$1,227,574 under the American Rescue Plan (ARP) and \$2,469,207 under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). The District has received a total of \$764,291 ARP funds and \$2,469,206 CRRSA funds as of June 30, 2024.

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 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 37.7% 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

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 Budget was 3.7 percent lower than in the State's 2019-2020 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 percent. The State's 2020-2021 Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 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 was continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by \$1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled \$27.9 billion in the State's 2020-2021 Budget, an annual increase of approximately \$100 million or 0.4 percent from the 2019-2020 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 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 Budget provided \$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 Budget also programed \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist 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 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 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 Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%. The States 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding established new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges was made to promote job readiness. An additional \$150 million was used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State’s 2024-25 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 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 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 mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The Campaign for Fiscal Equity decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a “gap elimination adjustment”, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date. See also “*School district fiscal year (2021-2022)*” herein.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students’ Educational Rights v. State of New York (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the 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 has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York’s school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the Campaign for Fiscal Equity cases, and 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 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 as follows:

- 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.

The foundation aid formula is being reviewed for potential revisions. Any revisions to the formula could result in less State aid to the District.

State Aid Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2019-2020	\$ 96,859,225	\$ 13,251,516	13.7%
2020-2021	99,774,244	12,869,836	12.9
2021-2022	100,618,011	13,918,835	13.8
2022-2023	105,063,867	14,283,286	13.6
2023-2024	112,863,956	17,314,958	15.3
2024-2025 (Budgeted)	110,595,035	17,746,619	16.1

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

District Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions</u>
W.O Schafer Elementary School	K-2	756	1964, 1999
Blauvelt Cottage Lane School	3-5	594	1951, 1999, 2007
South Orangetown Middle School	6-8	1,134	1967, 2007
Tappan Zee High School	9-12	1,934	1959, 2007
Greenbush	Fac/Trans Office	--	1908
Cooke Hall	Leased	--	1970
Orangeburg Elementary	Leased	--	1967
Palisades Elementary School	Leased	123	1917
Tappan Zee Elementary School	Leased	--	1967, 1999, 2007

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2020-21	2,793	2025-26	2,761
2021-22	2,795	2026-27	2,757
2022-23	2,784	2027-28	2,781
2023-24	2,750	2028-29	2,768
2024-25	2,785	2029-30	2,777

Source: District officials.

Employees

The District employs a total of 536 full-time and 20 part-time employees with representation by the various bargaining units listed below:

Union	Number of Employees	Contract Expiration Date
Educational Association of South Orangetown	301	06-30-25
South Orangetown Education Aides/LFTS	40	06-30-24 ⁽¹⁾
C.S.E.A.	20	06-30-26
South Orangetown Secretaries Association	29	06-30-25
Nurses Association	6	06-30-25
South Orangetown Teaching Assistants	33	06-30-25
Substitute Teachers	70	06-30-26
Central Office of Confidential Employees	8	06-30-25
South Orangetown Administrators and Supervisors Assoc.	14	06-30-24 ⁽¹⁾
Independents	15	06-30-25
Totals	536	

⁽¹⁾-Currently under negotiations.

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. Effective April 20, 2024, this final average salary calculation for ERS Tier VI members has been changed from five years to the three highest consecutive years of earnings. 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 fiscal years 2019-2020 through and including 2023-2024 and budgeted figures for the 2024-2025 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2019-2020	\$ 694,704	\$ 3,372,918
2020-2021	726,366	3,786,015
2021-2022	758,560	4,002,330
2022-2023	652,017	4,418,560
2023-2024	753,408	4,464,298
2024-2025 (Budgeted)	889,872	4,699,781

Source: District records.

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 employees.

The District offered early retirement incentives in the 2018-2019 fiscal year as follows:

<u>Fiscal Year</u>	<u>Staff Participants</u>	<u>Replacement Cost</u>	<u>Savings</u>
2018-2019	19	\$ 2,224,903	\$ 107,233

Source: District officials.

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	10.11

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 has established such a reserve, which had a balance of \$2,333,131 as of June 30, 2024.

Other Post Employee 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. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District’s 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 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 Risk Strategies Consulting, Inc., an actuarial firm, to calculate its actuarial valuation under GASB 75 for the below fiscal years. The following outlines the changes to the Total OPEB Liability during the past two fiscal years, by source.

	<u>June 30, 2022</u>	<u>June 30, 2023</u>
Balance beginning at:	\$ 195,720,252	\$ 194,014,595
<u>Changes for the year:</u>		
Service cost	4,427,255	4,534,542
Interest	7,699,456	7,780,108
Differences between expected and actual experience	-	-
Changes in assumptions or other inputs	(7,364,672)	38,749,140
Benefit payments	<u>(6,467,696)</u>	<u>(7,583,818)</u>
Net Changes	<u>\$ (1,705,657)</u>	<u>\$ 43,479,972</u>
	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Balance ending at:	<u>\$ 194,014,595</u>	<u>\$ 237,494,567</u>

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

Under GASB 75, an actuarial valuation will be required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 members.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024 and is attached to this Official Statement as “APPENDIX – E”. 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 District is in compliance with Statement No. 34.

PKF O’Connor Davies, LLP, the independent auditor for the District, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. PKF O’Connor Davies, LLP, also has not performed any procedures relating to this Official Statement.

New York State Comptroller Reports of Examination

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

The State Comptroller's office released an audit report of the District on August 12, 2022. The purpose of the audit was to determine whether District officials ensured network user accounts were adequately managed during the audit period of July 1, 2019 through April 30, 2021.

Key Findings

District officials did not ensure network user accounts were adequately managed. In addition to sensitive information technology (IT) control weaknesses which we communicated confidentially to officials, we found District officials did not:

- Ensure procedures for granting, changing and disabling network access are consistently followed by all departments.
- Always review all network user accounts to determine if they are needed
- Disable 30 of the 3,675 network user accounts that were no longer needed. The 30 accounts include 13 generic accounts, nine former employee accounts and eight contractor accounts.

Key Recommendations

- Ensure that unneeded network user accounts are immediately disabled and regularly review enabled network user accounts for necessity.

The District provided a complete response to the State Comptroller's office on July 12, 2022. A copy of the complete response can be found via the website of the office of the New York State Comptroller.

There are no other State Comptroller audits of the District that are currently in progress or pending release.

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

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, 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 four most recent 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	8.3
2020	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 incorporated herein by reference.

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.

TAX INFORMATION

Taxable Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Assessed Values	\$ 1,818,561,166	\$ 1,824,030,314	\$ 1,822,822,610	\$ 1,823,142,615	\$ 1,825,727,600
State Equalization Rates	42.05%	42.64%	37.48%	35.63%	34.14%
Total Taxable Full Valuation	\$ 4,324,759,015	\$ 4,277,744,639	\$ 4,863,454,136	\$ 5,116,875,147	\$ 5,347,766,842

Source: District officials.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Homestead	\$ 40.16	\$ 39.90	\$ 40.71	\$ 41.34	\$ 42.17
Non-Homestead	68.82	69.20	72.83	74.72	74.44

Source: District officials.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy	\$ 83,594,265	\$ 83,676,185	\$ 85,990,120	\$ 87,780,728	\$ 89,097,439
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 Procedures" herein.

Source: District officials.

Tax Collection Procedure

School taxes are levied by the Board of Education upon the adoption of the final budget and completion of the assessment roll. Such taxes are collected for the District by the tax receiver of the Town. Amounts levied on State property by the District are collected by the County. Taxes are due in one installment on the first of September. Payments may be made without penalty until the 30th of September. A five percent penalty is added to all taxes paid during the month of October. After October 31, the tax receiver returns the tax roll, the warrant and statement of the unpaids to the District. The Board of Education certifies the statement of unpaids and transmits the statement and certification to the County. Unpaid school taxes are relieved by the County against the respective property owners. Amounts so relieved are included in the next tax bill issued by the County. The County must remit the full amount of the unpaid taxes to the District by April 1 of the year following the tax levy. The District thus receives 100% of its taxes in the year in which such taxes were levied.

Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Property Tax Levy</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2019-2020	\$ 96,859,225	\$ 81,199,261	83.8%
2020-2021	99,774,244	83,603,101	83.8
2021-2022	100,618,011	83,699,479	83.2
2022-2023	105,063,867	81,990,700	78.0
2023-2024	112,863,959	84,170,322	74.6
2024-2025 (Budgeted)	110,595,035	89,119,411	80.6

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

Larger Taxpayers 2024 for 2024-2025 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
State of New York	State Parkland	\$47,377,442
Orange & Rockland Utilities	Public Utility	44,569,244
Spring Valley Water/Corwick	Public Utility	25,258,927
PE/OE Corporatex	Auto Dealer, Warehouse	23,946,845
Palisades Renewal Center Co., LLC*	Educational Facility	9,352,875
FB Orangetown LLC	Commercial	8,071,265
Tappan 109 Owner LLC	Storage/Warehouse	7,500,000
125 Greenbush LLC	Office/Warehouse Distribution	6,696,800
NY Central Lines	Commercial	5,896,480
Advanced Minolta	Commercial	5,750,000

* The larger taxpayer has filed one or more tax certioraris claims. As of the date of this Official Statement, the outcomes of these claims are not known.

The ten larger taxpayers listed above have a total taxable assessed valuation of \$184,419,878, which represents 10.10% of the tax base of the District for the 2024-2025 fiscal year.

The District is subject to tax certiorari cases and has established a reserve to cover the settlements in the tax certiorari proceedings. As of June 30, 2024, the audited fund balance of the District's tax certiorari reserve was \$7,509,143. The District does not anticipate that any tax certiorari cases will have a material impact on the District.

Source: District officials.

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 the 2024-2025 school year, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$84,000 of the full value of a home for the 2024-2025 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 2019-2020 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 2020-2021 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 2022-2023 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 2024-2025 District tax roll for the municipalities applicable to the District:

<u>Municipality</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Town of Orangetown	\$ 61,680	\$ 22,030	4/9/2024

\$3,556,019 of the District’s \$87,780,728 school tax levy for the 2023-24 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2024.

\$3,364,550 of the District’s \$89,097,439 school tax levy for the 2024-25 fiscal year is expected to be exempted by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January, 2025.

Additional Tax Information

Real property located in the District is assessed by the Town.

Senior citizens' exemptions are offered to those who qualify.

Volunteer firefighters’ and ambulance workers’ partial exemptions are offered to those who qualify.

Veterans’ exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-68.65%, Commercial- Industrial-Other – 31.35%.

TAX LEVY LIMIT LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (“Chapter 97” or the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

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

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

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

See "State Aid" for a discussion of the New Yorkers for Students' Educational Rights v. State of New York case which includes a challenge to the supermajority requirements regarding school district property tax increases.

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 federal 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.

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; 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. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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 Years Ending June 30th</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 12,080,000	\$ 10,390,000	\$ 8,630,000	\$ 6,810,000	\$ 4,865,000
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 12,080,000</u>	<u>\$ 10,390,000</u>	<u>\$ 8,630,000</u>	<u>\$ 6,810,000</u>	<u>\$ 4,865,000</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of February 13, 2025:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2025-2026	\$ 3,030,000
Bond Anticipation Notes	---	<u>0</u>
	Total Indebtedness	<u>\$ 3,030,000</u>

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of February 13, 2025:

Full Valuation of Taxable Real Property	\$ 5,347,766,842
Debt Limit 10% thereof	534,776,684

Inclusions:

Bonds.....	\$ 3,030,000	
Bond Anticipation Notes (BANs):.....	<u>0</u>	
Total Inclusions prior to issuance of the Notes	<u>3,030,000</u>	
Less: BANs being redeemed from appropriations	0	
Add: New money proceeds of the Notes	<u>7,500,000</u>	
Total Net Inclusions after issuance of the Notes		\$ 10,530,000

Exclusions:

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

Total Net Indebtedness <u>after issuance of the Notes</u>	<u>\$ 10,530,000</u>
Net Debt-Contracting Margin	<u>\$ 524,246,684</u>
The percent of debt contracting power exhausted is	1.97%

⁽¹⁾ Based on preliminary 2025-2026 building aid estimates, the District anticipates State Building aid of 37.7% 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.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Note: The above debt statement summary does not include any outstanding energy performance, lease or installment purchase obligations, which are subject to appropriation but do not involve a pledge of faith and credit of the District, and therefore do not technically constitute indebtedness of the District. Such obligations are, however, counted against the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations. (See “*Other Lease Obligations*” herein.)

Bonded Debt Service

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

Other Lease Obligations

The District has entered into various lease agreements to finance various technology equipment. The following is a schedule of future lease payments as of June 30, 2024:

Fiscal Year Ending June 30th	Principal	Interest	Total Principal and Interest
2025	\$ 142,578	\$ 2,552	\$ 145,130
2026	61,495	490	61,985
2027	-	-	-
Total	<u>\$ 204,073</u>	<u>\$ 3,042</u>	<u>\$ 207,115</u>

Source: District officials. Table itself is not audited.

Cash Flow Borrowing

The District has not issued tax or revenue anticipation notes for the last five fiscal years. The District does not currently anticipate issuing either tax anticipation notes or revenue anticipation notes in the foreseeable future.

Capital Project Plans

On March 8, 2022, District voters approved a capital project consisting of various improvements to District buildings and facilities. The total amount of the project is \$49,932,000 with \$18,000,000 capital reserve funds utilized. The remaining amount of \$31,932,000 is anticipated to be financed with bond anticipation notes and serial bonds. Construction for this project began in 2023. The proceeds of the Notes represents the initial borrowing for this project. In August 2025, the District will renew the Notes and add new money based on construction cash flow needs.

On May 21, 2024 District voters approved the use of capital reserve funds to remove and replace two boilers at Tappan Zee High School. No borrowing is necessary for this project.

Other than as stated above, there are other authorized capital projects within each annual budget.

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 bonds and bond anticipation notes are listed as of the respective municipalities.

<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>Applicable Indebtedness</u>
County of:						
Rockland	12/31/2023	\$ 402,936,921 ⁽³⁾	\$ 18,400,000	\$ 384,536,921	10.13%	\$ 38,953,590
Town of:						
Orangetown	7/10/2024	74,570,000 ⁽³⁾	29,790,000	44,780,000	47.52%	21,279,456
Village of:						
Grand View-on-Hudson	5/31/2023	200,000 ⁽⁴⁾	- ⁽⁵⁾	200,000	100.00%	200,000
Piermont	5/31/2023	2,769,298 ⁽⁴⁾	- ⁽⁵⁾	2,769,298	100.00%	2,769,298
Total:						<u>\$ 63,202,344</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 February 13, 2025

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 10,530,000	\$ 514.66	0.20%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d) .	73,732,344	3,603.73	1.38

^(a) The 2023 estimated population of the District is 20,460. (See "THE SCHOOL DISTRICT - Population" herein.)

^(b) The District's full value of taxable real estate for the 2024-2025 fiscal year is \$5,347,766,842. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

^(c) See "Calculation of Net Direct Indebtedness" herein.

^(d) Estimated net overlapping indebtedness is \$63,202,344. (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.

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.

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

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

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

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

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

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

The District will act as Paying Agent for the Notes. The District's contact information is as follows: Mrs. Natalie Espinal, Assistant Superintendent for Business and Operations, 160 Van Wyck Road, Blauvelt, New York 10913, Phone: (845) 680-1008, Email: nespinal@socsd.org

Additional information may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

SOUTH ORANGETOWN CENTRAL SCHOOL DISTRICT

Dated: February __, 2025

STEVEN FINN
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Unrestricted Cash	\$ 8,359,530	\$ 9,728,940	\$ 9,967,697	\$ 7,965,174	\$ 8,201,488
Restricted Cash	25,349,849	31,705,201	20,439,533	-	-
Investments	-	-	-	24,392,200	36,824,410
Accounts Receivable	-	-	-	50,895	176,939
Due from Other Funds	1,460,262	1,471,932	2,332,992	2,128,639	1,114,237
State and Federal Aid Receivable	1,760,825	1,829,076	1,697,423	1,608,878	1,780,876
Other Receivables	122,894	99,912	5,886,953	4,717,947	-
Due from Fiduciary Funds	2,279	2,114	5,076	-	-
Due from Other Governments	54,714	-	2,243	16,218	19,467
Leases	-	-	-	-	3,516,616
Prepaid Expenditures	1,644	255,408	517	-	-
TOTAL ASSETS	<u>\$ 37,111,997</u>	<u>\$ 45,092,583</u>	<u>\$ 40,332,434</u>	<u>\$ 40,879,951</u>	<u>\$ 51,634,033</u>
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 3,423,284	\$ 3,984,199	\$ 3,299,368	\$ 1,563,342	\$ 6,636,410
Accrued Liabilities	162,481	356,004	390,552	586,242	424,351
Due to Other Funds	1,427,737	457,165	2,476,552	-	4,523,175
Due to Other Governments	-	56,473	-	-	-
Due to Retirement System	-	-	-	4,978,487	4,911,462
Due to Teachers' Retirement System	3,696,044	4,085,258	4,352,723	-	-
Due to Employees' Retirement System	185,428	217,083	164,406	-	-
Due to Fiduciary Funds	11,484	-	3	-	-
Other Liabilities	-	26,043	43,968	3,342	-
Deposits payable	-	-	-	-	-
Deferred Revenue	15,826	17,118	5,616,759	4,334,921	3,105,946
TOTAL LIABILITIES	<u>\$ 8,922,284</u>	<u>\$ 9,199,343</u>	<u>\$ 16,344,331</u>	<u>\$ 11,466,334</u>	<u>\$ 19,601,344</u>
FUND EQUITY					
Nonspendable	\$ 1,644	\$ 255,408	\$ 517	\$ 383,026	\$ -
Restricted	23,942,388	31,825,391	18,630,320	21,746,835	26,431,133
Assigned	373,751	139,520	1,081,669	2,931,155	1,177,755
Unassigned	3,871,930	3,672,921	4,275,597	4,352,601	4,423,801
TOTAL FUND EQUITY	<u>\$ 28,189,713</u>	<u>\$ 35,893,240</u>	<u>\$ 23,988,103</u>	<u>\$ 29,413,617</u>	<u>\$ 32,032,689</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 37,111,997</u>	<u>\$ 45,092,583</u>	<u>\$ 40,332,434</u>	<u>\$ 40,879,951</u>	<u>\$ 51,634,033</u>

Source: Audited Financial Statements of the District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
REVENUES					
Real Property Taxes	\$ 72,160,523	\$ 75,886,750	\$ 78,597,028	\$ 79,330,447	\$ 81,990,700
Real Property Tax Items	6,250,509	5,312,511	5,006,073	4,369,032	4,051,900
Charges for Services	118,459	66,935	45,924	65,817	88,520
Use of Money & Property	1,947,598	1,809,448	1,615,723	2,014,043	3,644,690
Sale of Property and Compensation for Loss	23,505	10,899	32,255	63,441	34,401
Miscellaneous	571,900	422,790	1,279,171	765,046	875,262
Revenues from State Sources	12,611,688	13,251,516	12,869,836	13,918,835	14,283,286
Revenues from Federal Sources	80,710	98,376	328,234	91,350	95,108
Total Revenues	<u>\$ 93,764,892</u>	<u>\$ 96,859,225</u>	<u>\$ 99,774,244</u>	<u>\$ 100,618,011</u>	<u>\$ 105,063,867</u>
Other Sources:					
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	<u>\$ 93,764,892</u>	<u>\$ 96,859,225</u>	<u>\$ 99,774,244</u>	<u>\$ 100,618,011</u>	<u>\$ 105,063,867</u>
EXPENDITURES					
General Support	\$ 9,138,154	\$ 10,813,964	\$ 11,241,002	\$ 8,843,907	\$ 10,307,578
Instruction	52,156,898	51,286,607	53,517,024	54,309,891	56,076,762
Pupil Transportation	4,019,182	4,212,126	4,209,040	4,755,681	5,130,346
Community Services	63,120	93,416	110,563	114,399	111,181
Employee Benefits	20,747,669	20,888,835	20,807,951	21,467,326	23,481,237
Debt Service	65,241	-	-	860,004	367,976
Total Expenditures	<u>\$ 86,190,264</u>	<u>\$ 87,294,948</u>	<u>\$ 89,885,580</u>	<u>\$ 90,351,208</u>	<u>\$ 95,475,080</u>
Other Uses:					
Interfund Transfers	3,821,207	3,484,894	2,185,137	22,171,940	9,588,787
Total Expenditures and Other Uses	<u>90,011,471</u>	<u>90,779,842</u>	<u>92,070,717</u>	<u>112,523,148</u>	<u>105,063,867</u>
Excess (Deficit) Revenues Over Expenditures	<u>3,753,421</u>	<u>6,079,383</u>	<u>7,703,527</u>	<u>(11,905,137)</u>	<u>-</u>
FUND BALANCE					
Fund Balance - Beginning of Year	18,356,909	22,110,330	28,189,713	35,893,240	23,988,103
Prior Period Adjustments (net)	-	-	-	-	5,425,514
Fund Balance - End of Year	<u>\$ 22,110,330</u>	<u>\$ 28,189,713</u>	<u>\$ 35,893,240</u>	<u>\$ 23,988,103</u>	<u>\$ 29,413,617</u>

Source: Audited Financial Statements of the District. This Appendix is not itself audited.

GENERAL FUND

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

Fiscal Year Ending June 30:	2024			2025
	Original Budget	Final Budget	Actual	Adopted Budget
REVENUES				
Real Property Taxes	\$ 87,725,728	\$ 84,169,709	\$ 84,170,322	\$ 89,119,411
Real Property Tax Items		-	-	-
Other Tax Items	74,721	3,630,740	3,630,740	-
Charges for Services	65,000	65,000	155,897	70,000
Use of Money & Property	2,305,000	2,305,000	5,678,857	2,485,000
Sale of Property and				
Compensation for Loss	-	567,777	673,265	-
Miscellaneous	407,275	684,509	893,999	461,275
Interfund Revenues	-	-	-	-
Revenues from State Sources	16,497,297	16,497,297	17,314,598	17,746,619
Revenues from Federal Sources	40,000	40,000	346,278	40,000
Total Revenues	<u>\$ 107,115,021</u>	<u>\$ 107,960,032</u>	<u>\$ 112,863,956</u>	<u>\$ 109,922,305</u>
Other Sources:				
Interfund Transfers	-	-	-	672,730
Total Revenues and Other Sources	<u>\$ 107,115,021</u>	<u>\$ 107,960,032</u>	<u>\$ 112,863,956</u>	<u>\$ 110,595,035</u>
EXPENDITURES				
General Support	\$ 11,602,333	\$ 13,856,157	\$ 13,099,127	\$ 11,814,685
Instruction	60,355,560	60,612,059	58,776,748	60,642,928
Pupil Transportation	5,657,203	5,677,042	5,588,727	6,135,652
Community Services	123,090	121,102	119,070	124,222
Employee Benefits	26,360,634	26,417,856	24,807,566	27,829,324
Debt Service	-	244,870	244,870	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>\$ 104,098,820</u>	<u>\$ 106,929,086</u>	<u>\$ 102,636,108</u>	<u>\$ 106,546,810</u>
Other Uses:				
Interfund Transfers	5,947,356	7,612,856	7,608,776	4,048,225
Total Expenditures and Other Uses	<u>110,046,176</u>	<u>114,541,942</u>	<u>110,244,884</u>	<u>110,595,035</u>
Excess (Deficit) Revenues Over Expenditures	<u>(2,931,155)</u>	<u>(6,581,910)</u>	<u>2,619,072</u>	<u>-</u>
FUND BALANCE				
Fund Balance - Beginning of Year	2,931,155	6,581,910	29,413,617	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,032,689</u>	<u>\$ -</u>

Source: Audited Financial Statements and adopted budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE
(AS OF JUNE 30, 2024)

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	\$ 1,835,000	\$ 113,225.00	\$ 1,948,225.00
2026	1,930,000	47,975.00	1,977,975.00
2027	1,100,000	13,250.00	1,113,250.00
TOTALS	\$ 4,865,000	\$ 174,450.00	\$ 5,039,450.00

CURRENT DEBT OUTSTANDING
(AS OF JUNE 30, 2024)

Fiscal Year Ending June 30th	2016 Refunding of Series 2005A Bonds			2011 Various Capital Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,555,000	\$ 87,675.00	\$ 1,642,675.00	\$ 280,000	\$ 25,550.00	\$ 305,550.00
2026	1,640,000	32,400	1,672,400	290,000	15,575	305,575
2027	800,000	8,000	808,000	300,000	5,250	305,250
TOTALS	\$ 3,995,000	\$ 128,075.00	\$ 4,123,075.00	\$ 870,000	\$ 46,375.00	\$ 916,375.00

FORM OF APPROVING LEGAL OPINION

March 6, 2025

The Board of Education of the
South Orangetown Central School District,
in the County of Rockland, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the South Orangetown Central School District, (the “School District”), in the County of Rockland, 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 \$7,500,000 Bond Anticipation Note-2025 (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 District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,

FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“EMMA” shall mean the 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 **South Orangetown Central School District**, in the County of Rockland, a School District of the State of 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 School Board as of March 6, 2025.

“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 \$7,500,000 Bond Anticipation Note-2025, dated March 6, 2025, maturing on August 6, 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; and
- (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 Issuer, if material, or agreement to covenants, events of default, remedies, priorities rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security 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 Issuer, 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

March 6, 2025.

SOUTH ORANGETOWN CENTRAL SCHOOL DISTRICT

By _____
President of the Board of Education

**SOUTH ORANGETOWN CENTRAL SCHOOL DISTRICT
ROCKLAND COUNTY, NEW YORK**

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2024

Such Financial Report and opinions 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.

The District's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The District's independent auditor also has not performed any procedures relating to this Official Statement.

**South Orangetown Central
School District, New York**

Financial Statements and
Supplementary Information

Year Ended June 30, 2024

South Orangetown Central School District, New York

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South Orangetown Central School District, New York

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Independent Auditors' Report

**The Board of Education of the
South Orangetown 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 South Orangetown Central School District, New York ("School District"), as of and for the year ended June 30, 2024, 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, 2024, 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.

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 September 24, 2024 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

September 24, 2024

South Orangetown Central School District, New York

Management's Discussion and Analysis ("MD&A")

June 30, 2024

Introduction

As management of South Orangetown Central School District, New York ("School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the School District's financial statements to enhance understanding of the School District's financial performance, which immediately follows this section.

Financial Highlights

Key financial highlights for fiscal year 2024 are as follows:

- New York State Law limits the amount of committed, assigned and unassigned fund balance, exclusive of encumbrances and amounts designated for the subsequent year's budget, which can be retained by the General Fund to 4% of the ensuing year's budget. At the end of the current fiscal year, this amount for the General Fund was \$4,423,801 or 4%, and is therefore within the statutory limit.
- On the governmental funds financial statements, the total fund balances decreased in the amount of \$413,324. This is mostly due to the net result of capital outlay expenditures and general fund operating surplus. However, the School District's maintenance of sufficient fund balance in excess of \$50 million is integral to fiscal solvency and positive credit rating.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements which are comprised of three components: (1) district-wide financial statements, (2) fund financial statements and (3) notes to financial statements. This report also contains other supplementary information, which is intended to give the reader additional detail in support of the basic financial statements.

District-Wide Financial Statements

- The district-wide financial statements are designed to provide readers with a broad overview of the School District's finances, in a manner like a private-sector business.
- The statement of net position presents information on all the School District's assets and liabilities and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the School District is improving or deteriorating.
- The statement of activities presents information showing the changes in the School District's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported in this statement for some items that will result only in cash flows in future fiscal periods (for example, earned, but unused vacation leave, other post-employment benefit ("OPEB") obligations, and pension obligations).

- The governmental activities of the School District include instruction, pupil transportation, cost of food sales, other, interest and general administrative support. The district-wide financial statements distinguish functions of the district that are governmental activities (those principally supported by charges for services, operating grants and contributions).

The district-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

- A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein. These accounts are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- As the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.
- The School District maintains six individual governmental funds: Special Aid Fund, General Fund, Capital Project Fund, School Lunch Fund, Special Purpose Fund, and Debt Service Fund. The General, Special Aid, Capital Projects, and Debt Service funds are considered major funds, and information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for these funds. The remaining funds are non-major, and their information is aggregated and presented in a single column as non-major governmental funds.
- The School District adopts an annual budget for its General Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund and Special Aid Fund within the basic financial statements to demonstrate compliance with the respective budgets.
- The Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statements because the resources of these funds are not available to support the School District's programs.

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

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential for fair presentation and that is not otherwise displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements and should be read in conjunction with the financial statements. The notes focus on the primary government – specifically, its governmental activities and major funds. The notes to the financial statements can be found following the basic financial statements section of this report.

Other information

In addition to the basic financial statements and notes to the financial statements, this report also presents required supplemental information (“RSI”) concerning the School District’s progress in funding its obligations to provide OPEB to its employees and information regarding the School District’s proportionate share of pension obligations and contributions. RSI immediately follows the notes to the financial statements.

This report also includes supplementary information (“SI”), which immediately follows RSI and gives the reader further detail on the information presented in the basic financial statements. Included in the SI are the individual fund financial statements and schedules; the project length schedule for the Capital Projects Fund and the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Guidance”) compliance audit of federal awards programs.

District- Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District’s financial position. In the case of South Orangetown Central School District, New York, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$120,127,671.

	June 30,	
	2024	2023
Current Assets	\$ 67,350,570	\$ 63,038,460
Capital Assets, net	68,789,380	63,192,011
Total Assets	136,139,950	126,230,471
Deferred Outflows of Resources	69,336,341	56,592,815
Current Liabilities	13,046,199	7,857,853
Long-term Liabilities	250,289,634	212,091,821
Total Liabilities	263,335,833	219,949,674
Deferred Inflows of Resources	62,268,129	80,803,883
Net Position		
Net Investment in Capital Assets	62,464,268	55,288,368
Restricted	44,103,302	41,482,347
Unrestricted	(226,695,241)	(214,600,986)
Total Net Position	\$ (120,127,671)	\$ (117,830,271)

The greatest component of the School District's net position reflects its investment in capital assets of \$62,464,268. While the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Assets subject to restriction amount to \$44,103,302. The remaining amount entails deferred net transactions within the unrestricted category.

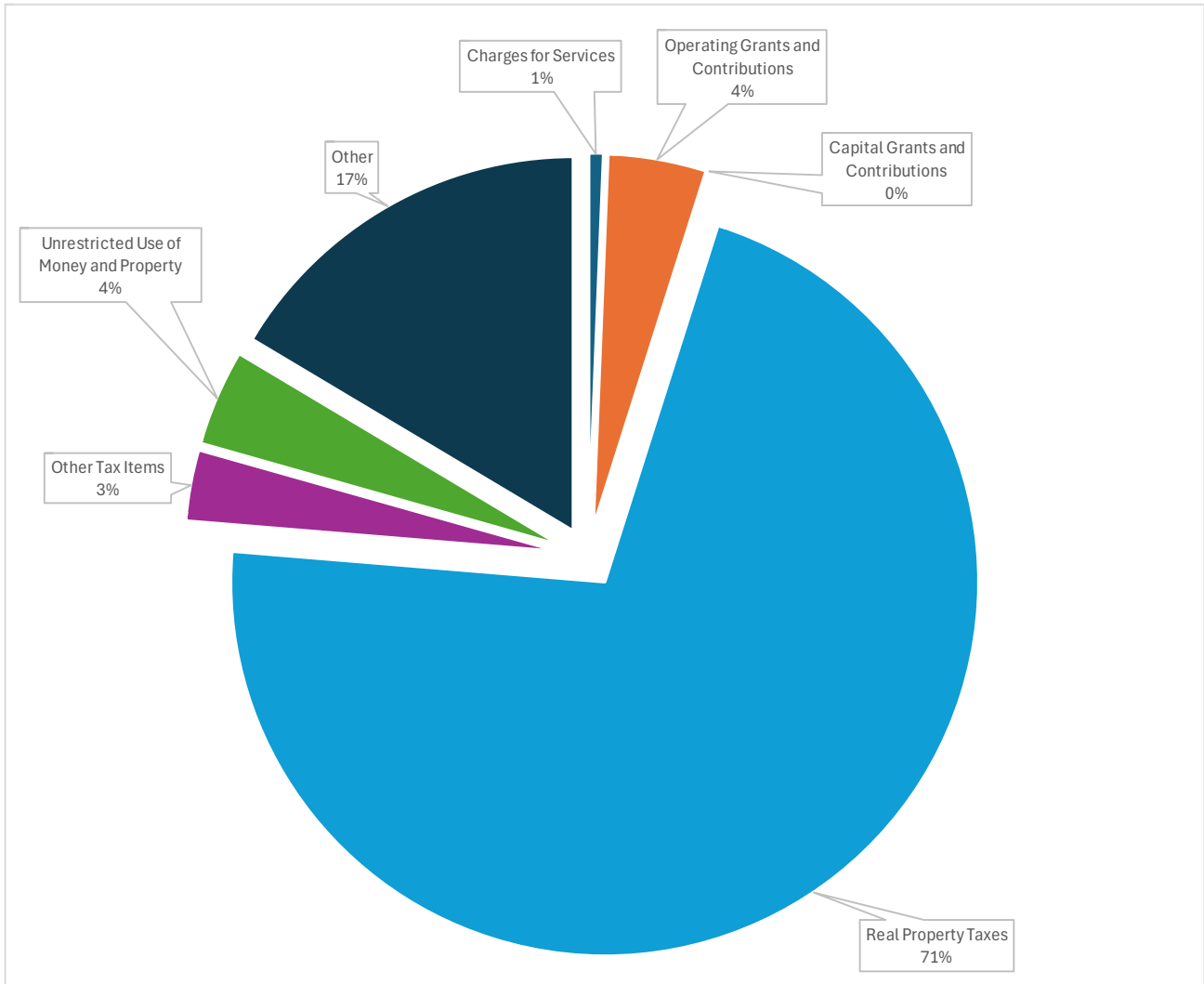
Changes in Net Position

As mentioned in the highlights, the School District's maintenance of sufficient fund balance in excess of \$50 million is integral to fiscal solvency and positive credit rating. While the district wide expenditures exceeded the district-wide revenues, the district maintains a positive fund balance.

	June 30,	
	2024	2023
REVENUES		
Program Revenues		
Charges for Services	\$ 747,440	\$ 631,873
Operating Grants and Contributions	5,004,228	6,148,091
Capital Grants and Contributions	20,774	12,868
Total Program Revenues	5,772,442	6,792,832
General Revenues		
Real Property Taxes	84,170,322	81,990,700
Other Tax Items	3,630,740	4,051,900
Unrestricted Use of Money and Property	4,918,408	3,826,420
Sale of Property and Compensation from Loss	673,265	34,401
Unrestricted State Aid	17,821,679	13,927,673
Miscellaneous	886,724	866,737
Total General Revenues	112,101,138	104,697,831
Total Revenues	117,873,580	111,490,663
PROGRAM EXPENSES		
General support	15,981,089	13,135,973
Instruction	96,481,781	87,143,307
Pupil transportation	5,797,824	5,342,090
Community service	119,070	111,181
Cost of food sales	1,191,662	1,132,236
Other	585,238	471,533
Interest	14,316	105,928
Total Expenses	120,170,980	107,442,248
Change in Net Position	(2,297,400)	4,048,415
NET POSITION		
Beginning of Year	(117,830,271)	(121,878,686)
End of the Year	\$ (120,127,671)	\$ (117,830,271)

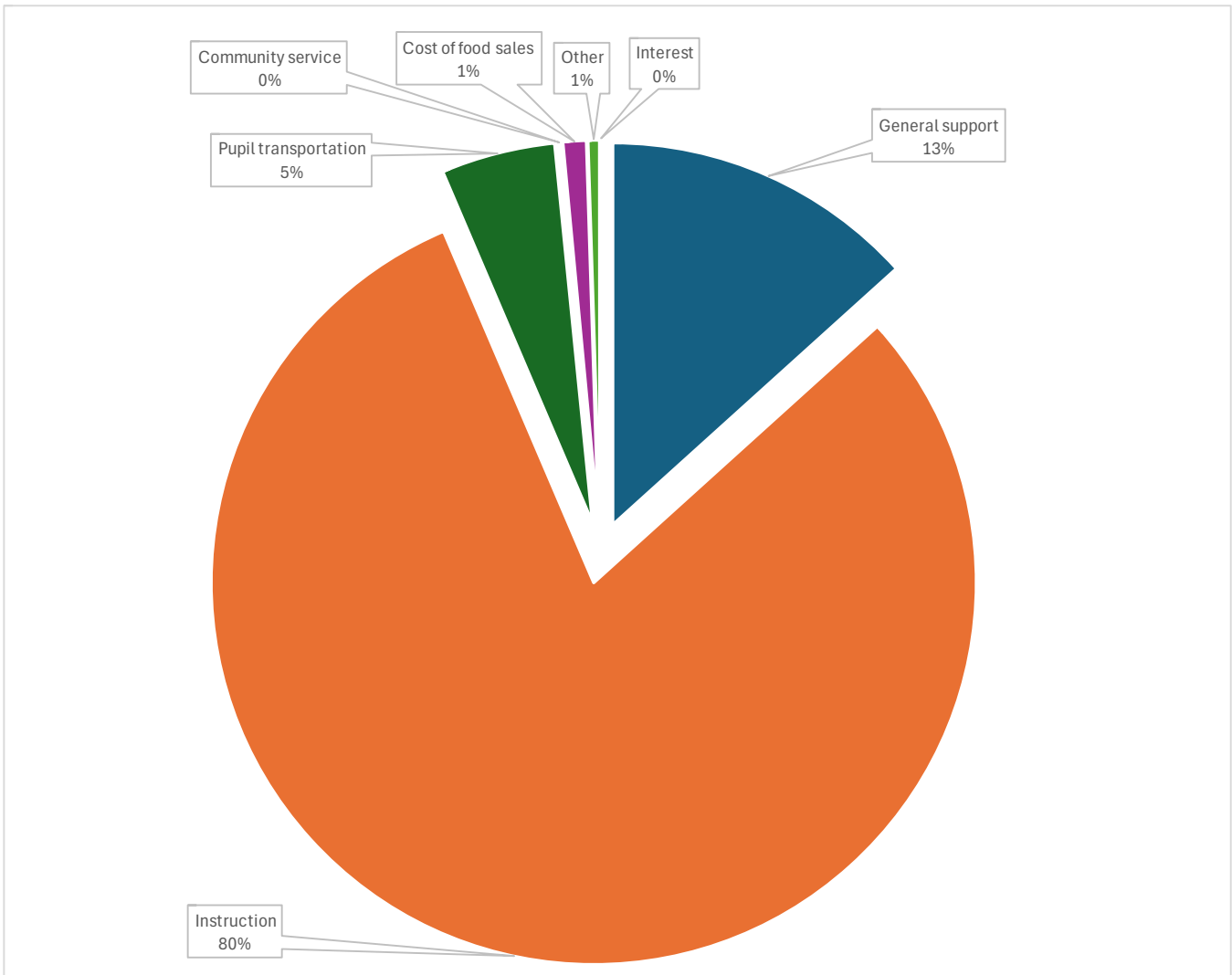
Revenues:

The School District's total fiscal year 2024 revenues on the Statement of Activities totaled \$117,873,580, consisting of an increase 5.7% or \$6,382,917 from the prior school year, 2023. Revenue is mostly generated from property taxes and state aid. The *Other* revenue categories consist of payments in lieu of taxes, food sales, compensation for loss, and other miscellaneous revenues.



Expenditures:

Total expenditures resulted in \$120,170,980 which is an increase of \$9,766,671 or 9% from the prior year. Instructional services and employee benefits are the greatest expense to the District at about 73% in the total amount to \$85,848,789.



Financial Analysis of the School District's Funds

The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School District's net resources available for discretionary use as it represents the portion of the fund balance which has not yet been limited to us for particular purpose by either an external party, the School District itself or an individual who has been delegated authority to assign resources for use for particular purpose by the Board of Education.

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$50,371,055, a decrease of \$413,324 from the prior year. The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$32,032,689, of which \$26,431,133 is restricted. A complete listing of the components of fund balance on June 30, 2024 can be found in note 3, item H, of the accompanying Audited Financial Statements.

General Fund Budgetary Highlights

The difference between the original budget, inclusive of encumbrances rolled forward from the prior year, and the final expenditure budget was an increase of \$4,495,766. Within this increase was the voter approved funding through the capital reserve of new boilers at Tappan Zee High School in the amount of \$1,700,000, tax certiorari settlements in the amount of \$1,900,755 funded through the tax certiorari reserve, \$567,777 received in insurance recoveries for the emergency gym repair and \$261,000 received for the emergency connections grant.

Capital Assets

At June 30, 2024, the School District had \$68,789,380 net of accumulated depreciation, invested in a broad range of capital assets, including buildings and improvements, machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected. Additional information regarding the School District's capital assets is presented in Note 3, item C, in the notes to the financial statements.

CLASS	June 30,	
	2024	2023
Land	\$ 616,672	\$ 616,672
Land Improvements	2,330,891	2,498,792
Building Improvements	49,602,097	52,262,907
Furniture and equipment	912,776	856,602
Vehicles	247,760	221,605
Right-to-use Leased Equipment	251,413	493,216
Construction- in-Progress	14,827,771	6,242,217
Total Capital Assets, net of accumulated depreciation/amortization	\$ 68,789,380	\$ 63,192,011

Long-Term Liabilities

At June 30, 2024, the School District had \$250,289,634 in serial bonds and other long-term debt outstanding, as follows:

	June 30,	
	<u>2024</u>	<u>2023</u>
Bonds Payable	\$ 5,401,343	\$ 7,563,292
Leases Payable	204,073	442,597
Compensated Absences	1,665,622	1,644,349
Net Pension Liability	5,104,897	8,093,441
Workers' Compensation Claims Payable	419,132	333,547
Other Postemployment Benefits Liability	<u>237,494,567</u>	<u>194,014,595</u>
Total Long Term Liabilities	<u>\$ 250,289,634</u>	<u>\$ 212,091,821</u>

The outstanding debt as noted in the above schedule is due to mature in fiscal year 2027. Aside from the benefits provided to the active employees, the District provides health benefits to qualifying retirees. This benefit is called Other Postemployment Benefits ("OPEB"). The OPEB liability is determined by an actuarial valuation. The projected liability comprises approximately 95% of the district-wide long-term liabilities and has increased by 22% from the prior year.

Additional information regarding the School District's long-term liabilities is presented in Note 3, item E, in the notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the finances of South Orangetown Central School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

South Orangetown Central School District
Natalie Espinal, CPA
Assistant Superintendent for Business and Operations
160 Van Wyck Road
Blauvelt, New York 10913
(845) 680-1008

South Orangetown Central School District, New York

Statement of Net Position
June 30, 2024

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 10,581,833
Investments	49,241,276
Receivables	
Accounts	176,939
Leases	3,516,616
State and Federal aid	3,790,899
Due from other governments	27,748
Inventories	15,259
Capital assets	
Not being depreciated	15,444,443
Being depreciated/amortized, net	53,344,937
	136,139,950
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	72,799
Pension related	20,172,688
OPEB related	49,090,854
	69,336,341
LIABILITIES	
Accounts payable	7,611,435
Accrued liabilities	425,032
Due to other governments	66
Due to retirement systems	4,911,462
Unearned revenues	71,595
Accrued interest payable	26,609
Non-current liabilities	
Due within one year	9,770,396
Due in more than one year	240,519,238
	263,335,833
DEFERRED INFLOWS OF RESOURCES	
Pension related	2,748,000
OPEB related	56,414,183
Lease related	3,105,946
	62,268,129
NET POSITION	
Net investment in capital assets	62,464,268
Restricted	
Capital projects	17,516,805
Future capital projects	11,807,972
Debt service	1,551,155
Tax certiorari	7,509,143
ERS Retirement contributions	2,012,429
TRS Retirement contributions	2,333,131
Liability	800,000
Insurance	250,000
Unemployment benefits	52,836
Special purposes	
Extraclassroom activities	137,104
Other	132,727
Unrestricted	(226,695,241)
	\$ (120,127,671)

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

South Orangetown Central School District, New York

Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
General support	\$ 15,981,089	\$ -	\$ 760,449	\$ -
Instruction	96,481,781	155,897	3,096,296	-
Pupil transportation	5,797,824	-	-	-
Community service	119,070	-	-	-
Cost of food sales	1,191,662	591,543	603,146	-
Other	585,238	-	544,337	-
Interest	14,316	-	-	20,774
Total Governmental Activities	\$ 120,170,980	\$ 747,440	\$ 5,004,228	\$ 20,774
General revenues				
Real property taxes				84,170,322
Other tax items				
School tax relief reimbursement				3,556,019
Payments in lieu of taxes				74,721
Unrestricted use of money and property				4,918,408
Sale of property and compensation for loss				673,265
Unrestricted State aid				17,821,679
Miscellaneous				886,724
Total General Revenues				112,101,138
Change in Net Position				(2,297,400)
NET POSITION				
Beginning of Year				(117,830,271)
Ending				\$ (120,127,671)

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

South Orangetown Central School District, New York

Balance Sheet
 Governmental Funds
 June 30, 2024

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 8,201,488	\$ 2,412	\$ 7,867
Investments	36,824,410	-	12,416,866
Receivables			
Accounts	176,939	-	-
State and Federal aid	1,780,876	1,127,500	853,979
Due from other governments	19,467	-	-
Due from other funds	1,114,237	-	4,523,175
Leases	3,516,616	-	-
Inventories	-	-	-
Total Assets	<u>\$ 51,634,033</u>	<u>\$ 1,129,912</u>	<u>\$ 17,801,887</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 6,636,410	\$ 103,020	\$ 792,495
Accrued liabilities	424,351	-	-
Due to other funds	4,523,175	1,013,856	-
Due to other governments	-	-	-
Due to retirement systems	4,911,462	-	-
Unearned revenues	-	13,036	-
Total Liabilities	<u>16,495,398</u>	<u>1,129,912</u>	<u>792,495</u>
Deferred inflows of resources			
Lease related	3,105,946	-	-
Unavailable revenues - State aid	-	-	853,979
Total deferred inflows of resources	<u>3,105,946</u>	<u>-</u>	<u>853,979</u>
Total Liabilities and Deferred Inflows of Resources	<u>19,601,344</u>	<u>1,129,912</u>	<u>1,646,474</u>
Fund balances			
Nonspendable	-	-	-
Restricted	26,431,133	-	16,155,413
Assigned	1,177,755	-	-
Unassigned	4,423,801	-	-
Total Fund Balances	<u>32,032,689</u>	<u>-</u>	<u>16,155,413</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 51,634,033</u>	<u>\$ 1,129,912</u>	<u>\$ 17,801,887</u>

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

Debt Service	Non-Major Governmental	Total Governmental Funds
\$ 1,585,655	\$ 784,411	\$ 10,581,833
-	-	49,241,276
-	-	176,939
-	28,544	3,790,899
-	8,281	27,748
-	-	5,637,412
-	-	3,516,616
-	15,259	15,259
\$ 1,585,655	\$ 836,495	\$ 72,987,982
\$ -	\$ 79,510	\$ 7,611,435
-	681	425,032
34,500	65,881	5,637,412
-	66	66
-	-	4,911,462
-	58,559	71,595
34,500	204,697	18,657,002
-	-	3,105,946
-	-	853,979
-	-	3,959,925
34,500	204,697	22,616,927
-	15,259	15,259
1,551,155	269,831	44,407,532
-	346,708	1,524,463
-	-	4,423,801
1,551,155	631,798	50,371,055
\$ 1,585,655	\$ 836,495	\$ 72,987,982

South Orangetown Central School District, New York

Reconciliation of Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2024

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

Total Fund Balances - Governmental Funds	\$ 50,371,055
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	15,444,443
Capital assets - depreciable/amortizable	117,436,930
Accumulated depreciation/amortization	<u>(64,091,993)</u>
	<u>68,789,380</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	20,172,688
Deferred outflows - OPEB related	49,090,854
Deferred inflows - pension related	(2,748,000)
Deferred inflows - OPEB related	<u>(56,414,183)</u>
	<u>10,101,359</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or not reported in the funds.	
Miscellaneous unavailable State aid	<u>853,979</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds payable	(4,865,000)
Leases payable	(204,073)
Claims payable	(419,132)
Compensated absences	(1,665,622)
Net pension liability - ERS	(2,448,323)
Net pension liability - TRS	(2,656,574)
Total OPEB liability	(237,494,567)
Accrued interest payable	<u>(26,609)</u>
	<u>(249,779,900)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred charge on refunding bonds	72,799
Premium on general obligation bonds	<u>(536,343)</u>
	<u>(463,544)</u>
Net Position of Governmental Activities	<u>\$ (120,127,671)</u>

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

South Orangetown Central School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2024

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 84,170,322	\$ -	\$ -
Other tax items	3,630,740	-	-
Charges for services	155,897	-	-
Use of money and property	5,678,857	-	-
Sale of property and compensation for loss	673,265	-	-
State aid	17,314,598	739,304	-
Federal aid	346,278	1,751,341	-
Food sales	-	-	-
Miscellaneous	893,999	-	-
	<u>112,863,956</u>	<u>2,490,645</u>	<u>-</u>
EXPENDITURES			
Current			
General support	13,099,127	1,162	-
Instruction	58,776,748	2,031,371	-
Pupil transportation	5,588,727	116,172	-
Community services	119,070	-	-
Employee benefits	24,807,566	233,104	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	238,524	-	-
Interest	6,346	-	-
Capital outlay	-	-	8,585,552
	<u>102,636,108</u>	<u>2,381,809</u>	<u>8,585,552</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,227,848</u>	<u>108,836</u>	<u>(8,585,552)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	84,441	5,593,277
Transfers out	(7,608,776)	(193,277)	-
	<u>(7,608,776)</u>	<u>(108,836)</u>	<u>5,593,277</u>
Net Change in Fund Balances	2,619,072	-	(2,992,275)
FUND BALANCES			
Beginning of Year	<u>29,413,617</u>	<u>-</u>	<u>19,147,688</u>
End of Year	<u>\$ 32,032,689</u>	<u>\$ -</u>	<u>\$ 16,155,413</u>

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

Debt Service	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 84,170,322
-	-	3,630,740
-	-	155,897
20,774	3,026	5,702,657
-	-	673,265
-	14,451	18,068,353
-	588,685	2,686,304
-	591,543	591,543
-	541,321	1,435,320
<u>20,774</u>	<u>1,739,026</u>	<u>117,114,401</u>
-	-	13,100,289
-	-	60,808,119
-	-	5,704,899
-	-	119,070
-	-	25,040,670
-	1,191,662	1,191,662
-	585,238	585,238
1,945,000	-	2,183,524
202,356	-	208,702
-	-	8,585,552
<u>2,147,356</u>	<u>1,776,900</u>	<u>117,527,725</u>
<u>(2,126,582)</u>	<u>(37,874)</u>	<u>(413,324)</u>
2,112,856	11,479	7,802,053
-	-	(7,802,053)
<u>2,112,856</u>	<u>11,479</u>	<u>-</u>
(13,726)	(26,395)	(413,324)
<u>1,564,881</u>	<u>658,193</u>	<u>50,784,379</u>
<u>\$ 1,551,155</u>	<u>\$ 631,798</u>	<u>\$ 50,371,055</u>

South Orangetown 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, 2024

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

Net Change in Fund Balances - Total Governmental Funds	\$ (413,324)
<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/amortization expense.</p>	
Capital outlay expenditures	9,053,095
Depreciation/amortization expense	<u>(3,455,726)</u>
	<u>5,597,369</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
State aid revenues	<u>759,179</u>
<p>Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized on the statement of activities.</p>	
Principal paid on general obligation bonds	1,945,000
Principal paid on leases	<u>238,524</u>
	<u>2,183,524</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>	
Compensated absences	(21,273)
Changes in pension liabilities and related deferred outflows and inflows of resources	(3,751,704)
Claims payable	(85,585)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(6,729,972)
Accrued interest	6,884
Amortization of premium and loss on refunding bonds	<u>187,502</u>
	<u>(10,394,148)</u>
Change in Net Position of Governmental Activities	<u>\$ (2,267,400)</u>

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

South Orangetown Central School District, New York

Statement of Revenues, Expenditures and Changes in Fund

Balance - Budget and Actual

General Fund

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 87,725,728	\$ 84,169,709	\$ 84,170,322	\$ 613
Other tax items	74,721	3,630,740	3,630,740	-
Charges for services	65,000	65,000	155,897	90,897
Use of money and property	2,305,000	2,305,000	5,678,857	3,373,857
Sale of property and compensation for loss	-	567,777	673,265	105,488
State aid	16,497,297	16,497,297	17,314,598	817,301
Federal aid	40,000	40,000	346,278	306,278
Miscellaneous	407,275	684,509	893,999	209,490
Total Revenues	<u>107,115,021</u>	<u>107,960,032</u>	<u>112,863,956</u>	<u>4,903,924</u>
EXPENDITURES				
Current				
General support	11,602,333	13,856,157	13,099,127	757,030
Instruction	60,355,560	60,612,059	58,776,748	1,835,311
Pupil transportation	5,657,203	5,677,042	5,588,727	88,315
Community services	123,090	121,102	119,070	2,032
Employee benefits	26,360,634	26,417,856	24,807,566	1,610,290
Debt service				
Principal	-	238,524	238,524	-
Interest	-	6,346	6,346	-
Total Expenditures	<u>104,098,820</u>	<u>106,929,086</u>	<u>102,636,108</u>	<u>4,292,978</u>
Excess of Revenues Over Expenditures	3,016,201	1,030,946	10,227,848	9,196,902
OTHER FINANCING USES				
Transfers out	<u>(5,947,356)</u>	<u>(7,612,856)</u>	<u>(7,608,776)</u>	<u>4,080</u>
Net Change in Fund Balances	(2,931,155)	(6,581,910)	2,619,072	9,200,982
FUND BALANCES				
Beginning of Year	<u>2,931,155</u>	<u>6,581,910</u>	<u>29,413,617</u>	<u>22,831,707</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,032,689</u>	<u>\$ 32,032,689</u>

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

South Orangetown Central School District, New York

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

Year Ended June 30, 2024

	<u>Custodial</u>
ADDITIONS	\$ 600,000
Real property taxes collected for other governments	
DEDUCTIONS	
Payments of real property taxes to other governments	<u>600,000</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

Note 1 - Summary of Significant Accounting Policies

The South Orangetown Central School District, New York ("School District"), as presently constituted, 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 Rockland County Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined in Education Law. Copies of BOCES' financial statement can be requested from Rockland County BOCES, 65 Parrott Road, West Nyack, New York 10994-0607.

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

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal, State or local funds. The major revenues of this fund are State and Federal aid.

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

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

Special Revenue Funds:

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

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

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

- b. Fiduciary Fund (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 real property taxes collected for other governments.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 certain claims, compensated absences, 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.

The School District utilizes a pooled investment concept for all governmental funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 at June 30, 2024 of \$49,241,276 is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days.

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.

CLASS are rated AAAM by Standard and 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. CLASS invest in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

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, 2024.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 payable on September 1st. The various towns which are included in the levy are responsible for the billing and collection of the taxes through November 1st of the tax year at which time collection responsibility is transferred to the County of Rockland, New York ("County"). The County guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes. The School District has the fiduciary responsibility to collect library property taxes and turn them over to the five libraries: Blauvelt Free Library, Orangeburg Library, Palisades Free Library, Piermont Public Library and Tappan Free Library. The taxes are collected and remitted to the libraries in October.

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, 2024, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of surplus food which is recorded at a stated value, which approximates market. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Lease Receivable - The School District is a lessor for noncancellable leases of building premises. The School District recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the School District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

South Orangetown Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

Key estimates and judgements include how the School District determines (1) the discount rate it uses to discount the expected lease receipts to present value, 2) lease-term, and (3) lease receipts.

- The School District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the leases. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The School District monitors changes in circumstances that would require remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Capital Assets - Capital assets are tangible and intangible assets, which include property, plant and equipment, and 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 (except intangible right-to-use assets, which is discussed in Note 3B) 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. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible assets in the appropriate capital asset class.

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. The other tangible and intangible property, plant and equipment and right-to-use assets of the School District are depreciated/amortized using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Land Improvements	50
Buildings and Improvements	50
Furniture and Equipment	5-10
Vehicles	5-10
Right-to-use Assets	5

The costs associated with the acquisition or construction of tangible and intangible 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 \$13,036 for State and Federal aid received in advance in the Special Aid Fund and \$58,559 for student meal monies received in advance in the School Lunch Fund. 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 (expense/expenditure) 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 has reported deferred inflows of resources in the Capital Projects Fund of \$853,979 for state and federal aid not expected to be collected within one year of the subsequent fiscal year. Those amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

The School District has reported deferred inflows of resources in the General Fund of \$3,105,946 in relation to leases of a building premises for the fiscal year ended June 30, 2024. These amounts are being deferred and amortized over the term of the leases.

The School District reported deferred amounts on refunding bonds resulting from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt.

The School District also reported 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.

Leases - The School District is a lessee for noncancellable leases of equipment. The School District recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the

Note 1 - Summary of Significant Accounting Policies (Continued)

district-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise. The School District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use leased assets are reported with other capital assets and right-to-use lease liabilities are reported with long-term liabilities on the Statement of Net Position.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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/amortization 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, debt service, tax certiorari, retirement contribution, liability, insurance, unemployment benefits 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.

Sometimes the School District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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:

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

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification 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

Note 1 - Summary of Significant Accounting Policies (Continued)

authority. The School Board 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 School Board removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts 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 delegated to the Assistant Superintendent for Business Operations 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 General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

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

Note 1 - Summary of Significant Accounting Policies (Continued)

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 24, 2024.

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.
- f) Formal budgetary integration is employed during the year as a management control device for the General Fund.
- g) The General Fund and Debt Service Fund budgets are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, School Lunch and Special Purpose funds since other means control the use of these resources (e.g., grants awards) and sometimes span a period of more than one fiscal year.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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.

D. Capital Projects Fund Project Deficit

The deficits in the 2021-22 Minor Capital Project and Smart School Bond capital project arises because of expenditures exceeding current financing on the project. This deficit will be eliminated with the subsequent receipt of State aid and interfund transfers.

South Orangetown Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2024

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of due from/to other funds at June 30, 2024 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,114,237	\$ 4,523,175
Special Aid	-	1,013,856
Capital Projects	4,523,175	-
Debt Service	-	34,500
Non-Major Governmental	-	65,881
	<u>\$ 5,637,412</u>	<u>\$ 5,637,412</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.

B. Lease Receivable

During 2015, the School District entered into a lease agreement for the use of classrooms, offices and shared common places of Tappan Zee Elementary School. The lease is for a term of one hundred twenty (120) months. The initial lease payment was \$276,493 annually. The total annual base rent payment will increase by 2% per year or by the increase in the Consumer Price Index for New York, New England and New Jersey for the month of May preceding the next payment, whichever is lower. As of June 30, 2024 the School District recognized lease revenue and interest revenue of \$316,397 and \$20,343, respectively.

During 2015, the School District entered into a lease agreement for the use of classrooms, offices and shared common places of Tappan Zee Elementary School. The lease is for a term of one hundred twenty (120) months. The initial lease payment was \$160,839 annually. The total annual base rent payment will increase by 3% per year or by the increase in the Consumer Price Index for New York, New England and New Jersey for the month of May preceding the next payment, whichever is lower. As of June 30, 2024 the School District recognized lease revenue and interest revenue of \$136,166 and \$10,090, respectively.

During 2018, the School District entered into a lease agreement for the use of Casey Hall and Cook Hall. The lease term is for sixty (60) months. The initial lease payment was \$655,714 annually. The total annual base rent payment will increase by 3% per year or by the increase in the Consumer Price Index for New York/Northeast and New Jersey for the month of May preceding the next payment, whichever is lower. As of June 30, 2024 the School District recognized lease revenue and interest revenue of \$552,529 and \$121,217, respectively.

During 2020, the School District entered into a lease agreement for the use of the Palisades School Building. The lease term is for sixty (60) months. The lease payments are \$137,115 per year and will be paid in twelve installments annually, payable each month. As of June 30, 2024 the School District recognized lease revenue and interest revenue of \$196,239 and \$12,807, respectively.

South Orangetown Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

As of June 30, 2024, the School District's lease receivable for the building lease payments in the General Fund was \$3,516,616. Also, the School District has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources in the General Fund was \$3,105,946.

The expected minimum future lease payments under this agreement are as follows:

Years Ending June 30,	Principal	Interest	Total
2024	\$ 1,341,375	\$ 114,850	\$ 1,456,225
2025	683,424	73,922	757,346
2026	689,057	47,164	736,221
2027	739,625	18,682	758,307
2028	63,135	210	63,345
	<u>\$ 3,516,616</u>	<u>\$ 254,828</u>	<u>\$ 3,771,444</u>

C. Capital Assets

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

Class	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets, not being depreciated:				
Land	\$ 616,672	\$ -	\$ -	\$ 616,672
Construction-in-progress	6,242,217	8,585,554	-	14,827,771
Total Capital Assets, not being depreciated	<u>\$ 6,858,889</u>	<u>\$ 8,585,554</u>	<u>\$ -</u>	<u>\$ 15,444,443</u>
Capital Assets, being depreciated/amortized:				
Land improvements	\$ 7,461,872	\$ 196,908	\$ -	\$ 7,658,780
Buildings and Improvements	105,625,274	-	11,969	105,613,305
Furniture and equipment	2,537,337	198,640	38,909	2,697,068
Vehicles	604,211	71,993	-	676,204
Right-to-use Leased Equipment	1,677,294	-	885,721	791,573
Total Capital Assets, being depreciated/amortized	<u>117,905,988</u>	<u>467,541</u>	<u>936,599</u>	<u>117,436,930</u>
Less Accumulated Depreciation/Amortization for:				
Land improvements	\$ 4,963,080	\$ 364,809	\$ -	\$ 5,327,889
Buildings and Improvements	53,362,367	2,660,810	11,969	56,011,208
Furniture and equipment	1,680,735	142,466	38,909	1,784,292
Vehicles	382,606	45,838	-	428,444
Right-to-use Leased Equipment	1,184,078	241,803	885,721	540,160
Total Accumulated Depreciation/Amortization	<u>61,572,866</u>	<u>3,455,726</u>	<u>936,599</u>	<u>64,091,993</u>
Total Capital Assets, being depreciated/amortized, net	<u>\$ 56,333,122</u>	<u>\$ (2,988,185)</u>	<u>\$ -</u>	<u>\$ 53,344,937</u>
Capital Assets, net	<u>\$ 63,192,011</u>	<u>\$ 5,597,369</u>	<u>\$ -</u>	<u>\$ 68,789,380</u>

South Orangetown Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

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

General support	\$ 177,713
Instruction	<u>3,278,013</u>
Total Depreciation/Amortization Expense	<u>\$ 3,455,726</u>

D. Accrued Liabilities

Accrued liabilities at June 30, 2024 were as follows:

	<u>General Fund</u>	<u>School Lunch</u>	<u>Total</u>
Payroll and Employee Benefits	\$ 139,456	\$ -	\$ 139,456
Other	<u>284,895</u>	<u>681</u>	<u>285,576</u>
	<u>\$ 424,351</u>	<u>\$ 681</u>	<u>\$ 425,032</u>

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2024:

	<u>Balance July 1, 2023</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance June 30, 2024</u>	<u>Due Within One-Year</u>
General Obligation Bonds Payable	\$ 6,810,000	\$ -	\$ 1,945,000	\$ 4,865,000	\$ 1,835,000
Plus - Unamortized Premium on Bonds	<u>753,292</u>	<u>-</u>	<u>216,949</u>	<u>536,343</u>	<u>-</u>
	<u>7,563,292</u>	<u>-</u>	<u>2,161,949</u>	<u>5,401,343</u>	<u>1,835,000</u>
Leases Payable	<u>442,597</u>	<u>-</u>	<u>238,524</u>	<u>204,073</u>	<u>142,578</u>
Other Non-current Liabilities:					
Claims Payable	333,547	418,679	333,094	419,132	42,000
Compensated Absences	1,644,349	186,273	165,000	1,665,622	167,000
Net Pension Liability - ERS	3,607,602	-	1,159,279	2,448,323	-
Net Pension Liability - TRS	4,485,839	-	1,829,265	2,656,574	-
Other Postemployment Benefit Liability	<u>194,014,595</u>	<u>51,063,790</u>	<u>7,583,818</u>	<u>237,494,567</u>	<u>7,583,818</u>
Total Other Non- current Liabilities	<u>204,085,932</u>	<u>51,668,742</u>	<u>11,070,456</u>	<u>244,684,218</u>	<u>7,792,818</u>
Total Long-Term Liabilities	<u>\$ 212,091,821</u>	<u>\$ 51,668,742</u>	<u>\$ 13,470,929</u>	<u>\$ 250,289,634</u>	<u>\$ 9,770,396</u>

Each governmental fund's liability leases, claims payable, compensated absences, net pension liabilities and other postemployment benefit liability is liquidated by the General Fund. The School District's indebtedness for general obligation bonds is satisfied by the Debt Service Fund, which is funded primarily by the General Fund.

South Orangetown Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2024 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at June 30, 2024
Serial Bonds	2011	\$ 3,750,000	August, 2026	5.00 %	\$ 870,000
Refunding Bonds	2016	13,530,000	December, 2026	2.00 - 5.00	3,995,000
					<u>\$ 4,865,000</u>

Interest expenditures of \$202,356 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$7,970 was recorded in the district-wide financial statements.

Leases Payable

Leases payable at June 30, 2024 are comprised of the following individual agreements:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rate	Amount Outstanding at June 30, 2024
Equipment	2021	\$ 399,804	November, 2024	1.90 %	\$ 43,077
Equipment	2022	344,479	February, 2026	2.19	147,205
Equipment	2022	47,290	August, 2025	0.00	13,791
					<u>\$ 204,073</u>

Interest expenditures/expense of \$6,346 were recorded in the fund financial statements in the General Fund and in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded and leases as of June 30, 2024 including interest payments of \$177,492 are as follows:

Year Ending June 30,	General Obligation Bonds			Leases		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,835,000	\$ 113,225	\$ 1,948,225	\$ 142,578	\$ 2,552	\$ 145,130
2026	1,930,000	47,975	1,977,975	61,495	490	61,985
2027	1,100,000	13,250	1,113,250	-	-	-
	<u>\$ 4,865,000</u>	<u>\$ 174,450</u>	<u>\$ 5,039,450</u>	<u>\$ 204,073</u>	<u>\$ 3,042</u>	<u>\$ 207,115</u>

Year Ending June 30,	Total		
	Principal	Interest	Total
2025	\$ 1,977,578	\$ 115,777	\$ 2,093,355
2026	1,991,495	48,465	2,039,960
2027	1,100,000	13,250	1,113,250
	<u>\$ 5,069,073</u>	<u>\$ 177,492</u>	<u>\$ 5,246,565</u>

South Orangetown Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

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.

Workers' Compensation Claims Payable

The School District participates in a risk sharing pool, to insure workers' compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The School District's share of the liability for unbilled and open claims is \$419,132. Claims activity is summarized below:

	<u>2023-24</u>
Unpaid claims at beginning of year	\$ 333,547
Incurred claims and claim adjustment expenses	418,679
Claim payments	<u>(333,094)</u>
Unpaid claims at year end	<u>\$ 419,132</u>

Compensated Absences

Pursuant to collective bargaining agreements, certain employees may accumulate sick leave. Upon separation of service or retirement, these employees will be compensated for accumulated sick leave based upon the terms of their respective agreement. The value of the compensated absences has been reflected in the district-wide financial statements.

Pension Plans

New York State and Local 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

Note 3 - Detailed Notes on All Funds (Continued)

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 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, 2024 and TRS plan year ended June 30, 2024 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	19.9 %
	3 A14	15.0
	4 A15	15.0
	5 A15	13.0
	6 A15	9.6
TRS	1-6	9.76 %

At June 30, 2024, the School District reported the following for its proportionate share of the net pension liability for ERS and TRS:

South Orangetown Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Net pension liability	\$ 2,448,323	\$ 2,656,574
School Districts' proportion of the net pension liability	0.0166281 %	0.232302 %
Change in proportion since the prior measurement date	(0.0001952) %	(0.001470) %

The net pension liability was measured as of March 31, 2024 for ERS and June 30, 2023 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, 2024, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$8,749,178, (\$1,140,438 for ERS and \$7,608,740 for TRS). Pension expenditures for ERS of \$753,408 were recorded in the fund financial statements and were charged to the General Fund. Pension expenditures for TRS of \$4,172,250 and \$41,816 were reported in the fund financial statements and were charged to the General and Special Aid funds, respectively.

At June 30, 2024, the School District reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>TRS</u>		<u>Total</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 788,603	\$ 66,759	\$ 6,441,486	\$ 15,919	\$ 7,230,089	\$ 82,678
Changes of assumptions	925,656	-	5,719,526	1,246,539	6,645,182	1,246,539
Net difference between projected and actual earnings on pension plan investments	-	1,195,993	1,357,988	-	1,357,988	1,195,993
Changes in proportion and differences between School District contributions and proportionate share of contributions	173,357	14,980	307,910	207,810	481,267	222,790
School District contributions subsequent to the measurement date	245,422	-	4,212,740	-	4,458,162	-
	<u>\$ 2,133,038</u>	<u>\$ 1,277,732</u>	<u>\$ 18,039,650</u>	<u>\$ 1,470,268</u>	<u>\$ 20,172,688</u>	<u>\$ 2,748,000</u>

\$245,422 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, 2025. The \$4,212,740 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, 2024. 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:

South Orangetown Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

<u>Year Ended</u>	<u>March 31,</u> <u>ERS</u>	<u>June 30,</u> <u>TRS</u>
2024	\$ -	\$ 1,085,613
2025	(376,832)	(1,350,959)
2026	509,244	10,721,365
2027	732,080	827,062
2028	(254,608)	668,099
Thereafter	-	405,462
	<u>\$ 609,884</u>	<u>\$ 12,356,642</u>

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:

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
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*

South Orangetown Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

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

Asset Type	ERS March 31, 2024		TRS June 30, 2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.00 %	33 %	6.8 %
International Equity	15	6.65	15	7.6
Private Equity	10	7.25	9	10.1
Real Estate	9	4.60	11	6.3
Domestic Fixed Income Securities	-	-	16	2.2
Global Bonds	-	-	2	0.6
High Yield Bonds	-	-	1	4.4
Global Equities	-	-	4	1.6
Private Debt	-	-	2	6.0
Real Estate Debt	-	-	6	3.2
Opportunistic/ARS Portfolio	3	5.25	-	-
Credit	4	5.40	-	-
Real Assets	3	5.79	-	-
Fixed Income	23	1.50	-	-
Cash	1	0.25	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

South Orangetown Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

TRS) or 1 percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

	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)	\$ 7,697,776	\$ 2,448,323	\$ (1,936,060)
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	\$ 40,460,973	\$ 2,656,574	\$ (29,138,560)

The components of the collective net pension liability as of the March 31, 2024 ERS measurement date and the June 30, 2023 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 240,696,851,000	\$ 138,365,121,961
Fiduciary net position	225,972,801,000	137,221,536,942
Employers' net pension liability	\$ 14,724,050,000	\$ 1,143,585,019
Fiduciary net position as a percentage of total pension liability	93.88%	99.17%

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, 2024 represent the projected employer contribution for the period April 1, 2024 through June 30, 2024 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, 2024 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, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 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, 2024 were \$245,422 to ERS and \$4,666,040 to TRS (including employee contributions of \$453,300).

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

South Orangetown Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2024

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, 2024, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	411
Active employees	<u>448</u>
	<u><u>859</u></u>

The School District’s total OPEB liability of \$237,494,567 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

The total OPEB liability in the July 1, 2023 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	3.0%, average, including inflation
Discount rate	4.09%
Healthcare cost trend rates	7.0% for 2025, decreasing 0.25% per year to an ultimate rate of 4.50% for 2035 and later years
Retirees' share of benefit-related costs	Retiree contribution rates vary by employee class and date of retirement

The discount rate was based on an average of two 20-year municipal bond indices (e.g. S&P Municipal Bond 20 Year High Grade Rate Index and Fidelity GO AA 20 Years) as of June 30, 2024.

The mortality table used for the current valuation was the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on the Employee and Healthy Annuitant Tables for both pre- and post-retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

South Orangetown Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

The School District's change in the total OPEB liability for the year ended June 30, 2024 is as follows:

Total OPEB Liability - Beginning of Year	\$ 194,014,595
Service cost	4,534,542
Interest	7,780,108
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	38,749,140
Benefit payments	<u>(7,583,818)</u>
 Total OPEB Liability - End of Year	 <u><u>\$ 237,494,567</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 (3.09%) or 1 percentage point higher (5.09%) than the current discount rate:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB Liability	<u>\$ 279,767,023</u>	<u>\$ 237,494,567</u>	<u>\$ 204,283,664</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 (6.00% decreasing to 3.50%) or 1 percentage point higher (8.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (6.00% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (7.00% decreasing to 4.50%)	1% Increase (8.00% decreasing to 5.50%)
Total OPEB Liability	<u>\$ 200,587,043</u>	<u>\$ 237,494,567</u>	<u>\$ 285,631,035</u>

For the year ended June 30, 2024, the School District recognized OPEB expense of \$14,313,790 in the district-wide financial statements. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

South Orangetown Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2024

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	\$ 49,090,854	\$ 56,414,183
Differences between expected and actual experience	<u>-</u>	<u>-</u>
	<u>\$ 49,090,854</u>	<u>\$ 56,414,183</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>	
2025	\$ 3,183,402
2026	(6,402,728)
2027	(9,332,073)
2028	(3,484,684)
2029	5,222,158
Thereafter	<u>3,490,596</u>
	<u>\$ (7,323,329)</u>

F. 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 Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>	
General Fund	\$ 84,441	\$ 5,400,000	\$ 2,112,856	\$ 11,479	\$ 7,608,776
Special Aid Fund	<u>-</u>	<u>193,277</u>	<u>-</u>	<u>-</u>	<u>193,277</u>
	<u>\$ 84,441</u>	<u>\$ 5,593,277</u>	<u>\$ 2,112,856</u>	<u>\$ 11,479</u>	<u>\$ 7,802,053</u>

Transfers are used to 1) move funds from the operating funds to the Debt Service Fund and Capital Projects Fund as debt service principal and interest payments become due and 2) move amounts earmarked in the operating funds to fulfill commitments for Special Aid Fund expenditures.

Note 3 - Detailed Notes on All Funds (Continued)

G. 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, less unexpended bond proceeds and unrestricted interest earnings.

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

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 ERS Retirement System Contributions - 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 Contributions - 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 Insurance - the component of net position that has been established to set aside funds for the deductible provisions of the School District's insurance policies in accordance with Section 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 set aside funds to cover property loss and liability claims in accordance with Section 1709(8)(c) of the Education Law of the State of New York.

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-m of the General Municipal Law of the State of New York.

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".

South Orangetown Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	General Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total
Nonspendable:					
Inventories	\$ -	\$ -	\$ -	\$ 15,259	\$ 15,259
Restricted:					
Tax certiorari	7,509,143	-	-	-	7,509,143
ERS retirement contributions	2,012,429	-	-	-	2,012,429
TRS retirement contributions	2,333,131	-	-	-	2,333,131
Liability	800,000	-	-	-	800,000
Insurance	250,000	-	-	-	250,000
Unemployment benefits	52,836	-	-	-	52,836
Employee benefits	1,665,622	-	-	-	1,665,622
Future capital projects	11,807,972	-	-	-	11,807,972
Capital projects	-	16,155,413	-	-	16,155,413
Debt service	-	-	1,525,605	-	1,525,605
Debt service - for subsequent year's expenditures	-	-	25,550	-	25,550
Special purposes - extraclassroom activities	-	-	-	137,104	137,104
Special purposes - other	-	-	-	132,727	132,727
Total Restricted	26,431,133	16,155,413	1,551,155	269,831	44,407,532
Assigned:					
Purchases on order:					
General government support	341,115	-	-	-	341,115
Instruction	163,910	-	-	-	163,910
	505,025	-	-	-	505,025
For subsequent year's expenditures -					
General Fund	672,730	-	-	-	672,730
School Lunch Fund	-	-	-	346,708	346,708
Total Assigned	1,177,755	-	-	346,708	1,524,463
Unassigned	4,423,801	-	-	-	4,423,801
Total Fund Balances	\$ 32,032,689	\$ 16,155,413	\$ 1,551,155	\$ 631,798	\$ 50,371,055

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

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

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.

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 School District is also a defendant in actions in which, on occasion, parents seek reimbursement for tuition paid by them to private schools where they have unilaterally placed (enrolled) their children. If the parents' were successful in these claims, they could receive reimbursement for both tuition and attorneys' fees. The School District rigorously contests any liability for these claims, as it feels: a) it had provided an appropriate placement for the children at issue; and b) the parents' unilateral placement are not consistent with the Individuals with Educational Disabilities Act.

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.

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

C. Risk Management

The School District and other school districts have formed a self-funded insurance company ("Company") to be owned by these districts. There are presently 340 New York State school districts who subscribe to the Company. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, school board legal liability, auto liability and auto physical damage coverage, excess insurance, equipment floaters, boilers and machinery insurance and all risk building and contents. In addition, as part of the reciprocal program, 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 general liability insurance coverage with policy limits of \$1 million per occurrence and unlimited general aggregate and an excess liability policy which provides coverage up to \$25 million. The School District also maintains liability for school board members with policy limits of \$1 million. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The School District participates in a risk sharing pool, the Rockland County Workers' Compensation Plan, in order to insure workers' compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The Plan's actuary projects that there are sufficient assets in the workers' compensation pool to offset any potential liability.

For its employee health and hospitalization insurance coverage, the School District is a participant in the New York State Employees Health Insurance Plan, a public entity risk pool operated for the benefit of New York State employers and employees of all local governments and public school districts. The Plan is considered a self-sustaining risk pool, to which the School District has essentially transferred all related risk.

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.

GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosures for risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024 (i.e., the School District's financial statements for the year ended June 30, 2025).

GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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.

South Orangetown 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)

	2024	2023	2022
Total OPEB Liability:			
Service cost	\$ 4,534,542	\$ 4,427,255	\$ 4,622,731
Interest	7,780,108	7,699,456	10,428,567
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions or other inputs	38,749,140	(7,364,672)	(92,783,283)
Benefit payments	(7,583,818)	(6,467,696)	(6,335,181)
Net Change in Total OPEB Liability	43,479,972	(1,705,657)	(84,067,166)
Total OPEB Liability – Beginning of Year	194,014,595	195,720,252	279,787,418
Total OPEB Liability – End of Year	<u>\$ 237,494,567</u>	<u>\$ 194,014,595</u>	<u>\$ 195,720,252</u>
School District's covered-employee payroll	<u>\$ 45,767,708</u>	<u>\$ 42,572,062</u>	<u>\$ 42,572,062</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>519%</u>	<u>456%</u>	<u>460%</u>
Discount Rate	<u>4.09%</u>	<u>4.00%</u>	<u>3.77%</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

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

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

See independent auditors' report.

	2021	2020	2019	2018
\$	8,803,744	\$ 7,573,030	\$ 6,892,711	\$ 6,691,952
	5,235,961	4,412,983	5,878,622	5,656,457
	-	-	-	-
	-	-	-	(479,419)
	18,346,955	63,917,221	(15,324,355)	-
	(6,247,364)	(6,230,164)	(5,029,410)	(4,304,359)
	26,139,296	69,673,070	(7,582,432)	7,564,631
	253,648,122	183,975,052	191,557,484	183,992,853 (3)
\$	<u>279,787,418</u>	<u>\$ 253,648,122</u>	<u>\$ 183,975,052</u>	<u>\$ 191,557,484</u>
\$	<u>42,591,388</u>	<u>\$ 42,591,388</u>	<u>\$ 38,922,412</u>	<u>\$ 38,922,412</u>
	<u>657%</u>	<u>596%</u>	<u>473%</u>	<u>492%</u>
	<u>2.09%</u>	<u>2.44%</u>	<u>3.50%</u>	<u>3.70%</u>

South Orangetown 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)

	2024	2023 (3)	2022 (4)	2021 (3)
School District's proportion of the net pension liability (asset)	0.232302%	0.233772%	0.237499%	0.229918%
School District's proportionate share of the net pension liability (asset)	\$ 2,656,574	\$ 4,485,839	\$ (41,156,304)	\$ 6,353,249
School District's covered payroll	\$ 41,831,900	\$ 41,469,417	\$ 41,469,417	\$ 40,311,199
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	6.35%	10.82%	(99.24%)	15.76%
Plan fiduciary net position as a percentage of the total pension liability	99.17%	98.57%	113.20%	97.76%
Discount Rate	6.95%	6.95%	6.95%	7.10%

Schedule of Contributions

	2024	2023	2022	2021
Contractually required contribution	\$ 4,212,740	\$ 4,058,515	\$ 3,841,657	\$ 3,836,978
Contributions in relation to the contractually required contribution	(4,212,740)	(4,058,515)	(3,841,657)	(3,836,978)
Contribution excess	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 43,163,319	\$ 41,831,900	\$ 41,469,417	\$ 40,311,199
Contributions as a percentage of covered payroll	9.76%	10.29%	9.26%	9.52%

(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.

See independent auditors' report.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>0.232837%</u>	<u>0.231326%</u>	<u>0.230187%</u>	<u>0.235136%</u>	<u>0.246339%</u>	<u>0.238380%</u>
<u>\$ (6,049,128)</u>	<u>\$ (4,182,987)</u>	<u>\$ (1,749,649)</u>	<u>\$ 2,518,400</u>	<u>\$ (25,587,000)</u>	<u>\$ (26,554,073)</u>
<u>\$ 39,073,117</u>	<u>\$ 38,983,729</u>	<u>\$ 37,824,904</u>	<u>\$ 36,633,540</u>	<u>\$ 36,572,105</u>	<u>\$ 37,075,915</u>
<u>(15.48%)</u>	<u>(10.73%)</u>	<u>(4.63%)</u>	<u>6.87%</u>	<u>(69.96%)</u>	<u>(71.62%)</u>
<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>
<u>7.10%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>8.00%</u>

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>\$ 4,127,391</u>	<u>\$ 3,692,683</u>	<u>\$ 4,275,109</u>	<u>\$ 4,811,000</u>	<u>\$ 4,824,686</u>	<u>\$ 6,411,090</u>
<u>(4,127,391)</u>	<u>(3,692,683)</u>	<u>(4,275,109)</u>	<u>(4,811,000)</u>	<u>(4,824,686)</u>	<u>(6,411,090)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 39,073,117</u>	<u>\$ 38,983,729</u>	<u>\$ 37,824,904</u>	<u>\$ 36,633,540</u>	<u>\$ 36,385,262</u>	<u>\$ 36,572,105</u>
<u>10.56%</u>	<u>9.47%</u>	<u>11.30%</u>	<u>13.13%</u>	<u>13.26%</u>	<u>17.53%</u>

South Orangetown 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)

	2024	2023 (3)	2022 (4)	2021 (4)
School District's proportion of the net pension liability (asset)	0.0166281%	0.0168233%	0.0163401%	0.0159793%
School District's proportionate share of the net pension liability (asset)	\$ 2,448,323	\$ 3,607,602	\$ (1,335,737)	\$ 15,911
School District's covered payroll	\$ 6,087,670	\$ 5,474,983	\$ 5,196,914	\$ 5,041,043
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	40.22%	65.89%	(25.70%)	0.32%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%
Discount Rate	5.90%	5.90%	5.90%	5.90%

Schedule of Contributions

	2024	2023	2022	2021
Contractually required contribution	\$ 716,001	\$ 612,157	\$ 802,309	\$ 699,035
Contributions in relation to the contractually required contribution	(716,001)	(612,157)	(802,309)	(699,035)
Contribution excess	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 6,128,235	\$ 5,876,467	\$ 5,196,914	\$ 5,041,043
Contributions as a percentage of covered payroll	11.68%	10.42%	15.44%	13.87%

(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.

See independent auditors' report.

<u>2020 (3)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>0.0150100%</u>	<u>0.0157293%</u>	<u>0.0140296%</u>	<u>0.0159894%</u>	<u>0.0159926%</u>	<u>0.0163551%</u>
<u>\$ 3,974,746</u>	<u>\$ 1,114,469</u>	<u>\$ 452,798</u>	<u>\$ 1,502,402</u>	<u>\$ 2,566,800</u>	<u>\$ 552,514</u>
<u>\$ 4,835,525</u>	<u>\$ 4,749,517</u>	<u>\$ 4,456,780</u>	<u>\$ 4,644,510</u>	<u>\$ 4,274,918</u>	<u>\$ 4,578,013</u>
<u>82.20%</u>	<u>23.46%</u>	<u>10.16%</u>	<u>32.35%</u>	<u>60.04%</u>	<u>12.07%</u>
<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>
<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.50%</u>

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>\$ 690,743</u>	<u>\$ 692,612</u>	<u>\$ 685,994</u>	<u>\$ 725,000</u>	<u>\$ 718,989</u>	<u>\$ 932,003</u>
<u>(690,743)</u>	<u>(692,612)</u>	<u>(685,994)</u>	<u>(725,000)</u>	<u>(718,989)</u>	<u>(932,003)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 4,835,525</u>	<u>\$ 4,749,517</u>	<u>\$ 4,456,780</u>	<u>\$ 4,644,510</u>	<u>\$ 4,458,880</u>	<u>\$ 4,676,079</u>
<u>14.28%</u>	<u>14.58%</u>	<u>15.39%</u>	<u>15.61%</u>	<u>16.12%</u>	<u>19.93%</u>

South Orangetown Central School District, New York

General Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 87,725,728	\$ 84,169,709	\$ 84,170,322	\$ -	\$ 613
Other tax items	74,721	3,630,740	3,630,740	-	-
Charges for services	65,000	65,000	155,897	-	90,897
Use of money and property	2,305,000	2,305,000	5,678,857	-	3,373,857
Sale of property and compensation for loss	-	567,777	673,265	-	105,488
State aid	16,497,297	16,497,297	17,314,598	-	817,301
Federal aid	40,000	40,000	346,278	-	306,278
Miscellaneous	407,275	684,509	893,999	-	209,490
Total Revenues	107,115,021	107,960,032	112,863,956	-	4,903,924
EXPENDITURES					
Current					
General support					
Board of education	86,130	85,015	80,840	-	4,175
Central administration	419,857	401,551	399,759	-	1,792
Finance	1,095,436	1,138,714	1,057,718	39,500	41,496
Staff	1,029,346	1,055,220	1,018,204	18,000	19,016
Central services	7,823,922	8,159,325	7,553,687	283,615	322,023
Special items	1,147,642	3,016,332	2,988,919	-	27,413
Total General Support	11,602,333	13,856,157	13,099,127	341,115	415,915
Instruction					
Instruction, administration and improvement	4,202,342	4,145,060	3,931,466	-	213,594
Teaching - Regular school Programs for students with disabilities	28,619,534	28,175,958	27,441,040	119,786	615,132
Programs for English and dual language learners	14,933,539	15,308,910	14,841,132	-	467,778
Occupational education	1,422,115	1,470,614	1,431,097	-	39,517
Teaching - Special schools	557,246	601,794	601,794	-	-
Instructional media	84,930	73,430	50,463	-	22,967
Pupil services	5,039,408	5,260,110	5,045,790	44,124	170,196
	5,496,446	5,576,183	5,433,966	-	142,217
Total Instruction	60,355,560	60,612,059	58,776,748	163,910	1,671,401
Pupil transportation	5,657,203	5,677,042	5,588,727	-	88,315
Community services	123,090	121,102	119,070	-	2,032
Employee benefits	26,360,634	26,417,856	24,807,566	-	1,610,290
Debt service					
Principal	-	238,524	238,524	-	-
Interest	-	6,346	6,346	-	-
Total Expenditures	104,098,820	106,929,086	102,636,108	505,025	3,787,953
Excess of Revenues Over Expenditures	3,016,201	1,030,946	10,227,848	(505,025)	8,691,877
OTHER FINANCING USES					
Transfers out	(5,947,356)	(7,612,856)	(7,608,776)	-	4,080
Net Change in Fund Balance	(2,931,155)	(6,581,910)	2,619,072	\$ (505,025)	\$ 8,695,957
FUND BALANCE					
Beginning of Year	2,931,155	6,581,910	29,413,617		
End of Year	\$ -	\$ -	\$ 32,032,689		

See independent auditors' report.

South Orangetown Central School District, New York

General Fund
 Schedule of Revenues Compared to Budget
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	\$ 87,725,728	\$ 84,169,709	\$ 84,170,322	\$ 613
OTHER TAX ITEMS				
School tax relief reimbursement	-	3,556,019	3,556,019	-
Payments in lieu of taxes	74,721	74,721	74,721	-
	74,721	3,630,740	3,630,740	-
CHARGES FOR SERVICES				
Day school tuition - Other districts	-	-	88,854	88,854
Continuing education tuition - Individuals	50,000	50,000	44,555	(5,445)
Admissions	15,000	15,000	22,226	7,226
Other charges for services	-	-	262	262
	65,000	65,000	155,897	90,897
USE OF MONEY AND PROPERTY				
Earnings on investments	575,000	575,000	3,891,576	3,316,576
Rental of real property	1,730,000	1,730,000	1,787,281	57,281
	2,305,000	2,305,000	5,678,857	3,373,857
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	567,777	664,630	96,853
Other	-	-	8,635	8,635
	-	567,777	673,265	105,488

STATE AID					
Basic formula	12,786,486	12,786,486	12,307,808	(478,678)	
BOCES	1,578,157	1,578,157	2,379,199	801,042	
Lottery aid	1,803,000	1,803,000	2,345,542	542,542	
Textbook aid	170,000	170,000	170,032	32	
Computer software aid	62,459	62,459	64,260	1,801	
Library aid	17,195	17,195	17,806	611	
Other	80,000	80,000	29,951	(50,049)	
	<u>16,497,297</u>	<u>16,497,297</u>	<u>17,314,598</u>	<u>817,301</u>	
FEDERAL AID					
Medical assistance	40,000	40,000	85,178	45,178	
Emergency Connectivity Fund Program	-	-	261,100	261,100	
	<u>40,000</u>	<u>40,000</u>	<u>346,278</u>	<u>306,278</u>	
MISCELLANEOUS					
Other	-	277,234	14,293	(262,941)	
Gifts and donations	7,275	7,275	9,500	2,225	
Refund of prior year's expenditures	400,000	400,000	870,206	470,206	
	<u>407,275</u>	<u>684,509</u>	<u>893,999</u>	<u>209,490</u>	
	<u>\$ 107,115,021</u>	<u>\$ 107,960,032</u>	<u>\$ 112,863,956</u>	<u>\$ 4,903,924</u>	

See independent auditors' report.

South Orangetown Central School District, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 30,230	\$ 30,944	29,571	\$ -	\$ 1,373
District clerk	37,800	34,342	33,842	-	500
District meeting	18,100	19,729	17,427	-	2,302
Total Board of Education	86,130	85,015	80,840	-	4,175
CENTRAL ADMINISTRATION					
Chief school administrator	419,857	401,551	399,759	-	1,792
FINANCE					
Business administration	852,056	877,634	841,604	-	36,030
Accounting and auditing	130,500	150,200	109,700	39,500	1,000
Treasurer	17,780	15,780	14,929	-	851
Purchasing	95,100	95,100	91,485	-	3,615
Total Finance	1,095,436	1,138,714	1,057,718	39,500	41,496
STAFF					
Legal	150,447	130,654	105,660	18,000	6,994
Personnel	556,089	588,211	576,734	-	11,477
Records management	13,410	11,910	11,505	-	405
Public information and services	309,400	324,445	324,305	-	140
Total Staff	1,029,346	1,055,220	1,018,204	18,000	19,016

CENTRAL SERVICES								
Operation and maintenance of plant	7,525,253	7,951,803	7,348,551	283,615	319,637			
Central data processing	298,669	207,522	205,136	-	2,386			
Total Central Services	7,823,922	8,159,325	7,553,687	283,615	322,023			
SPECIAL ITEMS								
Unallocated insurance	419,729	387,664	365,040	-	22,624			
Judgment and claims	45,000	45,000	45,000	-	-			
Assessments on school property	114,000	114,000	109,211	-	4,789			
Refunds on real property taxes	-	1,900,755	1,900,755	-	-			
Administrative charge - BOCES	568,913	568,913	568,913	-	-			
Total Special Items	1,147,642	3,016,332	2,988,919	-	27,413			
Total General Support	11,602,333	13,856,157	13,099,127	341,115	415,915			
INSTRUCTION								
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT								
Curriculum development and supervision	1,785,042	1,738,795	1,571,209	-	167,586			
Supervision - Regular school	2,417,300	2,406,265	2,360,257	-	46,008			
Total Instruction, Administration and Improvement	4,202,342	4,145,060	3,931,466	-	213,594			
TEACHING - REGULAR SCHOOL	28,619,534	28,175,958	27,441,040	119,786	615,132			
PROGRAMS FOR STUDENTS WITH DISABILITIES	14,933,539	15,308,910	14,841,132	-	467,778			
PROGRAMS FOR ENGLISH AND DUAL LANGUAGE LEARNERS	1,422,115	1,470,614	1,431,097	-	39,517			
OCCUPATIONAL EDUCATION	557,246	601,794	601,794	-	-			
TEACHING - SPECIAL SCHOOLS	84,930	73,430	50,463	-	22,967			

(Continued)

South Orangetown Central School District, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
 Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
INSTRUCTION (Continued)					
INSTRUCTIONAL MEDIA					
School library and audiovisual	\$ 700,175	\$ 691,953	\$ 667,701	\$ -	\$ 24,252
Computer assisted instruction	4,339,233	4,568,157	4,378,089	44,124	145,944
Total Instructional Media	5,039,408	5,260,110	5,045,790	44,124	170,196
PUPIL SERVICES					
Guidance - Regular school	1,527,419	1,534,651	1,499,071	-	35,580
Health services - Regular school	695,558	702,309	669,238	-	33,071
Psychological services - Regular school	884,354	908,025	902,606	-	5,419
Social work services - Regular school	342,030	346,345	342,441	-	3,904
Co-curricular activities - Regular school	517,679	528,130	491,606	-	36,524
Interscholastic athletics - Regular school	1,529,406	1,556,723	1,529,004	-	27,719
Total Pupil Services	5,496,446	5,576,183	5,433,966	-	142,217
Total Instruction	60,355,560	60,612,059	58,776,748	163,910	1,671,401
PUPIL TRANSPORTATION					
District transportation services	214,179	220,227	198,300	-	21,927
Transportation from BOCES	901,000	974,746	974,746	-	-
Contract and public carrier transportation	4,542,024	4,482,069	4,415,681	-	66,388
Total Pupil Transportation	5,657,203	5,677,042	5,588,727	-	88,315
COMMUNITY SERVICES					
Teachers	123,090	121,102	119,070	-	2,032

EMPLOYEE BENEFITS						
State retirement	850,263	850,263	753,408	-	96,855	
Teachers' retirement	4,523,115	4,523,115	4,172,250	-	350,865	
Social security	3,954,756	3,954,756	3,565,108	-	389,648	
Hospital, medical and dental insurance	16,612,734	16,626,647	15,964,173	-	662,474	
Workers' compensation benefits	125,000	132,554	132,554	-	-	
Life insurance	30,000	23,175	13,507	-	9,668	
Unemployment benefits	25,000	75,000	12,189	-	62,811	
Disability insurance	13,200	13,200	11,920	-	1,280	
Union welfare benefits	124,466	117,641	84,405	-	33,236	
Other benefits	102,100	101,505	98,052	-	3,453	
Total Employee Benefits	26,360,634	26,417,856	24,807,566	-	1,610,290	
DEBT SERVICE						
Principal	-	-	-	-	-	
Leases	-	238,524	238,524	-	-	
Interest	-	-	-	-	-	
Leases	-	6,346	6,346	-	-	
Total Debt Service	-	244,870	244,870	-	-	
TOTAL EXPENDITURES	104,098,820	106,929,086	102,636,108	505,025	3,787,953	
OTHER FINANCING USES						
Transfers out						
School Lunch Fund	5,000	11,479	11,479	-	-	
Special Aid Fund	95,000	88,521	84,441	-	4,080	
Debt Service Fund	2,147,356	2,112,856	2,112,856	-	-	
Capital Projects Fund	3,700,000	5,400,000	5,400,000	-	-	
TOTAL OTHER FINANCING USES	5,947,356	7,612,856	7,608,776	-	4,080	
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 110,046,176	\$ 114,541,942	\$ 110,244,884	\$ 505,025	\$ 3,792,033	

See independent auditors' report.

South Orangetown Central School District, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project Through June 30, 2024

PROJECT	Authorization	Expenditures and Transfers to Date		
		Prior Years	Current Year	Total
2018-19 Minor Capital Project	\$ 1,455,739	\$ 718,369	\$ -	\$ 718,369
2021-22 Minor Capital Project	3,866,418	4,039,445	362,506	4,401,951
Smart School Bond	1,029,143	94,800	759,179	853,979
2022-23 District Wide Renovations	49,932,000	1,679,885	4,600,075	6,279,960
2022-23 Minor Capital Project	2,061,413	310,870	1,512,228	1,823,098
2022-23 Playground Project Elementary School	310,496	117,219	193,277	310,496
TZHS Boilers Project	1,700,000	-	82,698	82,698
WOS Classrooms	1,700,000	-	377,357	377,357
2023-24 Minor Capital Project	2,000,000	-	698,232	698,232
Totals	<u>\$ 64,055,209</u>	<u>\$ 6,960,588</u>	<u>\$ 8,585,552</u>	<u>\$ 15,546,140</u>

See independent auditors' report.

Unexpended Balance	Methods of Financing			Fund Balance (Deficit) at June 30, 2024
	Interfund Transfers	Other	Total	
\$ 737,370	\$ 1,455,739	\$ -	\$ 1,455,739	\$ 737,370
(535,533)	3,866,418	28,120	3,894,538	(507,413)
175,164	-	-	-	(853,979)
43,652,040	18,000,000	579,367	18,579,367	12,299,407
238,315	2,000,000	61,413	2,061,413	238,315
-	310,496	-	310,496	-
1,617,302	1,700,000	-	1,700,000	1,617,302
1,322,643	1,700,000	-	1,700,000	1,322,643
1,301,768	2,000,000	-	2,000,000	1,301,768
<u>\$ 48,509,069</u>	<u>\$ 31,032,653</u>	<u>\$ 668,900</u>	<u>\$ 31,701,553</u>	<u>\$ 16,155,413</u>

South Orangetown Central School District, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2024

	School Lunch	Special Purpose	Total Non-Major Governmental Funds
ASSETS			
Cash and equivalents	\$ 507,914	\$ 276,497	\$ 784,411
Receivables			
State and Federal aid	28,544	-	28,544
Due from other governments	8,281	-	8,281
	<u>36,825</u>	<u>-</u>	<u>36,825</u>
Inventories	15,259	-	15,259
Total Assets	<u>\$ 559,998</u>	<u>\$ 276,497</u>	<u>\$ 836,495</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 72,949	\$ 6,561	\$ 79,510
Accrued liabilities	681	-	681
Due to other funds	65,776	105	65,881
Due to other governments	66	-	66
Unearned revenues	58,559	-	58,559
Total Liabilities	<u>198,031</u>	<u>6,666</u>	<u>204,697</u>
Fund balances			
Nonspendable	15,259	-	15,259
Restricted	-	269,831	269,831
Assigned	346,708	-	346,708
Total Fund Balances	<u>361,967</u>	<u>269,831</u>	<u>631,798</u>
Total Liabilities and Fund Balances	<u>\$ 559,998</u>	<u>\$ 276,497</u>	<u>\$ 836,495</u>

See independent auditors' report.

South Orangetown Central School District, New York

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Non-Major Governmental Funds
 Year Ended June 30, 2024

	School Lunch	Special Purpose	Total Non-Major Governmental Funds
REVENUES			
Use of money and property	\$ -	\$ 3,026	\$ 3,026
State aid	14,451	-	14,451
Federal aid	588,685	-	588,685
Food sales	591,543	-	591,543
Miscellaneous	10	541,311	541,321
	<u>1,194,689</u>	<u>544,337</u>	<u>1,739,026</u>
EXPENDITURES			
Current			
Cost of food sales	1,191,662	-	1,191,662
Other	-	585,238	585,238
	<u>1,191,662</u>	<u>585,238</u>	<u>1,776,900</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,027</u>	<u>(40,901)</u>	<u>(37,874)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>11,479</u>	<u>-</u>	<u>11,479</u>
Net Change in Fund Balance	14,506	(40,901)	(26,395)
FUND BALANCES			
Beginning of Year	<u>347,461</u>	<u>310,732</u>	<u>658,193</u>
End of Year	<u>\$ 361,967</u>	<u>\$ 269,831</u>	<u>\$ 631,798</u>

See independent auditors' report.

South Orangetown Central School District, New York

General Fund
Analysis of Change from Adopted Budget to Final Budget
Year Ended June 30, 2024

Adopted Budget		\$ 108,815,021
Additions - Encumbrances		<u>1,231,155</u>
Original Budget		110,046,176
Budget Amendments		<u>2,795,766</u>
Final Budget		<u><u>\$ 112,841,942</u></u>

General Fund
Section 1318 of Real Property Tax Law Limit Calculation

2024-25 Expenditure Budget		<u>\$ 110,595,035</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	\$ 1,177,755	
Unassigned fund balance	<u>4,423,801</u>	
Total Unrestricted Fund Balance		<u>5,601,556</u>
Less		
Appropriated for subsequent year's budget	672,730	
Encumbrances	<u>505,025</u>	
Total Adjustments		<u>1,177,755</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u><u>\$ 4,423,801</u></u>
Actual Percentage		<u><u>4.00%</u></u>

See independent auditors' report.

South Orangetown Central School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2024

Capital Assets, net		\$ 68,789,380
Less		
Bonds payable	\$ (4,865,000)	
Leases payable	(204,073)	
Accounts payable	(792,495)	
Unamortized portion of issuance premium on bonds	<u>(536,343)</u>	(6,397,911)
Plus		
Unamortized portion of loss on refunding bonds		<u>72,799</u>
Net Investment in Capital Assets		<u>\$ 62,464,268</u>

See independent auditors' report.

**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
South Orangetown 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 South Orangetown Central School District, New York ("School District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 24, 2024.

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

September 24, 2024



**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
South Orangetown Central School District, New York**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the South Orangetown 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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("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

September 24, 2024

South Orangetown Central School District, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Sub- recipients</u>	<u>Total Federal Expenditures</u>
<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	\$ -	\$ 55,782
National School Lunch Program - Commodities	10.555	N/A	-	42,559
National School Lunch Program - Cash	10.555	N/A	-	424,319
Child Nutrition Discretionary Grants Limited Availability	10.579	0005-23-0129	-	66,025
Subtotal Child Nutrition Cluster			-	588,685
Total U.S. Department of Agriculture			-	588,685
<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 (IDEA, Part B)	84.027	0032-24-0770	-	734,412
Special Education - Grants to States (ARP Supplemental 611)	84.027X	5532-22-0770	-	10,919
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-24-0770	-	39,320
Subtotal Special Education Cluster			-	784,651
Title I Grants to Local Educational Agencies	84.010	0021-23-2550	-	21,548
Title I Grants to Local Educational Agencies	84.010	0021-24-2550	-	291,582
			-	313,130
Supporting Effective Instruction State Grants	84.367	0147-23-2550	-	44,412
Supporting Effective Instruction State Grants	84.367	0147-24-2550	-	14,306
			-	58,718
English Language Acquisition State Grants	84.365	0293-24-2550	-	16,958
Student Support and Academic Enrichment Program	84.424	0204-23-2550	-	4,733
Elementary and Secondary School Emergency Relief Fund (CRRSA ESSER)	84.425D	5891-21-2550	-	193,277
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5880-21-2550	-	378,712
American Rescue Plan Homeless Children and Youth Fund	84.425W	5218-21-2250	-	1,162
			-	573,151
Total U.S. Department of Education			-	1,751,341
<u>U.S. Federal Communications Commission</u>				
Direct Program -				
Emergency Connectivity Fund Program	32.009	N/A	-	261,100
Total Expenditures of Federal Awards			\$ -	\$ 2,601,126

N/A - Information not available

The accompanying notes are an integral part of this schedule.

South Orangetown Central School District, New York

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the South Orangetown Central School District, New York ("School District") under programs of the federal government for the year ended June 30, 2024. 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.

South Orangetown Central School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

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 No
 Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major federal programs:

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

Yes No
 Yes 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 No

Identification of major federal programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

84.425D

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

84.425U

American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund

84.425W

American Rescue Plan Homeless Children and Youth Fund

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

\$750,000

Auditee qualified as low-risk auditee?

Yes No

South Orangetown Central School District, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended June 30, 2024

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None