

PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the School 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 School 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.

\$19,946,498

MAHOPAC CENTRAL SCHOOL DISTRICT PUTNAM COUNTY, NEW YORK

\$19,946,498 Bond Anticipation Notes – 2024 (the "Notes")

Dated: July 25, 2024

Due: July 25, 2025

The Notes will be general obligations of the Mahopac Central School District, Putnam County, New York (the "District" or "School District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation as to rate or amount. See "THE NOTES – Nature of the Obligation" herein.

The Notes are not subject to redemption prior to maturity.

At the option of the purchaser(s), the Note will be issued as book-entry only or registered in the name of the purchaser(s). If such Note is issued as registered in the name of the purchaser(s), principal of and interest on the Note will be payable in Federal Funds. In such case, a single note certificate will be issued for those Notes of an issue bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

Alternatively, if the Note is issued as book-entry only, the Note will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Note. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser(s) elects to register the Note. Such Note will be issued in denominations of \$5,000 or integral multiples thereof as may be determined by such successful bidder(s) except for one odd necessary denomination which is or includes \$6,498. If the Note is issued as registered notes, payment of the principal of and interest on the Note to the Beneficial Owner(s) of the Note will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "DESCRIPTION OF BOOK-ENTRY-ONLY SYSTEM" herein.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on July 10, 2024 until 11:00 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

THE DATE OF THIS PRELIMINARY OFFICIAL STATEMENT IS JULY 2, 2024

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

MAHOPAC CENTRAL SCHOOL DISTRICT PUTNAM COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

ADAM SAVINO⁽¹⁾
President

FERNANDO MARTINEZ⁽¹⁾
Vice President

BEN DILULLO
DAVID FURFARO
MICHAEL MARTIN
LUCY MASSAFRA
TANNER MCCracken
MICHAEL MONGON
JONATHAN SCHNIEDER

* * * * *

ADMINISTRATION

CHRISTINE TONA
Superintendent of Schools

ALYSSA MURRAY
Assistant Superintendent for Finance and Operations

CHRISTINA HOWE
Interim Assistant Superintendent for Finance and Operations

JOSE GUEVARA
Assistant Business Manager/Treasurer

MELODY LAROCCA
District Clerk

THOMAS DROHAN WAXMAN PETIGROW & MAYLE, LLP
School District Attorney



Bond Counsel



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

⁽¹⁾-Subject to change at a board meeting on July 8, 2024.

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



Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051

www.fiscaladvisors.com

**PRELIMINARY OFFICIAL STATEMENT
OF THE
MAHOPAC CENTRAL SCHOOL DISTRICT
PUTNAM COUNTY, NEW YORK
RELATING TO
\$19,946,498 Bond Anticipation Notes – 2024**

This Official Statement, which includes the cover page, has been prepared by the Mahopac Central School District, Putnam County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$19,946,498 principal amount of Bond Anticipation Notes – 2024 (the "Notes").

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

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

THE NOTES

Description of the Notes

The Notes 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, the laws of the State, including, among others, the Local Finance Law and the Education Law, and various bond resolutions adopted by the Board of Education as set forth below.

<u>Date Authorized</u>	<u>Original Issue Date</u>	<u>Purpose</u>	<u>Amount Outstanding</u>	<u>Note Paydown</u>	<u>New Money</u>	<u>Amount of the Notes</u>
6/11/2019	8/27/2019	School Buses	\$ 226,000	\$ 226,000	\$ -	\$ -
6/17/2021	2/17/2022	School Buses	530,100	265,050	-	265,050
6/16/2022	7/28/2022	School Buses	888,000	222,000	-	666,000
6/13/2019	7/28/2022	Capital Project	10,000,000	195,000	-	9,805,000
6/13/2019	7/28/2022	Capital Project	7,000,000	-	-	7,000,000
6/15/2023	11/30/2023	School Buses	1,200,000	240,000	-	960,000
5/23/2024	7/25/2024	School Buses	-	-	1,250,448	1,250,448
			<u>\$ 19,844,100</u>	<u>\$ 1,148,050</u>	<u>\$ 1,250,448</u>	<u>\$ 19,946,498</u>

The proceeds of the Notes, along with \$1,148,050 available funds of the District, will partially redeem and renew \$19,844,100 bond anticipation notes maturing July 26, 2024 and provide \$1,250,448 new money for the abovementioned purposes.

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)

The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures (such as the Notes), or the refinancing or refunding of such bonds or notes. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance or refinance deficits and certain judgments, including tax certiorari refund payments. (See "The Tax Levy Limit Law" herein.)

REMEDIES UPON DEFAULT

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

Upon default in the payment of principal of or interest on the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Notes, the owners of such Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

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

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

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

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

SECTION 99-B OF THE STATE FINANCE LAW

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

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

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

NO PAST DUE DEBT

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

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, a limited-purpose trust company organized under the New York Banking Law, is a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

If the book-entry form is initially chosen by the purchaser(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 as may be determined by such successful bidder(s) except for one odd necessary denomination which is or includes \$6,498. 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.

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

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "State Aid" and "Events Affecting New York School Districts" herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

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

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

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

CYBERSECURITY

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

TAX MATTERS

In the opinion of 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

General Matters. In common with other school districts, the District from time to time receives various notices of claim and is party to litigation. In the opinion of legal counsel to the District, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

Tax Certiorari Proceedings. The District is also a party to various tax certiorari proceedings instituted under Article 7 of the Real Property Tax Law. In these actions, taxpayers claim that their current real property assessment is excessive and ask that such assessment be reduced. Generally, tax claims request a refund of taxes applicable to the alleged over assessment. Claims of this nature are filed continuously and some cases may not be settled for several years or more. It is not unusual for certain taxpayers to have multiple pending claims affecting a period of years. It is not possible to estimate the outcome of all pending tax certiorari cases. Tax certiorari claims are frequently settled for amounts substantially less than the original claims. In addition, settlements sometimes provide for reduced assessments in future years rather than a refund of taxes previously paid. The District maintains a tax certiorari reserve which has a balance of \$10,559,364 as of June 30, 2024. Pursuant to State law, the District has designated its tax certiorari reserve for the settlement of specific claims including certain large items. The District may also finance tax settlements by issuing debt pursuant to provisions set forth in the Local Finance Law.

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*”.

Compliance History. The District made a late interest payment due on July 31, 2020 with respect to the \$2,463,960 Bond Anticipation Notes for Various Purposes – 2019. The payment was subsequently made by the District one business day later on August 3, 2020, immediately after becoming aware of the missed payment. Due to an administrative oversight, the District failed to pay a total of \$313,668.67 in interest due on June 1, 2021. The District paid said interest on June 2, 2021, immediately after becoming aware of the missed payment. The missed interest payment was due to an administrative error and does not reflect an inability or unwillingness to pay by the District.

The District was 3 days late in filing its audited financial statement for the fiscal year ended June 30, 2021. The audit was due to be filed not later than December 31, 2021 but was not filed to EMMA until January 3, 2022. The District was 9 days late in filing its annual financial information and operating data for the fiscal year ending June 30, 2021. The annual financial information and operating data was due to be filed not later than December 31, 2021 but was not filed to EMMA until January 9, 2022.

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

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 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 downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds.

THE SCHOOL DISTRICT

General Information

The District is located wholly within the County and lies approximately 45 miles north of New York City. The major component of the District is the Town of Carmel (comprising approximately 95% of the property valuation of the District). The Town of Putnam Valley makes up the remaining portion of the District. The majority of the population for the District resides in the Town of Carmel. Residents of the District receive their basic municipal services from the towns making up the District. The County is responsible for providing social and certain health related programs. The District is primarily residential in nature. Residents are employed locally as well as in New York City or the Metropolitan New York Area. Unemployment rates reported for the County in recent years have been substantially less than both State and national averages. Wealth levels for District residents exceed State norms. (See "Selected Wealth and Income Indicators," herein).

Source: District officials.

District Population

The 2022 estimated population of the District is 27,350. (Source: U.S. Census Bureau, 2018-2022 American Community Survey 5-Year Estimates).

Major Public Sector Employers in the County

<u>Name</u>	<u>Type</u>	<u>Approximate Number of Employees</u>
Carmel Central School District	Public Education	816
Putnam County	County Government	807
Mahopac Central School District	Public Education	770
Brewster Central School District	Public Education	652
Putnam Valley Central School District	Public Education	299
Haldane Central School District	Public Education	155
Town of Carmel	Town Government	131
Town of Kent	Town Government	108
Town of Putnam Valley	Town Government	80
Town of Philipstown	Town Government	65
NYS Department of Transportation	Public	50
Garrison Union Free School District	Public Education	50

Source: Putnam County Department of Planning.

Major Private Sector Employers in the County

<u>Name</u>	<u>Type</u>	<u>Approximate Number of Employees</u>
Putnam Hospital Center	Health Services	900
Green Chimneys	Services	519
Ace Endico	Food Service & Retail	507
The ARC of Putnam	Services	375
Hudson Valley Cerebral Palsy Assoc	Services	264
Putnam Precision Products, Inc	Manufacturing	250
Big V ShopRite Supermarket	Retail	250
Home Depot	Retail	250
Arms Acres, Inc.	Services	230
CareMount Medical PC	Health Services	223
Acme Supermarkets (3 locations)	Food Services & Retail	172
TOPS	Food Services & Retail	150
Friars of the Atonement	Services	148
DeCiccio Family Market	Food Services & Retail	125
Stop&Shop	Food Services & Retail	125
Powers Fasteners, Inc	Manufacturing	107
Dairy Conveyor Corp	Manufacturing	85
Silarx Pharmaceuticals, Inc	Manufacturing	76
Kohl's Department Store	Retail	75
Tompkins Mahopac Bank	FIRE	74
MV Contract Transportation	Transportation	72
Akzo Nobel Corp.	Manufacturing	70
Lamothermic Corporation	Manufacturing	68
Unilock	Manufacturing	62
Materion Advanced Materials	Manufacturing	60
Fryer Machine Systems, Inc.	Manufacturing	55
Dunmore Corporation	Manufacturing	54

Source: Putnam County Department of Planning

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 includes the District, are the Towns and the Counties listed below. The figures set below with respect to such information are included for information only. It should not be inferred from the inclusion of such data in this Official Statement that the Towns or the Counties or State are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>
Towns of:						
Carmel	\$ 39,060	\$ 47,214	\$ 51,526	\$108,743	\$ 124,003	\$ 140,947
Putnam Valley	36,538	51,427	54,158	94,034	129,115	144,129
County of:						
Putnam	37,915	47,533	53,105	101,576	122,394	137,946
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

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

Source: 2006-2010, 2016-2020 and 2018-2022 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 includes the District) is the County of Putnam. The information set forth below with respect to the Counties is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that information for the County of Putnam is necessarily representative of the District, or vice versa.

	<u>Annual Average</u>						
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Town of Carmel	4.2%	3.6%	3.5%	7.6%	4.3%	3.0%	3.1%
Putnam County	4.2	3.7	3.6	7.2	4.2	3.0	3.1
New York State	4.6	4.1	3.8	9.9	7.0	4.3	4.2

	<u>2024 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Town of Carmel	3.5%	3.6%	3.3%	3.0%	N/A	N/A
Putnam County	3.5	3.7	3.5	3.1	N/A	N/A
New York State	4.3	4.5	4.2	3.9	N/A	N/A

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

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

Financial Organization and Accounting Procedures

The financial accounts of the District are maintained in accordance with the New York State Uniform System of Accounting for School Districts. Such accounts are audited annually by independent auditors, and are available for public inspection upon request.

District Organization

The District is an independent entity governed by an elected board of education comprised of nine members. District operations are subject to the provisions of the State Education Law affecting school districts and other statutes applicable to the District.

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

The Board of Education appoints the superintendent of schools who serves at the pleasure of the Board of Education. Such superintendent is the chief executive officer of the District and is an ex-officio member of the Board of Education with the right to speak on all matters before the Board of Education but not to vote. It is the responsibility of the superintendent to enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities under the direction of the Board of Education. Certain of the financial functions of the District are the responsibility of the Assistant Superintendent for Finance and Operations.

Budgetary Procedures and Recent Budget Votes

The District’s fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District’s financial plan and enrollment projection are reviewed and updated and the first draft of the next year’s proposed budget is developed by the central office staff. During the winter and early spring the budget is developed and refined in conjunction with the school building principals and department supervisors. The District’s budget is subject to the provisions of the Tax Levy Limit Law, which imposes a limitation on the amount of real property taxes that a school district may levy, and by law is submitted to voter referendum. (See “The Tax Levy Limit Law” herein).

The budget for the 2023-24 fiscal year was approved by the qualified voters on May 16, 2023 by a vote of 1,294 yes to 1,105 no. The adopted budget included a total tax levy increase of 2.75%, which was within the District’s tax levy limit for the 2023-24 fiscal year.

The budget for the 2024-25 fiscal year was approved by the qualified voters on May 21, 2024 by a vote of 1,161 yes to 921 no. The adopted budget included a total tax levy increase of 1.98%, which was within the District’s tax levy limit for the 2024-25 fiscal year.

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

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law, the District has 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 Assistant Superintendent for Finance and Operations or 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.

Authorized Investments. The District has designated six banks or trust companies which are located and authorized to conduct business in the State to receive deposits of money. The District is permitted to invest in special time deposits or certificates of deposit.

In addition to bank deposits, the District is permitted to invest moneys in 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 and obligations of the State. Other eligible investments for the District include: 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. Such collateral must consist of the “eligible securities,” “eligible surety bonds” or “eligible letter of credit” as described in the law.

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 of 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 2024-25 fiscal year, approximately 28.67% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 and 2021 to 2023 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to

school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017, the 2023-24 State Budget which was not adopted until May 3, 2023 and the 2025-26 State Budget which was not adopted until April 20, 2024. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal aid received by the State.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances.

Since March 2020, the State has been awarded over \$14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated \$2,367,264 under the American Rescue Plan (ARP) and \$3,672,828 under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). The District is anticipated to receive \$1,226,846 ARP funds and all of its allocated 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 2024-25 preliminary building aid ratios, the District expects to receive State building aid of approximately 60.6% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history:

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

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

School district fiscal year (2021-2022): The State's 2021-22 Enacted Budget included \$29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of \$629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, \$105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget included \$31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also included \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocated \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increased federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School district fiscal year (2023-2024): The State's 2023-24 Enacted Budget includes \$34.5 billion for school aid, an increase of \$3.1 billion or 10%, which is the highest level of State aid to date. The States 2023-24 Budget also provides a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provides \$134 million to increase access to free school meals. An additional \$20 million in grant funding will establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional \$150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

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

State Aid Litigation

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

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

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

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years, the 2023-24 and 2024-25 budgeted figures and 2023-2024 unaudited figures 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>
2018-2019	\$121,168,130	\$32,593,438	26.9%
2019-2020	121,108,866	31,431,903	26.0
2020-2021	122,191,807	31,525,420	25.8
2021-2022	122,585,679	30,529,242	24.9
2022-2023	131,397,839	34,124,625	26.0
2023-2024 (Budgeted)	134,547,881	37,076,643	27.6
2023-2024 (Unaudited)	142,597,036	41,220,628	28.9
2024-2025 (Budgeted)	140,103,772	40,168,985	28.7

Source: 2018-19 through and including the 2022-23 audited financial statements, the adopted budgets of the District for the 2023-24 and 2024-25 fiscal years and unaudited figures for the 2023-2024 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>Years Built/Additions</u>
Mahopac High School	9-12	1,518	1967, 2002
Mahopac Middle School	6-8	1,313	1972, 2001
Mahopac Falls Elementary	K	810	1962
Fulmar Road Elementary	1-5	810	1967
Austin Road Elementary	1-5	875	1964, 2000
Lakeview Elementary	1-5	810	1936, 1954

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2019-2020	3,972	2024-2025	3,842
2020-2021	3,841	2025-2026	3,876
2021-2022	3,887	2026-2027	3,871
2022-2023	3,889	2027-2028	3,859
2023-2024	3,946	2028-2029	4,100

Source: District officials.

Employees

The District provides service through approximately 788 union and non-union employees. Union employees are represented by the following units of organized labor.

<u>Union Representation</u>	<u>Number of Employees</u>	<u>Contract Expiration Date</u>
MTA	420	June 30, 2027
MTAA	87	June 30, 2028
USWOM	126	June 30, 2028
UPSEU CLERICAL	57	June 30, 2025
UPSEU SUPV	13	June 30, 2027
AMA ADMIN	21	June 30, 2024 ⁽¹⁾
UPSEU MONITORS	50	June 30, 2028

⁽¹⁾ Currently in negotiations.

Note: There are also 14 managerial confidential employees that are not part of any bargaining unit.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. 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.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the last four years, budgeted figures for the 2023-24 and 2024-2025 fiscal years and unaudited figures for the 2023-2024 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2019-2020	\$ 1,791,974	\$ 4,724,969
2020-2021	1,846,750	5,162,712
2021-2022	1,653,324	5,531,008
2022-2023	1,461,770	5,727,523
2023-2024 (Budgeted)	1,978,317	5,914,636
2023-2024 (Unaudited)	1,809,782	5,837,857
2024-2025 (Budgeted)	2,227,020	6,015,542

Source: District officials.

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.

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 (2019-20 to 2023-24) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2019-20	14.6%	8.86%
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	16.1	10.29
2023-24	13.1	9.76
2024-25	15.2	10.02*

* Estimated.

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

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

Stable Rate Pension Contribution Option. The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 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 School District has established such a reserve fund as of June 30, 2022. The balance of June 31, 2024 is expected to be \$4,498,948.

Other Post-Employment Benefits

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

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

GASB 75. In 2015, the Governmental Accounting Standards Board (“GASB”) released new accounting standards for public Other Post-Employment Benefits (“OPEB”) plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires school districts to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45, school districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires school districts to report the entire OPEB liability on the statement of net position. As of the fiscal year ended June 30, 2018, the District was required to, and had implemented GASB 75.

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.

The District contracted with Aquarius Capital Solutions Group LLC to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2022 and 2023 fiscal years, by source.

	Balance beginning at:	July 1, 2021	July 1, 2022
		<u>\$ 328,065,449</u>	<u>\$ 265,977,937</u>
<u>Changes for the year:</u>			
Service cost		6,084,075	5,834,808
Interest on total OPEB liability		12,235,454	10,489,654
Effect of plan changes		-	-
Effect of demographic gains or losses		-	-
Effect of assumption changes or other inputs		(73,371,847)	(10,230,762)
Benefit payments		<u>(7,035,194)</u>	<u>(7,473,178)</u>
Net Changes		<u>\$ (62,087,512)</u>	<u>\$ (1,379,478)</u>
	Balance ending at:	June 30, 2022	June 30, 2023
		<u>\$ 265,977,937</u>	<u>\$ 264,598,459</u>

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability for fiscal year ended June 30, 2023, see "APPENDIX - E" 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.

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2023 and may be found attached hereto as "APPENDIX-E" to this Official Statement. The audited financial report for fiscal year ended June 30, 2024 is not complete as of the date of this Official Statement. Certain financial information of the School District can also be found attached as Appendices to this Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in the State by the State Comptroller. Except for the accounting for fixed assets, this system conforms to 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).

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 School 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 most recent New York State Comptroller's audit report of the School District was released on October 9, 2020. The purpose of the audit was to determine whether District officials implemented a system to ensure that noninstructional payroll was properly segregated, authorized and recorded and overtime was adequately documented and supported.

Key findings:

- The transportation department's payroll was not adequately approved, supported and documented.
- Payments to the head bus driver were not always properly approved, calculated and documented.
- The Union President received an additional hour of overtime pay daily that was not properly supported by documentation.

Key recommendations:

- Direct supervisors should review and approve all time cards.
- Ensure that employees punch in and out each time they start and end their work shifts.
- The District could have potentially reduced overtime costs by \$10,320 if it had used part-time bus monitors and drivers instead of bus mechanics.

A copy of the complete reports including the District's response to the findings and recommendations can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

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

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, nor incorporation thereof.

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 to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past three fiscal years of the District are as follows:

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

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, nor incorporation thereof.

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 Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Towns of:					
Carmel	\$ 3,608,318,021	\$ 3,716,565,882	\$ 3,878,394,051	\$ 4,217,196,234	\$ 4,621,804,284
Putnam Valley CSD	176,441,255	181,734,493	191,952,074	210,227,019	233,601,114
Total Assessed Values	<u>\$ 3,784,759,276</u>	<u>\$ 3,898,300,375</u>	<u>\$ 4,070,346,125</u>	<u>\$ 4,427,423,253</u>	<u>\$ 4,855,405,398</u>
State Equalization Rates					
Towns of:					
Carmel	100.00%	100.00%	100.00%	100.00%	100.00%
Putnam Valley CSD	100.00%	100.00%	100.00%	100.00%	100.00%

Taxable Full Valuations

Towns of:					
Carmel	\$ 3,608,318,021	\$ 3,716,565,882	\$ 3,878,394,051	\$ 4,217,196,234	\$ 4,621,804,284
Putnam Valley CSD	176,441,255	181,734,493	191,952,074	210,227,019	233,601,114
Total Taxable Full Valuation	<u>\$ 3,784,759,276</u>	<u>\$ 3,898,300,375</u>	<u>\$ 4,070,346,125</u>	<u>\$ 4,427,423,253</u>	<u>\$ 4,855,405,398</u>

Source: District officials.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assessed Value: ⁽¹⁾					
Towns of:					
Carmel	\$ 24.17	\$ 22.32	\$ 22.04	\$ 21.48	\$ 20.09
Putnam Valley CSD	24.18	22.32	22.04	21.47	20.11

⁽¹⁾ Includes library.

Source: District officials.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Tax Levy ⁽¹⁾	\$ 86,528,671	\$ 87,968,121	\$ 89,755,706	\$ 92,226,576	\$ 94,816,238
Amount Uncollected ⁽²⁾	-	-	-	-	-

⁽¹⁾ Levy as originally adopted per tax warrant. However, annual tax levies may be subject to reduction as a result of tax certiorari claims settlements.

⁽²⁾ The District receives 100% of its tax levy each year. See "Tax Collection Procedures" herein.

Source: District officials.

Tax Collection Procedure

The Board of Education of the District levies real property taxes after such taxes have been approved by the District's voters. District taxes become a lien upon the final adoption of the District tax roll by the Board of Education. Unpaid interest on school taxes is deemed part of the tax and together with such original tax remains a lien until paid. District taxes are collected by the component towns of the District between September 1 and November 1. Such taxes may be paid during the month of September without interest. Generally, payments received on or after October 1 must include interest computed at 1% per month from September 1. On or about November 1, the various school tax collecting officers transmit a listing of unpaid taxes to the District. A certified listing of unpaid taxes must be transmitted to the County not later than November 15. Unpaid school taxes with 7% added thereto are relieved by the County and thereafter collected and enforced in the same manner as real property taxes levied for County purposes. The County must remit the full amount of unpaid taxes to the District by April 1 of the succeeding calendar year. Thus the District is guaranteed 100% of its taxes in the year of levy.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years, 2023-24 and 2024-25 budgeted figures and 2023-2024 unaudited figures comprised of real property taxes and tax items.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total Real Property Taxes</u> ⁽²⁾	<u>Percentage of Total Revenues Consisting of Real Property Taxes</u>
2018-2019	\$121,168,130	\$84,826,529	70.0%
2019-2020	121,108,866	86,574,265	71.5
2020-2021	121,191,807	87,998,426	72.0
2021-2022	122,585,679	89,752,825	73.2
2022-2023	131,397,839	86,606,797	65.9
2023-2024 (Budgeted)	134,547,881	94,816,238	70.5
2023-2024 (Unaudited)	142,597,036	94,686,787	66.4
2024-2025 (Budgeted)	140,103,772	96,759,787	69.1

⁽¹⁾ General Fund only. Does not include Appropriated Fund Balance.

⁽²⁾ Inclusive of Real Property Tax Items, which represents STAR tax payments made to the District by the State. (See "STAR -School Tax Exemption" herein).

Source: 2018-2019 through and including the 2022-2023 audited financial statements, the adopted budgets of the District for the 2023-2024 and 2024-2025 fiscal years and unaudited figures for 2023-2024.

Ten Largest Taxpayers – 2023 Assessment Roll for 2023-24 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
NYSEG	Public Utility	\$ 173,700,054
New York City Dept. of Water Improvements Owner LLC	City Reservoir	59,387,980
New York Electric & Gas Corp.	Shopping Center	16,970,400
Central Hudson Gas & Electric	Public Utility	14,391,534
New York Electric & Gas Corp.	Public Utility	10,986,653
Mahopac Drive In Theater	Public Utility	10,787,146
New York Electric & Gas Corp.	Shopping Center	10,270,300
Suez Water NY	Public Utility	9,251,756
Verizon New York	Water Supply Systems	9,093,100
	Public Utility	7,458,006

The larger taxpayers listed above have a total assessed valuation of \$322,296,989 that represents 6.64% of the tax base of 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 2023-2024, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$81,400 for the 2023-24 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

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

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

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

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District:

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Carmel	\$130,480	\$ 46,600	4/9/2024
Putnam Valley	130,480	46,600	4/9/2024

\$5,061,002 of the District’s \$94,816,238 school tax levy for the 2023-2024 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2024.

Approximately \$5,115,154 of the District’s \$96,694,787 school tax levy for the 2024-2025 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2025.

TAX LEVY LIMIT LAW

Chapter 97 of the New York Laws of 2011, as amended, (herein referred to as the “Tax Levy Limit Law” or “Law”) modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year’s budget or one hundred twenty percent (120%) of the consumer price index (“CPI”).

Under the Tax Levy Limit Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, subject to certain exclusions as mentioned below and as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, 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 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 (such as the Notes) and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

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.

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

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York, provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

Debt Outstanding End of Fiscal Year

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 9,800,000	\$ 31,935,000	\$ 31,210,000	\$ 32,520,000	\$ 30,600,000
Bond Anticipation Notes	<u>5,593,960</u>	<u>2,703,220</u>	<u>2,695,980</u>	<u>12,738,540</u>	<u>19,844,100</u>
Total Debt Outstanding	<u>\$ 15,393,960</u>	<u>\$ 34,638,220</u>	<u>\$ 32,093,500</u>	<u>\$ 45,258,540</u>	<u>\$ 50,444,100</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the School District evidenced by bonds and notes as of July 2, 2024.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2024-2042	\$ 30,600,000
<u>Bond Anticipation Notes</u>		
Capital Improvements & Buses	July 26, 2024	18,644,100 ⁽¹⁾
Buses	July 26, 2024	<u>1,200,000 ⁽¹⁾</u>
	Total Indebtedness	<u>\$ 50,444,100</u>

- ⁽¹⁾ To be partially redeemed and renewed with a portion of the proceeds of the Notes and available funds of the District. (See "THE NOTES - Authority for and Purpose of Issue" herein)

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 2, 2024:

Full Valuation of Taxable Real Property	\$ 4,855,405,398
Debt Limit 10% thereof	485,540,539

Inclusions:

Bonds	\$ 30,600,000
Bond Anticipation Notes	<u>19,844,100</u>
Total Inclusions	<u>\$ 50,444,100</u>

Exclusions:

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

Total Net Indebtedness	<u>\$ 50,444,100</u>
Net Debt-Contracting Margin	<u>\$ 435,096,439</u>
The percent of debt contracting power exhausted is	10.39%

- ⁽¹⁾ Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2024-25 Building Aid Ratios, the School District anticipates State Building aid of 60.6% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its capital project indebtedness.

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.

Bonded Debt Service

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

Energy Performance Contract Lease

On August 31, 2021, District entered into an energy performance contract lease financing agreement with Bank of America Public Capital Corp in the principal amount of \$3,737,418 and at an interest rate of 1.83% to finance equipment and related work for the implementation of energy conservation measures pursuant to an energy performance contract between the Issuer and Ameresco, Inc. The last payment is expected to be made in February 2036.

Capital Project Plans

On May 21, 2019, District voters authorized the issuance of \$53,960,100 serial bonds to pay the cost of construction of improvements and alterations to various District buildings and sites (the “Project”). As of the date of this official statement, the District issued an aggregate of \$52,000,000 of bonds and notes pursuant to such authorization leaving \$1,960,100 which the District expects to issue at a later date.

On May 21, 2023, District voters approved a \$1,250,448 authorization for the purchase of school buses. The Notes will provide \$1,250,448 new money for this authorization. The District issues annually for the purchase of buses.

The District has no other capital projects authorized or contemplated at this time.

Cash Flow Borrowing

The District is authorized by law to issue tax anticipation notes and revenue anticipation notes to provide cash for operating expenditures. Borrowings for this purpose are restricted by formulas contained in the Local Finance Law and the regulations issued under the U.S. Internal Revenue Code of 1986, as amended. Notes may be renewed from time to time but not beyond three years in the case of revenue anticipation notes or five years for tax anticipation notes. In common with other school districts in the State, the District finds it necessary from time to time to borrow in anticipation of the receipt of its real property taxes. In the past, the District has paid all notes on their due date, and no notes have been outstanding at the end of the fiscal year. The District has not issued tax anticipation notes during the last five fiscal years.

Estimated Overlapping Indebtedness

In addition to the School District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the School District. The estimated outstanding indebtedness of such political subdivisions is as follows:

<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:						
Putnam	6/29/2023	\$ 42,360,000 ⁽³⁾	\$ 3,215,000	\$ 39,145,000	26.36%	\$ 10,318,622
Town of:						
Carmel	8/30/2023	35,523,000 ⁽³⁾	6,590,295	28,932,705	74.07%	21,430,455
Putnam Valley	12/31/2022	2,617,000 ⁽⁴⁾	- ⁽⁵⁾	2,617,000	10.62%	<u>277,925</u>
Total:						<u>\$ 32,027,002</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.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of July 2, 2024:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 50,444,100	\$ 1,844.39	1.04%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	82,471,102	3,015.40	1.70

(a) The 2022 estimated population of the District is 27,350. (See "*THE SCHOOL DISTRICT – District Population*" herein.)

(b) The District's full value of taxable real estate for the 2023-2024 tax roll is \$4,855,405,398. (See "*TAX INFORMATION – Taxable Assessed Valuations*" herein.)

(c) See "Debt Statement Summary" herein.

(d) Estimated net overlapping indebtedness is \$32,027,002. (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.

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: Alyssa Murray, Assistant Superintendent for Business, 179 East Lake Boulevard, Mahopac, New York 10541, (845) 628-3415 x. 10410, e-mail: murraya@mahopac.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

This Official Statement has been duly executed and delivered by the President of the Board of Education of the School District.

MAHOPAC CENTRAL SCHOOL DISTRICT

Dated: July 2, 2024

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

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 3,133,885	\$ 6,422,401	\$ 9,753,482	\$ 8,991,938	\$ 8,244,254
Restricted Cash	1,006	1,010	-	-	-
Investments	18,318,423	15,535,872	17,113,749	19,957,856	37,911,281
Accounts Receivables	315,276	475,313	19,324	135,718	298,526
State and Federal Aid Receivable	4,550,528	3,353,299	3,165,533	2,742,615	3,962,889
Due from Other Governments	1,090,000	555,000	161,329	27,150	3,057,150
Due from Other Funds	549,644	1,413,221	1,162,302	3,116,865	8,760,109
Prepaid Expenditures	-	-	-	-	-
TOTAL ASSETS	<u>\$ 27,958,762</u>	<u>\$ 27,756,116</u>	<u>\$ 31,375,719</u>	<u>\$ 34,972,142</u>	<u>\$ 62,234,209</u>
DEFERRED INFLOW OF RESOURCES					
Deferred Revenue - State Aid	\$ 961,543	\$ -	\$ -	\$ -	\$ 3,030,000
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable and Accrued Liabilities	\$ 2,993,560	\$ 2,573,759	\$ 1,116,662	\$ 1,624,421	\$ 1,733,083
Due to Other Funds	785,098	4,909	6,013	-	19,131,685
Due to Retirement Systems	6,333,376	5,437,920	5,952,114	6,206,054	6,556,059
Unearned Revenues	1,145,688	610,688	15,731	23,506	63,895
TOTAL LIABILITIES	<u>11,257,722</u>	<u>8,627,276</u>	<u>7,090,520</u>	<u>7,853,981</u>	<u>27,484,722</u>
<u>FUND EQUITY</u>					
Restricted	\$ 8,049,681	\$ 10,663,715	\$ 15,267,116	\$ 18,327,464	\$ 21,084,941
Assigned	2,790,991	3,534,682	3,960,859	3,620,243	5,084,399
Unassigned	4,898,825	4,930,443	5,057,224	5,170,454	5,550,147
TOTAL FUND EQUITY	<u>15,739,497</u>	<u>19,128,840</u>	<u>24,285,199</u>	<u>27,118,161</u>	<u>31,719,487</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 27,958,762</u>	<u>\$ 27,756,116</u>	<u>\$ 31,375,719</u>	<u>\$ 34,972,142</u>	<u>\$ 62,234,209</u>

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
REVENUES					
Real Property Taxes	\$ 75,263,532	\$ 76,626,806	\$ 79,480,524	\$ 81,384,797	\$ 83,677,490
Real Property Tax Items	8,770,518	8,199,723	7,093,741	6,613,629	6,075,335
Charges for Services	201,836	559,465	624,365	612,058	567,224
Use of Money & Property	314,669	1,043,523	805,512	208,011	304,064
Sale of Property and					
Compensation for Loss	21,929	36,411	581,500	33,947	103,311
Miscellaneous	1,198,742	1,812,971	1,072,808	1,498,789	974,392
Revenues from State Sources	32,229,062	32,593,438	31,431,903	31,525,420	30,529,242
Medicaid Reimbursement	181,154	295,793	18,513	315,156	354,621
Total Revenues	<u>\$ 118,181,442</u>	<u>\$ 121,168,130</u>	<u>\$ 121,108,866</u>	<u>\$ 122,191,807</u>	<u>\$ 122,585,679</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>100,000</u>	<u>194,375</u>	<u>-</u>	<u>299,933</u>
Total Revenues and Other Sources	<u>118,181,442</u>	<u>121,268,130</u>	<u>121,303,241</u>	<u>122,191,807</u>	<u>122,885,612</u>
EXPENDITURES					
General Support	\$ 10,904,089	\$ 10,723,650	\$ 11,007,370	\$ 10,966,924	\$ 11,548,906
Instruction	68,545,987	70,026,684	69,021,943	69,330,712	69,949,941
Pupil Transportation	5,740,291	6,352,490	5,361,974	4,359,160	5,174,022
Community Services	-	-	-	-	-
Employee Benefits	27,569,264	28,590,289	28,811,328	29,246,980	29,524,327
Debt Service	4,895,923	4,865,942	3,457,147	2,843,377	2,676,176
Total Expenditures	<u>\$ 117,655,554</u>	<u># \$ 120,559,055</u>	<u># \$ 117,659,762</u>	<u># \$ 116,747,153</u>	<u># \$ 118,873,372</u>
Other Uses:					
Interfund Transfers	<u>245,120</u>	<u>835,964</u>	<u>254,136</u>	<u>288,295</u>	<u>1,179,278</u>
Total Expenditures and Other Uses	<u>117,900,674</u>	<u>121,395,019</u>	<u>117,913,898</u>	<u>117,035,448</u>	<u>120,052,650</u>
Excess (Deficit) Revenues Over					
Expenditures	<u>280,768</u>	<u>(126,889)</u>	<u>3,389,343</u>	<u>5,156,359</u>	<u>2,832,962</u>
FUND BALANCE					
Fund Balance - Beginning of Year	15,585,618	15,866,386	15,739,497	19,128,840	24,285,199
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 15,866,386</u>	<u>\$ 15,739,497</u>	<u>\$ 19,128,840</u>	<u>\$ 24,285,199</u>	<u>\$ 27,118,161</u>

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2023			2024	2025
	Original Budget	Modified Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 86,618,267	\$ 86,618,267	\$ 86,606,797	\$ 94,816,238	\$ 96,694,787
Other Tax Items	5,673,309	5,673,309	5,667,263	65,000	65,000
Charges for Services	840,000	840,000	1,228,504	125,000	125,000
Use of Money & Property	224,900	224,900	2,398,298	935,000	1,450,000
Sale of Property and Compensation for Loss	-	-	36,586	-	-
Miscellaneous	534,587	534,587	1,096,986	1,530,000	1,600,000
Revenues from State Sources	34,999,726	34,999,726	34,124,625	37,076,643	40,168,985
Medicaid Reimbursement	160,000	160,000	238,780	-	-
Total Revenues	<u>\$ 129,050,789</u>	<u>\$ 129,050,789</u>	<u>\$ 131,397,839</u>	<u>\$ 134,547,881</u>	<u>\$ 140,103,772</u>
Other Sources:					
Appropriated Fund Balance	3,802,377	3,802,377	-	2,988,056	2,339,792
Interfund Transfers	425,000	425,000	-	425,000	-
Total Revenues and Other Sources	<u>133,278,166</u>	<u>133,278,166</u>	<u>131,397,839</u>	<u>137,960,937</u>	<u>142,443,564</u>
EXPENDITURES					
General Support	\$ 13,064,761	\$ 13,879,330	\$ 11,904,481	\$ 13,347,509	\$ 13,529,420
Instruction	75,010,352	77,142,403	73,904,888	78,677,767	81,590,178
Pupil Transportation	6,841,186	6,141,199	5,278,304	7,001,798	7,031,318
Community Services	-	-	-	-	-
Employee Benefits	32,998,460	30,954,437	30,334,769	33,590,008	35,004,037
Debt Service	4,222,667	3,843,357	4,064,337	5,343,855	5,288,611
Total Expenditures	<u>\$ 132,137,426</u>	<u>\$ 131,960,726</u>	<u>\$ 125,486,779</u>	<u>\$ 137,960,937</u>	<u>\$ 142,443,564</u>
Other Uses:					
Interfund Transfers	1,140,740	1,317,440	1,309,734	-	-
Total Expenditures and Other Uses	<u>133,278,166</u>	<u>133,278,166</u>	<u>126,796,513</u>	<u>137,960,937</u>	<u>142,443,564</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>4,601,326</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	27,118,161	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,719,487</u>	<u>\$ -</u>	<u>\$ -</u>

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2024	\$ 1,920,000	\$ 1,100,176	\$ 3,020,176
2025	1,825,000	1,009,476	2,834,476
2026	1,920,000	921,851	2,841,851
2027	2,010,000	829,569	2,839,569
2028	2,105,000	732,632	2,837,632
2029	2,205,000	631,031	2,836,031
2030	2,315,000	524,520	2,839,520
2031	2,405,000	428,418	2,833,418
2032	2,485,000	350,507	2,835,507
2033	2,545,000	292,681	2,837,681
2034	2,605,000	233,419	2,838,419
2035	2,660,000	178,961	2,838,961
2036	2,635,000	128,586	2,763,586
2037	1,880,000	77,100	1,957,100
2038	185,000	40,200	225,200
2039	195,000	32,800	227,800
2040	200,000	25,000	225,000
2041	210,000	17,000	227,000
2042	215,000	8,600	223,600
TOTALS	<u>\$ 32,520,000</u>	<u>\$ 7,562,522</u>	<u>\$ 40,082,522</u>

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2014			2020A		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 175,000	\$ 7,000	\$ 182,000	\$ 405,000	\$ 262,950	\$ 667,950
2025	-	-	-	425,000	242,700	667,700
2026	-	-	-	450,000	221,450	671,450
2027	-	-	-	470,000	198,950	668,950
2028	-	-	-	495,000	175,450	670,450
2029	-	-	-	520,000	150,700	670,700
2030	-	-	-	545,000	124,700	669,700
2031	-	-	-	570,000	97,450	667,450
2032	-	-	-	595,000	74,650	669,650
2033	-	-	-	610,000	56,800	666,800
2034	-	-	-	630,000	38,500	668,500
2035	-	-	-	645,000	25,900	670,900
2036	-	-	-	650,000	13,000	663,000
TOTALS	\$ 175,000	\$ 7,000	\$ 182,000	\$ 7,010,000	\$ 1,683,200	\$ 8,693,200

Fiscal Year Ending June 30th	2020B (Taxable)			2021		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 50,000	\$ 17,598	\$ 67,598	\$ 1,175,000	\$ 706,540	\$ 1,881,540
2025	55,000	16,348	71,348	1,225,000	647,790	1,872,790
2026	55,000	14,973	69,973	1,290,000	586,540	1,876,540
2027	55,000	13,598	68,598	1,360,000	522,040	1,882,040
2028	55,000	12,223	67,223	1,425,000	454,040	1,879,040
2029	55,000	10,848	65,848	1,495,000	382,790	1,877,790
2030	60,000	9,473	69,473	1,570,000	308,040	1,878,040
2031	60,000	7,972	67,972	1,630,000	245,240	1,875,240
2032	60,000	6,473	66,473	1,680,000	196,340	1,876,340
2033	65,000	4,973	69,973	1,715,000	162,740	1,877,740
2034	65,000	3,348	68,348	1,750,000	128,440	1,878,440
2035	65,000	1,690	66,690	1,780,000	93,440	1,873,440
2036	-	-	-	1,810,000	63,180	1,873,180
2037	-	-	-	1,700,000	30,600	1,730,600
TOTALS	\$ 700,000	\$ 119,512	\$ 819,512	\$ 21,605,000	\$ 4,527,760	\$ 26,132,760

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	Principal	2022 Interest	Total
2024	\$ 115,000	\$ 106,088	\$ 221,088
2025	120,000	102,638	222,638
2026	125,000	98,888	223,888
2027	125,000	94,981	219,981
2028	130,000	90,919	220,919
2029	135,000	86,693	221,693
2030	140,000	82,307	222,307
2031	145,000	77,756	222,756
2032	150,000	73,044	223,044
2033	155,000	68,168	223,168
2034	160,000	63,131	223,131
2035	170,000	57,931	227,931
2036	175,000	52,406	227,406
2037	180,000	46,500	226,500
2038	185,000	40,200	225,200
2039	195,000	32,800	227,800
2040	200,000	25,000	225,000
2041	210,000	17,000	227,000
2042	215,000	8,600	223,600
TOTALS	\$ 3,030,000	\$ 1,225,050	\$ 2,672,544

FORM OF APPROVING LEGAL OPINION

July 25, 2024

The Board of Education of the
Mahopac Central School District,
in the County of Putnam, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Mahopac Central School District, (the “School District”), in the County of Putnam, 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 \$19,946,498 Bond Anticipation Note-2024 (the “Note”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof. Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

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

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

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

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

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

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

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

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

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

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 **Mahopac Central School District**, in the County of Putnam, 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 July 25, 2024.

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

“Securities” shall mean the Issuer’s \$19,946,498 Bond Anticipation Notes-2024, dated July 25, 2024, maturing on July 25, 2025, and delivered on the date hereof.

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;

- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the 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 **July 25, 2024**.

MAHOPAC CENTRAL SCHOOL DISTRICT

By _____
President of the Board of Education

**MAHOPAC CENTRAL SCHOOL DISTRICT
PUTNAM COUNTY, NEW YORK**

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

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.

Mahopac Central School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2023

Mahopac Central School District, New York

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Mahopac Central School District, New York

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Independent Auditors' Report

**The Board of Education of the
Mahopac 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 Mahopac Central School District, New York ("School District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2023, and the respective changes in financial position and the respective 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 October 9, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 9, 2023

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Mahopac Central School District, New York

Management's Discussion and Analysis ("MD&A") June 30, 2023

Introduction

Our discussion and analysis of the Mahopac Central School District, New York's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2023. It should be read in conjunction with the basic financial statements, which immediately follows this section, to enhance understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2022-2023 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 that 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 \$5,518,437 or 3.9%.
- As of the close of the current fiscal year, the School District's general fund financial statements reports an ending fund balance of \$31,719,487, an increase of \$4,601,326 from the prior year. The majority of increase was due to the receipt of Federal Stimulus Aid as part of the Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded the assets and deferred outflows of resources at the close of its most recent fiscal year by \$210,591,713. This represented a decrease of \$5,042,276 for the year ended June 30, 2023.
- For the year ended June 30, 2023, the School District's OPEB liability of \$264,598,459 is reflected on the district-wide Statement of Net Position and impacts the total net position calculation. More detailed information about the School District's OPEB obligations reported in accordance with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*, is presented in Note 3E in the notes to the financial statements.
- The district-wide financial statements for the year ended June 30, 2023 are also significantly impacted by the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions."* This pronouncement established accounting and financial reporting requirements associated with the School District's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS"). Under this standard, cost-sharing employers are required to report in their district-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At June 30, 2023, the School District reported in its Statement of Net Position a liability for its proportionate share of the ERS net pension liability of \$6,796,660 and a liability of \$6,112,108 for its proportionate share of the TRS net pension liability. More detailed information about the School District's pension plan reporting in accordance with the provisions

of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in Note 3E in the notes to financial statements.

Overview of the Financial Statements

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

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.

- The *statement of net position* presents information on all of the School District's assets, liabilities and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
- The *statement of activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, other, interest and general administrative support.

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

Fund Financial Statements

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

provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

- The School District maintains six individual governmental funds; General Fund, Capital Projects Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund and Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Special Aid Fund and Capital Projects Fund, which are considered to be major funds. Data for the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

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

Notes to Financial Statements

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

Other Information

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

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 the Mahopac Central School District, New York, liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources by \$210,591,713 at the close of the current fiscal year.

Statement of Net Position

	June 30,	
	2023	2022
Current Assets	\$ 61,439,876	\$ 110,666,907
Capital Assets, net	74,451,144	66,358,561
Total Assets	<u>135,891,020</u>	<u>177,025,468</u>
Deferred Outflows of Resources	<u>60,964,255</u>	<u>73,369,016</u>
Current Liabilities	22,147,550	11,415,835
Long-term Liabilities	<u>324,522,520</u>	<u>312,657,372</u>
Total Liabilities	<u>346,670,070</u>	<u>324,073,207</u>
Deferred Inflows of Resources	<u>60,776,918</u>	<u>131,870,714</u>
Net Position		
Net Investment in Capital Assets	37,602,096	36,499,731
Restricted	22,654,884	19,451,152
Unrestricted	<u>(270,848,693)</u>	<u>(261,500,320)</u>
Total Net Position	<u>\$ (210,591,713)</u>	<u>\$ (205,549,437)</u>

A large component of the School District's net position \$37,602,096 reflects its investment in capital assets, less any related debt that is still outstanding that was used to acquire those assets. The School District uses these capital assets to provide services to students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions listed above constitute \$22,654,884 of net position and are comprised of amounts restricted for specific purposes, i.e., payments of tax certiorari claims, capital projects, debt service, retirement contributions, etc. There is a negative balance of unrestricted net position of \$270,848,693 primarily a result of the recognition of the OPEB liabilities. Overall, net position increased by \$5,042,276 mostly as a result in the change in OPEB and pension assets and liabilities.

Changes in Net Position

	June 30,	
	2023	2022
REVENUES		
Program Revenues		
Charges for Services	\$ 2,294,674	\$ 918,550
Operating Grants and Contributions	6,327,721	7,551,584
Capital Grants and Contributions	3,749,941	44,229
Total Program Revenues	12,372,336	8,514,363
General Revenues		
Real Property Taxes	86,606,797	83,677,490
Other Tax Items	5,667,263	6,075,335
Unrestricted Use of Money and Property	1,552,003	23,128
Sale of Property and Compensation for Loss	36,586	103,311
Unrestricted State Aid	33,568,729	30,223,245
Miscellaneous	876,004	969,343
Total General Revenues	128,307,382	121,071,852
Total Revenues	140,679,718	129,586,215
PROGRAM EXPENSES		
General Support	19,110,908	13,647,676
Instruction	114,803,613	106,856,375
Pupil Transportation	8,359,677	8,360,511
Cost of Food Sales	1,541,269	1,174,920
Other	419,733	318,311
Interest	1,486,794	1,079,112
Total Expenses	145,721,994	131,436,905
Change in Net Position	(5,042,276)	(1,850,690)
NET POSITION		
Beginning	(205,549,437)	(203,698,747)
Ending	<u>\$ (210,591,713)</u>	<u>\$ (205,549,437)</u>

The following are the major changes in Net Position:

Revenues:

- Real Property Taxes increased by \$2,929,307 based on the adopted budget.
- Operating Grants and Contributions decreased by \$1,223,863 primary due to the sun setting of the State and Federal Stimulus aid used to support District programs.
- Other tax items include reimbursements received under the School Tax Relief Reimbursement Program ("STAR"). The STAR program provides tax relief to homeowners through State

reimbursement to the School District. Other tax items decreased by \$408,072 because new home owners are reimbursed by the State directly in lieu of a credit on tax bills.

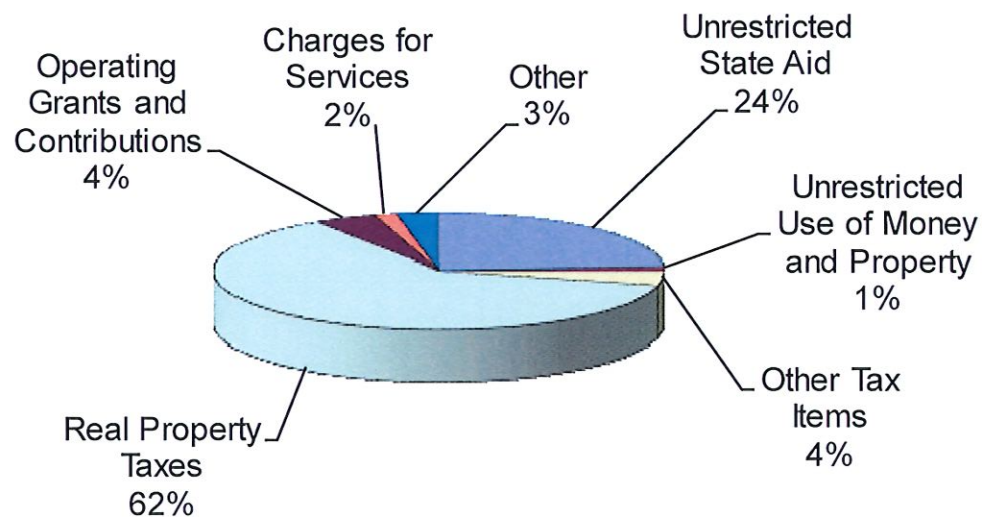
- Charges for services increased by \$1,376,124 due to increases in day school tuition.

Expenses:

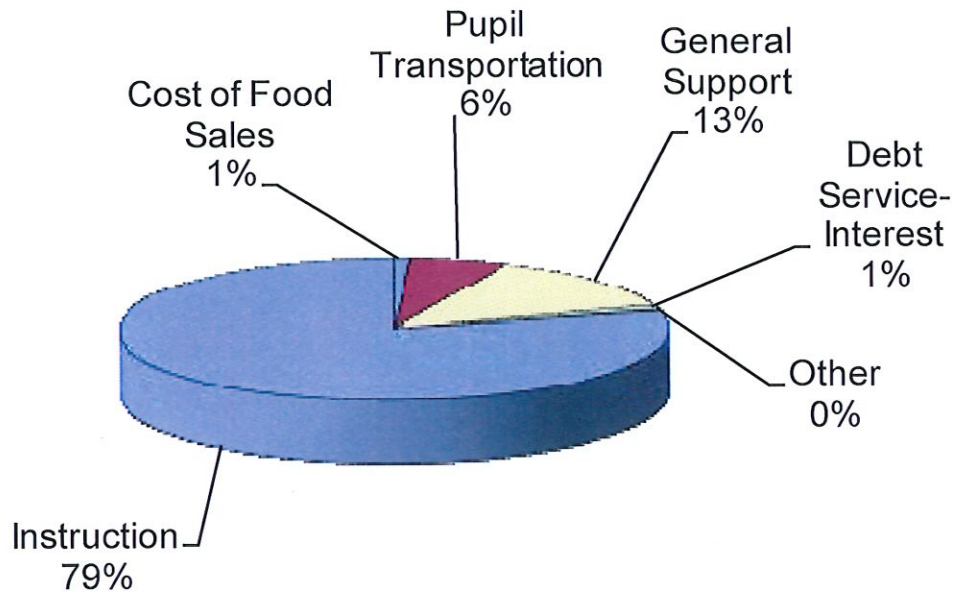
Overall expenses increased by \$14,285,089 from the prior year. This increase was primarily due to instruction cost increasing. Since the State and Federal Stimulus aid used to support District programs are sun setting, the school district had to move expenses once covered by grants back into the General Fund.

The School District relies upon real property taxes as its primary revenue source. The School District's instruction costs account for 79% of its expenses.

Sources of Revenue for Fiscal Year End 2023 Governmental Activities



Expenses for Fiscal Year End 2023 Governmental Activities



Financial Analysis of the School District's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the School District's general fund reported combined fund balance of \$31,719,487, an increase of \$4,601,326 from the prior year. The \$31,719,487 fund balance consists of the following:

Nonspendable -		
	Advances	<u>31,710</u>
Restricted:		
	Tax Certiorari	10,112,715
	Workers' Compensation	51,970
	Unemployment Benefits	389,773
	Employee Benefit Accrued Liability	2,354,055
	ERS Retirement Contributions	2,593,615
	TRS Retirement Contributions	3,228,353
	Debt Service	126,114
	Tax Reduction	197,238
	Future Capital Projects	<u>2,031,108</u>
Total Restricted		<u>21,084,941</u>
Assigned:		
Purchases On Order:		
	General Government Support	1,152,216
	Instruction	923,197
	Pupil Transportation	<u>203,064</u>
		2,278,477
Subsequent year's expenditures from-		
General Fund		<u>2,805,922</u>
Total Assigned		<u>5,084,399</u>
Unassigned -		<u>5,518,437</u>
	Total Fund Balances	<u><u>\$ 31,719,487</u></u>

The General Fund is the primary operating fund of the School District. Revenues and other financing sources were more than the final budget by \$1,922,050, or 1.5%. Expenditures excluding other financing uses, inclusive of encumbrances, were \$4,203,176 less than the final budget. This favorable variance was achieved by controlling expenditures.

Capital Assets

At June 30, 2023, the School District had \$74,451,144 net of accumulated depreciation, invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below.

Class	June 30,	
	2023	2022
Land	\$ 558,530	\$ 558,530
Buildings and Improvements	34,850,847	36,959,025
Land improvements		
Machinery and Equipment	4,119,437	3,593,989
Construction-in-Progress	34,922,330	25,247,017
Total Capital Assets, net of accumulated depreciation	<u>\$ 74,451,144</u>	<u>\$ 66,358,561</u>

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

Long-Term Debt

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

	June 30,	
	2023	2022
Bonds Payable	\$ 35,785,107	\$ 34,714,836
Energy Performance Contract Debt	4,419,156	5,332,086
Compensated Absences	6,811,030	6,632,513
Net Pension Liability - TRS/ERS	6,796,660	-
Other Post Employment Benefit Liability	6,112,108	-
	<u>264,598,459</u>	<u>265,977,937</u>
Total	<u>\$ 324,522,520</u>	<u>\$ 312,657,372</u>

More detailed information about the School District's long-term liabilities is presented in Note 3E in the notes to financial statements.

Future Considerations

There are a number of inter-related considerations that require discussion: Budget, Inflation Enrollment and Tax Certioraris.

Budget:

The School District relies heavily on its real property taxes, which represents approximately 62% of its revenue. Although there have been escalating expenditures and a myriad of mandates, the School District continues to hold the tax rate increases to a minimum and well below the Tax Cap. Although the School District's share of State aid increased marginally as a percentage of the revenue the future is always uncertain with aid being tied to factors which the state may decide in the future.

On the expenditure side there are decreased costs for instruction due to retirements and unanticipated delays in filling vacancies. Effective for the 2012-2013 school year, legislation has been passed capping tax levy increases to 2% or CPI whichever is lower. With CPI trending higher, contractual agreements in place, health care expenses trending significantly higher and an aging infrastructure the challenge of presenting a fiscally responsible budget, while meeting the needs of children and mandates, will require effective and efficient management of School District operations in future years and long-term financial planning.

Future budget considerations will have to take into consideration the rate of inflation that we are experiencing across the nation. The district will have to be very mindful of budgeting and monitoring the cost of utilities, pension and employee benefit costs.

Enrollment:

The School District had seen a slight decrease in enrollment to approximately 3,880 students in 2022-2023. The start of the 2023-2024 school year is indicating marginal increases in this and the upcoming years.

The School District continues to experience high numbers of students who qualify for special education and English Language Learner services. It is important to note though, that while State aid helps to offset much of the increased cost to the School District, the cost of educating special education students is higher than regular education students. These services continue to impact finances of the School District.

Tax Certiorari:

The School District has been made aware of a very significant tax certiorari filed by the City of New York ("City") regarding the watershed properties they own within the Town of Carmel.

The City has challenged the Town's assessments in 2017, 2018, 2019 and 2020. The City is seeking significant reductions in the assessments. The total refund exposure would exceed approximately \$6.8 million. It could take several years for the case to be resolved. Knowing the tremendous exposure for this proceeding, the district is working on funding the tax certiorari reserve so that when a settlement is reached, the district can fund the potential refund from the reserve to the greatest extent possible so as to minimize the impact on instruction and the taxpayer. However, it is not possible to determine the outcome of this matter at this time. The district will continue to monitor the ongoing proceedings.

Requests for Information

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

Mahopac Central School District
Attention: Alyssa Murray
Assistant Superintendent for Finance & Operations
100 Myrtle Avenue
Mahopac, NY 10541-1666

Mahopac Central School District, New York

Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 8,890,529
Restricted cash	391,783
Investments	43,011,632
Receivables	
Accounts	298,526
State and Federal aid	5,763,497
Due from other governments	3,057,150
Inventories	26,759
Capital assets	
Not being depreciated	35,480,860
Being depreciated, net	38,970,284
Total Assets	<u>135,891,020</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	37,595,488
OPEB related	<u>23,368,767</u>
Total Deferred Outflows of Resources	<u>60,964,255</u>
LIABILITIES	
Current liabilities	
Accounts payable	866,902
Accrued liabilities	1,166,718
Deposits payable	8,917
Employee payroll deductions	54,978
Bond anticipation notes payable	12,738,540
Unearned revenues	174,099
Due to other governments	1,232
Due to retirement systems	6,556,059
Accrued interest payable	580,105
Non-current liabilities	
Due within one year	3,654,086
Due in more than one year	<u>320,868,434</u>
Total Liabilities	<u>346,670,070</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	3,336,718
OPEB related	<u>57,440,200</u>
Total Deferred Inflows of Resources	<u>60,776,918</u>
NET POSITION	
Net investment in capital assets	37,602,096
Restricted	
Tax certiorari	10,112,715
Workers' compensation benefits	51,970
Unemployment benefits	389,773
ERS retirement contributions	2,593,615
TRS retirement contributions	3,228,353
Debt service	3,675,862
Tax reduction	197,238
Special purposes	354,981
Future capital projects	2,031,108
Capital projects	19,269
Unrestricted	<u>(270,848,693)</u>
Total Net Position	<u>\$ (210,591,713)</u>

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

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Mahopac Central School District, New York

Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 19,110,908	\$ 203,374	\$ 826,498	\$ 3,250,982	\$ (14,830,054)
Instruction	114,803,613	1,228,504	4,231,069	-	(109,344,040)
Pupil transportation	8,359,677	-	145,306	-	(8,214,371)
Cost of food sales	1,541,269	862,796	713,340	-	34,867
Other	419,733	-	411,508	-	(8,225)
Interest	1,486,794	-	-	498,959	(987,835)
Total Governmental Activities	<u>\$ 145,721,994</u>	<u>\$ 2,294,674</u>	<u>\$ 6,327,721</u>	<u>\$ 3,749,941</u>	<u>(133,349,658)</u>
General revenues					
Real property taxes					86,606,797
Other tax items					
School tax relief reimbursement					5,608,309
Interest and penalties					58,954
Unrestricted use of money and property					1,552,003
Sale of property and compensation for loss					36,586
Unrestricted State aid					33,568,729
Miscellaneous					876,004
Total General Revenues					<u>128,307,382</u>
Change in Net Position					(5,042,276)
Net Position - Beginning					<u>(205,549,437)</u>
Net Position - Ending					<u>\$ (210,591,713)</u>

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

Mahopac Central School District, New York

Balance Sheet
Governmental Funds
June 30, 2023

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 8,244,254	\$ -	\$ 64,368
Restricted cash	-	-	391,783
Investments	37,911,281	-	5,100,351
Receivables			
Accounts	298,526	-	-
State and Federal aid	3,962,889	1,770,437	-
Due from other governments	3,057,150	-	-
Due from other funds	8,760,109	5,375,821	12,738,540
Inventories	-	-	-
Total Assets	\$ 62,234,209	\$ 7,146,258	\$ 18,295,042
LIABILITIES, DEFERRED INFLOWS OF AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 567,864	\$ 80,919	\$ 218,079
Accrued liabilities	1,165,219	1,499	-
Deposits payable	8,917	-	-
Employee payroll deductions	54,978	-	-
Bond anticipation notes payable	-	-	12,738,540
Unearned revenues	-	89,614	-
Due to other governments	1,192	-	-
Due to other funds	19,130,493	6,974,226	5,024,475
Due to retirement systems	6,556,059	-	-
Total Liabilities	27,484,722	7,146,258	17,981,094
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues- Library reimbursements	3,030,000	-	-
Total Liabilities and Deferred Inflows of Resources	30,514,722	7,146,258	17,981,094
Fund balances			
Nonspendable	31,710	-	-
Restricted	21,084,941	-	313,948
Assigned	5,084,399	-	-
Unassigned	5,518,437	-	-
Total Fund Balances	31,719,487	-	313,948
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 62,234,209	\$ 7,146,258	\$ 18,295,042

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

Non-Major Governmental	Total Governmental Funds
\$ 581,907	\$ 8,890,529
-	391,783
-	43,011,632
-	298,526
30,171	5,763,497
-	3,057,150
4,412,068	31,286,538
26,759	26,759
<u>\$ 5,050,905</u>	<u>\$ 92,726,414</u>

\$ 40	\$ 866,902
-	1,166,718
-	8,917
-	54,978
-	12,738,540
84,485	174,099
40	1,232
157,344	31,286,538
-	6,556,059

<u>241,909</u>	<u>52,853,983</u>
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<u>-</u>	<u>3,030,000</u>
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<u>241,909</u>	<u>55,883,983</u>
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26,759	58,469
3,904,729	25,303,618
877,508	5,961,907
-	5,518,437

<u>4,808,996</u>	<u>36,842,431</u>
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<u>\$ 5,050,905</u>	<u>\$ 92,726,414</u>
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Mahopac Central School District, New York

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

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

Total Fund Balances - Governmental Funds	\$ 36,842,431
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	35,480,860
Capital assets - depreciable	92,894,506
Accumulated depreciation	(53,924,222)
	<u>74,451,144</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.	
Deferred outflows - pension related	37,595,488
Deferred outflows - OPEB related	23,368,767
Deferred inflows - pension related	(3,336,718)
Deferred inflows - OPEB related	(57,440,200)
	<u>187,337</u>
Other long-term assets that are not available to pay current-period expenditures and, therefore, are either deferred or not reported in the funds	
Reimbursement from Library	<u>3,030,000</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(580,105)
General obligation bonds payable	(32,520,000)
Energy performance contract debt payable	(4,419,156)
Compensated absences	(6,811,030)
Net pension liability - ERS	(6,796,660)
Net pension liability - TRS	(6,112,108)
Total OPEB liability	(264,598,459)
	<u>(321,837,518)</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	
Premium on general obligation bonds	<u>(3,265,107)</u>
Net Position of Governmental Activities	<u>\$ (210,591,713)</u>

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

Mahopac Central School District, New York

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

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 86,606,797	\$ -	\$ -
Other tax items	5,667,263	-	-
Charges for services	1,228,504	-	-
Use of money and property	2,398,298	-	-
Sale of property and compensation for loss	36,586	-	-
State aid	34,124,625	950,902	-
Federal aid	238,780	2,772,004	-
Food sales	-	-	-
Miscellaneous	1,096,986	46,664	-
Total Revenues	131,397,839	3,769,570	-
EXPENDITURES			
Current			
General support	11,904,481	-	-
Instruction	73,904,888	3,820,668	-
Pupil transportation	5,278,304	191,196	-
Employee benefits	30,334,769	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	2,757,213	-	-
Interest	1,307,124	-	-
Capital outlay	-	-	13,922,300
Total Expenditures	125,486,779	4,011,864	13,922,300
Excess (Deficiency) of Revenues Over Expenditures	5,911,060	(242,294)	(13,922,300)
OTHER FINANCING SOURCES (USES)			
General obligation bonds issued	-	-	3,154,283
Transfers in	-	242,294	1,067,440
Transfers out	(1,309,734)	-	-
Total Other Financing Sources (Uses)	(1,309,734)	242,294	4,221,723
Net Change in Fund Balances	4,601,326	-	(9,700,577)
FUND BALANCES			
Beginning of Year	27,118,161	-	10,014,525
End of Year	\$ 31,719,487	\$ -	\$ 313,948

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

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ -	\$ 86,606,797
-	5,667,263
-	1,228,504
502,469	2,900,767
-	36,586
15,760	35,091,287
692,239	3,703,023
862,796	862,796
409,045	1,552,695
<u>2,482,309</u>	<u>137,649,718</u>
-	11,904,481
-	77,725,556
-	5,469,500
26,251	30,361,020
1,518,695	1,518,695
419,733	419,733
-	2,757,213
21,216	1,328,340
-	13,922,300
<u>1,985,895</u>	<u>145,406,838</u>
<u>496,414</u>	<u>(7,757,120)</u>
-	3,154,283
-	1,309,734
-	(1,309,734)
<u>-</u>	<u>3,154,283</u>
496,414	(4,602,837)
<u>4,312,582</u>	<u>41,445,268</u>
<u>\$ 4,808,996</u>	<u>\$ 36,842,431</u>

Mahopac Central School District, New York

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

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

Net Change in Fund Balances - Total Governmental Funds	\$ (4,602,837)
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	10,903,264
Depreciation expense	<u>(2,810,681)</u>
	8,092,583
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Library reimbursement	<u>3,030,000</u>
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Energy performance contract debt issued	(3,154,283)
Principal paid on general obligation bonds	1,844,283
Principal paid on energy performance contract debt	<u>912,930</u>
	<u>(397,070)</u>
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.	
Accrued interest	(398,183)
Compensated absences	(178,517)
Changes in pension liabilities and related deferred outflows and inflows of resources	(3,228,839)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(7,599,142)
Amortization of premium on bonds	<u>239,729</u>
	<u>(11,164,952)</u>
Change in Net Position of Governmental Activities	<u>\$ (5,042,276)</u>

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

Mahopac Central School District, New York

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 86,618,267	\$ 86,618,267	\$ 86,606,797	\$ (11,470)
Other tax items	5,673,309	5,673,309	5,667,263	(6,046)
Charges for services	840,000	840,000	1,228,504	388,504
Use of money and property	224,900	224,900	2,398,298	2,173,398
Sale of property and com- pensation for loss	-	-	36,586	36,586
State aid	34,999,726	34,999,726	34,124,625	(875,101)
Federal aid	160,000	160,000	238,780	78,780
Miscellaneous	534,587	534,587	1,096,986	562,399
Total Revenues	129,050,789	129,050,789	131,397,839	2,347,050
EXPENDITURES				
Current				
General support	13,064,761	13,879,330	11,904,481	1,974,849
Instruction	75,010,352	77,142,403	73,904,888	3,237,515
Pupil transportation	6,841,186	6,141,199	5,278,304	862,895
Employee benefits	32,998,460	30,954,437	30,334,769	619,668
Debt service				
Principal	2,757,214	2,632,931	2,757,213	(124,282)
Interest	1,465,453	1,210,426	1,307,124	(96,698)
Total Expenditures	132,137,426	131,960,726	125,486,779	6,473,947
Excess (Deficiency) of Revenues Over Expenditures	(3,086,637)	(2,909,937)	5,911,060	8,820,997
OTHER FINANCING SOURCES (USES)				
Transfers in	425,000	425,000	-	(425,000)
Transfers out	(1,140,740)	(1,317,440)	(1,309,734)	7,706
Total Other Financing Uses	(715,740)	(892,440)	(1,309,734)	(417,294)
Net Change in Fund Balances	(3,802,377)	(3,802,377)	4,601,326	8,403,703
FUND BALANCES				
Beginning of Year	3,802,377	3,802,377	27,118,161	23,315,784
End of Year	\$ -	\$ -	\$ 31,719,487	\$ 31,719,487

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

Mahopac Central School District, New York

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

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	<u>\$ 2,814,709</u>
DEDUCTIONS	
Payments of real property taxes to other governments	<u>2,814,709</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

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

Mahopac Central School District, New York

Notes to Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies

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

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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 operating fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are assigned, restricted or committed

Note 1 - Summary of Significant Accounting Policies (Continued)

to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is as follows -

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

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 Funds (Not Included in District-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the School District on behalf of others. The School District reports real property taxes collected on behalf of other governments in this fund.

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 are the Fiduciary funds. 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liabilities and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

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

Cash and Equivalents, Investments and Risk Disclosure

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

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

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

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

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

Mahopac Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

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 in the amount of \$43,011,632 at June 30, 2023 is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days.

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

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

Restricted Cash - Restricted cash in the Capital Projects Fund consist of unspent proceeds held by an escrow agent from the School District's Energy Performance Contract.

Risk Disclosure

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

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

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a

Mahopac Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

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 levied and payable on that date. The Town of Carmel, New York and the Town Putnam Valley, New York ("Town") are responsible for the billing and collection of the taxes up until October 31, when they are returned to the County. The County guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

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

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

Inventories - Inventories in the School Lunch Fund consist of food and supplies and are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, which approximates market. These inventories consist primarily of items held for consumption. 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.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$89,614 for State and Federal aid received in advance in the Special Aid Fund and \$84,485 for unused meal deposits and State and Federal aid 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 outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the government-wide financial statement for governmental activities. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3E.

The School District has also reported deferred inflows of resources in the amount of \$3,030,000 for debt service reimbursements from the Mahopac Library.

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 Debt Service Fund or Capital Projects funds expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Net Position - 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 debt service, tax certiorari, retirement contributions, special purposes, capital projects, future capital projects, tax reduction, workers compensation benefits and unemployment benefits.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 General Municipal Law or Education Law of the State of New York.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 9, 2023.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The School District generally follows the procedures enumerated below in establishing the budgetary data reflected in the 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.

Mahopac Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

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

B. Limitation on Fund Balance

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

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. New Accounting Pronouncement

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements (SBITA's)*", established a single model for SBITA accounting based on the concept that SBITA's are a financing of a "right-to-use" underlying asset. This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. The requirements of GASB Statement No. 96 are effective for the School District's fiscal year ended June 30, 2023. The School

Note 2 - Stewardship, Compliance and Accountability (Continued)

District has completed its evaluation of the financial impact of GASB Statement No. 96 and determined that the implementation of this Standard was not required as it did not have a material impact on its financial statements.

E. Capital Projects Fund Project Deficits

The deficit in the individual projects in the Capital Projects Fund arises, in part, because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficits, arise because of expenditures exceeding current revenue sources on the projects. The deficits in these projects will be eliminated with the subsequent receipt of authorized financing.

F. Expenditures in Excess of Budget

The following functional expenditure categories exceeded their budgetary authorization by the amounts indicated:

General Fund		
Debt Service		
Principal – Serial bonds	\$	124,283
Interest – Serial bonds		96,699

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

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

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 8,760,109	\$ 19,130,493
Special Aid	5,375,821	6,974,226
Capital Projects	12,738,540	5,024,475
Non-Major Governmental	4,412,068	157,344
	<u>\$ 31,286,538</u>	<u>\$ 31,286,538</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.

Mahopac Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)**B. Capital Assets**

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

Class	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets, not being depreciated:				
Land	\$ 558,530	\$ -	\$ -	\$ 558,530
Construction-in-progress	25,247,017	9,675,313	-	34,922,330
	<u>\$ 25,805,547</u>	<u>\$ 9,675,313</u>	<u>\$ -</u>	<u>\$ 35,480,860</u>
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 81,697,833	\$ 28,610	\$ -	\$ 81,726,443
Machinery and Equipment	11,954,374	1,199,341	1,985,652	11,168,063
Total Capital Assets, being depreciated	<u>93,652,207</u>	<u>1,227,951</u>	<u>1,985,652</u>	<u>92,894,506</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	44,738,808	2,136,788	-	46,875,596
Machinery and Equipment	8,360,385	673,893	1,985,652	7,048,626
Total Accumulated Depreciation	<u>53,099,193</u>	<u>2,810,681</u>	<u>1,985,652</u>	<u>53,924,222</u>
Total Capital Assets, being depreciated, net	<u>\$ 40,553,014</u>	<u>\$ (1,582,730)</u>	<u>\$ -</u>	<u>\$ 38,970,284</u>
Capital Assets, net	<u>\$ 66,358,561</u>	<u>\$ 8,092,583</u>	<u>\$ -</u>	<u>\$ 74,451,144</u>

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

General Support	\$ 154,463
Instruction	2,112,351
Transportation	<u>543,867</u>
Total Depreciation Expense	<u>\$ 2,810,681</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2023 were as follows:

	General Fund	Special Aid Fund	Total
Payroll and Employee Benefits	\$ 363,483	\$ 1,499	\$ 364,982
Tuition	<u>801,736</u>	<u>-</u>	<u>801,736</u>
	<u>\$ 1,165,219</u>	<u>\$ 1,499</u>	<u>\$ 1,166,718</u>

Mahopac Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

D. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of Original Issue	Interest Rate	Maturity Date	Balance July 1, 2022	New Issues	Redemptions	Balance June 30, 2023
Roof Improvements and							
School Buses	2018	4.00 %	7/28/2023	\$ 1,812,480	\$ -	\$ 890,740	\$ 921,740
Bus Purchase	2022	4.00 %	7/28/2023	883,500	-	176,700	706,800
Bus Purchase	2023	4.00 %	7/28/2023	-	1,110,000	-	1,110,000
Capital Project	2023	4.00 %	7/28/2023	-	10,000,000	-	10,000,000
				<u>\$ 2,695,980</u>	<u>\$ 11,110,000</u>	<u>\$ 1,067,440</u>	<u>\$ 12,738,540</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within seven years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$8,675 and \$21,216 were recorded in the fund financial statements in the General and Debt Service Funds. Interest expense of \$473,500 were recorded in the district-wide financial statements.

E. Long-Term Liabilities

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

	Balance July 1, 2022	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2023	Due Within One-Year
General Obligation Bonds Payable					
Capital Construction	\$ 31,210,000	\$ -	\$ 1,720,000	\$ 29,490,000	\$ 1,805,000
Other - Library	-	3,154,283	124,283	3,030,000	115,000
	31,210,000	3,154,283	1,844,283	32,520,000	1,920,000
Plus - Unamortized premium on bonds	3,504,836	-	239,729	3,265,107	-
	34,714,836	3,154,283	2,084,012	35,785,107	1,920,000
Energy Performance Contract Debt Payable	5,332,086	-	912,930	4,419,156	1,053,086
Other Non-current Liabilities:					
Compensated Absences	6,632,513	841,517	663,000	6,811,030	681,000
Net Pension Liability - ERS	-	6,796,660	-	6,796,660	-
Net Pension Liability - TRS	-	6,112,108	-	6,112,108	-
Other Postemployment Benefit Liability	265,977,937	16,324,462	17,703,940	264,598,459	-
Total Long-Term Liabilities	<u>\$ 312,657,372</u>	<u>\$ 33,229,030</u>	<u>\$ 21,363,882</u>	<u>\$ 324,522,520</u>	<u>\$ 3,654,086</u>

Mahopac Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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

General Obligation Bonds Payable

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

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2023
Serial Bonds	2014	\$ 1,620,000	February, 2024	4.0 %	\$ 175,000
Serial Bonds	2020	7,765,000	June, 2036	2.0 - 5.0	7,010,000
Serial Bonds	2020	800,000	June, 2035	2.5 - 2.6	700,000
Serial Bonds	2021	22,855,000	June, 2037	1.8 - 5.0	21,605,000
Library Serial Bond	2022	3,154,283	June, 2042	3.0 -4.0	3,030,000
					<u>\$ 32,520,000</u>

Interest expenditures of \$1,173,837 were recorded in the fund financial statements in the General Fund. Interest expense of \$922,747 were recorded in the district-wide financial statements.

Energy Performance Contract Debt Payable

The School District has entered into various agreements to finance the cost of installing energy savings equipment and/or to upgrade existing facilities to enhance performance. The terms of the agreements provide for repayment in annual installments, through 2037, including interest at rates ranging from 1.779% to 1.83%. Interest expenditures of \$124,612 were recorded in the fund financial statements in the General Fund and \$90,547 in the District-Wide financial statements. The balance due at June 30, 2023 was \$4,419,156.

Payments to Maturity

The annual requirements to amortize all outstanding bonded and installment purchase debt as of June 30, 2023, including interest payments of \$8,076,716 are as follows:

Year Ending June 30,	General Obligation Bonds		Energy Performance Contract Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,920,000	\$ 1,100,176	\$ 1,053,086	\$ 75,765	\$ 2,973,086	\$ 1,175,941
2025	1,825,000	1,009,476	253,262	60,446	2,078,262	1,069,922
2026	1,920,000	921,850	257,918	55,790	2,177,918	977,640
2027	2,010,000	829,569	262,660	51,048	2,272,660	880,617
2028	2,105,000	732,631	267,488	46,220	2,372,488	778,851
2029-2033	11,955,000	2,227,155	1,413,037	155,504	13,368,037	2,382,659
2034-2038	9,965,000	658,267	911,705	29,419	10,876,705	687,686
2039-2042	820,000	83,400	-	-	820,000	83,400
	<u>\$ 32,520,000</u>	<u>\$ 7,562,524</u>	<u>\$ 4,419,156</u>	<u>\$ 474,192</u>	<u>\$ 36,939,156</u>	<u>\$ 8,036,716</u>

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 five year average full valuation of taxable real property.

Compensated Absences

Civil service employees and teachers may accumulate up to a maximum of 200 sick days. Administrators and custodians may accumulate an unlimited number of sick days. Upon separation of service from the School District, these employees will be compensated for unused sick time as provided in their contracts. Vacation time is generally taken in the year earned. However, civil service employees, administrators and custodians, upon separation of service, will be compensated for unused vacation time as provided in their contracts. 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 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

Mahopac Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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, 2023 and TRS plan year ended June 30, 2022 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75i	17.5 %
	2 75i	16.0
	3 A14	13.0
	4 A15	13.0
	5 A15	11.2
	6 A15	8.3
	6 A15	8.3
TRS	1-6	10.29 %

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Net pension liability	\$ 6,796,660	\$ 6,112,108
School Districts' proportion of the net pension liability	0.0316949 %	0.318523 %
Change in proportion since the prior measurement date	0.0015632 %	(0.001890) %

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

Mahopac Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended June 30, 2023, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$10,458,669 (\$2,691,657 for ERS and \$7,767,012 for TRS). Pension expenditures for ERS of \$1,461,770, 15,916 and \$5,734 were recorded in the fund financial statements and were charged to the General Special Aid, and School Lunch Funds. Pension expenditures for TRS of \$5,727,523 and \$18,887 were recorded in the fund financial statements and were charged to the General and Special Aid Funds.

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

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 723,897	\$ 190,876	\$ 6,404,716	\$ 122,476
Changes of assumptions	3,300,897	36,481	11,856,456	2,462,130
Net difference between projected and actual earnings on pension plan investments	-	39,930	7,897,424	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	955,571	308,108	270,866	176,717
School District contributions subsequent to the measurement date	427,034	-	5,758,627	-
	<u>\$ 5,407,399</u>	<u>\$ 575,395</u>	<u>\$ 32,188,089</u>	<u>\$ 2,761,323</u>
Total				
	Deferred Outflows of Resources	Deferred Inflows of Resources		
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 7,128,613	\$ 313,352		
Changes of assumptions	15,157,353	2,498,611		
Net difference between projected and actual earnings on pension plan investments	7,897,424	39,930		
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,226,437	484,825		
School District contributions subsequent to the measurement date	6,185,661	-		
	<u>\$ 37,595,488</u>	<u>\$ 3,336,718</u>		

\$427,034 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the plan's year ended March 31, 2024. The \$5,758,627 reported as deferred outflows of resources related to TRS will be recognized as a decrease of the net pension liability in the plan's year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Mahopac Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Year Ended	March 31, ERS	June 30, TRS
2023	\$ -	\$ 4,579,492
2024	1,130,030	2,416,581
2025	(191,073)	(966,249)
2026	1,529,389	15,546,754
2027	1,936,624	1,987,792
Thereafter	-	103,769
	<u>\$ 4,404,970</u>	<u>\$ 23,668,139</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:

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

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

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

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

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

For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice ("ASOP") No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future

Mahopac Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

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

Mahopac Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 16,424,613</u>	<u>\$ 6,796,660</u>	<u>\$ (1,248,614)</u>
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension (asset)	<u>\$ 56,356,504</u>	<u>\$ 6,112,108</u>	<u>\$ (36,143,099)</u>

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

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

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

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

Accrued retirement contributions as of June 30, 2023 were \$427,034 to ERS and \$6,129,025 to TRS, inclusive of \$370,398 of employee contributions.

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 contribute 8%.

Mahopac Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Employer contributions vest after 365 days of service. No current employees participated in this program.

Other Postemployment Benefit Liability ("OPEB")

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

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

Inactive employees currently receiving benefit payments	713
Active employees	458
	<hr/>
	1,171
	<hr/>

The School District's total OPEB liability of \$264,598,459 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

The total OPEB liability in the July 1, 2021 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	4.0%
Healthcare cost trend rates	7.0% for 2023, decreasing 0.5% per year to an ultimate rate of 4.0% for 2035 and later years
Retirees' share of benefit-related costs	Varies depending on applicable retirement year and bargaining unit

The discount rate was based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years).

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

Mahopac Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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

Total OPEB Liability - Beginning of Year	\$ 265,977,937
Service cost	5,834,808
Interest	10,489,654
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(10,230,762)
Benefit payments	<u>(7,473,178)</u>
Total OPEB Liability - End of Year	<u>\$ 264,598,459</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 (3.00%) or 1 percentage point higher (5.00%) than the current discount rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	<u>\$ 312,766,641</u>	<u>\$ 264,598,459</u>	<u>\$ 226,729,310</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 (6.0% decreasing to 3.0%) or 1 percentage point higher (8.0% decreasing to 5.0%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.0%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.0%)	1% Increase (8.0% decreasing to 5.0%)
Total OPEB Liability	<u>\$ 221,206,402</u>	<u>\$ 264,598,459</u>	<u>\$ 321,145,633</u>

For the year ended June 30, 2023, the School District recognized OPEB expense of \$15,072,320 in the district-wide financial statements. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	<u>\$ 23,368,767</u>	<u>\$ 57,440,200</u>

Mahopac Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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

	Year Ended June 30,	
2024	\$	(1,252,143)
2025		(5,922,122)
2026		(11,258,272)
2027		(13,933,769)
2028		(1,705,127)
	\$	<u>(34,071,433)</u>

F. Revenues and Expenditures

Interfund Transfers

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

	Transfers in		
	Special Aid Fund	Capital Projects Fund	Total
Transfers Out			
General Fund	\$ 242,294	\$ 1,067,440	\$ 1,309,734

Transfers are used to move amounts earmarked in the operating funds to 1) fulfill commitments for Special Aid and Capital Fund expenditures.

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

Restricted for Workers' Compensation 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-j of the General Municipal Law of the State of New York.

Mahopac Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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 ERS Retirement 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 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 Reduction - the component of net position that has been established in accordance with Education 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 purposed with constraints placed on their use by either external parties and/or statute.

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

Restricted for Future Capital Projects - the component of net position that has been established pursuant to Section 6c of the General Municipal Law of the State of New York to set aside funds to be used for future capital projects.

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

Mahopac Central School District, New York

Notes to Financial Statements (Continued) June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2023				2022			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable -								
Inventories	\$ -	\$ -	\$ 26,759	\$ 26,759	\$ -	\$ -	\$ 2,410	\$ 2,410
Prepaid expenditures	31,710	-	-	31,710	88,612	-	-	88,612
	31,710	-	26,759	58,469	88,612	-	2,410	91,022
Restricted:								
Tax certiorari	10,112,715	-	-	10,112,715	7,464,297	-	-	7,464,297
Workers' compensation	51,970	-	-	51,970	50,200	-	-	50,200
Unemployment benefits	389,773	-	-	389,773	376,501	-	-	376,501
Employee benefit accrued liability	2,354,055	-	-	2,354,055	2,273,900	-	-	2,273,900
ERS retirement contributions	2,593,615	-	-	2,593,615	2,505,303	-	-	2,505,303
TRS retirement contributions	3,228,353	-	-	3,228,353	3,118,428	-	-	3,118,428
Debt service	126,114	-	3,124,748	3,250,862	121,820	-	2,651,299	2,773,119
Debt Service - for subsequent year's expenditures	-	-	425,000	425,000	-	-	425,000	425,000
Tax reduction	15,104	-	-	15,104	184,320	-	-	184,320
Tax reduction - for subsequent year's expenditures	182,134	-	-	182,134	182,134	-	-	182,134
Future capital projects	2,031,108	-	-	2,031,108	1,961,949	-	-	1,961,949
Capital projects	-	313,948	-	313,948	-	10,014,525	-	10,014,525
Special purposes - extraclassroom activities	-	-	102,435	102,435	-	-	108,638	108,638
Special purposes - other	-	-	252,546	252,546	-	-	254,568	254,568
	21,084,941	313,948	3,904,729	25,303,618	18,238,852	10,014,525	3,439,505	31,692,882
Assigned:								
Purchases on order								
General government support	1,152,216	-	-	1,152,216	304,827	-	-	304,827
Instruction	923,197	-	-	923,197	509,494	-	-	509,494
Pupil transportation	203,064	-	-	203,064	-	-	-	-
	2,278,477	-	-	2,278,477	814,321	-	-	814,321
For subsequent year's expenditures	2,805,922	-	-	2,805,922	2,805,922	-	-	2,805,922
School Lunch Fund	-	-	877,508	877,508	-	-	870,667	870,667
	5,084,399	-	877,508	5,961,907	3,620,243	-	870,667	4,490,910
Unassigned	5,518,437	-	-	5,518,437	5,170,454	-	-	5,170,454
	31,719,487	313,948	4,808,996	36,842,431	27,118,161	10,014,525	4,312,582	41,445,268
Total Fund Balance	\$ 31,719,487	\$ 313,948	\$ 4,808,996	\$ 36,842,431	\$ 27,118,161	\$ 10,014,525	\$ 4,312,582	\$ 41,445,268

Mahopac Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below.

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

Advances have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of amounts advanced to the Special Aid fund that will not be repaid within one year.

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

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

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

Assigned for School Lunch Fund represents the component of fund balance that reports the difference between assets and liabilities of 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, in addition to the amount reported as claims payable, 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 City of New York has filed petitions contesting the 2017 – 2023 assessments of its watershed properties within the Town of Carmel, two of which are situated within the School District. Potential exposure ranges from a prospective reduction of the assessed valuation with no refunds up to \$6,000,000. However, the amount of the possible refund, if any, cannot be determined at the present time.

In addition, there are several civil matters involving the School District. All of these matters have been assigned to the School District's insurance carrier. Any potential loss is expected to be within the policy any potential loss is expected to be within the policy limits.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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

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

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

Mahopac Central School District, New York

Notes to Financial Statements (Concluded)
June 30, 2023

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The School District and neighboring school districts in Northern Westchester and Putnam Counties participate in the Northern Westchester - Putnam Schools Cooperative Medical Expense Benefit Plan. The Plan operates under an agreement dated February 17, 1987. The purposes of the Plan are to provide for the efficient and economical evaluation, processing, administration and payment of claims against Plan members for medical expenses through self-insurance and to provide for centralized administration, funding and disbursements for such services. The governance of the Plan rests in the Board of Trustees which shall consist of five Trustees selected by the Plan members. A majority of the total number of Trustees shall be required to taken any actions. The billings are based upon coverages provided to each participants' employees. The School District has transferred all related risk to the Plan.

Note 5 - Subsequent Events

The School District, on July 27, 2023, issued a bond anticipation note in the amount of \$18,644,100. The note is due on July 26, 2024, with interest at 5%. The proceeds were used to redeem a previously issued bond anticipation note and provide new financing for capital projects.

Note 6 - Recently Issued GASB Pronouncements

GASB Statement No. 101, "*Compensated Absences*", provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

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

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Mahopac Central School District, New York

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

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service cost	\$ 5,834,808	\$ 6,084,075	\$ 8,209,283	\$ 7,157,289	\$ 3,073,562	\$ 2,669,668
Interest	10,489,654	12,235,454	6,296,828	7,181,845	8,002,313	8,346,637
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-
Changes of assumptions or other inputs	(10,230,762)	(73,371,847)	16,052,991	32,016,882	28,019,879	-
Benefit payments	(7,473,178)	(7,035,194)	(7,554,553)	(7,232,328)	(6,555,592)	(6,408,079)
Net Change in Total OPEB Liability	(1,379,478)	(62,087,512)	23,004,549	39,123,688	32,540,162	4,608,226
Total OPEB Liability – Beginning of Year	265,977,937	328,065,449	305,060,900	265,937,212	233,397,050	228,788,824 (3)
Total OPEB Liability – End of Year	\$ 264,598,459	\$ 265,977,937	\$ 328,065,449	\$ 305,060,900	\$ 265,937,212	\$ 233,397,050
School District's covered-employee payroll	\$ 65,221,922	\$ 65,221,922	\$ 64,898,456	\$ 64,898,456	\$ 62,390,168	\$ 62,390,168
Total OPEB liability as a percentage of covered-employee payroll	406%	408%	506%	470%	426%	374%
Discount Rate	4.00%	3.77%	2.09%	2.44%	3.10%	3.70%

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

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

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

Mahopac Central School District, New York

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

	Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)								
	2023 (3)	2022(4)	2021(3)	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (asset)	0.318523%	0.320413%	0.314389%	0.316177%	0.318036%	0.320534%	0.319563%	0.317570%	0.315297%
School District's proportionate share of the net pension liability (asset)	\$ 6,112,108	\$ (55,524,583)	\$ 8,687,400	\$ (8,214,300)	\$ (5,750,900)	\$ (2,436,400)	\$ 3,422,700	\$ (32,942,500)	\$ (35,122,100)
School District's covered payroll	\$ 56,576,622	\$ 54,384,400	\$ 53,361,828	\$ 52,775,085	\$ 51,804,561	\$ 50,794,044	\$ 49,311,772	\$ 47,641,295	\$ 46,574,300
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	10.80%	-102.10%	16.28%	-15.56%	-11.10%	-4.80%	6.94%	-69.15%	-75.41%
Plan fiduciary net position as a percentage of the total pension liability	98.57%	113.25%	97.76%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount Rate	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%
	Schedule of Contributions								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 5,758,627	\$ 5,544,509	\$ 5,182,837	\$ 4,727,858	\$ 5,604,714	\$ 5,076,847	\$ 5,953,062	\$ 6,538,741	\$ 8,351,519
Contributions in relation to the contractually required contribution	(5,758,627)	(5,544,509)	(5,182,837)	(4,727,858)	(5,604,714)	(5,076,847)	(5,953,062)	(6,538,741)	(8,351,519)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 55,963,333	\$ 56,576,622	\$ 54,384,439	\$ 53,361,828	\$ 52,775,085	\$ 51,804,561	\$ 50,794,044	\$ 49,311,772	\$ 47,641,295
Contributions as a percentage of covered payroll	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

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

(2) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

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

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

Mahopac Central School District, New York

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

	Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)									
	2023 (3)	2022(4)	2021(4)	2020 (3)	2019	2018	2017	2016	2015	
School District's proportion of the net pension liability (asset)	0.0316949%	0.0301317%	0.0323952%	0.0358400%	0.0377275%	0.0391534%	0.0394458%	0.0425467%	0.0426980%	
School District's proportionate share of the net pension liability (asset)	\$ 6,796,660	\$ (2,463,143)	\$ 32,300	\$ 9,490,600	\$ 2,673,100	\$ 1,263,700	\$ 3,706,400	\$ 6,828,900	\$ 1,442,400	
School District's covered payroll	\$ 13,807,164	\$ 12,667,150	\$ 12,592,800	\$ 12,988,600	\$ 12,573,100	\$ 12,720,900	\$ 12,548,200	\$ 12,065,000	\$ 12,220,000	
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	49.23%	-19.45%	0.26%	73.07%	21.26%	9.93%	29.54%	56.60%	11.80%	
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.55%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	
Discount Rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%	
	Schedule of Contributions									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Contractually required contribution	\$ 1,398,871	\$ 1,851,390	\$ 2,070,000	\$ 1,920,200	\$ 1,856,800	\$ 1,913,600	\$ 2,242,100	\$ 2,194,300	\$ 2,330,200	
Contributions in relation to the contractually required contribution	(1,398,871)	(1,851,390)	(2,070,000)	(1,920,200)	(1,856,800)	(1,913,600)	(2,242,100)	(2,194,300)	(2,330,200)	
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
School District's covered payroll	\$ 13,473,366	\$ 13,057,216	\$ 12,592,800	\$ 12,988,600	\$ 12,573,100	\$ 12,720,900	\$ 12,548,200	\$ 12,065,000	\$ 12,220,000	
Contributions as a percentage of covered payroll	10.38%	14.18%	16.44%	14.78%	14.77%	15.04%	17.87%	18.19%	19.07%	

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

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

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

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

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Mahopac Central School District, New York

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

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 86,618,267	\$ 86,618,267	\$ 86,606,797	\$	\$ (11,470)
Other tax items	5,673,309	5,673,309	5,667,263		(6,046)
Charges for services	840,000	840,000	1,228,504		388,504
Use of money and property	224,900	224,900	2,398,298		2,173,398
Sale of property and compensation for loss	-	-	36,586		36,586
State aid	34,999,726	34,999,726	34,124,625		(875,101)
Federal aid	160,000	160,000	238,780		78,780
Miscellaneous	534,587	534,587	1,096,986		562,399
Total Revenues	129,050,789	129,050,789	131,397,839		2,347,050
EXPENDITURES					
Current					
General support					
Board of education	109,657	126,574	112,367	-	14,207
Central administration	347,760	356,311	336,294	872	19,145
Finance	1,176,653	1,504,955	1,273,224	38,493	193,238
Staff	891,670	922,021	803,326	50,853	67,842
Central services	9,111,178	9,876,401	8,357,425	1,061,998	456,978
Special items	1,427,843	1,093,068	1,021,845	-	71,223
Total General Support	13,064,761	13,879,330	11,904,481	1,152,216	822,633
Instruction					
Instruction, administration and improvement	4,190,327	4,146,606	3,882,202	37,717	226,687
Teaching - Regular school	37,246,340	37,551,851	36,846,224	231,859	473,768
Programs for students with disabilities	21,168,160	22,478,191	21,690,914	4,605	782,672
Occupational education	2,180,650	2,187,605	2,187,605	-	-
Teaching - Special schools	243,500	245,441	203,882	-	41,559
Instructional media	3,879,348	5,345,729	4,641,017	628,186	76,526
Pupil services	6,102,027	5,186,980	4,453,044	20,830	713,106
Total Instruction	75,010,352	77,142,403	73,904,888	923,197	2,314,318
Pupil transportation	6,841,186	6,141,199	5,278,304	203,064	659,831
Employee benefits	32,998,460	30,954,437	30,334,769	-	619,668
Debt service					
Principal	2,757,214	2,632,931	2,757,213	-	(124,282)
Interest	1,465,453	1,210,426	1,307,124	-	(96,698)
Total Expenditures	132,137,426	131,960,726	125,486,779	2,278,477	4,195,470
Excess (Deficiency) of Revenues Over Expenditures	(3,086,637)	(2,909,937)	5,911,060	(2,278,477)	6,542,520
OTHER FINANCING SOURCES (USES)					
Transfers in	425,000	425,000	-	-	(425,000)
Transfers out	(1,140,740)	(1,317,440)	(1,309,734)	-	7,706
Total Other Financing Uses	(715,740)	(892,440)	(1,309,734)	-	(417,294)
Net Change in Fund Balance	(3,802,377)	(3,802,377)	4,601,326	\$ (2,278,477)	\$ 6,125,226
FUND BALANCE					
Beginning of Year	3,802,377	3,802,377	27,118,161		
End of Year	\$ -	\$ -	\$ 31,719,487		

See independent auditors' report.

Mahopac Central School District, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	\$ 86,618,267	\$ 86,618,267	\$ 86,606,797	\$ (11,470)
OTHER TAX ITEMS				
School tax relief reimbursement	5,608,309	5,608,309	5,608,309	-
Interest and penalties	65,000	65,000	58,954	(6,046)
	5,673,309	5,673,309	5,667,263	(6,046)
CHARGES FOR SERVICES				
Day school tuition - Other districts	715,000	715,000	1,091,589	376,589
Drivers education	125,000	125,000	136,915	11,915
	840,000	840,000	1,228,504	388,504
USE OF MONEY AND PROPERTY				
Earnings on investments	15,000	15,000	2,194,924	2,179,924
Rental of real property	209,900	209,900	203,374	(6,526)
	224,900	224,900	2,398,298	2,173,398
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	-	-	31,823	31,823
Other	-	-	4,763	4,763
	-	-	36,586	36,586

STATE AID				
Basic formula	31,641,033	31,641,033	24,094,444	(7,546,589)
Textbook aid	317,052	317,052	234,690	(82,362)
Computer software aid	50,724	50,724	109,004	58,280
Lottery aid	-	-	6,099,972	6,099,972
Library materials aid	-	-	24,331	24,331
BOCES aid	2,835,917	2,835,917	3,374,313	538,396
Other	155,000	155,000	187,871	32,871
	<u>34,999,726</u>	<u>34,999,726</u>	<u>34,124,625</u>	<u>(875,101)</u>
FEDERAL AID				
Medical assistance	160,000	160,000	238,780	78,780
MISCELLANEOUS				
Refund of prior year's expenditures	64,587	64,587	185,721	121,134
Refunds of BOCES aided services	250,000	250,000	572,095	322,095
Library debt service reimbursement	-	-	220,982	220,982
Other	220,000	220,000	118,188	(101,812)
	<u>534,587</u>	<u>534,587</u>	<u>1,096,986</u>	<u>562,399</u>
TOTAL REVENUES	129,050,789	129,050,789	131,397,839	2,347,050
OTHER FINANCING SOURCES				
Transfers in				
Debt Service Fund	425,000	425,000	-	(425,000)
	<u>425,000</u>	<u>425,000</u>	<u>-</u>	<u>(425,000)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 129,475,789</u>	<u>\$ 129,475,789</u>	<u>\$ 131,397,839</u>	<u>\$ 1,922,050</u>

See independent auditors' report.

Mahopac Central School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 50,540	\$ 61,301	\$ 56,675	\$ -	\$ 4,626
District clerk	59,117	65,273	55,692	-	9,581
Total Board of Education	109,657	126,574	112,367	-	14,207
CENTRAL ADMINISTRATION					
Chief school administrator	347,760	356,311	336,294	872	19,145
FINANCE					
Business administration	815,985	1,180,530	1,029,106	2,200	149,224
Auditing	111,000	107,999	62,315	36,293	9,391
Treasurer	156,709	121,967	88,344	-	33,623
Tax collection	33,029	34,529	33,994	-	535
Purchasing	59,930	59,930	59,465	-	465
Total Finance	1,176,653	1,504,955	1,273,224	38,493	193,238
STAFF					
Legal	301,000	301,000	207,327	50,653	43,020
Personnel	439,026	505,546	490,170	200	15,176
Public information and services	151,644	115,475	105,829	-	9,646
Total Staff	891,670	922,021	803,326	50,853	67,842
CENTRAL SERVICES					
Operation of plant	8,588,106	9,510,675	8,015,895	1,061,098	433,682
Central printing and mailing	124,860	99,394	75,198	900	23,296
Central data processing	398,212	266,332	266,332	-	-
Total Central Services	9,111,178	9,876,401	8,357,425	1,061,998	456,978

SPECIAL ITEMS					
Unallocated insurance	607,599	607,599	587,934	-	19,665
Assessments on school property	50,000	50,000	18,901	-	31,099
Refunds of real property taxes	20,000	20,000	-	-	20,000
Administrative charge-BOCES	750,244	415,469	415,010	-	459
Total Special Items	1,427,843	1,093,068	1,021,845	-	71,223
Total General Support	13,064,761	13,879,330	11,904,481	1,152,216	822,633
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	606,875	728,341	627,791	22,866	77,684
Supervision - Regular school	3,225,375	3,273,965	3,201,035	14,851	58,079
In-service training - Instruction	358,077	144,300	53,376	-	90,924
Total Instruction, Administration and Improvement	4,190,327	4,146,606	3,882,202	37,717	226,687
TEACHING - REGULAR SCHOOL	37,246,340	37,551,851	36,846,224	231,859	473,768
PROGRAMS FOR STUDENTS WITH DISABILITIES					
PROGRAMS FOR STUDENTS WITH DISABILITIES	21,168,160	22,478,191	21,690,914	4,605	782,672
OCCUPATIONAL EDUCATION	2,180,650	2,187,605	2,187,605	-	-
TEACHING - SPECIAL SCHOOLS	243,500	245,441	203,882	-	41,559
INSTRUCTIONAL MEDIA					
School library and audiovisual	556,297	583,479	546,804	31,345	5,330
Computer assisted instruction	3,323,051	4,762,250	4,094,213	596,841	71,196
Total Instructional Media	3,879,348	5,345,729	4,641,017	628,186	76,526
(Continued)					

Mahopac Central School District, New York

General Fund

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

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
INSTRUCTION (Continued)					
PUPIL SERVICES					
Guidance - Regular school	\$ 1,659,020	\$ 1,278,209	\$ 1,113,654	\$ 2,265	\$ 162,290
Health services - Regular school	941,265	979,140	938,676	5,117	35,347
Psychological services - Regular school	1,430,905	829,285	609,569	-	219,716
Social work services	625,139	625,139	372,673	-	252,466
Co-curricular activities - Regular school	357,949	380,074	349,824	-	30,250
Interscholastic activities - Regular school	1,087,749	1,095,133	1,068,648	13,448	13,037
Total Pupil Services	6,102,027	5,186,980	4,453,044	20,830	713,106
Total Instruction	75,010,352	77,142,403	73,904,888	923,197	2,314,318
PUPIL TRANSPORTATION					
District transportation services	5,908,163	5,209,272	4,659,586	5,901	543,785
Garage building	933,023	931,927	618,718	197,163	116,046
Total Pupil Transportation	6,841,186	6,141,199	5,278,304	203,064	659,831
EMPLOYEE BENEFITS					
State retirement	1,980,065	1,492,651	1,461,770	-	30,881
Teachers' retirement	6,122,779	5,825,908	5,727,523	-	98,385
Social security	5,681,804	5,249,476	5,152,120	-	97,356
Workers' compensation benefits	649,494	661,075	652,742	-	8,333
Life insurance	24,300	24,892	24,892	-	-
Unemployment insurance	80,000	80,000	5,366	-	74,634
Disability insurance	34,800	34,800	29,097	-	5,703
Hospital and medical insurance	17,009,268	15,913,791	15,711,688	-	202,103
Compensated absences	387,200	643,094	587,036	-	56,058
Union welfare benefits	1,023,750	1,023,750	982,535	-	41,215
Other	5,000	5,000	-	-	5,000
Total Employee Benefits	32,998,460	30,954,437	30,334,769	-	619,668

DEBT SERVICE					
Principal					
Serial bonds	1,844,283	1,720,000	1,844,283	-	(124,283)
Energy performance contract debt	912,931	912,931	912,930	-	1
	<u>2,757,214</u>	<u>2,632,931</u>	<u>2,757,213</u>	<u>-</u>	<u>(124,282)</u>
Interest					
Serial bonds	1,332,855	1,077,138	1,173,837	-	(96,699)
Bond anticipation notes	7,986	8,675	8,675	-	-
Energy performance contract debt	124,612	124,613	124,612	-	1
	<u>1,465,453</u>	<u>1,210,426</u>	<u>1,307,124</u>	<u>-</u>	<u>(96,698)</u>
Total Debt Service	<u>4,222,667</u>	<u>3,843,357</u>	<u>4,064,337</u>	<u>-</u>	<u>(220,980)</u>
TOTAL EXPENDITURES	<u>132,137,426</u>	<u>131,960,726</u>	<u>125,486,779</u>	<u>2,278,477</u>	<u>4,195,470</u>
OTHER FINANCING USES					
Transfers out					
Special Aid Fund	250,000	250,000	242,294	-	7,706
Capital Projects Fund	890,740	1,067,440	1,067,440	-	-
	<u>1,140,740</u>	<u>1,317,440</u>	<u>1,309,734</u>	<u>-</u>	<u>7,706</u>
TOTAL OTHER FINANCING USES					
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 133,278,166</u>	<u>\$ 133,278,166</u>	<u>\$ 126,796,513</u>	<u>\$ 2,278,477</u>	<u>\$ 4,203,176</u>

See independent auditors' report.

Mahopac Central School District, New York

Capital Projects Fund
Project-Length Schedule

Inception of Project Through June 30, 2023

Project	Appropriation	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
Bus purchases	\$ 7,555,094	\$ 6,113,178	\$ 1,092,704	\$ 7,205,882	\$ 349,212
MHS roof	790,000	486,439	-	486,439	303,561
Lakeview roof	1,015,000	890,046	-	890,046	124,954
Austin road roof	1,660,000	1,628,087	-	1,628,087	31,913
May 2019 bond proposition	54,079,501	24,018,461	7,699,425	31,717,886	22,361,615
Energy performance contract	3,861,359	1,426,752	1,948,462	3,375,214	486,145
Lakeview water project	100,000	130,536	-	130,536	(30,536)
Library construction bond	3,154,283	-	3,154,283	3,154,283	-
Smart schools bond act	3,181,109	1,822,317	27,426	1,849,743	1,331,366
Totals	<u>\$ 75,396,346</u>	<u>\$ 36,515,816</u>	<u>\$ 13,922,300</u>	<u>\$ 50,438,116</u>	<u>\$ 24,958,230</u>

See independent auditors' report.

Methods of Financing				Fund Balance at June 30, 2023	Bond Anticipation Notes Outstanding at June 30, 2023
Proceeds of Obligations	Transfers	State and Federal Aid	Totals		
\$ 5,236,294	\$ -	\$ -	\$ 5,236,294	\$ (1,969,588)	\$ 2,268,800
300,632	110,647	-	411,279	(75,160)	75,160
563,688	185,436	-	749,124	(140,922)	140,922
1,014,640	359,789	-	1,374,429	(253,658)	253,658
34,000,824	119,401	-	34,120,225	2,402,339	10,000,000
3,737,418	-	-	3,737,418	362,204	-
-	100,000	-	100,000	(30,536)	-
3,154,283	-	-	3,154,283	-	-
-	160,000	1,709,012	1,869,012	19,269	-
<u>\$ 48,007,779</u>	<u>\$ 1,035,273</u>	<u>\$ 1,709,012</u>	<u>\$ 50,752,064</u>	<u>\$ 313,948</u>	<u>\$ 12,738,540</u>

Mahopac Central School District, New York

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

	School Lunch	Special Purpose	Debt Service	Total Non-Major Governmental Funds
ASSETS				
Cash and equivalents	\$ 226,926	\$ 354,981	\$ -	\$ 581,907
Receivables				
State and Federal aid	30,171	-	-	30,171
Due from other funds	862,320	-	3,549,748	4,412,068
	892,491	-	3,549,748	4,442,239
Inventories	26,759	-	-	26,759
Total Assets	<u>\$ 1,146,176</u>	<u>\$ 354,981</u>	<u>\$ 3,549,748</u>	<u>\$ 5,050,905</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 40	\$ -	\$ -	\$ 40
Unearned revenues	84,485	-	-	84,485
Due to other governments	40	-	-	40
Due to other funds	157,344	-	-	157,344
Total Liabilities	241,909	-	-	241,909
Fund balances				
Nonspendable	26,759	-	-	26,759
Restricted	-	354,981	3,549,748	3,904,729
Assigned	877,508	-	-	877,508
Total Fund Balances	904,267	354,981	3,549,748	4,808,996
Total Liabilities and Fund Balances	<u>\$ 1,146,176</u>	<u>\$ 354,981</u>	<u>\$ 3,549,748</u>	<u>\$ 5,050,905</u>

See independent auditors' report.

Mahopac Central School District, New York

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

	School Lunch	Special Purpose	Debt Service	Total Non-Major Governmental Funds
REVENUES				
Use of money and property	\$ 5,341	\$ 2,463	\$ 494,665	\$ 502,469
State aid	15,760	-	-	15,760
Federal aid	692,239	-	-	692,239
Food sales	862,796	-	-	862,796
Miscellaneous	-	409,045	-	409,045
Total Revenues	1,576,136	411,508	494,665	2,482,309
EXPENDITURES				
Current				
Employee benefits	26,251	-	-	26,251
Cost of food sales	1,518,695	-	-	1,518,695
Other	-	419,733	-	419,733
Debt service				
Interest	-	-	21,216	21,216
Total Expenditures	1,544,946	419,733	21,216	1,985,895
Excess (Deficiency) of Revenues Over Expenditures	31,190	(8,225)	473,449	496,414
FUND BALANCES				
Beginning of Year	873,077	363,206	3,076,299	4,312,582
End of Year	\$ 904,267	\$ 354,981	\$ 3,549,748	\$ 4,808,996

See independent auditors' report.

Mahopac Central School District, New York

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

Adopted Budget	\$ 132,463,845
Encumbrances	<u>814,321</u>
Original Budget	133,278,166
Budget Revisions	<u>-</u>
Final Budget	<u><u>\$ 133,278,166</u></u>

General Fund
Section 1318 of Real Property Tax Law Limit Calculation

2023-24 Expenditure Budget	<u>\$ 137,960,937</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	\$ 5,084,399
Unassigned fund balance	<u>5,518,437</u>
Total Unrestricted Fund Balance	<u>10,602,836</u>
Less	
Encumbrances	2,278,477
Appropriated for subsequent year's budget	<u>2,805,922</u>
Total Adjustments	<u>5,084,399</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 5,518,437</u></u>
Actual Percentage	<u><u>4.00%</u></u>

Mahopac Central School District, New York

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

Capital Assets, net		\$ 74,451,144
Less		
Bonds payable	\$ (29,490,000)	
Unamortized premium on bonds	(3,265,107)	
Energy performance contract debt payable	(4,419,156)	
Bond anticipation notes payable	<u>(12,738,540)</u>	(49,912,803)
Plus		
Unexpended debt proceeds		<u>13,063,755</u>
Net Investment in Capital Assets		<u><u>\$ 37,602,096</u></u>

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

Independent Auditors' Report

**The Board of Education of the
Mahopac 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 Mahopac Central School District, New York ("School District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 9, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
October 9, 2023



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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
October 9, 2023

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Mahopac Central School District, New York
**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<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.S. Department of Agriculture				
Indirect Programs - Passed through New York State Department of Education				
<i>Child Nutrition Cluster</i>				
National School Lunch Program - Commodities	10.555	N/A	\$ -	\$ 97,180
National School Lunch Program - Cash	10.555	N/A	-	591,919
<i>Subtotal - Child Nutrition Cluster</i>			-	689,099
State Pandemic EBT Administrative Costs Grant	10.649	N/A	-	3,140
Total U.S. Department of Agriculture			-	692,239
U.S. Department of Education				
Indirect Programs - Passed through New York State Department of Education				
Title I Grants to Local Educational Agencies	84.010	021-22-2440	-	329
Title I Grants to Local Educational Agencies	84.010	021-23-2440	-	145,752
			-	146,081
<i>Special Education Cluster (IDEA)</i>				
Special Education - State Grants (IDEA, Part B)	84.027	0032-22-0736	-	22,375
Special Education - State Grants (IDEA, Part B)	84.027	0032-23-0736	-	901,842
Special Education - Grants to States (ARP Supplemental 611)	84.027X	5532-22-0736	-	34,220
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-23-0736	-	32,634
Special Education - Preschool Grants (ARP Supplemental 619)	84.173X	5533-22-0736	-	1,817
<i>Subtotal - Special Education Cluster</i>			-	992,888
English Language Acquisition State Grants	84.365	0293-22-2440	-	13,447
English Language Acquisition State Grants	84.365	0293-23-2440	-	11,032
			-	24,479
Supporting Effective Instruction State Grant	84.367	0147-22-2440	-	14,486
Supporting Effective Instruction State Grant	84.367	0147-23-2440	-	69,876
			-	84,362
Student Support and Academic Enrichment Program	84.424	0204-22-2440	-	18,972
Student Support and Academic Enrichment Program	84.424	0204-23-2440	-	48
			-	19,020
Governor's Emergency Education Relief (GEER) Fund (CRRSA)	84.425C	5896-21-2440	-	167,220
Elementary and Secondary School Emergency Relief (ESSER) Fund (CRRSA)	84.425D	5891-21-2440	-	1,167,096
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) III	84.425U	5880-21-2440	-	56,447
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Comprehensive	84.425U	5883-21-2440	-	12,791
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Learning Loss	84.425U	5884-21-2440	-	101,620
			-	1,505,174
Total U.S. Department of Education			-	2,772,004
Total Expenditures of Federal Awards			\$ -	\$ 3,464,243

N/A - Information not available.

The accompanying notes are an integral part of this schedule.

Mahopac Central School District, New York

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

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Mahopac Central School District, New York's ("School District") under programs of the federal government for the year ended June 30, 2023. Federal awards received directly from 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 or 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 entity 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.

Mahopac Central School District, New York

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

Section I - Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

____ Yes X No
____ Yes X None reported

Noncompliance material to financial statements
noted?

____ Yes X No

Federal Awards

Internal control over major federal programs:

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

____ Yes X No
____ Yes X None reported

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

Unmodified

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

____ Yes X No

Identification of major federal programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

84.425C	Governor's Emergency Education Relief (GEER) Fund (CRRSA)
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund (CRRSA)
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) III
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Comprehensive
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Learning Loss

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

\$750,000

Auditee qualified as low-risk auditee?

 X Yes ____ No

Mahopac Central School District, New York

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

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Mahopac Central School District, New York

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

None