PRELIMINARY OFFICIAL STATEMENT DATED JUNE 22, 2022

RENEWAL ISSUE **BOND ANTICIPATION NOTES**

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

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

$12,430,000

PUTNAM VALLEY CENTRAL SCHOOL DISTRICT

PUTNAM AND WESTCHESTER COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$12,430,000 Bond Anticipation Notes, 2022 (Renewals)

(the "Notes")

Dated: July 14, 2022 **Due: July 14, 2023**

The Notes are general obligations of the Putnam Valley Central School District, Putnam and Westchester Counties, New York (the "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 "NATURE OF OBLIGATION" and "TAX INFORMATION - Tax Levy Limitation Law" herein. **The Notes will be issued without the option of prior redemption**.

At the option of the purchaser(s), the Notes will be issued as registered notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or multiples thereof, as may be determined by such successful bidder(s).

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

The Notes are offered when, as and if issued and received by the Purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York City. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or at such place as may be agreed upon with the purchaser(s) on or about July 14, 2022.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on June 28, 2022 by no later than 11:30 A.M., Eastern Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the School District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June __, 2022

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

PUTNAM VALLEY CENTRAL SCHOOL DISTRICT
PUTNAM AND WESTCHESTER COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2021-2022 BOARD OF EDUCATION

BARBARA PARMLY
President

JOSEPH FERRARO
Vice President

JEANINE RUFO
JEANETTE YETTER
HELEN HORVITZ

* * * * * * * * *

DR. JEREMY LUFT
Superintendent of Schools

JILL FIGARELLA
District Treasurer

MAUREEN BELLINO
District Clerk

AGATA SZUMSKI
District Accountant

SHAW, PERELESON, MAY & LAMBERT, LLP
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

ORRICK, HERRINGTON & SUTCLIFFE, LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

PUTNAM VALLEY CENTRAL SCHOOL DISTRICT
PUTNAM AND WESTCHESTER COUNTIES, NEW YORK

Relating To

$12,430,000 Bond Anticipation Notes, 2022 (Renewals)

This Official Statement, which includes the cover page, has been prepared by the Putnam Valley Central School District, Putnam and Westchester Counties, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $12,430,000 principal amount of Bond Anticipation Notes, 2022 (Renewals) (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.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has continued to create, since its inception in the spring of 2020, prevailing economic conditions (at the global, national, State and local levels) that remain uncertain, have been generally negative, and are subject to the potential for rapid change as new variants emerge and as governments and other organizations respond. These conditions are expected to continue for an indefinite period of time. Significant federal and state relief measures that have been enacted since the onset of the pandemic have served to support the operations and finances of the District, but such measures were temporary in nature and are not likely to be extended or renewed, at least to such a large extent. Accordingly, the District's overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide and continuing event, the effects of which are extremely difficult to predict and quantify going forward. See "MARKET AND RISK FACTORS - COVID-19" herein.

THE NOTES

Description of the Notes

The Notes are general obligations of the School District, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated July 14, 2022 and will mature July 14, 2023. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The District will act as Paying Agent for the Notes.

The Notes will be issued in registered form at the option of the Purchaser(s) either (i) registered in the name of the purchaser, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution of the Putnam Valley Central School District dated June 20, 2019 authorizing the issuance of $14,200,000 serial bonds to finance the cost of construction of additions to and reconstruction of School District buildings and to construct a new health and wellness center at the High School at a maximum estimated cost of $14,810,000 (the "Capital Project") The District will utilize $610,000 Building and Facilities Improvement Reserve Fund monies to fund a portion of the Capital Project cost.

The proceeds of the Notes together with $880,000 available funds of the District will redeem $13,310,000 bond anticipation notes maturing July 15, 2022 and issued for the Capital Project.

NATURE OF OBLIGATION

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

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

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

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

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

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

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

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

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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. 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 of the Notes bearing the same CUSIP, and will be deposited with DTC.

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

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bond 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 School 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 School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School 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 School District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company.

THE SCHOOL 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 SCHOOL 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 THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS, 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 ONLY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE SCHOOL 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 Under Certain Circumstances

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 or in the event that a purchaser elects to have the Notes registered in the name of the purchaser, the following provisions will apply:

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable, at the option of the School District at the office of the School District Clerk or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York. The Notes will remain not subject to redemption prior to their stated maturity date.

THE SCHOOL DISTRICT

General Information

The Putnam Valley Central School District, which was created in 1934, is located in the Towns of Putnam Valley and Carmel in Putnam County and the Town of Cortlandt in Westchester County. The District covers approximately 35 square miles.

The District provides public education for grades K-12.

The District lies about 50 miles north of New York City. While it retains much of its rural character, the cultural, commercial and employment benefits of the City are readily accessible by highway and rail. District residents enjoy the convenience of several nearby shopping malls. Various parks, camps, county clubs and golf courses offer a variety of outdoor recreation. The area is within easy driving distance of skiing and other winter sports in New York and New England.

Electricity and natural gas are provided by New York State Electric & Gas Company. The District has 100% geothermal heating and cooling at the middle school/high school campus, as well as a combination of solar generation combined with electricity and natural gas at the District. Telephone services are provided by Verizon. Police protection is provided by the Putnam and Westchester County Sheriff’s Departments and the New York State Police.

Source: District officials.

District Population

The 2020 estimated population of the District is 10,507. (Source: U.S. Census Bureau, 2016-2020 American Community Survey 5-Year Estimates).

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 towns and Counties 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 is necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2000	2006-2010	2016-2020	2000	2006-2010	2016-2020
Towns of:						
Putnam Valley	$ 20,039	$ 31,215	$ 51,427	$ 59,161	$ 82,576	$ 129,115
Carmel	24,239	29,368	47,214	61,751	86,032	124,003
Cortlandt	24,124	33,432	52,934	64,156	89,053	140,064
Counties of:						
Putnam	20,536	30,127	47,533	58,592	82,197	122,394
Westchester	25,584	36,726	57,953	58,862	79,881	126,992
State of:						
New York	23,389	30,948	40,898	51,691	67,405	87,270

Note: 2017-2021 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2016-2020 American Community Survey data.

Unemployment Rate Statistics

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

Annual Average

	2015	2016	2017	2018	2019	2020	2021
Putnam County	4.3%	4.1%	4.2%	3.7%	3.6%	7.2%	4.2%
Westchester County	4.6%	4.4%	4.5%	3.9%	3.6%	8.0%	4.8%
New York State	5.2%	4.9%	4.6%	4.1%	3.8%	9.9%	6.9%

2021-22 Monthly Figures

	2021							2022				
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Putnam County	4.6%	4.4%	4.1%	3.5%	3.2%	2.9%	2.5%	3.3%	3.5%	3.2%	2.7%	N/A
Westchester County	5.2%	5.1%	4.8%	4.1%	3.7%	3.3%	2.9%	3.6%	3.8%	3.5%	3.0%	N/A
New York State	7.5%	7.1%	6.7%	5.7%	5.3%	4.9%	4.5%	5.3%	5.1%	4.7%	4.2%	N/A

Note: Unemployment rates for the month of May 2022 are not available as of the date of this Official Statement.

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

Form of School Government

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

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared a tentative budget of the School District for the ensuing fiscal year. A public hearing on such budget is held not less than seven and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the Tax Cap also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). Clarification may be needed to determine whether a Board of Education must adopt a budget that requires the same tax levy amount as used in the prior fiscal year, or whether changes to the levy are permitted for such purposes as the permitted school district exclusions or the tax base growth factor. For a complete discussion of Chapter 97, see "TAX LEVY LIMITATION LAW" herein.

Recent Budget Vote Results

The budget for the 2021-22 fiscal year was approved by qualified voters on May 18, 2021 by a vote of 430 yes to 309 no. The adopted budget included a total tax levy increase of 1.96%, which was within the District's Tax Cap of 2.10% for the 2021-22 fiscal year.

The budget for the 2022-23 fiscal year was approved by qualified voters on May 17, 2022 by a vote of 769 yes to 461 no. The adopted budget included a total tax levy increase of 1.49%, which was within the District's Tax Cap of 2.00% for the 2022-23 fiscal year.

Investment Policy

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

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

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

State law and the District policy does not permit the District to enter into reverse repurchase agreements or make other derivative type investments.

State Aid

The District receives appropriations from the State 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 2022-23 fiscal year, approximately 25.3% 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 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. The State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2021-22 Enacted Budget was adopted on April 7, 2021. No assurance can be given that the State will not experience delays in 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.

Since March 2020, the State has been awarded over $14 billion in federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately $1,019,068 in ARP funds and $1,554,072 in CRRSA funds.

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, including the diversion of federal resources to address the current COVID-19 outbreak.

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.

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. 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 2022-23 preliminary building aid ratios, the District expects to receive State building aid of approximately 67.1% 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 (2016-2017): The State 2016-17 Enacted Budget included a school aid increase of $991 million over 2015-16, $863 million of which consisted of traditional operating aid. In addition to full funding of expense based aids ($408 million), the budget also included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

School District Fiscal Year (2017-2018): The State 2017-18 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-18 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School District Fiscal Year (2018-2019): The State 2018-19 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately $859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at $26.03 billion statewide, a 3.4% increase over the last year. The State 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid totaled nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-19. The State 2018-19 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

School District Fiscal Year (2019-2020): The State 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6% and will provide additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increases the minimum community schools funding amount from $75,000 to $100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

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 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 is continued under existing aid formulas. Out-year growth in School Aid reflected then current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4% from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

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

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a “gap elimination adjustment” as described above, and other aid adjustments. The final phase of foundation aid is now scheduled to occur as listed in the following paragraph.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students’ Educational Rights v. State of New York (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent “gross education inadequacies”, claims regarding state funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York’s school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 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 General Fund revenues of the District for each of the last five completed fiscal years and the budgeted figures for the 2021-22 and 2022-23 fiscal years comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2016-2017	$ 46,617,163	$ 10,365,812	22.24%
2017-2018	47,140,882	10,495,848	22.26
2018-2019	50,566,107	11,085,275	21.92
2019-2020	50,201,253	11,371,162	22.65
2020-2021	51,518,084	12,420,674	24.11
2021-2022 (Budgeted)	51,896,449 (1)	11,619,482	22.39
2022-2023 (Budgeted)	54,723,530 (2)	13,868,671	25.34

(1) Does not include $1,300,000 of appropriated fund balance.
(2) Does not include $1,100,000 of appropriated fund balance.

Source: 2016-17 through and including the 2020-21 audited financial statements of the District and 2021-22 and 2022-23 adopted budgets (unaudited) of the District. This table is not audited.

School District Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Year(s) Built
Putnam Valley Elementary School	K-4	700	1935, ‘89
Putnam Valley Middle School	5-8	600	1972, ‘98
Putnam Valley High School	9-12	700	2000

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2017-2018	1,707	2022-2023	1,521
2018-2019	1,651	2023-2024	1,507
2019-2020	1,626	2024-2025	1,492
2020-2021	1,650	2025-2026	1,478
2021-2022	1,630	2026-2027	1,425

Source: District officials.

Employees

The District employs a total of approximately 272 full-time and 25 part-time employees. Employees represented by various unions are as follows:

Members	Union Representation	Contract Expiration Date
151	Putnam Valley Federation of Teachers	June 30, 2022 [1]
113	Civil Service Employees' Association	June 30, 2023
7	Putnam Valley Administrators' Association	June 30, 2024

[1] Currently under negotiations.

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, a new Tier VI pension program was signed into law, 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%, 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 five years and budgeted figures for the 2022-23 fiscal year are as follows:

Fiscal Year	ERS	TRS
2016-2017	$ 697,457	$ 2,213,773
2017-2018	735,016	1,956,898
2018-2019	634,255	2,142,269
2019-2020	620,270	1,762,065
2020-2021	652,873	1,971,148
2021-2022	712,750	2,012,071
2022-2023 (Budgeted)	734,760	2,434,244

Source: District officials.

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

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District does not currently offer an early retirement incentive programs to its employees.

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

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2016-17 to 2022-23) is shown below:

Fiscal Year	ERS	TRS
2017-18	15.3%	9.80%
2018-19	14.9	10.62
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29*

* Estimated. The TRS Retirement Board is expected to adopt the 2022-23 employer contribution rate at its August 3, 2022 meeting.

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by 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 authorized local governments, 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 Rate Pension Contribution Option"). The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

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

The State's 2019-2020 Enacted Budget, which was signed into law on March 31, 2019, allows school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The School District has established and has begun funding a TRS reserve fund. The reserve fund balance as of June 30, 2021 was $1,200,600.

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

Other Post-Employment Benefits

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 will require governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

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.

GASB 75 and OPEB. In 2015, the GASB released new accounting standards for public other postemployment benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires school districts to report 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 requires school districts to calculate and report a net other postemployment benefit obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

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

The District contracted with an actuarial firm to calculate its first actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2020 and 2021 fiscal years, by source.

Balance beginning at July 1:	2019	2020
Changes for the year:	$ 79,662,415	$ 87,166,123
Service cost	2,216,739	2,548,303
Interest	2,047,622	1,798,914
Differences between expected and actual experience	-	-
Changes in assumptions or other inputs	5,273,696	4,664,259
Changes of benefit terms	-	-
Benefit payments	(2,034,349)	(2,187,403)
Net Changes	$ 7,503,708	$ 6,824,073
Balance ending at June 30:	**2020**	**2021**
	$ 87,166,123	**$ 93,990,196**

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability, 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, 2021 and has been filed with the Electronic Municipal Market Access ("EMMA") website. It is also attached hereto as "APPENDIX-E" to this Official Statement. Certain summary financial information of the District can also be found attached as Appendices to the Official Statement.

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

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

New York State Comptroller Reports of Examination

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

The State Comptroller's office released an audit report of the District on July 8, 2016. The purpose of the audit was to evaluate the District's financial conditions for the period July 1, 2014 through February 10, 2016. Key findings and recommendations from the audit report are summarized below:

Key Findings:

- District officials used surplus funds to increase reserves and the debt service fund each year. However, District officials did not use these restricted funds to pay for reserve and debt service related obligations because the Board budgeted appropriations each year to pay these expenditures. This resulted in surplus fund balance, which exceeded the statutory limit.
- Officials have not established a reserve fund policy stating how much would be set aside in each reserve, how each reserve would be funded or when the reserve funds would be used.
- Officials budgeted for and levied taxes to pay retirement, tax certiorari and liability claim expenditures from the annual operating budget. When these expenditures are budgeted for annually, the reserves appear to be unnecessary.

Key Recommendations:

- Develop a plan to use the surplus fund balance in a manner that benefits District residents.
- Establish reserve fund policies that identify a clear intent or plan regarding the purpose, use and replenishment of funds, when appropriate.
- Review reserves to determine if the amounts reserved are justified, necessary and reasonable. To the extent that they are not, reserves should be properly reduced.

The State Comptroller's office released its most recent audit report of the District on January 14, 2022. The purpose of the audit was to determine whether District officials ensured information technology (IT) systems were adequately secured and protected against unauthorized use, access and loss. for the period July 1, 2019 through May 31, 2021.

A copy of the complete audit reports and the District response to findings and recommendation can be found via the website of the Office of the New York State Comptroller.

There are no State Comptroller's 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 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 2016-17 through 2020-21 fiscal years of the District are as follows:

Fiscal Year Ending:	Stress Designation	Fiscal Score
2021	No Designation	0.0
2020	No Designation	6.7
2019	No Designation	6.7
2018	No Designation	6.7
2017	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

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Putnam Valley	$ 1,188,320,384	$ 1,234,595,338	$ 1,261,050,039	$ 1,310,915,622	$ 1,390,622,559
Carmel	4,633,726	4,664,690	4,671,445	4,737,658	4,799,981
Cortlandt	2,553,122	2,498,435	2,485,875	2,488,252	2,488,194
Total Assessed Values	$ 1,195,507,232	$ 1,241,758,463	$ 1,268,207,359	$ 1,318,141,532	$ 1,397,910,734
State Equalization Rates					
Towns of:					
Putnam Valley	100.00%	100.00%	102.99%	100.00%	100.00%
Carmel	100.00%	100.00%	100.00%	100.00%	100.00%
Cortlandt	1.71%	1.70%	1.65%	1.53%	1.50%
Total Taxable Full Valuation	$ 1,342,259,490	$ 1,386,226,793	$ 1,379,769,840	$ 1,478,284,130	$ 1,561,302,140

Source: School District officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Putnam Valley	$ 26.64	$ 26.38	$ 26.08	$ 25.68	$ 24.72
Carmel	25.82	27.12	26.88	25.60	25.48
Cortlandt	1,514.75	1,613.83	1,629.58	1,692.16	1,700.00

Source: School District officials

Tax Collection Procedure

Full payments are accepted as follows: Taxes are payable during September without penalty. A 2% penalty is added for the month of October. After October 31, all unpaid taxes located in Putnam County are turned over to Putnam County for relevy on County/Town tax rolls with an additional interest penalty. The Town of Cortlandt in Westchester County collects school taxes and turns them over to the District. The responsibility for collection of unpaid taxes located in Putnam County rests with the County of Putnam, which reimburses the District for uncollected taxes in April of each year. This does not apply to District property located in Westchester County. The Town of Cortlandt will reimburse the District for uncollected taxes. The District is thus assured of 100% collection of its annual tax levy.

For the Towns of Carmel and Putnam Valley, partial payments are accepted as follows: Payment will be accepted as two equal installments with a 4% service charge added. The first payment must be postmarked no later than September 15. The second payment is to be made to the Counties no later than March 15. After March 15 interest accrues at a variable rate.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Total Tax Levy	$ 35,775,821	$ 36,747,311	$ 37,480,010	$ 38,010,949	$ 38,755,967
Amount Uncollected (1)	2,762,544	2,882,318	3,162,410	2,701,608	2,853,528
% Uncollected	7.72%	7.84%	8.44%	7.11%	7.36%

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

Source: School District officials

Real Property Tax Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years and the budgeted figures for the 2021-22 and 2022-23 fiscal years comprised of Real Property Taxes and Tax Items.

Fiscal Year	Total Revenues	Total Real Property Taxes and Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2016-2017	$ 46,617,163	$ 35,475,797	76.10%
2017-2018	47,140,882	35,766,337	75.87
2018-2019	50,566,107	36,737,295	72.65
2019-2020	50,201,253	37,468,777	74.64
2020-2021	51,518,084	37,959,693	73.68
2021-2022 (Budgeted)	51,896,449 (1)	38,801,967	74.77
2022-2023 (Budgeted)	54,723,530 (2)	39,379,859	71.96

(1) Does not include $1,300,000 of appropriated fund balance.
(2) Does not include $1,100,000 of appropriated fund balance.

Source: 2016-17 through and including the 2020-21 audited financial statements of the District and 2021-22 and 2022-23 adopted budgets (unaudited) of the District. This table is not audited.

Ten Larger Taxpayers – 2021 Assessment Roll for 2021-22 District Tax Roll

Name	Type	Taxable Assessed Valuation
State of New York	State Land	$ 14,514,050
NYSEG	Utility	9,025,790
Consolidated Edison	Utility	6,050,512
City of Peekskill	Utility	4,640,776
Altarescu Steven	Private	2,665,000
Yellin Trust Dustin	Private	2,476,500
Verizon New York, Inc	Utility	2,422,118
Kaspar Alexander	Private	1,999,000
Paley Alan	Private	1,700,800
Conte Christopher	Private	1,696,600

The ten larger taxpayers listed above have a total taxable assessed valuation of $47,191,146, which represents 3.38% of the tax base of the District for the 2021-22 fiscal year.

The School District occasionally experiences the impact of tax certiorari filings. At this time, the level of any known tax certiorari filings are within acceptable norms and are not known or anticipated to have a material impact on the School District's finances.

Source: District officials.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Agricultural-10%, Residential-70% and Commercial-20%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $2,568 (plus District taxes that apply to that particular parcel) including County, Town or Village, School District and Fire District taxes.

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.

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. 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 $90,550 or less in 2021-22 and $92,000 or less in 2022-2023, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $70,700 for the 2021-22 school year and $74,900 for the 2022-23 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-2016 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A new homeowner may receive a new personal income tax credit in the form of a check. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been 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. While former Governor Cuomo had issued various Executive Orders in response to COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits, the most recent of such Executive Orders expired on July 5, 2021.

The 2022-23 Enacted State Budget provides $2.2 billion in State funding for a new 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:

Town of:	Enhanced Exemption	Basic Exemption	Date Certified
Putnam Valley	$ 116,170	$ 46,530	4/7/2022
Carmel	116,170	46,530	4/7/2022
Cortlandt	3,070	1,230	10/13/2021

$3,536,070 of the District's $38,000,276 school tax levy for the 2020-21 fiscal year was exempted by the STAR Program. The District received all of such exempt taxes from the State on January 1, 2021.

$3,292,584 of the District's $38,633,133 school tax levy for the 2021-22 fiscal year was exempted by the STAR Program. The District received all of such exempt taxes from the State on January 1, 2022.

TAX LEVY LIMITATION LAW

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

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

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

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020; however, recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional 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 within one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness is 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 LIMITATION LAW" herein).

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in the anticipation of the bonds. No down payment is required in connection with the issuance of District obligations. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the commissioner of Education of the State.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, or summary thereof, together with a statutory form of notice which, in effect, estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Except in certain circumstances, the District complies with such procedure. It is a procedure that is generally recommended by Bond Counsel, but it is not an absolute legal requirement.

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
Bonds	$ 10,935,000	$ 9,255,000	$ 7,690,000	$ 6,135,000	$ 4,580,000
Bond Anticipation Notes	0	0	0	5,322,843	14,470,343
Energy Performance Contract [1]	0	6,921,212	6,549,082	6,165,788	5,770,995
Total Debt Outstanding	$ 10,935,000	$ 16,176,212	$ 14,239,082	$ 17,623,631	$ 24,821,338

[1] See "Energy Performance Contract" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 22, 2022.

Type of Indebtedness	Maturity	Amount
Bonds	2023-2028	$ 3,885,000
Bond Anticipation Notes		
Capital Project	July 15, 2022	13,310,000 [1]
Purchase of Buses	October 14, 2022	323,107
	Total Indebtedness	$ 17,518,107

[1] To be redeemed at maturity with proceeds of the Notes together with a $880,000 budgeted principal paydown.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 22, 2022:

Full Valuation of Taxable Real Property			$1,561,302,140
Debt Limit – 10% thereof			156,130,214
Inclusions:			
Bonds	$ 3,885,000		
Bond Anticipation Notes	13,633,107		
Total Inclusions		$ 17,518,107	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness [2]			$ 17,518,107
Net Debt-Contracting Margin			$ 138,612,107
The percent of debt contracting power exhausted is			11.22%

(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 2022-23 Building Aid Ratios, the School District anticipates State Building aid of 67.1% 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.

(2) Does not include energy performance contracts outstanding, which are subject to appropriation but do not involve a pledge of faith and credit of the District, and therefore do not technically constitute indebtedness of the District. Such obligations do however count towards the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations. See "Energy Performance Contract" herein.

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.

Cash Flow Borrowings

The District has not issued tax or revenue anticipation notes, nor deficiency or budget notes in the past five fiscal years, and does not anticipate the need to issue revenue or tax anticipation notes, or deficiency or budget notes in the foreseeable future.

Energy Performance Contract

During the 2017-18 fiscal year, the District entered into an agreement to finance the cost of energy efficiency improvements over a 15-year period at a total cost of $6,921,212.

The following is a schedule of those future minimum lease payments under capital leases, as of June 22, 2022:

Fiscal Year Ending	Principal	Interest
2023	$ 418,835	$ 180,721
2024	431,401	166,611
2025	444,343	152,077
2026	457,673	137,108
2027	471,403	121,689
2027-2033	3,140,704	379,445
Minimum Lease Payments	$ 5,364,359	$ 1,137,652

Prepayment of the lease obligation is permitted on any payment date at the lesser of a break funding fee or 103% of the outstanding principal balance in full.

Capital Project Plans

On December 4, 2018, the qualified voters of the District approved a capital project consisting of the construction of additions to and reconstruction od School District buildings and to construct a new health and wellness center at the High School at a maximum estimated cost of $14,810,000 (the "Capital Project"). The District will utilize $610,000 Building and Facilities Improvement Reserve Fund monies to fund a portion of the Capital Project cost, with the balance of $14,200,000 Capital Project costs to be financed with the issuance of bond anticipation notes and serial bonds. To date, the District has issued $14,200,000 bond anticipation notes pursuant to this authorization, of which $13,310,000 bond anticipation notes remain outstanding and will mature on July 15, 2022. The proceeds of the Notes will renew a $12,430,000 portion these outstanding bond anticipation notes through June 2023.

Other than the above-mentioned projects, the District has no other capital projects approved or contemplated at this time.

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:

Municipality	Status of Debt as of	Gross Indebtedness (1)	Exclusions (2)	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Putnam	12/31/2020	$ 57,448,143	$ 4,367,843	$ 53,080,300	9.12%	$ 4,840,923
Westchester	12/31/2020	1,499,243,920	469,117,187	1,030,126,733	0.08%	824,101
Town of:						
Putnam Valley	12/31/2020	2,594,265	6,765	2,587,500	76.98%	1,991,858
Carmel	12/31/2020	32,192,948	2,920,000	29,272,948	0.10%	29,273
Cortlandt	12/31/2020	18,992,545	18,992,545	-	2.25%	-
					Total:	$ 7,686,155

Notes:
(1) Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.
(2) Water and sewer debt and / or appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Most recent available State Comptroller's Special Report on Municipal Affairs for Local Finance for fiscal years ended 2020 for counties and towns.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 22, 2022:

	Amount	Per Capita [(a)]	Percentage of Full Value [(b)]
Net Indebtedness [(c)]	$ 17,518,107	$ 1,667.28	1.12%
Net Indebtedness Plus Net Overlapping Indebtedness [(d)]	25,204,262	2,398.81	1.61%

(a) The 2020 estimated population of the District is 10,507. (See "THE SCHOOL DISTRICT – School District Population" herein.)

(b) The District's full value of taxable real estate for the 2020-21 tax roll is $1,561,302,140. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary" herein.

(d) Estimated net overlapping indebtedness is $7,686,155. (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.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

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

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

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

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

MARKET AND RISK FACTORS

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

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

The School District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "THE SCHOOL DISTRICT - State Aid").

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the School District could have an impact upon the market price of the Notes. See “TAX LEVY LIMITATION LAW” herein.

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

Cybersecurity

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

COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District’s financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid, as well as resulting in a delay or reduction of sales tax receipts or other revenues of the District. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Schools and non-essential businesses have been allowed to reopen pursuant to State guidelines. Efforts to contain the spread of COVID-19 have reduced the spread of the virus and the restrictions put in place following the initial outbreak have been relaxed. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State’s economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the District’s operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See also “*State Aid*” and “*State Aid History*” herein).

The District does not expect to realize any significant negative impacts from the COVID-19 pandemic through its 2021-22 fiscal year or for the foreseeable future under current conditions.

TAX MATTERS

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

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

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

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

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

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

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

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

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

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX – D".

LITIGATION

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

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

CONTINUING DISCLOSURE

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 a Continuing Disclosure Undertaking, a description of which is attached hereto as "APPENDIX – C, MATERIAL EVENT NOTICES".

Historical Continuing Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings pursuant to the Rule.

RATINGS

The Notes are NOT rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale 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 and the Final Official Statement supplemented. (See "APPENDIX – C, MATERIAL EVENT NOTICES" herein.)

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their underlying rating of "AA" with a stable outlook to the District's outstanding bonds. This rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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 and the Notes.

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.

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.

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

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

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

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

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

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's contact information is as follows: Ms. Jill Figarella, Treasurer, Putnam Valley Central School District, 146 Peekskill Hollow Road, Putnam Valley, New York 10579, Phone: (845) 528-8125, Fax: (845) 528-8386, email: jfigarella@pvcsd.org

The District's Bond Counsel contact information is as follows: Douglas E. Goodfriend, Esq., Orrick, Herrington & Sutcliffe LLP, 51 West 52nd Street, New York, New York 10019, Phone: (212) 506-5211, Fax: (212) 506-5151, Email: dgoodfriend@orrick.com.

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

PUTNAM VALLEY CENTRAL SCHOOL DISTRICT

Dated: June 22, 2022

BARBARA PARMLY
PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
ASSETS					
Cash	$ 1,362,664	$ 2,269,416	$ 1,170,405	$ 1,730,742	$ 787,787
Investments	15,741,408	13,289,273	12,818,865	13,558,419	16,064,047
Accounts Receivables	108,189	66,380	3,162,617	-	130,603
State and Federal Aid Receivable	215,367	215,410	-	422,730	441,143
Due from Other Governments	710,203	726,763	-	1,122,837	1,433,344
Due from Other Funds	1,864,689	1,589,712	-	786,004	845,005
Prepaid Expenditures	292,035	276,012	261,773	262,658	275,869
TOTAL ASSETS	$ 20,294,555	$ 18,432,966	$ 17,413,660	$ 17,883,390	$ 19,977,798
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 455,292	$ 729,125	$ 1,264,351	$ 1,651,424	$ 1,526,964
Accrued Liabilities	647,483	252,225	555,957	150,706	220,963
Due to Other Governments	-	-	-	-	-
Due to Other Funds	6,390,655	5,462,575	4,030,717	3,533,755	3,531,454
Due to Retirement Systems	2,509,669	2,266,345	2,450,513	2,059,383	2,213,136
Deferred Revenues	-	-	-	-	-
TOTAL LIABILITIES	10,003,099	8,710,270	8,301,538	7,395,268	7,492,517
FUND EQUITY					
Nonspendable	$ 292,035	$ 276,012	$ 261,773	$ 262,658	$ 275,869
Restricted	5,481,191	5,788,939	5,468,886	5,684,171	8,781,247
Assigned	2,576,541	1,605,509	1,313,825	2,804,427	1,299,771
Unassigned	1,941,689	2,052,236	2,067,638	1,736,866	2,128,394
TOTAL FUND EQUITY	10,291,456	9,722,696	9,112,122	10,488,122	12,485,281
TOTAL LIABILITIES and FUND EQUITY	$ 20,294,555	$ 18,432,966	$ 17,413,660	$ 17,883,390	$ 19,977,798

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:	2017	2018	2019	2020	2021
REVENUES					
Real Property Taxes	$ 30,712,908	$ 31,164,016	$ 32,399,040	$ 33,674,768	$ 34,381,550
Other Tax Items	4,762,889	4,602,321	4,338,255	3,794,009	3,578,143
Non-Property Taxes	50,924	53,856	55,666	78,011	88,699
Charges for Services	328,073	281,944	458,776	142,301	272,669
Use of Money & Property	126,338	278,412	383,560	257,224	16,494
Sale of Property and Compensation for Loss	-	-	-	-	665
Miscellaneous	270,219	264,485	494,584	383,778	607,982
Revenues from State Sources	10,365,812	10,495,848	11,085,275	11,371,162	12,420,674
Revenues from Federal Sources	-	-	-	-	151,208
Total Revenues	$ 46,617,163	$ 47,140,882	$ 49,215,156	$ 49,701,253	$ 51,518,084
Other Sources:					
Interfund Transfers	-	-	1,350,951	500,000	-
Total Revenues and Other Sources	46,617,163	47,140,882	50,566,107	50,201,253	51,518,084
EXPENDITURES					
General Support	$ 4,368,314	$ 5,005,589	$ 4,693,773	$ 4,606,873	$ 5,006,980
Instruction	27,736,864	28,266,641	29,537,907	27,741,809	27,587,100
Pupil Transportation	2,282,369	2,476,181	2,787,664	2,906,159	2,823,462
Community Services	-	-	-	-	-
Employee Benefits	10,154,273	10,656,435	10,956,175	10,975,283	11,371,822
Debt Service	-	-	2,524,971	2,511,735	2,502,867
Total Expenditures	$ 44,541,820	# $ 46,404,846	$ 50,500,490	$ 48,741,859	$ 49,292,231
Other Uses:					
Interfund Transfers	1,789,765	1,304,796	676,191	83,394	228,694
Total Expenditures and Other Uses	46,331,585	47,709,642	51,176,681	48,825,253	49,520,925
Excess (Deficit) Revenues Over Expenditures	285,578	(568,760)	(610,574)	1,376,000	1,997,159
FUND BALANCE					
Fund Balance - Beginning of Year	10,005,878	10,291,456	9,722,696	9,112,122	10,488,122
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 10,291,456	$ 9,722,696	$ 9,112,122	$ 10,488,122	$ 12,485,281

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:	2021			2022	2023
	Original Budget	Final Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 33,710,949	$ 34,474,879	$ 34,381,550	$ 38,801,967	$ 39,379,859
Other Tax Items	4,345,000	3,581,070	3,578,143	-	-
Non-Property Taxes	-	-	88,699	-	-
Charges for Services	265,000	265,000	272,669	125,000	125,000
Use of Money & Property	77,600	77,600	16,494	25,000	25,000
Sale of Property and Compensation for Loss	-	-	665	-	-
Miscellaneous	215,000	215,000	607,982	325,000	325,000
Revenues from State Sources	11,314,314	11,163,106	12,420,674	11,619,482	13,868,671
Revenues from Federal Sources	-	151,208	151,208	-	-
Total Revenues	$ 49,927,863	$ 49,927,863	$ 51,518,084	$ 50,896,449	$ 53,723,530
Other Sources:					
Interfund Transfers	700,000	700,000	-	1,000,000	1,000,000
Total Revenues and Other Sources	50,627,863	50,627,863	51,518,084	51,896,449	54,723,530
EXPENDITURES					
General Support	$ 5,554,405	$ 5,698,293	$ 5,006,980	$ 4,951,759	$ 4,950,796
Instruction	29,760,067	29,313,693	27,587,100	29,640,751	29,684,955
Pupil Transportation	3,089,551	3,089,550	2,823,462	3,226,312	3,357,555
Community Services	-	-	-	-	-
Employee Benefits	11,846,703	12,018,009	11,371,822	12,105,378	12,449,442
Debt Service	2,918,019	2,963,033	2,502,867	3,177,249	3,222,782
Total Expenditures	$ 53,168,745	$ 53,082,578	$ 49,292,231	$ 53,101,449	$ 53,665,530
Other Uses:					
Interfund Transfers	159,931	246,098	228,694	95,000	2,158,000 (1)
Total Expenditures and Other Uses	53,328,676	53,328,676	49,520,925	53,196,449	55,823,530
Excess (Deficit) Revenues Over Expenditures	(2,700,813)	(2,700,813)	1,997,159	(1,300,000)	(1,100,000)
FUND BALANCE					
Fund Balance - Beginning of Year	2,700,813	2,700,813	10,488,122	1,300,000	1,100,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 12,485,281	$ -	$ -

(1) Includes $1,000,000 transfer to Special Aid Fund, and $1,295,000 transfers to Capital Fund.

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

BONDED DEBT SERVICE
(as of June 22, 2022)

Fiscal Year Ending June 30th	2015 Refunding Serial Bonds Principal	Interest	Total
2022	$ -	$ -	$ -
2023	685,000	194,250	879,250
2024	670,000	160,000	830,000
2025	655,000	126,500	781,500
2026	640,000	93,750	733,750
2027	625,000	61,750	686,750
2028	610,000	30,500	640,500
TOTALS	$ 3,885,000	$ 666,750	$ 4,551,750

Note: Indebtedness shown above does not include energy performance contracts outstanding, which are subject to appropriation but do not involve a pledge of faith and credit of the District, and therefore do not technically constitute indebtedness of the District. Such obligations do however count towards the debt limit of the District.

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, the School District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the securities, unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the securities, or other material events affecting the tax status of the Note

(g) modifications to rights of Note holders, if material

(h) note calls, if material and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the Notes

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the School District

(m) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material

(o) incurrence of a "financial obligation" (as defined by the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Note.

With respect to event (d) the School District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) 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 School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The School District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the School District determines that any such other event is material with respect to the Note; but the School District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The School District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed material event notices, if any, on or before the date specified.

The School District reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the School District no longer remains an obligated person with respect to the Note within the meaning of the Rule. The School District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Note (including holders of beneficial interests in the Note). The right of holders of the Note to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the School District’s obligations under its material event notices undertaking and any failure by the School District to comply with the provisions of the undertaking will neither be a default with respect to the Note nor entitle any holder of the Note to recover monetary damages.

The School District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the School District; provided that the School District agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

FORM OF BOND COUNSEL'S OPINION

July 14, 2022

Putnam Valley Central School District
Putnam and Westchester Counties
State of New York

Re: Putnam Valley Central School District, Putnam and Westchester Counties, New York
$12,430,000 Bond Anticipation Notes, 2022 (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $12,430,000 Bond Anticipation Notes, 2022 (Renewals) (the "Obligation"), of the Putnam Valley Central School District, Putnam and Westchester Counties, New York (the "Obligor"), dated July 14, 2022, numbered 1, of the denomination of $12,430,000, bearing interest at the rate of ___% per annum, payable at maturity, and maturing July 14, 2023.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

PUTNAM VALLEY CENTRAL SCHOOL DISTRICT
PUTNAM AND WESTCHESTER COUNTIES, NEW YORK

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2021

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.

Putnam Valley Central School District, New York

Table of Contents

Table of Contents (Concluded)

Independent Auditors' Report

The Board of Education of the
Putnam Valley Central School District, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Putnam Valley Central School District, New York ("School District") as of and for the year ended June 30, 2021, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

PKF O'CONNOR DAVIES, LLP
500 Mamaroneck Avenue, Harrison, NY 10528 I Tel: 914.381.8900 I Fax: 914.381.8910 I www.pkfod.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2021, 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.

Emphasis of Matters

We draw attention to Notes 2E and 2G in the notes to financial statements which disclose the effects of the School District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". Our opinion is not modified with respect to this matter.

Other Matters

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, 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 and Other Information

Our audit for the year ended June 30, 2021 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* for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2021 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 for the year ended June 30, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the School District as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated September 17, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2020 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 relate directly to the underlying accounting and other records used to prepare the 2020 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
September 7, 2021

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Introduction

Our discussion and analysis of the Putnam Valley Central School District, New York's ("School District") financial performance provides an overview of the School District's financial activities for the year ended June 30, 2021. It should be read along with the basic financial statements, which immediately follows this section, to enhance the understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4.0% of the ensuing year's budget, exclusive of the amount assigned for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $2,128,394.

- As of the close of the current fiscal year, the School District's governmental fund financial statements report a combined ending fund balance of $4,152,282, a decrease of $7,866,690 from the prior year. The decrease represents the Capital Facilities project expended during 2018-19, 19-20 and 20-21 from the Capital Projects Fund. Exclusive of the Capital Projects Fund amount of ($12,222,950), the combined ending fund balances are $16,375,232. Of this amount, the unassigned fund balance is $2,128,394. This amount is available for spending at the discretion of the School District.

- On the district-wide financial statements, the liabilities and deferred inflows of resource exceeded the assets and deferred outflows of resources of the School District at the close of its most recent fiscal year by $37,848,805. The School District's total net position decreased by $4,110,714 for the year ended June 30, 2021.

- At June 30, 2021, the School District reported in its Statement of Net Position a liability of $14,453 for its proportionate share of the New York State and Local Employees' Retirement System ("ERS") and $3,242,650 for the New York State Teachers' Retirement System ("TRS"). 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 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 and liabilities, with the difference between the two reported as n*et 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, community services, 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, Special Aid Fund, School Lunch Fund, Special Purpose Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Special Aid, Debt Service and Capital Projects funds, since the School District has elected to report them as major funds.

- The School District adopts an annual budget for its General Fund and Special Aid Fund. A budgetary comparison statement has been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets.

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

Notes to Financial Statements

The notes 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 the 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 obligations, 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 situation. This MD&A includes a summary of two district-wide statements that focus on operations of the School District as a whole. These statements measure inputs and outflows using an economic resources measurement focus, and use the accrual basis of accounting. Activities that are fiduciary in nature are not included in these statements.

In the case of the Putnam Valley Central School District, New York, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $37,848,805 at the close of the current fiscal year.

Net Position

	June 30, 2021	June 30, 2020
Current Assets	$ 22,699,086	$ 21,131,115
Net Pension Asset	-	3,101,500
Capital Assets, net	47,483,499	38,923,350
Total Assets	70,182,585	63,155,965
Deferred Outflows of Resources		
Deferred charges on refunding bonds	162,385	213,835
Pension related	14,291,898	12,473,726
OPEB related	12,648,690	10,625,096
	27,102,973	23,312,657
Current Liabilities	18,802,727	9,330,731
Non-Current Liabilities	110,034,333	106,099,405
Total Liabilities	128,837,060	115,430,136
Deferred Inflows of Resources		
Pension related	6,297,303	4,776,577
Net Position		
Net investment in capital assets	24,099,482	20,511,407
Restricted for		
Future capital projects	1,929,523	1,002,487
Repairs	30,737	30,691
Special purpose	192,217	114,313
Property loss and liability	678,361	377,794
Tax certiorari	1,170,429	550,938
Debt service	3,627,729	3,535,883
Retirement contributions	3,277,145	2,826,577
Unrestricted	(72,854,428)	(62,688,181)
Total Net Position	$ (37,848,805)	$ (33,738,091)

A large component of the School District's net position is its investment in capital assets, less any outstanding related debt used to acquire those assets. The School District uses these capital assets to provide services to students and therefore, 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.

As of June 30, 2021, the School District reported a net pension liability and deferred inflows/outflows of resources as calculated by the New York State Teachers' and Local Employees' Retirement systems. This liability and the net deferrals are not in custody of, nor are they accessible by the School District; rather these represent the School District's share of the calculated excess/shortfall of the respective retirement systems. Please see Note 3E of the financial statements for more information on these pension items.

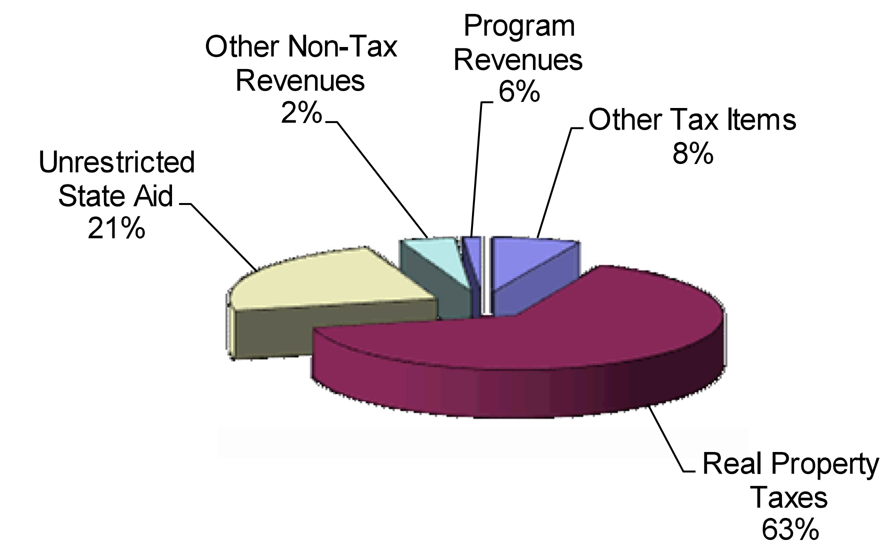
The restricted net position subject to external restrictions constitute is $10,906,141.

Net position decreased by $4,198,272 for the year ended June 30, 2021.

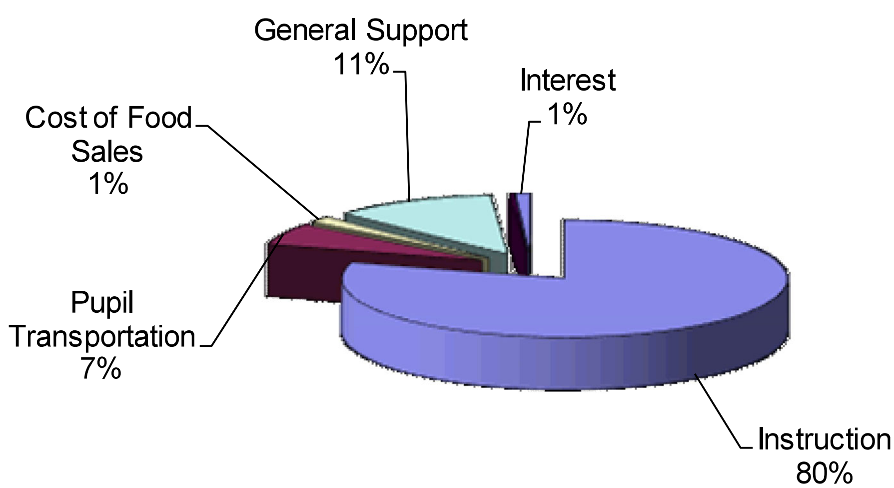
Changes in Net Position

	Years Ended June 30, 2021	Years Ended June 30, 2020
Revenues		
Program Revenues		
Charges for Services	$ 272,113	$ 475,251
Operating Grants and Contributions	1,798,825	1,395,256
Capital Grants and Contributions	108,350	33,267
Total Program Revenues	2,179,288	1,903,774
General Revenues		
Real Property Taxes	34,381,550	33,674,768
Other Tax Items	3,578,143	3,794,009
Non-Property Taxes	88,699	78,011
Unrestricted Earnings on Investments	8,267	251,367
Unrestricted State Aid	12,267,374	11,118,910
Insurance Recoveries	665	7,203
Miscellaneous	607,982	376,575
Total General Revenues	50,932,680	49,300,843
Total Revenues	53,111,968	51,204,617
Program Expenses		
General Support	6,727,746	6,782,607
Instruction	45,600,394	45,754,975
Pupil Transportation	3,367,052	3,680,189
Cost of Food Sales	912,729	492,295
Other	131,337	82,875
Interest	570,982	492,517
Total Program Expenditures	57,310,240	57,285,458
Change in Net Position	(4,198,272)	(6,080,841)
Net Position		
Beginning as reported	(33,738,091)	(27,657,250)
Cumulative Effect of Change in Accounting Principle	87,558	-
Beginning as restated	(33,650,533)	(27,657,250)
Ending	$ (37,848,805)	$ (33,738,091)

Revenues by Sources for Fiscal Year 2021



Expenses for Fiscal Year 2021
Governmental Activities



The major changes are as follows:

Revenues

- The School District relies upon real property taxes (65%) as its primary revenue source.

- Real property Taxes: The tax levy increased in the amount of $706,782, the allowable amount under the tax cap law and the extent needed to fund the budget.

- Use of money and property: A decrease in Earnings on Investments of $243,100 was attributed to significant decrease in interest rates in 2020-2021 school year due to the pandemic.

- Charges for Services: There was an increase in the Day School Tuition account of $130,000; this is attributed to foster tuition received.

- State Aid: General Aid and Excess Cost Aid increased from the prior year by approximately $1M; an anticipated cut of 20% in State aid occurred during the pandemic which was later restored during the fiscal year.

- BOCES Revenue (Miscellaneous): A $231,000 increase was generated by 2019-20 BOCES Aid. Originally, the District anticipated a 20% reduction which was restored. Also, additional instructional computer equipment was ordered to help increase the aid in the future year in case there was a freeze.

- The District also received $151K in pandemic aid to help pay for COVID related expenses incurred from March 2020 forward.

Expenditures

- Central Services increased by $472,000 for Construction Management Services rendered for the 2018 Capital Project.

- Instructional Media decreased in 2020-21 by $270,000. The District pre-ordered some computer equipment at the end of 2019-20 to maximize BOCES aid for the 2020-21 school year with threats of aid being frozen at a lower amount.

- Employee benefits: increased by $400,000, there was an increase in the number of retirement incentives and an increase in the TRS rate increase.

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 government'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 governmental funds reported combined fund balances of $4,152,282 a decrease of $7,866,690 from the prior year. Of this amount, the *unassigned* fund balance of $2,128,394 (net of the Capital Projects and Special Aid Fund deficits) is available for spending at the School District's discretion. The remainder of fund balances is either Nonspendable, Restricted, or Assigned to indicate they're unavailable for spending because they have already been committed to honor the specific purposes for which it can be spent. The nonspendable fund balance of $287,149 consists of assets that are inherently unspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, and principal of endowments. The restricted fund balance of $12,601,193 consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Included within the restricted fund balances are reserves for tax certiorari $1,170,429, special purpose $192,217, employee benefit accrued liability $1,445,052, retirement contributions $3,027,145, retirement contributions for subsequent year's expenditures $500,000, property loss and liability of $678,361, repairs restriction of $30,737, future capital projects of $1,929,523 and debt service $3,627,729. The assigned fund balance of $1,364,337 consists of amounts that are subject to a purpose constraint that represents an intended use established by the Board of Education. Included within the assigned fund balances are encumbrances of $449,771, school lunch fund $64,566 and a designation for subsequent year's expenditures of $800,000.

General Fund Budgetary Highlights

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was $12,485,281, of which $2,128,394 or 4% of the ensuing year's budget was unassigned. As previously mentioned, New York State Law limits the amount of unassigned fund balance that can be retained to 4.0% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

General Fund revenue received was $1,589,556 more than budgeted. The positive variances were exhibited throughout entire revenue budget. Revenues such as aid increases, increased interest rates as well as an unplanned out-of-district tuition reimbursement were the factor.

Expenditures were below the final budget. After encumbrances of $499,771 expenditure savings were $3,290,576. Savings were exhibited throughout the budget. General Support, Instruction and Employee Benefits.

The original General Fund budget anticipated the use of $2,700,813 of fund balance; $1,420,813 from prior year encumbrances and $1,280,000 from assigned fund balance.

Capital Assets

At June 30, 2021, the School District had $47,483,499, net of accumulated depreciation invested in 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, 2021	June 30, 2020
Land	$ 2,891,200	$ 2,891,200
Construction-in-Progress	12,654,476	2,911,435
Buildings and Improvements	29,500,853	30,862,735
Machinery and Equipment	2,436,970	2,257,980
Total Capital Assets, net of accumulated depreciation	$ 47,483,499	$ 38,293,350

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

Long-Term Debt

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

	June 30, 2021	June 30, 2020
General Obligation Bonds payable	$ 5,492,286	$ 7,187,306
Energy Performance Contract Payable	5,770,995	6,165,788
Installment Purchase Debt Payable	60,171	78,586
Compensated Absences	1,463,582	1,497,979
Net Pension Liability	3,257,103	4,003,623
Other Post Employment Benefit Obligations Payable	93,990,196	87,166,123
	$ 110,034,333	$ 106,099,405

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

Requests for Information

This financial report is designed to provide a general overview of the finances of the Putnam Valley Central School District, New York 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:

Putnam Valley Central School District
Attn: Jill Figarella
District Treasurer
171 Oscawana Lake Rd.
Putnam Valley, NY 10579

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Putnam Valley Central School District, New York

Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and equivalents	$ 1,139,384
Investments	18,386,311
Receivables	
Accounts	130,603
State and Federal aid	1,322,295
Due from other governments	1,433,344
Inventories	11,280
Prepaid expenses	275,869
Capital assets	
Not being depreciated	15,545,676
Being depreciated, net	31,937,823
Total Assets	70,182,585
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding bonds	162,385
Pension related	14,291,898
OPEB related	12,648,690
Total Deferred Outflows of Resources	27,102,973
LIABILITIES	
Accounts payable	1,616,824
Accrued liabilities	220,963
Unearned revenue	25,443
Bond anticipation notes payable	14,470,343
Due to other governments	95
Due to retirement systems	2,213,136
Accrued interest payable	255,923
Non-current liabilities	
Due within one year	1,266,849
Due in more than one year	108,767,484
Total Liabilities	128,837,060
DEFERRED INFLOWS OF RESOURCES	
Pension related	6,297,303
NET POSITION	
Net investment in capital assets	24,099,482
Restricted	
Future capital projects	1,929,523
Repairs	30,737
Special purpose	192,217
Property loss and liability	678,361
Tax certiorari	1,170,429
Debt service	3,627,729
ERS Retirement contributions	2,076,177
TRS Retirement contributions	1,200,968
Unrestricted	(72,854,428)
Total Net Position	$ (37,848,805)

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

Putnam Valley Central School District, New York

Statement of Activities
Year Ended June 30, 2021

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General support	$ 6,727,746	$ -	$ 6,723	$ -
Instruction	45,600,394	272,669	1,036,362	-
Pupil transportation	3,367,052	-	-	-
Cost of food sales	912,729	(556)	634,057	-
Other	131,337	-	121,683	-
Interest	570,982	-	-	108,350
Total Governmental Activities	$ 57,310,240	$ 272,113	$ 1,798,825	$ 108,350

General revenues
Real property taxes
Other tax items
School tax relief reimbursement
Interest and penalties on real property taxes
Non-property taxes
Non-property tax distribution from County
Unrestricted earnings on investments
Unrestricted State aid
Insurance recoveries
Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning as reported

Cumulative Effect of Change in Accounting Principle

Net Position - Beginning as restated

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position
$ (6,721,023)
(44,291,363)
(3,367,052)
(279,228)
(9,654)
(462,632)
(55,130,952)
34,381,550
3,536,070
42,073
88,699
8,267
12,267,374
665
607,982
50,932,680
(4,198,272)
(33,738,091)
87,558
(33,650,533)
$ (37,848,805)

Putnam Valley Central School District, New York

Balance Sheet
Governmental Funds
June 30, 2021

	General	Special Aid	Debt Service
ASSETS			
Cash and equivalents	$ 787,787	$ 134,177	$ -
Investments	16,064,047	-	-
Receivables			
Accounts	130,603	-	-
State and Federal aid	441,143	685,911	-
Due from other governments	1,433,344	-	-
Due from other funds	845,005	-	3,627,729
Inventories	-	-	-
Prepaid expenditures	275,869	-	-
Total Assets	$ 19,977,798	$ 820,088	$ 3,627,729
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	$ 1,526,964	$ -	$ -
Accrued liabilities	220,963	-	-
Unearned revenue	-	-	-
Bond anticipation notes payable	-	-	-
Due to other funds	3,531,454	825,929	-
Due to other governments	-	-	-
Due to retirement systems	2,213,136	-	-
Total Liabilities	7,492,517	825,929	-
Fund balances (deficits)			
Nonspendable	275,869	-	-
Restricted	8,781,247	-	3,627,729
Assigned	1,299,771	-	-
Unassigned	2,128,394	(5,841)	-
Total Fund Balances (Deficits)	12,485,281	(5,841)	3,627,729
Total Liabilities and Fund Balances (Deficits)	$ 19,977,798	$ 820,088	$ 3,627,729

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
$ 50,273	$ 167,147	$ 1,139,384
2,322,264	-	18,386,311
-	-	130,603
-	195,241	1,322,295
-	-	1,433,344
539,957	28,870	5,041,561
-	11,280	11,280
-	-	275,869
$ 2,912,494	$ 402,538	$ 27,740,647
$ -	$ 89,860	$ 1,616,824
-	-	220,963
-	25,443	25,443
14,470,343	-	14,470,343
665,101	19,077	5,041,561
-	95	95
-	-	2,213,136
15,135,444	134,475	23,588,365
-	11,280	287,149
-	192,217	12,601,193
-	64,566	1,364,337
(12,222,950)	-	(10,100,397)
(12,222,950)	268,063	4,152,282
$ 2,912,494	$ 402,538	$ 27,740,647

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Putnam Valley Central School District, New York

Reconciliation of Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2021

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

Total Fund Balances - Governmental Funds	$ 4,152,282
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	15,545,676
Capital assets - depreciable	52,215,453
Accumulated depreciation	(20,277,630)
	47,483,499
Governmental funds do not report the effect of losses on refunding bonds, assets or liabilities related to net pension assets (liabilities) and other postemployment benefit obligations whereas these amounts are deferred and amortized in the statement of activities.	
Deferred outflows - pension related	14,291,898
Deferred outflows - OPEB related	12,648,690
Deferred inflows - pension related	(6,297,303)
	20,643,285
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(255,923)
General obligation bond payable	(4,579,911)
Energy performance contract payable	(5,770,995)
Installment purchase debt	(60,171)
Net pension liability - ERS	(14,453)
Net pension liability - TRS	(3,242,650)
Compensated absences	(1,463,582)
Total OPEB liability	(93,990,196)
	(109,377,881)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding	162,385
Premium on general obligation bonds	(912,375)
	(749,990)
Net Position of Governmental Activities	$ (37,848,805)

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

Putnam Valley Central School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General	Special Aid	Debt Service	Capital Projects
REVENUES				
Real property taxes	$ 34,381,550	$ -	$ -	$ -
Other tax items	3,578,143	-	-	-
Non-property taxes	88,699	-	-	-
Charges for services	272,669	-	-	-
Use of money and property	16,494	-	106,846	-
State aid	12,420,674	140,591	-	-
Federal aid	151,208	591,263	-	-
Food sales	-	-	-	-
Miscellaneous	607,982	-	-	-
Total Revenues	51,517,419	731,854	106,846	-
EXPENDITURES				
Current				
General support	5,006,980	-	-	-
Instruction	27,587,100	928,889	-	-
Pupil transportation	2,823,462	-	-	-
Employee benefits	11,371,822	-	-	-
Cost of food sales	-	-	-	-
Other	-	-	-	-
Debt service				
Principal	1,968,208	-	-	-
Interest	534,659	-	-	-
Capital outlay	-	-	-	9,743,041
Total Expenditures	49,292,231	928,889	-	9,743,041
Excess (Deficiency) of Revenues Over Expenditures	2,225,188	(197,035)	106,846	(9,743,041)
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	665	-	-	-
Transfers in	-	191,194	-	52,500
Transfers out	(228,694)	-	(15,000)	-
Total Other Financing Sources (Uses)	(228,029)	191,194	(15,000)	52,500
Net Change in Fund Balances	1,997,159	(5,841)	91,846	(9,690,541)
FUND BALANCES (DEFICITS)				
Beginning of Year, as restated	10,488,122	-	3,535,883	(2,532,409)
End of Year	$ 12,485,281	$ (5,841)	$ 3,627,729	$ (12,222,950)

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

Non-Major Governmental	Total Governmental Funds
$ -	$ 34,381,550
-	3,578,143
-	88,699
-	272,669
31	123,371
21,966	12,583,231
611,535	1,354,006
(556)	(556)
122,208	730,190
755,184	53,111,303
-	5,006,980
-	28,515,989
-	2,823,462
-	11,371,822
883,160	883,160
131,337	131,337
-	1,968,208
-	534,659
-	9,743,041
1,014,497	60,978,658
(259,313)	(7,867,355)
-	665
-	243,694
-	(243,694)
-	665
(259,313)	(7,866,690)
527,376	12,018,972
$ 268,063	$ 4,152,282

Putnam Valley 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, 2021

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

Net Change in Fund Balances - Total Governmental Funds	$ (7,866,690)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	10,227,275
Depreciation expense	(1,667,126)
	8,560,149
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 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.	
Principal paid on general obligation bonds	1,555,000
Principal paid on energy performance contract	394,793
Principal paid on installment purchase debt	18,415
	1,968,208
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	(124,893)
Compensated absences	34,397
Changes in pension liabilities and related deferred outflows and inflows of resoucres	(2,057,534)
Changes in OPEB and related deferred outflows and inflows of resources	(4,800,479)
Amortization of loss on refunding bonds and issuance premium	88,570
	(6,859,939)
Change in Net Position of Governmental Activities	$ (4,198,272)

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

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
Year Ended June 30, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	$ 33,710,949	$ 34,474,879	$ 34,381,550	$ (93,329)
Other tax items	4,345,000	3,581,070	3,578,143	(2,927)
Non-property taxes	-	-	88,699	88,699
Charges for services	265,000	265,000	272,669	7,669
Use of money and property	77,600	77,600	16,494	(61,106)
State aid	11,314,314	11,163,106	12,420,674	1,257,568
Federal aid	-	151,208	151,208	-
Miscellaneous	215,000	215,000	607,982	392,982
Total Revenues	49,927,863	49,927,863	51,517,419	1,589,556
EXPENDITURES				
Current				
General support	5,554,405	5,698,293	5,006,980	691,313
Instruction	29,760,067	29,313,693	27,587,100	1,726,593
Pupil transportation	3,089,551	3,089,550	2,823,462	266,088
Employee benefits	11,846,703	12,018,009	11,371,822	646,187
Debt service				
Principal	2,426,793	2,428,374	1,968,208	460,166
Interest	491,226	534,659	534,659	-
Total Expenditures	53,168,745	53,082,578	49,292,231	3,790,347
Excess (Deficiency) of Revenues Over Expenditures	(3,240,882)	(3,154,715)	2,225,188	5,379,903
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	665	665
Transfers in	700,000	700,000	-	(700,000)
Transfers out	(159,931)	(246,098)	(228,694)	17,404
Total Other Financing Sources (Uses)	540,069	453,902	(228,029)	(681,931)
Net Change in Fund Balances	(2,700,813)	(2,700,813)	1,997,159	4,697,972
FUND BALANCES				
Beginning of Year	2,700,813	2,700,813	10,488,122	7,787,309
End of Year	$ -	$ -	$ 12,485,281	$ 12,485,281

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

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Note 1 - Summary of Significant Accounting Policies

The Putnam Valley Central School District, New York ("School District"), as presently constituted, was established in 1934 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

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

A. Financial Reporting Entity

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

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

The School District participates in the 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 educational and support services. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by the ratio 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 all component school districts within the BOCES as defined in Education Law. Copies of BOCES' financial statements can be requested from Putnam-Northern Westchester BOCES, 200 BOCES Drive, 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 and other nonexchange transactions 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, 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 explain 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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.

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

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

Special Revenue Funds:

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

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

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 if the Fiduciary Fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

from Federal and State grants are recognized as revenue 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 liability and other post-employment 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. Issuance of long-term debt and acquisitions under capital leases 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 date of acquisition.

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

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

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

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

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurements 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.

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 30^{th}.

The School District's position in the pool in the amount of $18,386,311 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 17^{th} Street, Suite 1850, Denver, CO 80202.

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2021.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 School District is responsible for the billing and collection of taxes through October 31st, at which time the responsibility for uncollected taxes is transferred to the County. On or about April 1st, the County remits to the School District the balance of all uncollected taxes thus making the School District whole.

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 expenses/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, 2021, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of surplus food, at a 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 received. 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.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consists of insurance costs and other charges for services, which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent years budget and will benefit such periods. Reported amounts are equally offset by nonspendable fund balance in the fund financial statements, 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 $10,000 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Class	Life in Years
Buildings and Improvements	7-50
Machinery and Equipment	5-20

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.

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 position 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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

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

The School District also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3E.

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

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

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated sick leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through

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 City 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 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 future capital projects, repairs, special purpose, property loss and liability, tax certioraris, debt service, ERS retirement contributions and TRS retirement contributions.

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 the 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 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 designations established and approved by the Board of Education.

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

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

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

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the 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 September 7, 2021.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.

b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.

c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.

d) The voters are permitted to vote upon the General Fund budget at the annual meeting.

e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.

f) Formal budgetary integration is employed during the year as a management control device for the General Fund.

Note 2 - Stewardship, Compliance and Accountability (Continued)

g) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, Debt Service, School Lunch 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, with certain exceptions, that can be retained. New York State law limits this amount of fund balance to 4% of the ensuing year's budget.

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to its enactment, 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 4% of the prior year's budget or 120% of the consumer price index ("CPI").

Under the Tax Levy Limitation 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 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

D. Fund Deficits

Capital Project Fund

The deficits of $285,054 in the School Buses and $11,988,055 in the Middle School and District-wide Improvement projects arises 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 issued are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. Deficits in these projects will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

Special Aid Fund

The deficit of $5,841 in the CRSSA-ESSER 2 grant arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The income to finance these expenses are not recognized until the grant application is approved. The deficit in this fund will be reduced and eliminated once the School District is able to recognize the income.

E. Adoption of Accounting Standard

For the year ended June 30, 2021, the District implemented the provisions of GASB Statement No. 84, "*Fiduciary Activities*". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

F. Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified to conform with the current year presentation with respect to the implementation of the provisions of GASB Statement No. 84.

G. Cumulative Effect of Change in Accounting Principle

The School District implemented the provisions of GASB Statement No.84, "*Fiduciary Activities*", for the year ended June 30, 2021. Certain amounts previously reported in the School District's Fiduciary Fund are now being reported within the Special Purpose Fund and/or the General Fund. As a result, the School District has reported a cumulative effect of change in accounting principle of $91,453 to the July 1, 2019 fund balance of the Special Purpose Fund (the earliest year presented). The School District also reported on its Statement of Activities a cumulative effect of change in accounting principle of $87,558 to the July 1, 2020 net position of governmental activities for this same reason.

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of due from/to other funds at June 30, 2021 were as follows:

Fund	Due From	Due To
General	$ 845,005	$ 3,531,454
Special Aid	-	825,929
Debt Service	3,627,729	-
Capital Projects	539,957	665,101
Non-Major Governmental	28,870	19,077
	$ 5,041,561	$ 5,041,561

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

B. Capital Assets

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

Class	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets, not being depreciated:				
Land	$ 2,891,200	$ -	$ -	$ 2,891,200
Construction-in-Progress	2,911,435	9,743,041	-	12,654,476
Total Capital Assets, not being depreciated	$ 5,802,635	$ 9,743,041	$ -	$ 15,545,676
Capital Assets, being depreciated:				
Buildings and Improvements	$ 47,914,820	$ 24,108	$ -	$ 47,938,928
Machinery and Equipment	4,042,578	460,126	226,179	4,276,525
Total Capital Assets, being depreciated	51,957,398	484,234	226,179	52,215,453
Less Accumulated Depreciation for:				
Buildings and Improvements	17,052,085	1,385,990	-	18,438,075
Machinery and Equipment	1,784,598	281,136	226,179	1,839,555
Total Accumulated Depreciation	18,836,683	1,667,126	226,179	20,277,630
Total Capital Assets, being depreciated, net	$ 33,120,715	$ (1,182,892)	$ -	$ 31,937,823
Capital Assets, net	$ 38,923,350	$ 8,560,149	$ -	$ 47,483,499

Note 3 - Detailed Notes on All Funds (Continued)

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

General Support	$ 714,136
Instruction	872,567
Pupil Transportation	50,854
Cost of Food Sales	29,569
Total Depreciation Expense	$ 1,667,126

C. Accrued Liabilities

Accrued liabilities at June 30, 2021 were as follows:

	General Fund
Payroll and Employee Benefits	$ 220,963

D. Short-Term Capital Borrowings

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

Purpose	Year of Original Issue	Rate of Interest	Maturity Date	Balance July 1, 2020	New Issues	Redemptions	Balance June 30, 2021
School Buses	2019	0.76 %	October, 2021	$ 322,843	$ -	$ 37,500	$ 285,343
Construction	2019	1.75	July, 2021	5,000,000	9,200,000	15,000	14,185,000
				$ 5,322,843	$ 9,200,000	$ 52,500	$ 14,470,343

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 $45,082 were recorded in the fund financial statements in the General Fund. Interest expense of $176,248 was recorded in the district-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2021:

	Balance, July 1, 2020	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2021	Due Within One-Year
General Obligation Bonds Payable	$ 6,134,911	$ -	$ 1,555,000	$ 4,579,911	$ 695,000
Plus					
Unamortized premium on bonds	1,052,395	-	140,020	912,375	-
	7,187,306	-	1,695,020	5,492,286	695,000
Other Non-current Liabilities					
Energy Performance Contract Payable	6,165,788	-	394,793	5,770,995	406,636
Installment Purchase Debt Payable	78,586	-	18,415	60,171	19,213
Net Pension Liability (Asset) - TRS	(3,101,500)	6,344,150	-	3,242,650	-
Net Pension Liability - ERS	4,003,623	-	3,989,170	14,453	-
Compensated Absences	1,497,979	-	34,397	1,463,582	146,000
Other Post Employment Benefit Liability	87,166,123	9,011,476	2,187,403	93,990,196	-
Total Other Non-Current Liabilities	95,810,599	15,355,626	6,624,178	104,542,047	571,849
Total Long-Term Liabilities	$ 102,997,905	$ 15,355,626	$ 8,319,198	$ 110,034,333	$ 1,266,849

The liabilities for general obligation bonds payable, energy performance contract payable, installment purchase debt payable, net pension liability, compensated absences and other post-employment benefit liability are liquidated by the General Fund.

General Obligation Bonds Payable

General obligation Bonds payable at June 30, 2021 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2021
Refunding bonds	2015	$ 9,545,000	June, 2028	4.00 - 5.0 %	$ 4,579,911

Interest expenditures of $278,450 were recorded in the fund financial statements in the General Fund. Interest expense of $188,705 was recorded in the district-wide financial statements.

Energy Performance Contract Payable

The School District entered into a lease agreement to finance the costs of energy saving equipment and/or to upgrade existing facilities to enhance performance. The terms of this agreement provided for the repayment of the principal amount of $6,921,212 in annual installments through February, 2033 with an interest rate of 3.318%.

Interest expenditures of $207,721 were recorded in the fund financial statements in the General Fund. Interest expense of $202,623 was recorded in the district-wide financial statements. The balance due at June 30, 2021 was $5,770,995.

Note 3 - Detailed Notes on All Funds (Continued)

Installment Purchase Debt Payable

The School District has entered into an agreement to finance the cost of purchasing equipment. The terms of the agreement provide for repayment in annual installments, through 2023, including interest at a rate of 4.25%. Interest expense/expenditures of $3,406 was charged to the fund and district-wide financial statements. The balance due at June 30, 2021 was $60,171.

Payments to Maturity

The annual requirements to amortize all bonded, energy performance contract and installment purchase debt outstanding as of June 30, 2021 including interest payments of $2,233,112 are as follows:

Year Ending	General Obligation Bonds Payable		Energy Performance Contract		Installment Purchase Debt		Total	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 695,000	$ 229,000	$ 406,636	$ 194,421	$ 19,213	$ 2,608	$ 1,120,849	$ 426,029
2023	685,000	194,250	418,835	180,721	20,045	1,776	1,123,880	376,747
2024	670,000	160,000	431,401	166,611	20,913	906	1,122,314	327,517
2025	655,000	126,500	444,343	152,077	-	-	1,099,343	278,577
2026	640,000	93,750	457,673	137,108	-	-	1,097,673	230,858
2027-2031	1,234,911	92,250	2,502,742	444,797	-	-	3,737,653	537,047
2032-2033	-	-	1,109,365	56,337	-	-	1,109,365	56,337
	$ 4,579,911	$ 895,750	$ 5,770,995	$ 1,332,072	$ 60,171	$ 5,290	$ 10,411,077	$ 2,233,112

The above general obligation bonds, energy performance contract debt and installment purchase debt 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. At June 30, 2021, that amount was $147,828,413. As of June 30, 2021, the total outstanding debt applicable to the limit was $19,050,254, which is 12.89% of the total debt limit.

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

Note 3 - Detailed Notes on All Funds (Continued)

impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of 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 plans' year ending in 2021 are as follows:

	Tier/Plan	Rate
ERS	4 A15	16.2 %
	5 A15	13.5
	6 A15	9.7
TRS	1-6	9.53 %

At June 30, 2021, the School District reported the following for its proportionate share of the net pension liability for ERS and TRS:

	ERS	TRS
Measurement date	March 31, 2021	June 30, 2020
Net pension liability	$ 14,453	$ 3,242,650
School Districts' proportion of the net pension liability	0.0145145 %	0.117348 %
Change in proportion since the prior measurement date	(0.0006046) %	(0.002032) %

Note 3 - Detailed Notes on All Funds (Continued)

The net pension liability was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS and the total pension liability used to calculate the net pension liability were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension liability for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2021, the School District recognized its proportionate share of pension expense in the district-wide financial statements of $4,636,340 ($330,515 for ERS and $4,305,825 for TRS). Pension expenditures of $2,567,413 ($684,047 for ERS and $1,883,366 for TRS) and $11,393 ($4,827 for ERS and $6,566 for TRS) were recorded in the fund financial statements and were charged to the General and Special Aid Funds, respectively.

At June 30, 2021, 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	$ 176,506	$ -	$ 2,841,210	$ 166,180
Changes of assumptions	2,657,379	50,119	4,101,197	1,461,862
Net difference between projected and actual earnings on pension plan investments	-	4,151,657	2,117,734	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	116,451	127,116	198,335	340,369
School District contributions subsequent to the measurement date	193,154	-	1,889,932	-
	$ 3,143,490	$ 4,328,892	$ 11,148,408	$ 1,968,411

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,017,716	$ 166,180
Changes of assumptions	6,758,576	1,511,981
Net difference between projected and actual earnings on pension plan investments	2,117,734	4,151,657
Changes in proportion and differences between School District contributions and proportionate share of contributions	314,786	467,485
School District contributions subsequent to the measurement date	2,083,086	-
	$ 14,291,898	$ 6,297,303

Note 3 - Detailed Notes on All Funds (Continued)

$193,154 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 reduction of the net pension liability in the plan's year ended March 31, 2022. The $1,889,932 reported as deferred outflows of resources related to TRS will be recognized as a reduction of the net pension liability in the plan's year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2021	$ -	$ 1,201,013
2022	(254,179)	2,487,777
2023	(102,300)	2,048,929
2024	(220,821)	1,294,326
2025	(801,256)	87,771
Thereafter	-	170,249
	$ (1,378,556)	$ 7,290,065

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, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Investment rate of return	5.9% *	7.1% *
Salary scale	4.4%	1.90%-4.72%
Inflation rate	2.7%	2.2%
Cost of living adjustments	1.4%	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-2020. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2019, 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, 2009 to June 30, 2014.

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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:

	ERS March 31, 2020		TRS June 30, 2020	
Asset Type	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %	33 %	7.10 %
International Equity	15	6.15	16	7.70
Private Equity	10	6.75	8	10.40
Real Estate	9	4.95	11	6.80
Global Fixed Income Securities	-	-	2	1.00
Domestic Fixed Income Securities	-	-	16	1.80
Global Equities	-	-	4	7.40
Private Debt	-	-	1	5.20
Real Estate Debt	-	-	7	3.60
High Yield Fixed Income Securities	-	-	1	3.90
Opportunistic Portfolio/ARS Portfolio	3	4.65	-	-
Credit	4	3.63	-	-
Real Assets	3	5.95	-	-
Fixed Income	23	-	1	0.70
Cash	1	0.50	-	-
	100 %		100 %	

The real rate of return is net of the long-term inflation assumption of 2.7% for ERS and 2.2% for TRS.

Note 3 - Detailed Notes on All Funds (Continued)

The discount rate used to calculate the total pension liability was 5.90% for ERS and 7.10% 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 5.90% for ERS and 7.10% 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 (4.90% for ERS and 6.10% for TRS) or 1 percentage point higher (6.90% for ERS and 8.10% for TRS) than the current rate:

	1% Decrease (4.90%)	Current Discount Rate (5.90%)	1% Increase (6.90%)
School District's proportionate share of the ERS net pension liability (asset)	$ 4,011,501	$ 14,453	$ (3,671,761)

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
School District's proportionate share of the TRS net pension liability (asset)	$ 20,482,700	$ 3,242,650	$ (11,226,122)

The components of the collective net pension liability as of the March 31, 2021 ERS measurement date and the June 30, 2020 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	$ 220,680,157,000	$ 123,242,776,215
Fiduciary net position	220,580,583,000	120,479,505,380
Employers' net pension liability (asset)	$ 99,574,000	$ 2,763,270,835
Fiduciary net position as a percentage of total pension liability	99.95%	97.76%

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, 2021 represent the projected employer contribution for the period April 1, 2021 through June 30, 2021 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, 2021 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, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 based on paid TRS

Note 3 - Detailed Notes on All Funds (Continued)

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, 2021 were $193,154 to ERS and $2,019,982 to TRS (including employee contribution of $130,050).

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

Compensated Absences

Under the terms of the existing collective bargaining agreements, the School District is required to compensate teachers retiring from the School District for accumulated sick time to a maximum of 300 days. Teachers will be compensated at $50 per day for unused leave up to 100 days and $100 per day from 101-300 days. In addition, pursuant to existing collective bargaining agreements, the School District is required to compensate employees retiring from the School District for accumulated sick time to a maximum of 300 days for the twelve month employees and 250 days for ten month employees. Employees will be compensated at a rate of $45 and $40 per day, respectively, for any accumulations over 100 days. No payment will be made by the School District for unused vacation time upon separation from employment. The value of the compensated absences has been reflected in the district-wide financial statements.

Other Post Employment 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 post employment 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, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	168
Active employees	305
	473

The School District's total OPEB liability of $93,990,196 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2019.

Note 3 - Detailed Notes on All Funds (Continued)

The total OPEB liability in the July 1, 2019 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%, average, including inflation
Discount rate	2.09%
Healthcare cost trend rates	6.5% for 2020, decreasing 0.5% per year to an ultimate rate of 4.0% for 2025 and later years
Retirees' share of benefit-related costs	Retiree contribution rates vary by employee class and date of retirement.

The discount rate was based on an average of three 20-year bond indices (e.g., Bond Buyers, 20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of June 30, 2021.

The actuarial assumptions used in the June 30, 2021 valuation reflects the retirement from the active plan and is based on age and gender period. This is the assumption used by the TRS and ERS.

The School District's change in the total OPEB liability for the year ended June 30, 2021 is as follows:

Total OPEB Liability - Beginning of Year	$ 87,166,123
Service cost	2,548,303
Interest	1,798,914
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	4,664,259
Benefit payments	(2,187,403)
Total OPEB Liability - End of Year	$ 93,990,196

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 (1.09%) or 1 percentage point higher (3.09%) than the current discount rate:

	1% Decrease (1.09%)	Current Discount Rate (2.09%)	1% Increase (3.09%)
Total OPEB Liability	$ 108,014,906	$ 93,990,196	$ 81,291,196

Note 3 - Detailed Notes on All Funds (Continued)

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 (5.5% decreasing to 3.0%) or 1 percentage point higher (7.5% decreasing to 5.0%) than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 3.0%)	Healthcare Cost Trend Rates (6.5% decreasing to 4.0%)	1% Increase (7.5% decreasing to 5.0%)
Total OPEB Liability	$ 76,035,315	$ 93,990,196	$ 118,271,191

For the year ended June 30, 2021 the School District recognized OPEB expense of $6,987,882 in the district-wide financial statements. At June 30, 2021, 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	$ 12,648,690	$ -
Differences between expected and actual experience	-	-
	$ 12,648,690	$ -

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

Year Ended June 30,	
2022	$ 2,640,665
2023	2,640,665
2024	2,640,665
2025	2,640,665
2026	1,419,709
Thereafter	666,321
	$ 12,648,690

Note 3 - Detailed Notes on All Funds (Continued)

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 flows of assets in return. The interfund transfers reflected below have been reported as transfers.

	Transfers In		
Transfers Out	Special Aid Fund	Capital Projects Fund	Total
General Fund	$ 191,194	$ 37,500	$ 228,694
Debt Service Fund	-	15,000	15,000
	$ 191,194	$ 52,500	$ 243,694

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Special Aid and Capital projects funds 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 are directly attributable to the acquisition, construction or improvement of those assets.

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.

Restricted for Repairs - the component of net position that has been established pursuant to Section 6d of the General Municipal Law of the State of New York to pay the cost of major repairs to School District assets.

Restricted for Special Purpose - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by either external parties and/or statute.

Restricted for Property Loss and Liability - the component of net position that has been established to set aside funds for the deductible provisions of the School District's insurance policies in accordance with Section 6n of the General Municipal Law of the State of New York.

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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 6r 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 6r of the General Municipal Law of the State of New York.

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

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2021						2020				
	General Fund	Special Aid Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable											
Inventories	$ -	$ -	$ -	$ -	$ 11,280	$ 11,280	$ -	$ -	$ -	$ 15,423	$ 15,423
Prepaid expenditures	275,869	-	-	-	-	275,869	262,658	-	-	-	262,658
Total Nonspendable	275,869	-	-	-	11,280	287,149	262,658	-	-	15,423	278,081
Restricted											
Repairs	30,737	-	-	-	-	30,737	30,691	-	-	-	30,691
Property loss and liability	678,361	-	-	-	-	678,361	377,794	-	-	-	377,794
Tax certiorari	1,170,429	-	-	-	-	1,170,429	550,938	-	-	-	550,938
Tax certiorari for subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-	-
Employee benefit accrued liability	1,445,052	-	-	-	-	1,445,052	895,684	-	-	-	895,684
Employee benefit accrued liability for subsequent year's expenditures	250,000	-	-	-	-	250,000	-	-	-	-	-
ERS retirement contributions	1,826,177	-	-	-	-	1,826,177	1,823,442	-	-	-	1,823,442
ERS retirement contributions - for subsequent year's expenditures	250,000	-	-	-	-	250,000	200,000	-	-	-	200,000
TRS retirement contributions	1,200,968	-	-	-	-	1,200,968	803,135	-	-	-	803,135
Future capital projects	1,929,523	-	-	-	-	1,929,523	1,002,487	-	-	-	1,002,487
Debt service	-	-	3,627,729	-	-	3,627,729	-	3,535,883	-	-	3,535,883
Capital projects	-	-	-	-	-	-	-	-	-	-	-
Special Purpose (1)	-	-	-	-	192,217	192,217	-	-	-	201,871	201,871
Total Restricted	8,781,247	-	3,627,729	-	192,217	12,601,193	5,684,171	3,535,883	-	201,871	9,421,925
Assigned											
Purchases on order											
General government support	224,553	-	-	-	-	224,553	790,573	-	-	-	790,573
Instruction	252,218	-	-	-	-	252,218	629,960	-	-	-	629,960
Pupil transportation	15,000	-	-	-	-	15,000	280	-	-	-	280
Employee benefits	8,000	-	-	-	-	8,000	-	-	-	-	-
	499,771	-	-	-	-	499,771	1,420,813	-	-	-	1,420,813
Subsequent year's expenditures	800,000	-	-	-	-	800,000	1,080,000	-	-	-	1,080,000
State aid reduction	-	-	-	-	-	-	303,614	-	-	-	303,614
School Lunch Fund	-	-	-	-	64,566	64,566	-	-	-	310,082	310,082
Total Assigned	1,299,771	-	-	-	64,566	1,364,337	2,804,427	-	-	310,082	3,114,509
Unassigned	2,128,394	(5,841)	-	(12,222,950)	-	(10,100,397)	1,736,866	-	(2,532,409)	-	(795,543)
Total Fund Balance	$ 12,485,281	$ (5,841)	$ 3,627,729	$ (12,222,950)	$ 268,063	$ 4,152,282	$ 10,488,122	$ 3,535,883	$ (2,532,409)	$ 527,376	$ 12,018,972

(1) Balance at June 30, 2020 restated for the implementation of the provisions of GASB Statement No. 84 "Fiduciary Activities".

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.

Prepaid Expenditures has been provided to account for certain payments made in advance. The amount is classified as nonspendable to indicate that funds are not “available” for appropriation or expenditure even though they are a component of current assets.

Employee benefit accrued liability has been established 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 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, 2021, the Board has utilized the above amounts to be appropriated for the ensuing year’s budget.

Unassigned fund balance in the General Fund represents amounts not classified as non-spendable, restricted or assigned. Unassigned fund balance in the Capital Projects Fund represents the deficit balances in the capital projects. Unassigned fund balance in the Special Aid Fund represents amounts due from Federal aid.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

There are currently pending certiorari proceedings, the results of which may 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.

B. Contingencies

The School District participates in various Federal grant programs. These programs may be 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.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

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

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

The School District has also established a reserve for property loss and liability pursuant to General Municipal Law. At June 30, 2021, the balance in the reserve was $678,361, which is to be used for the uninsured portion of any losses.

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. This 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 vote of the total membership of Trustees. Billings to each participant are based upon the costs incurred for workers' compensation. The School District has transferred all related risk to the Plan.

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, 1989. 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 vote 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 - Recently Issued GASB Pronouncements

GASB Statement No. 87, "*Leases*", as amended by GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*", establishes a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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

Note 6 - Subsequent Events

The School District on July 15, 2021, issued and $13,310,000 bond anticipation note for various purposes. The notes matures on July 15, 2022 and bears interest rate of 2.00% per annum.

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Putnam Valley 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)

	2021	2020	2019	2018
Total OPEB Liability:				
Service cost	$ 2,548,303	$ 2,216,739	$ 800,049	$ 685,077
Interest	1,798,914	2,047,622	2,402,073	2,508,163
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	-	-
Changes of assumptions or other inputs	4,664,259 (5)	5,273,696 (4)	8,546,699 (3)	-
Benefit payments	(2,187,403)	(2,034,349)	(2,051,892)	(2,031,890)
Net Change in Total OPEB Liability	6,824,073	7,503,708	9,696,929	1,161,350
Total OPEB Liability – Beginning of Year	87,166,123	79,662,415	69,965,486	68,804,136
Total OPEB Liability – End of Year	$ 93,990,196	$ 87,166,123	$ 79,662,415	$ 69,965,486
School District's covered-employee payroll	$ 22,900,153	$ 22,900,153	$ 21,493,900	$ 21,493,900
Total OPEB liability as a percentage of covered-employee payroll	410%	381%	371%	326%

Notes to Schedule:

(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) The discount rate used to calculate the total OPEB liability was decreased from 3.7% to 3.1% effective with the June 30, 2019 measurement date.
(4) The discount rate used to calculate the total OPEB liability was decreased from 3.1% to 2.44% effective with the June 30, 2020 measurement date.
(5) The discount rate used to calculate the total OPEB liability was decreased from 2.44% to 2.09% effective with the June 30, 2021 measurement date.

See independent auditors' report.

Putnam Valley 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)

	2021 (6)	2020 (5)	2019	2018 (4)	2017 (3)	2016	2015
School District's proportion of the net pension liability (asset)	0.117348%	(0.119380%)	(0.121130%)	(0.117988%)	0.113078%	(0.110161%)	(0.110175%)
School District's proportionate share of the net pension liability (asset)	$ 3,242,650	$ (3,101,500)	$ (2,190,356)	$ (896,824)	$ 1,211,113	$ (11,442,268)	$ (12,272,786)
School District's covered payroll	$ 19,954,628	$ 20,220,672	$ 20,036,811	$ 19,002,024	$ 17,826,436	$ 17,017,000	$ 16,679,000
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.16	(15.34)%	(10.93)%	(4.72)%	6.79%	(67.24)%	(73.58)%
Plan fiduciary net position as a percentage of the total pension liability	97.76%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,889,932	$ 1,767,980	$ 2,147,435	$ 1,963,607	$ 2,227,037	$ 2,363,785	$ 2,983,123
Contributions in relation to the contractually required contribution	(1,889,932)	(1,767,980)	(2,147,435)	(1,963,607)	(2,227,037)	(2,363,785)	(2,983,123)
Contribution excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 19,831,396	$ 19,954,628	$ 20,220,672	$ 20,036,811	$ 19,002,024	$ 17,826,426	$ 17,017,000
Contributions as a percentage of covered payroll	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

Note - The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(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 discount rate used to calculate the total pension liability was decreased from 8.0% to 7.5% effective with the June 30, 2016 measurement date.
(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.25% effective with the June 30, 2017 measurement date.
(4) The discount rate used to calculate the total pension liability was decreased from 7.25% to 7.10% effective with the June 30, 2020 measurement date.
(5) The discount rate used to calculate the total pension liability was increased from 7.10% to 8.86% effective with the June 30, 2021 measurement date.
(6) Increase in the School District's proportionate share of the net position liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

See independent auditors' report.

Putnam Valley 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 (2)

	2021 (6)	2020(4)(5)	2019	2018	2017	2016 (3)	2015
School District's proportion of the net pension liability	0.0145145%	0.0151191%	0.0155373%	0.017981%	0.018319%	0.018833%	0.018730%
School District's proportionate share of the net pension liability	$ 14,453	$ 4,003,623	$ 1,100,865	$ 580,338	$ 1,721,284	$ 3,022,746	$ 632,733
School District's covered payroll	$ 4,633,925	$ 4,596,952	$ 4,383,401	$ 5,054,799	$ 4,851,419	$ 4,753,923	$ 4,824,000
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.31%	87.09%	25.11%	11.48%	35.48%	63.58%	13.12%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 657,701	$ 655,578	$ 641,151	$ 757,522	$ 749,797	$ 829,309	$ 855,220
Contributions in relation to the contractually required contribution	(657,701)	(655,578)	(641,151)	(757,522)	(749,797)	(829,309)	(855,220)
Contribution excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School District's covered payroll	$ 4,699,302	$ 4,526,777	$ 4,661,842	$ 4,346,645	$ 4,976,862	$ 4,988,810	$ 4,824,000
Contributions as a percentage of covered payroll	14.00%	14.48%	13.75%	17.43%	15.07%	16.62%	17.73%

(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 with the current fiscal year
(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.
(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.
(5) 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
(6) 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, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

See independent auditors' report.

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Putnam Valley Central School District, New York

General Fund
Comparative Balance Sheet
June 30,

		2021		2020
ASSETS				
Cash and equivalents	$	787,787	$	1,730,742
Investments		16,064,047		13,558,419
Receivables				
Accounts		130,603		168,716
State and Federal aid		441,143		254,458
Due from other governments		1,433,344		1,122,837
Due from other funds		845,005		786,004
		2,850,095		2,332,015
Prepaid expenditures		275,869		262,658
Total Assets	$	19,977,798	$	17,883,834
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	$	1,526,964	$	1,651,868
Accrued liabilities		220,963		150,706
Due to other funds		3,531,454		3,533,755
Due to retirement systems		2,213,136		2,059,383
Total Liabilities		7,492,517		7,395,712
Fund balance				
Nonspendable		275,869		262,658
Restricted		8,781,247		5,684,171
Assigned		1,299,771		2,804,427
Unassigned		2,128,394		1,736,866
Total Fund Balance		12,485,281		10,488,122
Total Liabilities and Fund Balance	$	19,977,798	$	17,883,834

See independent auditors' report.

Putnam Valley Central School District, New York

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

	2021				
	Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
REVENUES					
Real property taxes	$ 33,710,949	$ 34,474,879	$ 34,381,550	$	$ (93,329)
Other tax items	4,345,000	3,581,070	3,578,143		(2,927)
Non-property taxes	-	-	88,699		88,699
Charges for services	265,000	265,000	272,669		7,669
Use of money and property	77,600	77,600	16,494		(61,106)
State aid	11,314,314	11,163,106	12,420,674		1,257,568
Federal aid	-	151,208	151,208		
Miscellaneous	215,000	215,000	607,982		392,982
Total Revenues	49,927,863	49,927,863	51,517,419		1,589,556
EXPENDITURES					
Current					
General support					
Board of education	68,958	83,134	69,400	-	13,734
Central administration	414,532	414,516	384,172	-	30,344
Finance	704,045	727,519	677,201	10,849	39,469
Staff	358,744	355,651	235,655	32,390	87,606
Central services	3,344,998	3,427,619	3,034,915	167,547	225,157
Special items	663,128	689,854	605,637	13,767	70,450
Total General Support	5,554,405	5,698,293	5,006,980	224,553	466,760
Instruction					
Instruction, administration and improvement	2,092,297	2,064,633	2,071,841	9,107	(16,315)
Teaching - Regular school	14,179,015	13,815,145	13,300,286	4,549	510,310
Programs for students with disabilities	7,856,634	7,743,120	7,139,619	28,231	575,270
Instructional media	1,636,286	1,843,126	1,938,077	156,098	(251,049)
Pupil services	3,995,835	3,847,669	3,137,277	54,233	656,159
Total Instruction	29,760,067	29,313,693	27,587,100	252,218	1,474,375
Pupil transportation	3,089,551	3,089,550	2,823,462	15,000	251,088
Employee benefits	11,846,703	12,018,009	11,371,822	8,000	638,187
Debt service					
Principal	2,426,793	2,428,374	1,968,208	-	460,166
Interest	491,226	534,659	534,659	-	-
Total Expenditures	53,168,745	53,082,578	49,292,231	499,771	3,290,576
Excess (Deficiency) of Revenues Over Expenditures	(3,240,882)	(3,154,715)	2,225,188	(499,771)	4,880,132
OTHER FINANCING (USES)					
Insurance recoveries	-	-	665	-	665
Transfers in	700,000	700,000	-	-	(700,000)
Transfers out	(159,931)	(246,098)	(228,694)	-	17,404
Total Other Financing Sources	540,069	453,902	(228,029)	-	(681,931)
Net Change in Fund Balance	(2,700,813)	(2,700,813)	1,997,159	$ (499,771)	$ 4,198,201
FUND BALANCE					
Beginning of Year	2,700,813	2,700,813	10,488,122		
End of Year	$ -	$ -	$ 12,485,281		

See independent auditors' report.

2020				
Original Budget	Final Budget	Actual	Encumbr-ances	Variance with Final Budget
$ 33,180,010	$ 33,732,794	$ 33,674,768	$	$ (58,026)
4,345,000	3,792,216	3,794,009		1,793
-	-	78,011		78,011
265,000	265,000	142,301		(122,699)
175,000	175,000	257,224		82,224
11,000,000	11,000,000	11,371,162		371,162
215,000	215,000	376,575		161,575
49,180,010	49,180,010	49,694,050		514,040
66,870	76,482	56,840	985	18,657
382,869	382,373	380,418	-	1,955
693,378	701,028	680,498	10,557	9,973
324,464	314,191	253,828	54,639	5,724
2,796,004	3,414,734	2,562,660	704,257	147,817
606,046	693,722	672,629	20,135	958
4,869,631	5,582,530	4,606,873	790,573	185,084
2,301,537	2,280,724	2,087,960	15,217	177,547
14,662,100	13,626,375	13,277,036	146,002	203,337
7,840,613	7,399,382	7,068,736	31,179	299,467
1,614,053	2,544,964	2,209,011	268,760	67,193
3,483,087	3,567,041	3,099,066	168,802	299,173
29,901,390	29,418,486	27,741,809	629,960	1,046,717
2,945,526	2,937,789	2,906,159	280	31,350
11,849,373	11,626,721	10,975,283	-	651,438
2,510,053	1,963,294	1,960,115	-	3,179
4,862	551,621	551,620	-	1
52,080,835	52,080,441	48,741,859	1,420,813	1,917,769
(2,900,825)	(2,900,431)	952,191	(1,420,813)	2,431,809
-	-	7,203	-	7,203
1,000,000	1,000,000	500,000	-	(500,000)
(113,000)	(113,394)	(83,394)	-	30,000
887,000	886,606	423,809	-	(462,797)
(2,013,825)	(2,013,825)	1,376,000	$ (1,420,813)	$ 1,969,012
2,013,825	2,013,825	9,112,122		
$ -	$ -	$ 10,488,122		

Putnam Valley Central School District, New York

General Fund
Schedule of Revenues and Other Financing Sources Compared to Budget
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	$ 33,710,949	$ 34,474,879	$ 34,381,550	$ (93,329)
OTHER TAX ITEMS				
School tax relief reimbursement	4,300,000	3,536,070	3,536,070	-
Interest and penalties on real property taxes	45,000	45,000	42,073	(2,927)
	4,345,000	3,581,070	3,578,143	(2,927)
NON-PROPERTY TAXES				
Non-property tax distribution from County	-	-	88,699	88,699
CHARGES FOR SERVICES				
Day school tuition	75,000	75,000	251,435	176,435
Other student fees and charges	190,000	190,000	21,234	(168,766)
	265,000	265,000	272,669	7,669
USE OF MONEY AND PROPERTY				
Earnings on investments	77,600	77,600	16,494	(61,106)
Commissions	-	-	-	-
	77,600	77,600	16,494	(61,106)

STATE AID				
Basic formula	8,075,105	7,774,142	8,669,871	895,729
BOCES aid	1,208,804	1,339,152	1,703,457	364,305
Textbook aid	100,000	100,000	98,035	(1,965)
Lottery aid	1,875,000	1,894,407	1,894,046	(361)
Computer software aid	45,600	45,600	45,159	(441)
Library materials aid	9,805	9,805	10,106	301
	11,314,314	11,163,106	12,420,674	1,257,568
FEDERAL AID				
Elementary and Secondary School Emergency Relief Fund (CARES)	-	129,295	129,295	-
Governor's Emergency Education Relief Fund (CARES)	-	21,913	21,913	-
		-		
	-	151,208	151,208	-
MISCELLANEOUS				
Refund of prior year's expenditures	90,000	90,000	469,312	379,312
Refund of prior year's BOCES expenditures	75,000	75,000	99,735	24,735
Unclassified	50,000	50,000	38,935	(11,065)
	215,000	215,000	607,982	392,982
TOTAL REVENUES	49,927,863	49,927,863	51,517,419	1,589,556
OTHER FINANCING SOURCES				
Insurance recoveries	-	-	665	665
Transfers in				
Debt Service Fund	700,000	700,000	-	(700,000)
TOTAL OTHER FINANCING SOURCES	700,000	700,000	665	(699,335)
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 50,627,863	$ 50,627,863	$ 51,518,084	$ 890,221

See independent auditors' report.

Putnam Valley Central School District, New York

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	$ 28,259	$ 42,435	$ 36,832	$ -	$ 5,603
District clerk	15,683	15,683	15,659	-	24
District meeting	25,016	25,016	16,909	-	8,107
Total Board of Education	68,958	83,134	69,400	-	13,734
CENTRAL ADMINISTRATION					
Chief school administrator	414,532	414,516	384,172	-	30,344
FINANCE					
Business administration	300,322	325,657	296,748	2,310	26,599
Auditing	75,000	72,865	69,367	-	3,498
Treasurer	181,950	182,224	178,408	3,461	355
Tax collector	122,316	122,316	116,755	-	5,561
Fiscal agent fees	24,457	24,457	15,923	5,078	3,456
Total Finance	704,045	727,519	677,201	10,849	39,469
STAFF					
Legal	139,939	138,575	64,441	32,390	41,744
Personnel	186,377	184,648	139,164	-	45,484
Public information and services	32,428	32,428	32,050	-	378
Total Staff	358,744	355,651	235,655	32,390	87,606

CENTRAL SERVICES					
Operation and maintenance of plant	3,344,998	3,427,619	3,034,915	167,547	225,157
SPECIAL ITEMS					
Unallocated insurance	206,333	211,721	211,671	-	50
School association dues	16,408	19,174	17,874	-	1,300
Judgments and claims	118,539	113,151	30,284	13,767	69,100
Administrative charges - BOCES	321,848	345,808	345,808	-	-
Total Special Items	663,128	689,854	605,637	13,767	70,450
Total General Support	5,554,405	5,698,293	5,006,980	224,553	466,760
INSTRUCTION					
INSTRUCTION, ADMINISTRATION AND IMPROVEMENT					
Curriculum development and supervision	178,094	129,672	114,736	1,170	13,766
Supervision - Regular school	1,914,203	1,934,961	1,957,105	7,937	(30,081)
Total Instruction, Administration and Improvement	2,092,297	2,064,633	2,071,841	9,107	(16,315)
TEACHING - REGULAR SCHOOL	14,179,015	13,815,145	13,300,286	4,549	510,310
PROGRAMS FOR STUDENTS WITH DISABILITIES	7,856,634	7,743,120	7,139,619	28,231	575,270
INSTRUCTIONAL MEDIA					
School library and audiovisual	260,251	303,011	298,859	1,232	2,920
Computer assisted instruction	1,376,035	1,540,115	1,639,218	154,866	(253,969)
Total Instructional Media	1,636,286	1,843,126	1,938,077	156,098	(251,049)

(Continued)

Putnam Valley Central School District, New York

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
PUPIL SERVICES					
Guidance - Regular school	$ 750,125	$ 692,475	$ 631,158	$ -	$ 61,317
Health services - Regular school	338,063	337,875	275,486	-	62,389
Psychological services - Regular school	541,710	439,842	437,853	-	1,989
Pupil personnel services - Special schools	976,562	982,464	943,684	-	38,780
Co-curricular activities - Regular school	339,530	340,199	146,027	925	193,247
Interscholastic activities - Regular school	1,049,845	1,054,814	703,069	53,308	298,437
Total Pupil Services	3,995,835	3,847,669	3,137,277	54,233	656,159
Total Instruction	29,760,067	29,313,693	27,587,100	252,218	1,474,375
PUPIL TRANSPORTATION					
District transportation services	1,189,551	1,153,550	937,710	15,000	200,840
Contract transportation	1,900,000	1,936,000	1,885,752	-	50,248
Total Pupil Transportation	3,089,551	3,089,550	2,823,462	15,000	251,088
EMPLOYEE BENEFITS					
State retirement	1,040,056	1,040,056	684,047	-	356,009
Teachers' retirement	2,017,816	1,940,123	1,883,366	-	56,757
Social security	2,140,773	2,040,773	1,876,146	-	164,627
Workers' compensation benefits	172,000	150,714	150,714	-	-
Life insurance	12,518	12,518	8,461	-	4,057
Unemployment benefits	25,000	82,806	54,628	-	28,178
Hospital, medical and dental insurance	5,924,640	5,924,640	5,907,531	-	17,109
Union welfare benefits	513,900	513,900	494,450	8,000	11,450
Incentive and sick time payout	-	312,479	312,479	-	-
Total Employee Benefits	11,846,703	12,018,009	11,371,822	8,000	638,187

DEBT SERVICE					
Principle					
Serial bonds	1,555,000	1,555,000	1,555,000	-	-
Energy performance contract	394,793	394,793	394,793	-	-
Installment purchase debt	477,000	478,581	18,415	-	460,166
	2,426,793	2,428,374	1,968,208	-	460,166
Interest					
Serial bonds	278,450	278,450	278,450	-	-
Bond anticipation notes	5,055	45,082	45,082	-	-
Energy performance contract	207,721	207,721	207,721	-	-
Installment purchase debt	-	3,406	3,406	-	-
	491,226	534,659	534,659	-	-
Total Debt Service	2,918,019	2,963,033	2,502,867	-	460,166
TOTAL EXPENDITURES	53,168,745	53,082,578	49,292,231	499,771	3,290,576
OTHER FINANCING USES					
Transfers out					
Special Aid Fund	95,000	191,194	191,194	-	-
Capital Projects Fund	64,931	54,904	37,500	-	17,404
TOTAL OTHER FINANCING USES	159,931	246,098	228,694	-	17,404
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 53,328,676	$ 53,328,676	$ 49,520,925	$ 499,771	$ 3,307,980

See independent auditors' report.

Putnam Valley Central School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Cash and equivalents	$ 134,177	$ 75,431
State and Federal aid receivable	685,911	710,573
Total Assets	$ 820,088	$ 786,004
LIABILITIES AND FUND BALANCE (DEFICIT)		
Due to other funds	$ 825,929	$ 786,004
Fund balance (deficit)		
Unassigned	(5,841)	-
Total Liabilities and Fund Balance (Deficit)	$ 820,088	$ 786,004

See independent auditors' report.

Putnam Valley Central School District, New York

Special Aid Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
Years Ended June 30,

	2021	2020
REVENUES		
State aid	$ 140,591	$ 333,575
Federal aid	591,263	490,737
Total Revenues	731,854	824,312
EXPENDITURES		
Current		
Instruction	928,889	907,706
Deficiency of Revenues Over Expenditures	(197,035)	(83,394)
OTHER FINANCING SOURCES		
Transfers in	191,194	83,394
Net Change in Fund Balance	(5,841)	-
FUND BALANCE (DEFICIT)		
Beginning of Year	-	-
End of Year	$ (5,841)	$ -

See independent auditors' report.

Putnam Valley Central School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Due from other funds	$ 3,627,729	$ 3,535,883
FUND BALANCE		
Restricted	$ 3,627,729	$ 3,535,883

See independent auditors' report.

Putnam Valley Central School District, New York

Debt Service Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	2021	2020
REVENUES		
Use of money and property	$ 106,846	$ 31,215
EXPENDITURES	-	-
Excess of Revenues Over Expenditures	106,846	31,215
OTHER FINANCING USES		
Transfers out	(15,000)	(500,000)
Net Change in Fund Balance	91,846	(468,785)
FUND BALANCE		
Beginning of Year	3,535,883	4,004,668
End of Year	$ 3,627,729	$ 3,535,883

See independent auditors' report.

Putnam Valley Central School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Cash and equivalents	$ 50,273	$ 50,268
Investments	2,322,264	2,773,464
Due from other funds	539,957	539,957
Total Assets	$ 2,912,494	$ 3,363,689
LIABILITIES AND FUND DEFICIT		
Liabilities		
Bond anticipation notes payable	$ 14,470,343	$ 5,322,843
Due to other funds	665,101	573,255
Total Liabilities	15,135,444	5,896,098
Fund deficit		
Unassigned	(12,222,950)	(2,532,409)
Total Liabilities and Fund Deficit	$ 2,912,494	$ 3,363,689

See independent auditors' report.

Putnam Valley Central School District, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended June 30,

	2021	2020
REVENUES		
State aid	$ -	$ 398,723
EXPENDITURES		
Capital outlay	9,743,041	4,095,867
Deficiency of Revenues Over Expenditures	(9,743,041)	(3,697,144)
OTHER FINANCING SOURCES		
Installment purchase debt issued	-	100,407
Transfers in	52,500	-
Total Other Financing Sources	52,500	100,407
Net Change in Fund Balance	(9,690,541)	(3,596,737)
FUND BALANCE (DEFICIT)		
Beginning of Year	(2,532,409)	1,064,328
End of Year	$ (12,222,950)	$ (2,532,409)

See independent auditors' report.

Capital Projects Fund
Project-Length Schedule
Inception of Project Through June 30, 2021

PROJECT	Project Budget	Expenditures and Transfers To Date: Prior Years	Current Year	Totals
General Reconstruction				
General Reconstruction	$ 1,617,676	$ 1,585,367	$ -	$ 1,585,367
Middle School Roof	257,000	257,000	-	257,000
Middle School Elevator	140,674	140,674	-	140,674
Window Replacements	17,850	-	-	-
HVAC	111,325	111,325	-	111,325
Boiler	39,900	39,900	-	39,900
Paving	65,575	65,575	-	65,575
	2,250,000	2,199,841	-	2,199,841
Smart Schools Bond Act	915,998	398,723	-	398,723
Energy Performance Project	6,921,212	6,921,212	-	6,921,212
School Buses	500,000	322,554	-	322,554
Backhoe Vehicle	100,407	100,407	-	100,407
Capital Facilities				
Middle School and District-Wide Improvements	14,810,000	2,870,014	9,743,041	12,613,055
Totals	$ 25,497,617	$ 12,812,751	$ 9,743,041	$ 22,555,792

See independent auditors' report.

	Methods of Financing					
Unexpended Balance	Interfund Transfers	Proceeds of Obligations	State and Federal Aid	Total	Fund Balance (Deficit) at June 30, 2021	Bond Anticipation Notes Outstanding at June 30, 2021
$ 32,309	$ -	$ 1,635,526	$ -	$ 1,635,526	$ 50,159	$ -
-	-	257,000		257,000	-	-
-	-	140,674	-	140,674	-	-
17,850	-	-	-	-	-	-
-	-	111,325		111,325	-	-
-	-	39,900		39,900	-	-
-	-	65,575		65,575	-	-
50,159	-	2,250,000	-	2,250,000	50,159	-
517,275	-	-	398,723	398,723	-	-
-	-	6,921,212	-	6,921,212	-	-
177,446		37,500	-	37,500	(285,054)	285,343
-	-	100,407	-	100,407	-	-
2,196,945	610,000	15,000	-	625,000	(11,988,055)	14,185,000
$ 2,941,825	$ 610,000	$ 9,324,119	$ 398,723	$ 10,332,842	$ (12,222,950)	$ 14,470,343

Putnam Valley Central School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021
(With Comparative Totals for 2020)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds 2021	2020
ASSETS				
Cash and equivalents	$ -	$ 167,147	$ 167,147	$ 459,791
Receivables				
Accounts	-	-	-	470
State and Federal aid	195,241	-	195,241	35,867
Due from other funds	-	28,870	28,870	31,170
	195,241	28,870	224,111	67,507
Inventories	11,280	-	11,280	15,423
Total Assets	$ 206,521	$ 196,017	$ 402,538	$ 542,721
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 89,860	$ -	$ 89,860	$ 15,277
Unearned revenue	25,443		25,443	-
Due to other funds	15,277	3,800	19,077	-
Due to other governments	95	-	95	68
Total Liabilities	130,675	3,800	134,475	15,345
Fund balances				
Nonspendable	11,280	-	11,280	15,423
Restricted	-	192,217	192,217	201,871
Assigned	64,566	-	64,566	310,082
Total Fund Balances	75,846	192,217	268,063	527,376
Total Liabilities and Fund Balances	$ 206,521	$ 196,017	$ 402,538	$ 542,721

See independent auditors' report.

Putnam Valley Central School District, New York

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2021
(With Comparative Totals for 2020)

	School Lunch	Special Purpose	Total Non-Major Governmental Funds 2021	Total Non-Major Governmental Funds 2020
REVENUES				
Use of money and property	$ 22	$ 9	$ 31	$ 405
State aid	21,966	-	21,966	8,562
Federal aid	611,535	-	611,535	214,255
Food sales	(556)	-	(556)	332,810
Miscellaneous	534	121,674	122,208	141,303
Total Revenues	633,501	121,683	755,184	697,335
EXPENDITURES				
Current				
Cost of food sales	883,160	-	883,160	477,552
Other	-	131,337	131,337	136,268
Total Expenditures	883,160	131,337	1,014,497	613,820
Excess (Deficiency) of Revenues Over Expenditures	(249,659)	(9,654)	(259,313)	83,515
FUND BALANCES				
Beginning of Year, as reported	325,505	201,871	527,376	352,408
Cumulative change in accounting principle	-	-	-	91,453
Beginning of Year, as restated	325,505	201,871	527,376	443,861
End of Year	$ 75,846	$ 192,217	$ 268,063	$ 527,376

See independent auditors' report.

Putnam Valley Central School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Cash and equivalents	$ -	$ 289,090
Receivables		
Accounts	-	470
State and Federal aid	195,241	35,867
	195,241	36,337
Inventories	11,280	15,423
Total Assets	$ 206,521	$ 340,850
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 89,860	$ 15,277
Unearned revenue	25,443	-
Due to other funds	15,277	-
Due to other governments	95	68
Total Liabilities	130,675	15,345
Fund balance		
Nonspendable	11,280	15,423
Assigned	64,566	310,082
Total Fund Balance	75,846	325,505
Total Liabilities and Fund Balance	$ 206,521	$ 340,850

See independent auditors' report.

School Lunch Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
Years Ended June 30,

	2021	2020
REVENUES		
Use of money and property	$ 22	$ 328
State aid	21,966	8,562
Federal aid	611,535	214,255
Food sales	(556)	332,810
Miscellaneous	534	1,838
Total Revenues	633,501	557,793
EXPENDITURES		
Current		
Cost of food sales	883,160	477,552
Excess (Deficiency) of Revenues Over Expenditures	(249,659)	80,241
FUND BALANCE		
Beginning of Year	325,505	245,264
End of Year	$ 75,846	$ 325,505

See independent auditors' report.

Putnam Valley Central School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	2021	2020
ASSETS		
Cash and equivalents	$ 167,147	$ 170,701
Due from other funds	28,870	31,170
Total Assets	$ 196,017	$ 201,871
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	$ 3,800	$ -
Fund balance		
Restricted	192,217	201,871
Total Liabilities and Fund Balance	$ 196,017	$ 201,871

See independent auditors' report.

Putnam Valley Central School District, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended June 30,

	2021	2020
REVENUES		
Use of money and property	$ 9	$ 77
Miscellaneous	121,674	139,465
Total Revenues	121,683	139,542
EXPENDITURES		
Current		
Other	131,337	136,268
Total Expenditures	131,337	136,268
Excess (Deficiency) of Revenues Over Expenditures	(9,654)	3,274
FUND BALANCE		
Beginning of Year, as reported	201,871	107,144
Cumulative change in accounting principle	-	91,453
Beginning of Year, as restated	201,871	198,597
End of Year	$ 192,217	$ 201,871

See independent auditors' report.

Putnam Valley Central School District, New York

General Fund
Analysis of Change from Adopted Budget to Final Budget
Year Ended June 30, 2021

Adopted Budget		$ 51,907,863
Encumbrances		1,420,813
Original Budget		53,328,676
Budget Amendments		-
Final Budget		$ 53,328,676

General Fund
Section 1318 of Real Property Tax Law Limit Calculation

2021-22 Expenditure Budget		$ 53,196,449
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	1,299,771	
Unassigned fund balance	2,128,394	
Total Unrestricted Fund Balance	3,428,165	
Less		
Appropriated for subsequent year's budget	800,000	
Encumbrances	499,771	
Total Adjustments	1,299,771	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 2,128,394
Actual Percentage		4.00%

See independent auditors' report.

Putnam Valley Central School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2021

Capital Assets, net		$ 47,483,499
Less		
Bonds Payable	(4,579,911)	
Energy Performance Contract Payable	(5,770,995)	
Unamortized Portion of Premium on Bonds	(912,375)	
Bond Anticipation Notes Payable	(14,470,343)	
Installment Purchase Debt	(60,171)	(25,793,795)
Plus		
Unexpended Bond Proceeds	2,247,393	
Unamortized Portion of Loss on Refunding Bonds	162,385	2,409,778
Net Investment in Capital Assets		$ 24,099,482

See independent auditors' report.

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

Independent Auditors' Report

The Board of Education of the
Putnam Valley 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 Putnam Valley Central School District, New York ("School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 7, 2021.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
September 7, 2021

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
Putnam Valley Central School District, New York

Report on Compliance for Each Major Federal Program

We have audited the Putnam Valley Central School District, New York's ("School District") compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

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Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
September 7, 2021

Putnam Valley Central School District, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub-Recipients	Total Federal Expenditures
U.S. Department of Agriculture				
Indirect Programs - Passed through New York State Department of Education				
Child Nutrition Cluster				
National School Lunch Program - Commodities	10.555	N/A	$ -	$ 23,950
Summer Food Service Program for Children	10.559	N/A	-	587,585
Total U.S. Department of Agriculture			-	611,535
U.S. Department of Education				
Indirect Programs - Passed through New York State Department of Education				
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	0032-21-0741	-	390,849
Special Education - Preschool Grants	84.173	0033-21-0741	-	17,565
Subtotal Special Education Cluster			-	408,414
Title I Grants to Local Educational Agencies	84.010	0021-21-2460	-	136,424
Supporting Effective Instruction State Grants	84.367	0147-21-2460	-	36,083
Student Support and Academic Enrichment Program	84.424A	0204-21-2460	-	10,342
Governor's Emergency Education Relief (GEER) Fund (CARES)	84.425C	5895-21-3810	-	21,913
Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)	84.425D	5890-21-3810	-	129,295
Subtotal for 84.425			-	151,208
Total U.S. Department of Education			-	742,471
Total Expenditures of Federal Awards			$ -	$ 1,354,006

N/A - Information not available.

The accompanying notes are an integral part of this schedule.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Putnam Valley Central School District, New York (“School District”) under programs of the federal government for the year ended June 30, 2021. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (“Uniform Guidance”).* Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - Indirect Cost Rate

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

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?	____Yes __X__No
• Significant deficiency(ies) identified?	____Yes __X__None reported
Noncompliance material to financial statements noted?	____Yes __X__No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	____Yes __X__No
• Significant deficiency(ies) identified?	____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
	Child Nutrition Cluster:
10.555	National School Lunch Program - Commodities
10.559	Summer Food Service Program for Children

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	_____Yes __X__No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021

None