

**NEW ISSUE**

**BOND ANTICIPATION NOTES**

*In the opinion of Barclay Damon LLP, Bond Counsel to the School District, under existing law and assuming compliance with certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, 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"). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Bond Counsel is also of the opinion that, under existing law, 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). See "Tax Matters" herein regarding certain other tax considerations.*

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



**POUGHKEEPSIE CITY SCHOOL DISTRICT**

**DUTCHESS COUNTY, NEW YORK**

**GENERAL OBLIGATIONS**

**\$20,000,000 Bond Anticipation Notes, 2025**

(the "Notes")

**Dated: June 23, 2025**

**Due: June 23, 2026**

The Notes will constitute general obligations of the Poughkeepsie City School District, Dutchess County, New York, (the "School District" or the "District") and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes. Unless paid from other sources, all the taxable real property within the District will be subject to the levy of *ad valorem* taxes, without limitation as to rate or amount. See "TAX LEVY LIMITATION LAW" herein.

The Notes will NOT be subject to redemption, in whole or in part, prior to their maturity. Interest on the Notes will be calculated on a 30-day month and a 360-day year basis and will be payable at maturity.

The Notes will be issued as registered notes and, at the option of the purchaser(s), may be registered in the name of the purchaser(s) or may be registered to the Depository Trust Company, New York, New York ("DTC" or the "Securities Depository").

If the Notes will be issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as the Securities Depository for the Notes. Individual purchases of the Notes will be made only in book-entry-form, in principal denominations of \$5,000 or integral multiples thereof, as may be determined by the successful bidder(s). Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of the principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes. If the Notes are registered in the name of the purchaser(s), principal and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder(s). Paying agent fees, if any, are to be paid by the purchaser(s). In such case, the Notes will be issued as registered in the name of the purchaser with a single note certificate issued for those Notes bearing the same rate of interest and CUSIP number. 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 Barclay Damon LLP, Bond Counsel, Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon with the purchaser(s) on or about June 23, 2025.

**ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.FiscalAdvisorsAuction.com](http://www.FiscalAdvisorsAuction.com), on June 5, 2025 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.**

June \_\_, 2025

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. UNLESS THE NOTES ARE PURCHASED FOR THE PURCHASER'S OWN ACCOUNT, THE DISTRICT WILL ENTER INTO AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS REQUIRED BY THE RULE. SEE "APPENDIX - C, DISCLOSURE UNDERTAKING" HEREIN.

**POUGHKEEPSIE CITY SCHOOL DISTRICT  
DUTCHESS COUNTY, NEW YORK**

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School District Attorney

BARCLAY DAMON LLP  
Bond Counsel



FISCAL ADVISORS & MARKETING, INC.  
Municipal Advisor

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

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PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT**  
**of the**  
**POUGHKEEPSIE CITY SCHOOL DISTRICT**  
**DUTCHESS COUNTY, NEW YORK**  
**Relating To**  
**\$20,000,000 Bond Anticipation Notes, 2025**

This Official Statement, which includes the cover page and appendices, has been prepared by the Poughkeepsie City School District, Dutchess County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of its \$20,000,000 principal amount of Bond Anticipation Notes, 2025 (the "Notes").

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

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

**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 LEVY LIMITATION LAW" herein.

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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 of 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 the 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.

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## THE NOTES

### Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). Unless paid from other sources, all the taxable real property within the District will be subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, without limitation as to rate or amount. (See “TAX LEVY LIMITATION LAW” herein.)

The Notes will be June 23, 2025 and mature, without option of prior redemption, on June 23, 2026. Interest on the Notes will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form either (i) in the name of the purchaser(s), in which case principal of and interest on the Notes will be payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) 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. One fully-registered note certificate will be issued for all Notes bearing the same rate of interest and CUSIP number. Purchasers will not receive certificates representing their interest in the Notes. Principal and interest will be paid in lawful money of the United States of America (Federal Funds) by the District directly to the registered owner or to DTC for its nominee, Cede & Co.

### No Optional Redemption

The Notes are not subject to redemption prior to maturity.

### Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and the Education Law, and pursuant to two bond resolutions that were duly adopted by the Board of Education of the School District (the “Board”) on August 26, 2020 and thereafter approved by the qualified voters of the District at a special meeting held on October 20, 2020, the first resolution authorizing the issuance of obligations of the District in an estimated maximum amount of \$48,250,000, and the second resolution authorizing the issuance of obligations of the District in an estimated maximum amount of \$50,541,306, to finance a capital improvements projects consisting of the reconstruction of various District buildings, facilities and sites.

The proceeds of the Notes will provide \$20,000,000 new money against the \$50,541,306 authorization.

### BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

**Certificated Notes**

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 discontinued the following provisions will apply:

The Notes will be issued in registered form with a single note certificate issued for those Notes bearing the same rate of interest and CUSIP number . Principal of and interest on the Notes will be payable, at the option of the District, at the District or at a principal corporate trust office of a bank or trust company, located and authorized to do business in the State to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

**THE SCHOOL DISTRICT**

**General Information**

The School District was established in 1843. It is located in Dutchess County, New York State approximately 75 miles north of New York City. The School District is situated on the eastern bank of the Hudson River in an area known as the Mid-Hudson Valley. The School District is one of three school districts in New York State that is coterminous with the boundaries of the city in which it is located.

The School District is approximately 4.8 square miles in size and has an estimated population of 31,778. The School District is composed of five elementary schools, one middle school, one high school, and one administration building. The School District is also a component district of the Dutchess BOCES. The School District provides educational programs for approximately 4,219 students. The School District’s student population is a diverse mix of African American, Latino, Asian and Caucasian students.

There are approximately 940 professional and support staff employed by the School District, of which 387 are teaching staff. The Board of Education consists of five members of the community, each elected at large to a three-year term of office by city residents to carry out functions mandated by the State Constitution, State Law and the State Education Department. The Board is responsible for establishing School District philosophy, policy, budget and goals.

Source: District officials.

**Population**

The current estimated population of the District is 31,778. (Source: 2023 U.S. Census Bureau estimate)

**Selected Wealth and Income Indicators**

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the City and County listed below. The figures set below with respect to such City and County are included for information only. It should not be inferred from the inclusion of such data herein that the City or the County are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
City of:						
Poughkeepsie	\$ 23,192	\$ 39,722	\$ 43,459	\$ 43,105	\$ 64,228	\$ 72,796
County of:						
Dutchess	31,642	42,309	51,784	83,599	103,200	122,611
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Note: 2020-2024 American Community Survey estimates are not available as of the date of this Official Statement.

Source: 2006-2010, 2016-2020 and 2019-2023 American Community Survey data.



## Larger Employers

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

<u>Name</u>	<u>Type</u>	<u>Number of Employees</u>
Marist College	College	2,522
The Dysom-Kissner-Morgan	International Holding Company	2,500
Central Hudson Gas & Electric Corp.	Utility	1,954
Dutchess County	Local Government	1,930
City of Poughkeepsie	Local Government	1,045
Poughkeepsie City School District	Public Education	940

Source: District officials.

## 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 Dutchess County. The information set forth below with respect to the County and the State is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County or State is necessarily representative of the District, or vice versa.

<u>Annual Average</u>							
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Dutchess County	3.7%	3.5%	7.3%	4.4%	3.0%	3.0%	3.2%
New York State	4.1	3.8	9.9	6.9	4.3	4.1	4.3

<u>2025 Monthly Figures</u>						
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>April</u>	<u>May</u>	<u>June</u>
Dutchess County	3.6%	3.3%	2.9%	N/A	N/A	N/A
New York State	4.6	4.3	4.1	N/A	N/A	N/A

Note: Unemployment rates for April, May and June 2025 are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York. Figures not seasonally adjusted. Figures in this section are historical and do not speak as to current or projected employment rates.

## Form of School Government

The Board of Education, which is the policy-making body of the District, consists of five members of the community, each elected at large to a three-year term of office by city residents to carry out functions mandated by the State Constitution, State Law and the State Education Department.

The administrative officers of the District, whose duty it is to implement the policies of the Board of Education and who are appointed by the Board, include the Superintendent of Schools, Chief Operations Officer, Assistant Superintendent for Business, the School District Clerk, and the School District Attorney.

## Budgetary Procedures

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

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. (In 2020, due to the COVID-19 pandemic, the Governor postponed such budget vote until June 9, with mailed ballots allowed until June 2.) All qualified District residents are eligible to participate.

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

If the proposed budget is not approved by the required margin, the Board 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 must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

#### *Recent Budget Vote Results*

The budget for the 2024-2025 fiscal year was voted on by the qualified voters on May 21, 2024 with a vote of 314 to 120. The District’s budget for the 2024-2025 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.25%, which is below the District tax levy limit of 7.18%.

The budget for the 2025-2026 fiscal year was voted on by the qualified voters on May 20, 2025 with a vote of 329 to 93. The District’s budget for the 2025-2026 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 1.25%, which is below the District tax levy limit of 1.25%.

#### **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 deposit accounts in, certificates of deposit issued by or a deposit placement program (as provided by statute) with 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) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district or district corporation other than the School District; and (6) in the case of the 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 a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law, or satisfy the statutory requirements of the deposit placement program.

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. The School District is not authorized by State Law to invest in reverse repurchase agreements or similar derivative-type investments.

#### **State Aid**

The District receives financial assistance from the State. In its budget for the 2025-2026 fiscal year, approximately 71.37% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner in any year municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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 the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. With the exception of the State's fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, thirty-eight (38) days after the April 1 deadline, the State's fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State's fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

#### *Federal aid received by the State*

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

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.

President Trump signed an executive order that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The executive order aims to minimize the federal role in education but stops short of completely closing the Department as this would require 60 votes in the U.S. Senate. President Trump also indicated his preference that critical functions, like distributing Individuals with Disabilities Education Act funding, would be the responsibility of other federal agencies. The impact that the executive order will have on the State and school districts in the State is unknown at this time.

#### *Building Aid*

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 87.3% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

### *State Aid History*

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

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

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

*School district fiscal year (2024-2025):* The State's 2024-25 Budget provides \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of \$1.3 billion compared to the 2023-24 school year and includes a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Budget maintains the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

*School district fiscal year (2025-2026):* The State's 2025-26 Budget includes approximately \$37 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of \$1.7 billion. The State's 2025-26 Budget provides an estimated \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

Provisions in the State's 2025-26 Enacted Budget grant the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State Aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provides that a "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of \$2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

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

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

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the CFE case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent “gross education inadequacies”, claims regarding state funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State reached an agreement to settle and discontinue the NYSER case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the CFE cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 and FY 2025 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.
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and a 2% minimum increase in Foundation Aid to all school districts.

## State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years, budgeted and unaudited figures for the 2024-25 fiscal year and budgeted figures for the 2025-26 fiscal year comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2020-2021	\$107,442,234	\$ 69,447,130	64.64%
2021-2022	107,826,191	72,398,047	67.14
2022-2023	119,415,320	81,706,890	68.42
2023-2024	133,254,760	94,368,646	70.82
2024-2025 (Budgeted)	135,090,287	95,906,549	70.99
2024-2025 (Unaudited)	137,783,562	103,459,885	75.09
2025-2026 (Budgeted)	142,334,196	101,626,412	71.40

<sup>(1)</sup> General fund only. Does not include inter-fund transfers or use of reserves.

Source: Audited Financial Statement for the 2020-2021 fiscal year through and including the 2023-2024 fiscal year, unaudited figures for the 2024-2025 fiscal year and the adopted budgets for the 2024-2025 and 2025-2026 fiscal year of the District. This table is not audited.

Note: Unaudited figures are estimates of the District and subject to change.

## District Facilities

The District currently operates the following facilities:

<u>Name of School</u>	<u>Grades</u>	<u>Date of Construction</u>	<u>Date of last Addition or Alteration</u>	<u>Capacity</u>
W.W. Smith Elementary	Pre-K - K	1912	2023	531
S.F.B Morse School #5	1-5	1929	2023	549
G.W. Krieger School #11	1-5	1929	2023	406
Governor Clinton School #8	1-5	1925	2023	414
Warring	1-5	1918	2023	530
Poughkeepsie Middle School	6-8	1967	2023	2,048
Poughkeepsie High School	9-12	1956	2023	1,760
Columbus School #3*	--	1929	2023	529

\*-Columbus School #3 is currently being used as an administrative building

Source: District officials.

## Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2020-21	4,205	2025-26	3,748
2021-22	4,219	2026-27	3,748
2022-23	4,107	2027-28	3,748
2023-24	3,898	2028-29	3,748
2024-25	3,478	2029-30	3,748

Source: District officials.

## Employees

The District employs a total of 940 full and part-time employees. The collective bargaining agents, if any, which represent them and the dates of expiration of the various collective bargaining agreements are as follows:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
387	Poughkeepsie Teachers' Association	6/30/2028
25	Poughkeepsie Admin Association	6/30/2028
58	Maintenance Workers/Nurses	6/30/2027
63	Cafeteria Workers	6/30/2027
35	Clerical Staff	6/30/2025 <sup>(1)</sup>
139	Paraprofessionals	6/30/2025 <sup>(1)</sup>

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the last four years, budgeted figures for the 2024-25 and 2025-26 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	855,930	3,526,280
2021-2022	1,337,150	4,374,731
2022-2023	843,104	4,315,431
2023-2024	1,006,696	4,482,730
2024-2025 (Budgeted)	1,283,224	4,494,833
2025-2026 (Budgeted)	1,588,261	4,500,000

Source: District records.

Pursuant to various laws enacted between 1991 and 2002, the State legislature authorized local governments to make available certain early retirement incentive programs to its employees. The contracts for administrators and teachers both include retirement incentives. During the 2015-16 fiscal year, 25 employees elected to take a retirement incentive at cost to the District of \$25,844 per employee. The District offered a one time incentive to all employees to retire by June 30, 2018 with qualifying number of years of experience and a tiered amount based on the years of experience with the District. During the 2017-2018 fiscal year, 19 employees elected to take the retirement incentive at a cost to the District of \$30,000 per employee and savings of approximately \$1 million. For 2018-19, 13 employees qualified for the retirement incentives available for an average payout of \$24,754. The payroll savings for these employees was realized during the 2020-21 budget process. The District had no employees take a retirement incentive for the 2019-2020 through 2024-2025 fiscal years and has no retirement incentives planned at this time.

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

A chart of average ERS and TRS rates as a percent of payroll (2021-22 to 2025-26) is shown below:

<u>State Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2021-22	16.2%	9.80%
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59*

\*Estimated.

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

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



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

*Stable Rate Pension Contribution Option:* The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

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

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

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The Board has authorized a TRS reserve fund and the District has established the reserve.

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## Other Post Employee Benefits

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

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

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

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

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

The District contracted with Capital Region BOCES, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2023 and 2024. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits.

The following outlines the changes to the total OPEB Liability during the past two fiscal years, by source.

	Balance beginning at:	July 1, 2022	July 1, 2023
		\$ 246,262,934	\$ 234,431,151
<u>Changes for the year:</u>			
Service cost		9,068,338	7,961,392
Interest on total OPEB liability		8,888,035	9,872,812
Changes in Benefit Terms		-	-
Differences between expected and actual experience		2,362,937	(43,907,446)
Changes in Assumptions or other inputs		(23,562,716)	19,908,722
Benefit payments		(8,588,377)	(6,751,094)
Net Changes		\$ (11,831,783)	\$ (12,915,614)
	Balance ending at:	June 30, 2023	June 30, 2024
		\$ 234,431,151	\$ 221,515,537

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

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

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

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

## Other Information

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

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

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

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

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

## Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024 and is attached hereto as “APPENDIX – D”. Certain financial information of the District can be found attached as Appendices to the Official Statement. The audit report covering the period ending June 30, 2023 is not available as of the date of this 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 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.

### *Unaudited Results for Fiscal Year Ending June 30, 2025:*

The District expects to end the fiscal year ending June 30, 2025 with an unassigned fund balance of \$7,805,093.

Summary unaudited information for the General Fund for the period ending June 30, 2025 is as follows:

Revenues:	\$ 137,783,562
Expenditures:	122,98,823
Excess (Deficit) Revenues Over Expenditures:	<u>15,084,739</u>
Total Fund Balance at June 30, 2024:	\$ 50,331,620
Total Fund Balance at June 30, 2025:	\$ 65,416,359

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

## New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on July 2, 2020. 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.

### Key Findings:

- The District did not adequately control and secure its personal, private and sensitive information (PPSI).
- District employees were not provided with IT security awareness training.
- The District did not have service level agreements (SLAs) with its IT service providers.

In addition, sensitive information technology (IT) control weaknesses were communicated confidentially to officials.

### Key Recommendations:

- Inventory, classify and develop effective controls over PPSI.
- Ensure all necessary personnel receive up-to date IT security awareness training.
- Ensure that all IT services are provided based on a formal service level agreement.

District officials generally agreed with the recommendations and have taken corrective action. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein.

## The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most recent reports of the State Comptroller for the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	6.7
2023	No Designation	6.7
2022	No Designation	16.7

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

Note: Reference to website implies no warranty of accuracy of information therein.

## TAX INFORMATION

### Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b><u>Assessed Valuation</u></b>					
City of:					
Poughkeepsie	\$ 1,711,627,614	\$ 1,897,025,119	\$ 2,154,863,964	\$ 2,542,200,124	\$ 2,683,164,976
<b>Total Assessed Valuation</b>	<b>\$ 1,711,627,614</b>	<b>\$ 1,897,025,119</b>	<b>\$ 2,154,863,964</b>	<b>\$ 2,542,200,124</b>	<b>\$ 2,683,164,976</b>
<b><u>State Equalization Rates</u></b>					
City of:					
Poughkeepsie	100.00%	100.00%	100.00%	100.00%	100.00%
<b><u>Full Valuation</u></b>					
City of:					
Poughkeepsie	\$ 1,711,627,614	\$ 1,897,025,119	\$ 2,154,863,964	\$ 2,542,200,124	\$ 2,683,164,976
<b>Total Taxable Full Valuation</b>	<b>\$ 1,711,627,614</b>	<b>\$ 1,897,025,119</b>	<b>\$ 2,154,863,964</b>	<b>\$ 2,542,200,124</b>	<b>\$ 2,683,164,976</b>

### Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
City of:					
Poughkeepsie	\$ 17.09	\$ 15.72	\$ 13.99	\$ 11.25 \$ 15.43	\$ 11.19 \$ 14.61

Note: For 2024, \$11.25 represents the Homestead tax rate and \$15.43 represents the Non-Homestead tax rate.  
For 2025, \$11.19 represents the Homestead tax rate and \$14.61 represents the Non-Homestead tax rate.

### Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 5th, uncollected taxes are returnable to the County for collection. The School District receives this amount from the County prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the County.

### Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy	\$ 30,600,878	\$ 31,029,290	\$ 31,258,258	\$ 31,930,311	\$ 32,920,087
% Uncollected	7.90%	7.90%	6.80%	6.50%	6.76%

<sup>(1)</sup> See "Tax Collection Procedure" herein.

## Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years, budgeted and unaudited figures for the 2024-2025 fiscal year and budgeted figures for the 2025-26 fiscal year comprised of real property taxes.

<u>Fiscal Year</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Total Real Property Taxes &amp; Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Taxes</u>
2020-2021	\$ 107,442,234	\$ 32,670,858	30.41%
2021-2022	107,826,191	33,641,059	31.20
2022-2023	119,415,320	31,164,275	26.10
2023-2024	133,254,760	32,920,105	24.70
2024-2025 (Budgeted)	135,145,287	33,652,046	24.90
2024-2025 (Unaudited)	137,783,562	32,920,081	23.89
2025-2026 (Budgeted)	142,334,196	36,194,006	25.43

<sup>(1)</sup> General fund only. Does not include inter-fund transfers or use of reserves.

Source: Audited Financial Statement for the 2020-2021 fiscal year through and including the 2023-2024 fiscal year, unaudited figures for 2024-2025 and the adopted budgets for the 2024-2025 and 2025-2026 fiscal years of the District. This table is not audited.

Note: Unaudited figures are estimates of the District and subject to change.

## Larger Taxpayers 2024 for the 2024-2025 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Central Hudson Gas & Electric Corp.	Utility	\$185,490,689
Corlies Manor Realty, LLC	Apartments	20,042,900
Rip Van Winkle House LLC	Apartments	14,334,300
Welltower OM Group LLC	Medical	13,500,000
Luckey Platt Equities LLC	Real Estate	11,456,600
Verizon New York Inc.	Utility	11,431,199
EP Poughkeepsie Realty LLC	Nursing Home	9,734,400
Executive Towes Apartments	Apartments	9,179,500
River Valley Realty Co. LP	Home for the Aged	8,942,600
River Valley Realty Co LP	Real Estate	<u>7,200,000</u>
	Total	<u>\$291,312,188</u>

The larger taxpayers listed above have a total assessed valuation of \$291,312,188, which represents 10.9% of the total assessed valuation of the District.

As of the date of this Official Statement, the District does not currently have any pending or outstanding tax certiorari claims that, if decided adversely to the District, would have a material adverse impact on the District's finances.

Source: District Tax Rolls.

## STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of \$107,300 or less in the 2025-2026 school year, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first \$86,100 of the full value of a home for the 2025-2026 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 "full value" exemption on their primary residence.

The 2019-2020 State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of \$250,000 or less have the option to select the credit or the exemption.

The 2020-2021 State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent.

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

<u>City of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Poughkeepsie	\$113,220	\$ 39,450	4/10/2025

\$1,678,283 of the District’s \$32,968,046 school tax levy for 2024-25 was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

Approximately \$1,678,283 of the District’s \$33,330,760 school tax levy for 2025-26 is expected to be exempt by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State in January 2026.

### **Additional Tax Information**

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

Senior citizens' exemptions are offered to those who qualify.

The total valuation of the District is estimated to be categorized as follows: Residential - 90%, Commercial - 5%, State Land – 4%, and Agricultural - 1%.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the District is approximately \$1,466 for school taxes after deducting basic STAR deductions.

### **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.)

On June 25, 2015, Chapter 20 of the 2015 Laws of New York (“Chapter 20”) amended the Tax Levy Limitation Law to extend its expiration from June 15, 2016 to June 15, 2020. The legislation has since been made permanent. Chapter 20 also affects the calculation of the tax base growth factor, as outlined below

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

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

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year’s tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. Chapter 20 additionally allows the State Commissioner of Taxation and Finance to adjust for changes in the real property base to reflect development on tax-exempt real property, although no such regulations have been promulgated as of the date of this Official Statement. 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. The State Commissioner of Taxation and Finance has promulgated a regulation that allows school districts, beginning in the 2020-2021 school year, to adjust the exclusion to reflect a school District's share of capital expenditures related to projects funded through a board of cooperative educational services ("BOCES").

See "THE SCHOOL DISTRICT – Budgetary Procedures" herein for additional information regarding the District's Tax Levy.

## **STATUS OF INDEBTEDNESS**

### **Constitutional Requirements**

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

*Purpose and Pledge.* The District shall not give or loan any money or property to or in aid of any individual or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

*Payment and Maturity.* Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining debt service is utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

### **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 may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of such bonds. No down payment is required in connection with the issuance of District obligations.

The Local Finance Law also authorizes the District to issue revenue anticipation notes, in anticipation of the collection of a specific type of revenue, such as State aid.



**Debt Limit.** The District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State provided the aggregate principal amount thereof shall not 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 method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (special equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services.

The Local Finance Law also provides that where a resolution authorizing the issuance of bonds or notes is published with a statutory form of notice, the validity of the bonds or notes authorized thereby, including revenue anticipation notes may be contested only if:

- (1) (a) such obligations were authorized for an object or purpose for which the District is not authorized to expend money, or  
 (b) the provisions of the law which should be complied with as of the date of publication of this notice were not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within 20 days after the date of such publication of this notice; or
- (2) Such obligations were authorized in violation of the provisions of the Constitution of New York.

The District has complied with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board, as the finance board of the District, has the power to enact bond resolutions, generally subject to voter approval, and revenue anticipation note resolutions. In addition, the Board has the power to authorize the sale and issuance of obligations. However, the Board may delegate the power to sell the obligations to the President of the Board, the chief fiscal officer of the District, pursuant to the Local Finance Law.

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

#### **Debt Outstanding End of Fiscal Year**

<u>Fiscal Years Ending June 30<sup>th</sup></u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 22,555,000	\$ 20,730,000	\$ 24,380,000	\$ 39,910,00	\$ 37,100,000
Bond Anticipation Notes	0	0	0	0	21,500,000
Other Debt <sup>(1)</sup>	<u>2,557,005</u>	<u>2,162,433</u>	<u>1,889,465</u>	<u>7,386,683</u>	<u>6,834,169</u>
Total Debt Outstanding	<u>\$ 25,112,005</u>	<u>\$ 22,892,433</u>	<u>\$ 26,269,465</u>	<u>\$ 47,276,683</u>	<u>\$ 65,434,169</u>

<sup>(1)</sup> Represents Installment Purchase Contracts and Capital Leases

#### **Details of Outstanding Indebtedness**

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of May 29, 2025.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2025-2038	\$ 36,035,000
<u>Bond Anticipation Notes</u>		
Capital Improvement Project	June 25, 2025	<u>21,500,000<sup>(1)</sup></u>
	Total Indebtedness	<u>\$ 57,535,000</u>

<sup>(1)</sup>-To be permanently financed at maturity with the proceeds of bonds issued through the Dormitory Authority of the State of New York ("DASNY") and \$220,000 available funds of the District.

## Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 29, 2025:

Full Valuation of Taxable Real Property .....	\$ 2,683,164,976
Debt Limit 10% thereof .....	268,316,498

### Inclusions:

Bonds.....	\$ 36,035,000	
Bond Anticipation Notes .....	<u>21,500,000</u>	
Total Inclusions.....		<u>\$ 57,535,000</u>

### Exclusions:

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

Total Net Indebtedness .....	<u>\$ 57,535,000</u>
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Net Debt-Contracting Margin .....	<u>\$ 210,781,498</u>
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The percent of debt contracting power exhausted is .....	21.44%
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- <sup>(1)</sup> 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 2025-2026 Building Aid Ratios, the School District anticipates State Building aid of 87.3% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its capital project indebtedness.

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

## Bonded Debt Service

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

## Capital Project Plans

On October 20, 2020, District voters approved two capital project propositions, one for \$48,250,000 and a second for \$50,541,306, totaling \$98,791,306. The capital project consists of the reconstruction of the Intermediate, Middle, Senior High School and Bus Garage.

On June 25, 2024, the District issued \$21,500,000 bond anticipation notes which renewed the outstanding \$12,000,000 Bond Anticipation Notes, 2023 that matured June 26, 2024 and provided \$9,500,000 new money against the \$48,250,000 authorization. The outstanding \$21,500,000 bond anticipation notes will be permanently financed with \$21,280,000 serial bonds issued through DASNY and \$220,000 available funds of the District on June 17, 2025. The Notes will provide \$20,000,000 of new money against the \$50,541,306 authorization. Future borrowings for the project will be pursuant to approval from the State Education Department and as the project’s cash flow needs warrant.

District voters approved a \$26 million capital project in May 2023. The project is expected to be funded with \$10 million from the capital reserve, which is already funded, and \$16 million from the proceeds of obligations. The project is not expected to have any impact on taxpayers as the portion of the project not paid from the capital reserve fund is expected to be funded by State building aid.

There are no other capital projects authorized or additional financings contemplated at the present time.

## Cash Flow Borrowings

The District issued \$4,750,000 of Revenue Anticipation Notes in the 2020-2021 fiscal year. The District has not issued any such notes since that time, and does not expect to issue any such notes in the current fiscal year.

## Energy Performance Contracts

The District has entered into energy performance agreements with \$6,834,169 principal balance outstanding at June 30, 2024. The payments to maturity are shown below:

<u>Fiscal Year</u>	<u>EPC Payment</u>
2025	\$671,989
2026	695,660
2027	718,486
2028	326,108
2029	337,356
2030-2034	1,869,560
2035-2039	<u>2,215,010</u>
<u>Total:</u>	<u>\$ 6,834,169</u>

Source: Audited Financial Statements.

## Estimated Overlapping Indebtedness

In addition to the 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 District. The estimated outstanding indebtedness of such political subdivisions is as follows:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Exclusions</u> <sup>(2)</sup>	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Dutchess	6/27/2024	\$ 309,605,000 <sup>(3)</sup>	\$ 2,695,000	\$ 306,910,000	5.61%	\$ 17,217,651
City of:						
Poughkeepsie	6/28/2024	49,256,343 <sup>(3)</sup>	23,878,620	25,377,723	100.00%	<u>25,377,723</u>
Total:						<u>\$ 42,595,374</u>

- (1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- (2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (3) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.

## Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 29, 2025:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 57,535,000	\$ 1,810.53	2.14%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	100,130,374	3,150.93	3.73

- (a) The current estimated population of the District is 31,778. (See "THE SCHOOL DISTRICT – Population" herein.)
- (b) The District's full value of taxable real estate for the 2024-2025 fiscal year is \$2,683,164,976. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
- (c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
- (d) Estimated net overlapping indebtedness is \$42,595,374. (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.** The Notes 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.

Current and 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.

## TAX MATTERS

In the opinion of Barclay Damon LLP, Bond Counsel to the School District, under existing law, and assuming compliance with the certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, 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”). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, interest on the Notes that is included in the “adjusted financial statement income” of certain corporations is not excluded from the corporate alternative minimum tax under the Code. Bond Counsel also is of the opinion that, under existing law, 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 federal, state or local tax consequences with respect to the Notes. The opinion of Bond Counsel will speak as of its date of issue and will not contain or provide any opinion or assurance regarding the future activities of the School District, or about the effect of future changes in the Code, the applicable regulations, rulings, judicial decisions, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the “IRS”). In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, the exclusion of interest on the Notes from gross income for federal income tax purposes.

### *General*

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Included among these requirements are restrictions on the investment and use of proceeds of the Notes and the rebate of certain earnings in respect of such investments to the United States. The School District and others have made certain representations, certifications of fact, and statements of reasonable expectations and the School District has given certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code. The opinion of Bond Counsel assumes continuing compliance with such covenants as well as the accuracy and completeness of such representations, certifications of fact, and statements of reasonable expectations.

In the event of the inaccuracy or incompleteness of any such representations, certifications or statements of reasonable expectation, or of the failure by the School District to comply with any such covenant, the interest on the Notes could become includable in gross income for federal income tax purposes retroactive to the date of original execution and delivery of the Notes, regardless of the date on which the event causing such inclusion occurs. Further, although the interest on the Notes is excluded from gross income for federal income tax purposes, receipt or accrual of the interest may otherwise affect the tax liability of a Beneficial Owner of the Notes. The tax effect of receipt or accrual of the interest will depend upon the tax status of a Beneficial Owner of the Notes and such Beneficial Owner’s other items of income, deduction or credit. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition, or the accrual or receipt of interest on, the Notes.

### *Certain Collateral Federal Income Tax Consequences*

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of the Notes may have collateral federal income tax consequences for certain taxpayers, including financial corporations, insurance companies, Subchapter S corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their own tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

### *Backup Withholding and Information Reporting*

Interest paid on tax-exempt obligations is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. Interest on the Notes may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the Notes and would be allowed as a refund or credit against such owner’s federal income tax liability (or the federal income tax liability of the beneficial owner of the Notes, if other than the registered owner).

### *Legislation*

Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the federal or state level, may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subjected to state income taxation, or

otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Notes for federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Notes. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of Beneficial Owners of the Notes may occur. Prospective purchasers of the Notes should consult their own advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future 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 authority and represents the judgment of Bond Counsel as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the IRS or the courts.

The Notes will not be designated or deemed designated by the District as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

## **LEGAL MATTERS**

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Barclay Damon LLP, Bond Counsel, Albany, New York to the effect that the Notes are valid and legally binding obligations of the District, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Notes and the interest thereon without limitation as to rate or amount, that interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, however, interest on the Notes that is included in the “adjusted financial statement income” of certain corporations is not excluded from the corporate alternative minimum tax under the Code, and that interest on the Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Such opinion also will state that: (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity; (b) Bond Counsel expresses no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes; and (c) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may occur thereafter.

## **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 its financial condition.

There are currently several tax certiorari proceedings pending against the City of Poughkeepsie, which may impact the School District. The School District intervenes in a select number of these proceedings and works with the City to aggressively defend the assessment

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

## **DISCLOSURE UNDERTAKING**

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), unless the Notes are purchased for the purchaser’s own account, as principal for investment and not for resale, the District will enter into a Disclosure Undertaking at closing, the form of which is attached hereto as “APPENDIX – C”. A purchaser buying for its own account shall deliver a municipal securities disclosure certificate that documents its intent to purchase the Notes as principal for investment and not for resale (in a form satisfactory to Bond Counsel) establishing that an exemption from the Rule applies.

## **CONTINUING DISCLOSURE COMPLIANCE PROCEDURES**

The District has established procedures designed to ensure that its filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 through the Electronic Municipal Market Access System.

### **Historical Compliance**

Except as noted below, the District is in compliance within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

On October 2, 2020, Moody's Investors Service downgraded its programmatic rating on the New York State Section 99-b Intercept Program applicable to all New York State school districts, including the District, from "Aa3" to "A1" (stable outlook). Accordingly, the Moody's enhanced rating on the District's outstanding bonds was been reduced from "Aa3" to "A1" (stable outlook). A material event notice was not posted to EMMA until May 1, 2023.

### **MUNICIPAL ADVISOR**

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

### **CUSIP IDENTIFICATION NUMBERS**

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

### **RATING**

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) pending the approval of the District, including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX – C", attached hereto).

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "A" with a stable outlook to the District's outstanding bonds. The 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, 38<sup>th</sup> Floor, New York, New York 10041, Phone: (212) 438-2118. The underlying rating assigned to the School District by Moody's Investors Service, Inc., is an "Baa1" rating, which was assigned November 28, 2016, was affirmed on January 29, 2024 and March 14, 2024.

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 Notes.



## 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.

Barclay Damon LLP, Albany, 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](http://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. Margarita Lekaj, Interim Assistant Superintendent for Business, Poughkeepsie City School District, 18 South Perry Street, Poughkeepsie, New York 12601, Phone: (845) 451-4900 x 4960, Email: [mlekaj@poughkeepsieschools.org](mailto:mlekaj@poughkeepsieschools.org).

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

**POUGHKEEPSIE CITY SCHOOL DISTRICT**

**Dated: June \_\_, 2025**

**PRESIDENT OF THE BOARD OF EDUCATION**

**GENERAL FUND**

**Balance Sheets**

Fiscal Years Ending June 30:

	<u><b>2020</b></u>	<u><b>2021</b></u>	<u><b>2022</b></u>	<u><b>2023</b></u>	<u><b>2024</b></u>
<u><b>ASSETS</b></u>					
Cash:					
Unrestricted	\$ 5,062,918	\$ 6,079,350	\$ 557,534	\$ -	\$ -
Restricted	912,846	7,563,217	2,736	-	-
Investments:					
Unrestricted	-	-	3,579,425	-	-
Restricted	-	-	19,230,869	-	-
Cash and equivalents	-	-	-	3,196,427	1,642,391
Investments	-	-	-	28,133,975	44,742,120
Receivables:					
Taxes Receivable	2,293,299	2,532,695	2,306,541	2,692,743	3,319,052
Accounts receivable	-	-	-	396,408	417,443
Due from Other Funds	7,731,244	9,497,996	8,320,966	12,676,939	8,158,224
State and Federal Aid Receivable	3,009,442	5,174,901	2,726,280	2,532,238	4,946,498
Due from Other Governments	1,277,161	2,193,762	1,075,814	1,992,586	-
Advances to other funds	-	-	-	839,941	-
Other, Net of Allowance	362,147	69,460	81,855	-	-
Prepaid Expenditures	491,869	357,112	455,471	379,060	449,832
<b>TOTAL ASSETS</b>	<u><b>\$ 21,140,926</b></u>	<u><b>\$ 33,468,493</b></u>	<u><b>\$ 38,337,491</b></u>	<u><b>\$ 52,840,317</b></u>	<u><b>\$ 63,675,560</b></u>
<u><b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b></u>					
Accounts Payable	\$ 1,765,245	\$ 1,215,759	\$ 2,319,501	\$ 3,277,368	\$ 2,061,255
Accrued Liabilities	501,708	817,310	788,596	1,001,853	389,654
Accrued Interest Payable	-	-	-	-	-
Due to Other Funds	3,563	3,563	-	4,320,765	489,250
Due to Other Governments	3,177,205	2,910,096	2,003,033	2,307,010	2,017,215
Due to Teachers' Retirement System	3,892,923	3,456,135	3,878,997	-	-
Due to Employees' Retirement System	124,622	222,439	132,420	-	-
Due to Retirement Systems	-	-	-	4,742,860	5,525,841
Unearned Revenue	-	-	-	43,934	62,634
Employee payroll deductions	-	-	-	-	1,362
Overpayments and Collections in Advance	142,806	105,673	34,797	-	-
<b>TOTAL LIABILITIES</b>	<u><b>\$ 9,608,072</b></u>	<u><b>\$ 8,730,975</b></u>	<u><b>\$ 9,157,344</b></u>	<u><b>\$ 15,693,790</b></u>	<u><b>\$ 10,547,211</b></u>
<u><b>DEFERRED INFLOWS OF RESOURCES</b></u>					
Deferred Revenue	\$ 2,293,299	\$ 2,532,695	\$ 2,306,541	\$ 2,692,743	\$ 2,796,729
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u><b>\$ 2,293,299</b></u>	<u><b>\$ 2,532,695</b></u>	<u><b>\$ 2,306,541</b></u>	<u><b>\$ 2,692,743</b></u>	<u><b>\$ 2,796,729</b></u>
<u><b>FUND BALANCES</b></u>					
Nonspendable	\$ 491,869	\$ 357,112	\$ 455,471	\$ 1,219,001	\$ 449,832
Restricted	912,846	7,563,217	19,233,605	22,198,326	38,120,032
Committed	-	-	-	-	-
Assigned	500,000	1,683,540	2,738,439	5,598,143	6,213,941
Unassigned	7,334,840	12,600,954	4,446,091	5,438,314	5,547,815
<b>TOTAL FUND BALANCES</b>	<u><b>\$ 9,239,555</b></u>	<u><b>\$ 22,204,823</b></u>	<u><b>\$ 26,873,606</b></u>	<u><b>\$ 34,453,784</b></u>	<u><b>\$ 50,331,620</b></u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><b>\$ 21,140,926</b></u>	<u><b>\$ 33,468,493</b></u>	<u><b>\$ 38,337,491</b></u>	<u><b>\$ 52,840,317</b></u>	<u><b>\$ 63,675,560</b></u>

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

**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance**

Fiscal Years Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>REVENUES</b>					
Real Property Taxes and Tax Items	\$ 30,192,010	\$ 31,033,970	\$ 32,005,189	\$ 31,164,275	\$ 32,920,105
Non-Property Taxes	867,802	1,636,888	1,635,870	1,781,683	1,740,054
Charges for Services	7,680	68	6,945	8,325	96,040
Use of Money & Property	79,294	5,977	79,523	1,858,399	2,583,962
Sale of Property and Compensation for Loss	6,444	-	65,374	410	62,840
Miscellaneous	1,811,930	3,080,490	1,218,452	2,385,050	1,285,672
Revenues from State Sources	69,337,510	69,447,130	72,398,047	81,706,890	94,368,646
Revenues from Federal Sources	436,129	2,237,711	416,791	510,288	197,441
Total Revenues	<u>\$ 102,738,799</u>	<u>\$ 107,442,234</u>	<u>\$ 107,826,191</u>	<u>\$ 119,415,320</u>	<u>\$ 133,254,760</u>
Other Sources:					
Insurance Recoveries	-	-	-	619,112	-
Premium on BAN Issuance	-	5,636	-	-	-
Interfund Transfers	622,668	55,379	53,757	-	-
Total Revenues and Other Sources	<u>\$ 103,361,467</u>	<u>\$ 107,503,249</u>	<u>\$ 107,879,948</u>	<u>\$ 120,034,432</u>	<u>\$ 133,254,760</u>
<b>EXPENDITURES</b>					
General Support	\$ 7,939,603	\$ 9,293,136	\$ 11,361,604	\$ 11,539,557	\$ 12,578,632
Instruction	56,557,539	51,546,761	55,868,135	60,090,632	63,028,841
Pupil Transportation	3,436,263	3,046,450	4,692,737	5,028,848	5,405,892
Community Services	30,764	4,335	42,995	159,107	210,405
Employee Benefits	30,689,746	27,078,006	26,136,126	27,044,719	28,563,056
Debt Service	14,547	27,157	-	4,190,408	6,078,692
Other Expenditures	-	3,132	-	-	-
Total Expenditures	<u>\$ 98,668,462</u>	<u>\$ 90,998,977</u>	<u>\$ 98,101,597</u>	<u>\$ 108,053,271</u>	<u>\$ 115,865,518</u>
Other Uses:					
Interfund Transfers	3,856,000	3,539,004	5,109,568	4,400,983	1,511,406
Total Expenditures and Other Uses	<u>\$ 102,524,462</u>	<u>\$ 94,537,981</u>	<u>\$ 103,211,165</u>	<u>\$ 112,454,254</u>	<u>\$ 117,376,924</u>
Excess (Deficit) Revenues Over Expenditures	<u>837,005</u>	<u>12,965,268</u>	<u>4,668,783</u>	<u>7,580,178</u>	<u>15,877,836</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	8,402,550	9,239,555	22,204,823	26,873,606	34,453,784
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 9,239,555</u>	<u>\$ 22,204,823</u>	<u>\$ 26,873,606</u>	<u>\$ 34,453,784</u>	<u>\$ 50,331,620</u>

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

**GENERAL FUND**

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

Fiscal Years Ending June 30:

	<b>2024</b>			<b>2025</b>	<b>2026</b>
	Original Budget	Final Budget	Actual	Adopted Budget	Adopted Budget
<b><u>REVENUES</u></b>					
Real Property Taxes & Tax Items	\$ 32,489,311	\$ 32,489,311	\$ 32,920,105	\$ 35,252,046	\$ 33,510,006
Non-Property Taxes	1,350,000	1,350,000	1,740,054	-	2,684,000
Charges for Services	6,200	6,200	96,040	88,200	8,200
Use of Money & Property	1,011,500	1,011,500	2,583,962	1,787,500	1,787,500
Sale of Property and Compensation for Loss	10,000	10,000	62,840	-	40,000
Miscellaneous	500,000	500,000	1,285,672	1,316,000	1,239,278
Revenues from State Sources	98,335,842	98,335,842	94,368,646	95,906,549	101,626,412
Revenues from Federal Sources	200,000	200,000	197,441	739,992	1,438,800
Total Revenues	<u>\$ 133,902,853</u>	<u>\$ 133,902,853</u>	<u>\$ 133,254,760</u>	<u>\$ 135,090,287</u>	<u>\$ 142,334,196</u>
Other Sources:					
Insurance Recoveries	-	-	-	-	-
Interfund Transfers	55,000	55,000	-	55,000	55,000
Total Revenues and Other Sources	<u>\$ 133,957,853</u>	<u>\$ 133,957,853</u>	<u>\$ 133,254,760</u>	<u>\$ 135,145,287</u>	<u>\$ 142,389,196</u>
<b><u>EXPENDITURES</u></b>					
General Support	\$ 10,794,127	\$ 15,200,474	\$ 12,578,632	\$ 12,700,363	\$ 12,239,816
Instruction	76,281,977	76,913,745	63,028,841	76,463,405	82,420,202
Pupil Transportation	7,965,829	7,583,804	5,405,892	6,546,469	7,992,844
Community Services	246,207	264,422	210,405	133,000	-
Employee Benefits	37,523,839	31,216,650	28,563,056	35,639,785	36,510,047
Debt Service	6,144,017	6,566,454	6,078,692	6,812,356	8,471,551
Total Expenditures	<u>\$ 138,955,996</u>	<u>\$ 137,745,549</u>	<u>\$ 115,865,518</u>	<u>\$ 138,295,378</u>	<u>\$ 147,634,460</u>
Other Uses:					
Interfund Transfers	600,000	1,810,447	1,511,406	400,000	-
Total Expenditures and Other Uses	<u>\$ 139,555,996</u>	<u>\$ 139,555,996</u>	<u>\$ 117,376,924</u>	<u>\$ 138,695,378</u>	<u>\$ 147,634,460</u>
Excess (Deficit) Revenues Over Expenditures	<u>(5,598,143)</u>	<u>(5,598,143)</u>	<u>15,877,836</u>	<u>(3,550,091)</u>	<u>(5,245,264)</u>
<b><u>FUND BALANCE</u></b>					
Fund Balance - Beginning of Year	5,598,143	5,598,143	34,453,784	3,550,091	5,245,264
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,331,620</u>	<u>\$ -</u>	<u>\$ -</u>

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

**BONDED DEBT SERVICE**

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	\$ 3,165,000	\$ 1,662,010	\$ 4,827,010
2026	3,265,000	1,544,066	4,809,066
2027	3,400,000	1,394,304	4,794,304
2028	3,120,000	1,262,681	4,382,681
2029	2,840,000	1,115,525	3,955,525
2030	2,975,000	978,063	3,953,063
2031	3,030,000	833,438	3,863,438
2032	3,070,000	708,150	3,778,150
2033	3,205,000	582,650	3,787,650
2034	1,720,000	451,500	2,171,500
2035	1,805,000	365,500	2,170,500
2036	1,890,000	275,250	2,165,250
2037	1,975,000	180,750	2,155,750
2038	1,640,000	82,000	1,722,000
<b>TOTALS</b>	<b>\$ 37,100,000</b>	<b>\$ 11,435,885</b>	<b>\$ 48,535,885</b>

Note: The table above does not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent any such indebtedness may be applicable to the District.

**APPENDIX - B1**  
**Poughkeepsie CSD**

**CURRENT BONDS OUTSTANDING**

Fiscal Year Ending June 30th	2012 Bonds			2012 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 380,000	\$ 67,691	\$ 447,691	\$ 295,000	\$ 31,431	\$ 326,431
2026	400,000	49,641	449,641	285,000	22,213	307,213
2027	420,000	30,641	450,641	275,000	12,950	287,950
2028	215,000	10,481	225,481	95,000	3,325	98,325
TOTALS	\$ 1,415,000	\$ 158,454	\$ 1,573,454	\$ 950,000	\$ 69,919	\$ 1,019,919

Fiscal Year Ending June 30th	2016 Bonds			2017 Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 240,000	\$ 30,713	\$ 270,713	\$ 1,065,000	\$ 428,925	\$ 1,493,925
2026	250,000	25,913	275,913	1,090,000	402,300	1,492,300
2027	255,000	20,913	275,913	1,145,000	347,800	1,492,800
2028	260,000	15,813	275,813	1,180,000	316,313	1,496,313
2029	165,000	9,963	174,963	1,240,000	257,313	1,497,313
2030	165,000	6,250	171,250	1,300,000	195,313	1,495,313
2031	85,000	2,125	87,125	1,365,000	130,313	1,495,313
2032	-	-	-	1,410,000	85,950	1,495,950
2033	-	-	-	1,455,000	43,650	1,498,650
TOTALS	1,420,000	111,688	1,531,688	\$ 11,250,000	\$ 2,207,875	\$ 13,457,875

Fiscal Year Ending June 30th	2022A DASNY			2023A DASNY		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 315,000	\$ 251,500	\$ 566,500	870,000	\$ 851,750	\$ 1,721,750
2026	330,000	235,750	565,750	910,000	808,250	1,718,250
2027	345,000	219,250	564,250	960,000	762,750	1,722,750
2028	365,000	202,000	567,000	1,005,000	714,750	1,719,750
2029	380,000	183,750	563,750	1,055,000	664,500	1,719,500
2030	400,000	164,750	564,750	1,110,000	611,750	1,721,750
2031	415,000	144,750	559,750	1,165,000	556,250	1,721,250
2032	435,000	124,000	559,000	1,225,000	498,200	1,723,200
2033	465,000	102,250	567,250	1,285,000	436,750	1,721,750
2034	370,000	79,000	449,000	1,350,000	372,500	1,722,500
2035	390,000	60,500	450,500	1,415,000	305,000	1,720,000
2036	405,000	41,000	446,000	1,485,000	234,250	1,719,250
2037	415,000	20,750	435,750	1,560,000	160,000	1,720,000
2038	-	-	-	1,640,000	82,000	1,722,000
TOTALS	\$ 5,030,000	\$ 1,829,250	\$ 6,859,250	\$ 17,035,000	\$ 7,058,700	\$ 24,093,700

## DISCLOSURE UNDERTAKING

This undertaking to provide notice of certain designated events (the “Disclosure Undertaking”) is executed and delivered by the Poughkeepsie City School District, Dutchess County, New York (the “Issuer”) in connection with the issuance of its \$[27,000,000] Bond Anticipation Note(s), 2024 (such Note(s) including any interests therein, being collectively referred to herein as the “Security”). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

Section 1. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB) in a timely manner (not in excess of ten business days after the occurrence of any such event) notice of any of the following events with respect to the Security:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;
- (7) Modifications to rights of Security Holders, if material;
- (8) Bond (or Note) calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Security, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer may choose to disseminate other information in addition to the information required as part of this Disclosure Undertaking. Such other information may be disseminated in any manner chosen by the Issuer. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Disclosure Undertaking.

(c) The Issuer may choose to provide notice of the occurrence of certain other events, in addition to those listed in Section 1(a) above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

## Section 2. Definitions

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

“Financial Obligation” means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

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

“Purchaser” means the financial institution referred to in a certain Certificate of Determination that is being delivered by the Issuer in connection with the issuance of the Security.

“Rule 15c2-12” means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof.

“Security Holder” means any registered owner of the Security and any beneficial owner of the Security within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

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

Section 4. Parties in Interest. This Disclosure Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Security Holders. No other person has any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;



(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

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

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

(b) In addition, this Disclosure Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Disclosure Undertaking, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer to this Disclosure Undertaking as of [June 23, 2025].

POUGHKEEPSIE CITY SCHOOL DISTRICT  
DUTCHESS COUNTY, NEW YORK

By: \_\_\_\_\_  
President of the Board of Education

(SEAL)

ATTEST:

\_\_\_\_\_  
District Clerk

**POUGHKEEPSIE CITY SCHOOL DISTRICT  
DUTCHESS COUNTY, NEW YORK**

**FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**JUNE 30, 2024**

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

**Poughkeepsie City School District, New York**

Financial Statements and  
Supplementary Information

Year Ended June 30, 2024

# Poughkeepsie City School District, New York

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Poughkeepsie City School District, New York

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## **Independent Auditors' Report**

**The Board of Education of the  
Poughkeepsie City School District, New York**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Poughkeepsie City School District, New York ("School District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2024, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

November 7, 2024



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# POUGHKEEPSIE CITY SCHOOL DISTRICT, NEW YORK

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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The following is a discussion and analysis of the Poughkeepsie City School District, New York ("School District") financial performance for the fiscal year ended June 30, 2024. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the district-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

### Financial Highlights

- Commencing in 2018, the School District implemented Governmental Accounting Standards Board ("GASB") Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. The School District reported Other Postemployment Benefits ("OPEB") liabilities related to OPEB in the amount of \$221,515,537, deferred outflows of resources in the amount of \$33,433,652 and deferred inflows of resources in the amount of \$150,341,724.
- Commencing in 2015, with the adoption of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27"*, the negative impact of this liability (asset) is tempered by the positive overall impact of the deferred outflows of resources in excess of pension liabilities inclusive of the corresponding deferred inflows of resources in the amount of \$11,246,699.
- Delinquent Taxes: After the normal tax collection period is elapsed, the City of Poughkeepsie is given the delinquent and unpaid tax roll in accordance with the Real Property Tax Law section 1332. The City is responsible for the collection of taxes after this period. As tax receipts are collected by the City, they are to be turned over to the School District on a monthly basis. Also, the City is required to remit the balance of the unpaid taxes to the School District 2 years after receiving the delinquent tax roll. Total overdue taxes as of year-end were \$3,319,052.

### Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements are ***District-Wide Financial Statements*** that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are ***Fund Financial Statements*** that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the School District's most significant funds with all other non-major funds listed in total in one column.
- The *Governmental Funds Statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Fiduciary Funds Statements* provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others.

POUGHKEEPSIE CITY SCHOOL DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

Figure A-1 below shows how the various sections of this annual report are arranged and related to one another.

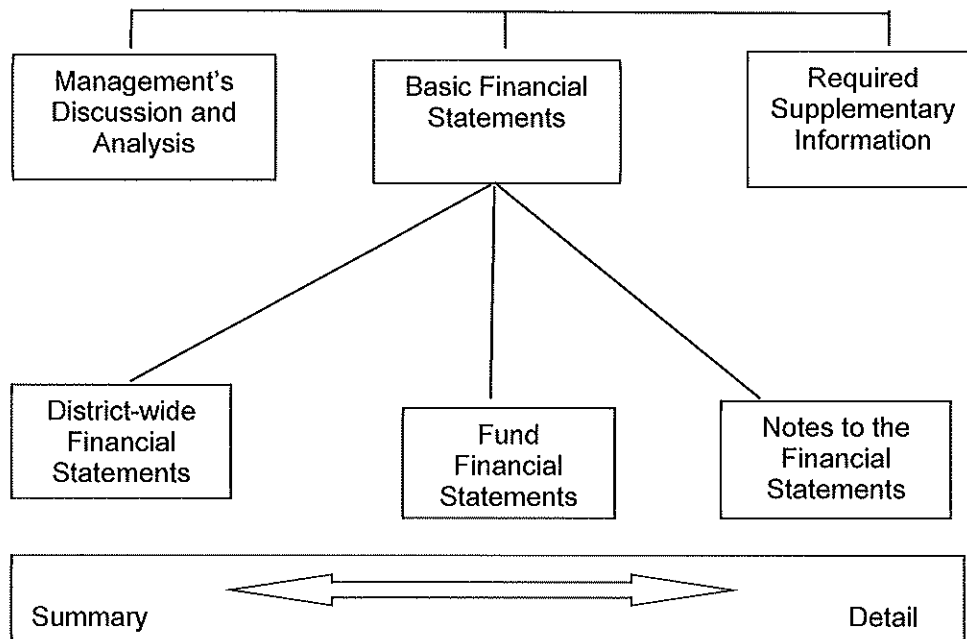


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

POUGHKEEPSIE CITY SCHOOL DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**Figure A-2**

<b>Major Features of the District-Wide and Fund Financial Statements</b>			
	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education, cafeteria and transportation expenses.	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required financial statements	Statement of Net Position Statement of Activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/ liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

***District-Wide Statements***

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two district-wide statements report the School District's *net position* and how it has changed. A net position – the difference between the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources – is one way to measure the School District's financial health or *position*.

POUGHKEEPSIE CITY SCHOOL DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the School District's overall health, you need to consider additional non-financial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the School District's activities are governmental activities. Most of the School District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

Government-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
  - Investment in capital assets.
  - Restricted net position is that with constraints placed on use by external sources or imposed by law.
  - Unrestricted net position is net position that does not meet any of the above restrictions.

### ***Fund Financial Statements***

The fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "major" funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The School District establishes other funds to control and manage money for particular purposes (such as a fund for scholarship monies) or to show that it is properly using certain revenues (such as federal grants).

The School District only maintains governmental funds:

- *Governmental Funds:* Most of the School District's basic services are included in the governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus

POUGHKEEPSIE CITY SCHOOL DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

**Financial Analysis of the School District as a Whole**

**Net Position**

The following schedule shows the Net Position for the School District as of June 30, 2024:

Figure A-3

<b>Condensed Statement of Net Position</b>			
	Governmental and Total School District Activities		
	2024	2023	% Change
<i>Assets</i>			
Current and Other Assets	\$ 76,765,875	\$ 68,002,954	12.9%
Capital Assets	88,553,447	60,808,428	45.6%
Total Assets	<u>165,319,322</u>	<u>128,811,382</u>	28.3%
Total Deferred Outflows of Resources	<u>55,143,460</u>	<u>56,867,726</u>	-3.0%
<i>Liabilities</i>			
Current Liabilities	34,363,939	15,365,640	123.6%
Non-Current Liabilities	<u>276,418,686</u>	<u>295,101,703</u>	-6.3%
Total Liabilities	<u>310,782,625</u>	<u>310,467,343</u>	0.1%
Total Deferred Inflows of Resources	<u>154,376,953</u>	<u>150,542,863</u>	2.5%
<i>Net Position</i>			
Net Investment in Capital Assets	26,928,295	18,056,640	49.1%
Restricted	36,758,340	26,741,759	37.5%
Unrestricted	<u>(308,383,431)</u>	<u>(320,129,497)</u>	-3.7%
Total Net Position	<u>\$ (244,696,796)</u>	<u>\$ (275,331,098)</u>	-11.1%

- Current and Other Assets: cash increased from the budget surplus, capital project financing, and increases in receivables from grants.
- Capital Assets: the increase is related to the School District's continuation of work on the \$98M capital bond project approved in October 2020 along with a increase in the amount spent for the SMART Schools Bond Act project.
- Deferred Outflows of Resources: relates to changes in estimates for OPEB and pensions.
- Current Liabilities: increase relates to the short-term capital borrowing of \$21.5M.
- Non-Current Liabilities: the change is primarily related to changes in OPEB and pension costs.
- Deferred Inflows of Resources: relates to changes in OPEB and pension costs.
- Net Position – Restricted: The increase in restricted net position is primarily due to resources being held in anticipation of future capital projects.

POUGHKEEPSIE CITY SCHOOL DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**Governmental Activities/Changes in Net Position**

Figure A-4

<b>Change in Net Position from Operating Results</b>			
Governmental and Total School District			
	Activities		
	2024	2023	% Change
<i>Revenues</i>			
Program Revenue:			
Charges for Services	\$ 801,968	\$ 250,370	220.3%
Operating Grants and Contributions	22,192,227	17,920,420	23.8%
Capital Grants and Contributions	973,553	910,009	7.0%
Total Program Revenues	23,967,748	19,080,799	25.6%
General Revenue:			
Property Taxes and Tax Items	34,764,145	33,332,160	4.3%
Use of Money and Property	1,448,973	1,950,101	-25.7%
State Formula Aid	93,756,137	81,097,424	15.6%
Other	1,348,512	3,010,767	-55.2%
Total General Revenues	131,317,767	119,390,452	10.0%
Total Revenues	155,285,515	138,471,251	12.1%
<i>Expenses</i>			
General support	16,839,272	14,533,299	15.9%
Instruction	95,732,749	93,254,875	2.7%
Pupil transportation	6,704,097	5,550,599	20.8%
Community services	241,287	169,189	42.6%
Cost of food sales	2,628,516	2,765,916	-5.0%
Other	7,892	10,325	-23.6%
Interest	2,497,400	1,826,811	36.7%
Total Expenses	124,651,213	118,111,014	5.5%
Change in Net Position	\$ 30,634,302	\$ 20,360,237	50.5%

POUGHKEEPSIE CITY SCHOOL DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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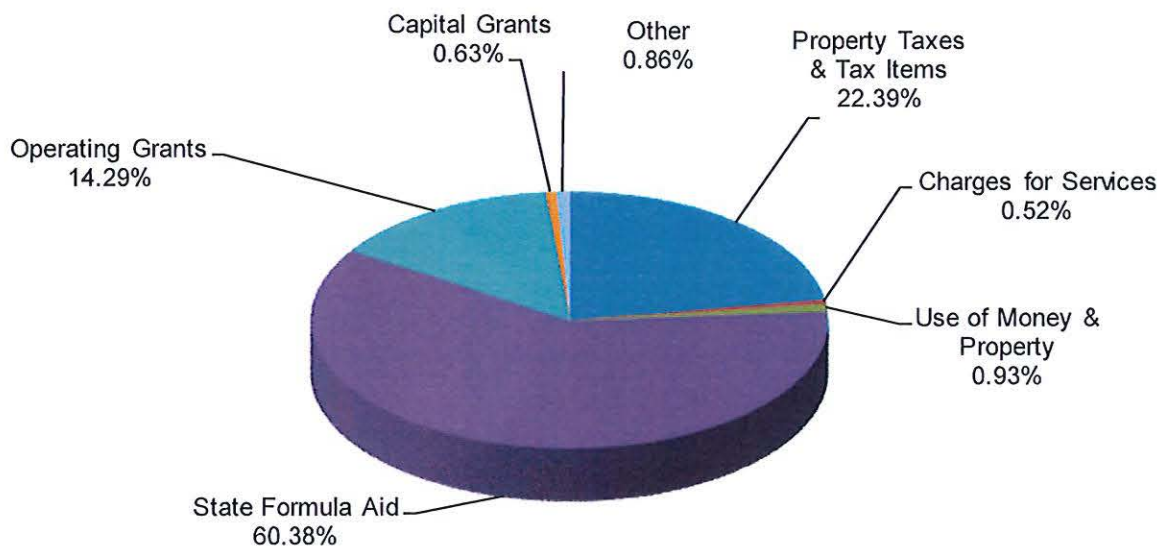
**Changes in Net Position**

The School District's 2024 revenue was \$155,285,515 (See Figure A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 22.39% and 60.38%, respectively, of the total revenue raised (see Figure A-5). The remainder of revenue came from charges for services, operating grants and contributions, nonproperty taxes, other tax items, federal sources, and other miscellaneous sources.

The total cost of all programs and services totaled \$124,651,213. For these expenses, (86.5%) are predominately for the education; supervision, school lunch program, and transportation of students (see Figure A-6). The School District's administrative and business activities, including debt service accounted for 13.5% of total costs.

Net position increased during the year by \$30,634,302.

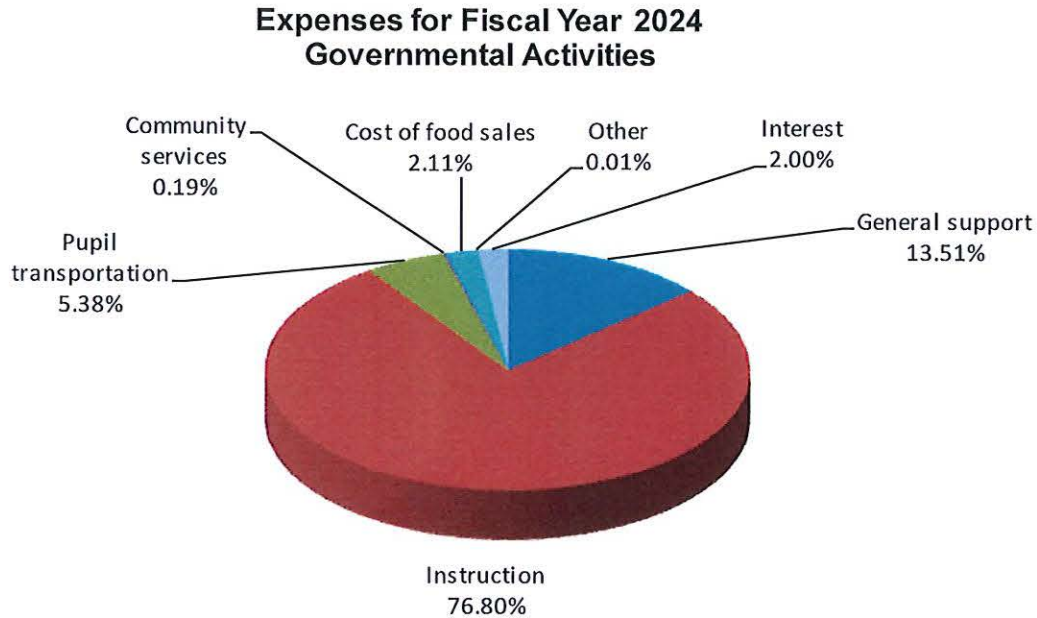
**Sources of Revenue for Fiscal Year 2024  
Governmental Activities**





POUGHKEEPSIE CITY SCHOOL DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**Figure A-6 – Expenses for the Fiscal Year 2024**



The table below presents the cost of seven major School District activities: general support, instruction, pupil transportation, community service, cost of food sales, other and interest expense. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions:

**Figure A-7  
Net Cost of Governmental Activities:**

Program Expenses	Total Cost of Services			Net Cost of Services		
	2024	2023	% Change	2024	2023	% Change
General support	\$ 16,839,272	\$ 14,533,299	15.9%	\$ (16,806,596)	\$ (14,498,613)	15.9%
Instruction	95,732,749	93,254,875	2.7%	(75,275,186)	(77,538,852)	-2.9%
Pupil transportation	6,704,097	5,550,599	20.8%	(6,704,097)	(5,550,599)	20.8%
Community services	241,287	169,189	42.6%	(241,287)	(169,189)	42.6%
Cost of food sales	2,628,516	2,765,916	-5.0%	621,179	564,174	10.1%
Other	7,892	10,325	-23.6%	26,369	(10,325)	-355.4%
Interest	2,497,400	1,826,811	36.7%	(2,303,847)	(1,826,811)	26.1%
Total	<u>\$ 124,651,213</u>	<u>\$ 118,111,014</u>	5.5%	<u>\$ (100,683,465)</u>	<u>\$ (99,030,215)</u>	1.7%

**Governmental Activities**

Revenue for the School District's governmental activities totaled \$155,285,515 while total expenses were \$124,651,213. Accordingly, net position increased by \$30,634,302. The increase was primarily the result of increased state aid, interest earnings, and other miscellaneous items.

- The cost of all governmental activities for the year was \$100,683,465.
- The users of the School District's programs financed \$801,968 of the cost.

POUGHKEEPSIE CITY SCHOOL DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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- The majority of the net costs were financed by State Aid and the School District's taxpayers.

**Financial Analysis of the School District's Funds**

The financial performance of the School District as a whole is reflected in its governmental funds. As the School District completed the year, its governmental funds reported combined fund balances of \$38,745,820; a \$10,405,215 decrease from last year's ending fund balances of \$49,151,035.

**Governmental Funds Highlights**

The following is a brief description of the activity in the governmental funds for 2024:

- General Fund – The School District revenues increased due to an increase in State Aid of \$12.7M, and an increase in property taxes of \$1.7M.
- Special Aid Fund – Revenues increased \$4.8M primarily due to the an increase in both State and Federal funding.
- Capital Projects Fund – The School District continued Phases 1A & 1B of the \$98 million Capital Project to improve infrastructure and other physical upgrades including roof replacements, boilers and related controls, and renovations of nearly all bathrooms in the District. The District invested \$26.9M in its building infrastructure during the year.
- School Lunch Fund – The Food Service Fund is continuing to provide students with a high-quality selection of food while being fiscally sound. The positive net change in fund balance was \$406,591.
- Debt Service Fund – The School District's debt obligations are increasing because of the projects mentioned above. In 2023-2024, debt payments increased by \$1.9M. These payments are now budgeted in the General Fund.

POUGHKEEPSIE CITY SCHOOL DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**General Fund Budgetary Highlights**

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the general fund.

**Figure A-8**  
**Results vs. Budget**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Property Taxes and Tax Items	\$ 33,839,311	\$ 33,839,311	\$ 34,660,159	\$ 820,848
Charges for Services	6,200	6,200	96,040	89,840
Use of Money and Property	1,011,500	1,011,500	2,583,962	1,572,462
State Aid	98,335,842	98,335,842	94,368,646	(3,967,196)
Federal Aid	200,000	200,000	197,441	(2,559)
Miscellaneous and Other	510,000	510,000	1,348,512	838,512
Total Revenues	133,902,853	133,902,853	133,254,760	(648,093)
<b>Expenditures</b>				
General Support	10,794,127	15,200,474	12,578,632	2,621,842
Instruction	76,281,977	76,913,745	63,028,841	13,884,904
Pupil Transportation	7,965,829	7,583,804	5,405,892	2,177,912
Community Services	246,207	264,422	210,405	54,017
Employee Benefits	37,523,839	31,216,650	28,563,056	2,653,594
Debt Service	6,144,017	6,566,454	6,078,692	487,762
Total Expenditures	138,955,996	137,745,549	115,865,518	21,880,031
Excess (Deficiency) of Revenues Over Expenditures	(5,053,143)	(3,842,696)	17,389,242	21,231,938
<b>Other Financing Sources (Uses)</b>				
Transfers In	55,000	55,000	-	(55,000)
Transfers Out	(600,000)	(1,810,447)	(1,511,406)	299,041
Total Other Financing Uses	(545,000)	(1,755,447)	(1,511,406)	244,041
Net Change in Fund Balances	(5,598,143)	(5,598,143)	15,877,836	21,475,979
<b>FUND BALANCES</b>				
Beginning of Year	5,598,143	5,598,143	34,453,784	28,855,641
End of Year	\$ -	\$ -	\$ 50,331,620	50,331,620

The general fund is the only fund for which a budget is legally adopted.

- The General fund had an excess of revenue over expenditures, including other financing sources and uses, in 2024 of \$15,877,836. As a result of this excess, the School District's fund balance has increased by this amount. All reserves are within the legal limitations.

POUGHKEEPSIE CITY SCHOOL DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**Capital Assets and Debt Administration**

**Capital Assets, Net**

As of June 30, 2024, the School District had \$88,553,447 invested in buildings, computers, and other educational equipment.

The overall capital assets as of June 30, 2024, are given below in Figure A-9.

Figure A-9  
**Capital Assets (net of depreciation)**

	Capital Assets		Percent Change
	2024	2023	
Land	\$ 146,072	\$ 146,072	0.00%
Construction	46,558,083	17,418,820	167.29%
Buildings and Improvements	80,545,895	80,486,791	0.07%
Machinery and Equipment	1,921,826	1,852,583	3.74%
Vehicles	1,448,131	1,501,884	-3.58%
Total	130,620,007	101,406,150	28.81%
Less: Accumulated Depreciation	(42,066,560)	(40,597,722)	3.62%
Net Capital Assets	<u>\$ 88,553,447</u>	<u>\$ 60,808,428</u>	<u>45.63%</u>

**Long-Term Debt**

As of June 30, 2024, the School District had \$276,418,686 in general obligation and other long-term debt outstanding. More detailed information about the School District's long-term debt is included in the notes to the financial statements. The School District, because of its status as a small city school, is limited to issuing debt of no greater than 5% of its full assessed value. Currently, the School District is below its debt limit.

Figure A-10  
**Outstanding Long-Term Liabilities**

	Total School District	
	2024	2023
General Obligation Bonds	\$ 37,100,000	\$ 39,910,000
Energy Performance Contracts	6,834,169	7,342,128
Other Long Term Liabilities	232,484,517	247,849,575
Total	<u>\$ 276,418,686</u>	<u>\$ 295,101,703</u>

POUGHKEEPSIE CITY SCHOOL DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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**Factors Bearing on the School District's Future**

- The School District's financial position remains strong with a budget surplus of \$15.9M from General Fund operations for the 2023-24 fiscal year. It has also funded reserve accounts in recent years to enhance future financial stability.
- The \$98 million capital improvement project approved on October 20, 2020 is underway. To date, roofs have been replaced, new boilers and controls installed, and nearly all bathrooms in the School District have been upgraded. Other capital projects underway include a \$5.7M energy performance project, and a \$3M district-wide security enhancement initiative.
- Beginning with the 2024-25 budget, the district will incorporate the financial impact of settling the PPSTA labor contract (teachers) in October of 2023. Additionally, the PPSAA labor contract (administrators) negotiations are underway which will also impact the 2024-25 budget when settled. Two other support staff units, CSEA and PPSOPA have contracts that expired June 30, 2024.
- As is typical in a School District this size, some challenges to property tax assessments are ongoing, which may require the issuance of future tax refunds. The amount of these potential refunds cannot be determined at the present time and are being addressed with the School District's legal counsel. They have intervened on the significant cases as necessary. The School District has set aside a tax certiorari reserve in preparation for these types of refunds.
- The NYS legislature has imposed a real property tax cap on public school districts, which has failed to acknowledge the true cost of increases in unfunded mandates, employee benefits, and energy costs. Unless these issues are recognized in any new legislation, school districts will be forced to reallocate funds from instruction to these other areas.
- Poughkeepsie City School District is a high needs School District with over 85% of its enrolled students designated economically disadvantaged. This population requires additional supports typical to other urban school districts.

**Contacting the School District's Financial Management**

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it received. If you have any questions about this report or need additional financial information, contact:

Poughkeepsie City School District  
Ken Silver  
Assistant Superintendent for Business  
18 South Perry Street  
Poughkeepsie, NY 12603  
(845) 451-4960

Poughkeepsie City School District, New York

Statement of Net Position

June 30, 2024

	Governmental Activities
<b>ASSETS</b>	
Cash and equivalents	\$ 12,659,693
Investments	45,364,586
Receivables	
Taxes	3,319,052
Accounts	418,370
State and Federal aid	14,518,519
Inventories	35,823
Prepaid expenses	449,832
Capital assets	
Not being depreciated	46,704,155
Being depreciated, net	41,849,292
Total Assets	<u>165,319,322</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	21,709,808
OPEB related	33,433,652
Total Deferred Outflows of Resources	<u>55,143,460</u>
<b>LIABILITIES</b>	
Accounts payable	3,460,094
Accrued liabilities	389,654
Bond anticipation notes payable	21,500,000
Due to other governments	2,017,215
Due to retirement systems	5,534,714
Employee payroll deductions	1,362
Unearned revenues	1,316,345
Accrued interest payable	144,555
Non-current liabilities	
Due within one year	10,768,083
Due in more than one year	265,650,603
Total Liabilities	<u>310,782,625</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	4,035,229
OPEB related	150,341,724
Total Deferred Inflows of Resources	<u>154,376,953</u>
<b>NET POSITION</b>	
Net investment in capital assets	26,438,295
Restricted	
Future capital projects	28,040,000
Capital projects	338,298
Tax certiorari	448,886
Unemployment benefits	234,428
Liability claims	3,396,469
ERS retirement system contributions	1,900,607
TRS retirement system contributions	2,288,642
Special purposes	
Extraclassroom activities	34,542
Other	76,468
Unrestricted	(307,893,431)
Total Net Position	<u>\$ (244,696,796)</u>

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

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Poughkeepsie City School District, New York

Statement of Activities  
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 16,839,272	\$ 32,676	\$ -	\$ -	\$ (16,806,596)
Instruction	95,732,749	418,353	19,259,210	780,000	(75,275,186)
Pupil transportation	6,704,097	-	-	-	(6,704,097)
Community services	241,287	-	-	-	(241,287)
Cost of food sales	2,628,516	316,678	2,933,017	-	621,179
Other	7,892	34,261	-	-	26,369
Interest	2,497,400	-	-	193,553	(2,303,847)
Total Governmental Activities	<u>\$ 124,651,213</u>	<u>\$ 801,968</u>	<u>\$ 22,192,227</u>	<u>\$ 973,553</u>	<u>(100,683,465)</u>
General revenues					
Real property taxes					30,463,002
Other tax items					
School tax relief reimbursement					1,748,168
Payments in lieu of taxes					674,542
Interest and penalties on real property taxes					138,379
Non-property taxes					
Non-property tax distribution from County					1,740,054
Unrestricted use of money and property					1,448,973
Sale of property and compensation for loss					62,840
Unrestricted State aid					93,756,137
Miscellaneous					<u>1,285,672</u>
Total General Revenues					<u>131,317,767</u>
Change in Net Position					30,634,302
Net Position - Beginning					<u>(275,331,098)</u>
Net Position - Ending					<u>\$ (244,696,796)</u>

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



**Poughkeepsie City School District, New York**

Balance Sheet  
Governmental Funds  
June 30, 2024

	General	Special Aid	Capital Projects
<b>ASSETS</b>			
Cash and equivalents	\$ 1,642,391	\$ 216,881	\$ 9,006,378
Investments	44,742,120	-	6,138
Receivables			
Taxes	3,319,052	-	-
Accounts	417,443	927	-
State and Federal aid	4,946,498	8,041,209	1,003,942
Due from other funds	8,158,224	770,301	489,250
Prepaid expenses	449,832	-	-
Inventories	-	-	-
Total Assets	<u>\$ 63,675,560</u>	<u>\$ 9,029,318</u>	<u>\$ 10,505,708</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)</b>			
Liabilities			
Accounts payable	\$ 2,061,255	\$ 415,085	\$ 927,116
Accrued liabilities	389,654	-	-
Bond anticipation notes payable	-	-	21,500,000
Due to other governments	2,017,215	-	-
Due to other funds	489,250	7,833,214	1,261,588
Due to retirement systems	5,525,841	-	-
Employee payroll deductions	1,362	-	-
Unearned revenues	62,634	781,019	-
Total Liabilities	10,547,211	9,029,318	23,688,704
Deferred inflows of resources			
Deferred tax revenues	2,796,729	-	-
Unavailable revenues - state aid	-	-	1,003,942
Total Deferred Inflows of Resources	<u>2,796,729</u>	<u>-</u>	<u>1,003,942</u>
Total Liabilities and Deferred Inflows of Resources	<u>13,343,940</u>	<u>9,029,318</u>	<u>24,692,646</u>
Fund balances (deficits)			
Nonspendable	449,832	-	-
Restricted	38,120,032	-	-
Assigned	6,213,941	-	-
Unassigned	5,547,815	-	(14,186,938)
Total Fund Balances (Deficits)	<u>50,331,620</u>	<u>-</u>	<u>(14,186,938)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 63,675,560</u>	<u>\$ 9,029,318</u>	<u>\$ 10,505,708</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 1,794,043	\$ 12,659,693
616,328	45,364,586
-	3,319,052
-	418,370
526,870	14,518,519
166,277	9,584,052
-	449,832
35,823	35,823
<u>\$ 3,139,341</u>	<u>\$ 86,349,927</u>

\$ 56,638	\$ 3,460,094
-	389,654
-	21,500,000
-	2,017,215
-	9,584,052
8,873	5,534,714
-	1,362
472,692	1,316,345

538,203	43,803,436
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-	2,796,729
-	1,003,942

-	3,800,671
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538,203	47,604,107
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35,823	485,655
517,838	38,637,870
2,047,477	8,261,418
-	(8,639,123)

2,601,138	38,745,820
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<u>\$ 3,139,341</u>	<u>\$ 86,349,927</u>
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**Poughkeepsie City School District, New York**

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

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

Total Fund Balances - Governmental Funds	<u>\$ 38,745,820</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	46,704,155
Capital assets - depreciable	83,915,852
Accumulated depreciation	<u>(42,066,560)</u>
	<u>88,553,447</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	21,709,808
Deferred outflows - OPEB related	33,433,652
Deferred inflows - pension related	(4,035,229)
Deferred inflows - OPEB related	<u>(150,341,724)</u>
	<u>(99,233,493)</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	2,796,729
State aid	<u>1,003,942</u>
	<u>3,800,671</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds payable	(37,100,000)
Energy performance contract payable	(6,834,169)
Compensated absences	(1,811,598)
Net pension liability - ERS	(3,830,432)
Net pension liability - TRS	(2,597,448)
Total OPEB liability	(221,515,537)
Accrued interest payable	<u>(144,555)</u>
	<u>(273,833,739)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Premium on general obligation bonds	<u>(2,729,502)</u>
Net Position of Governmental Activities	<u>\$ (244,696,796)</u>

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

**Poughkeepsie City School District, New York**

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

	General	Special Aid	Capital Projects
<b>REVENUES</b>			
Real property taxes	\$ 30,359,016	\$ -	\$ -
Other tax items	2,561,089	-	-
Non-property taxes	1,740,054	-	-
Charges for services	96,040	-	-
Use of money and property	2,583,962	-	-
Sale of property and compensation for loss	62,840	-	-
State aid	94,368,646	2,007,676	-
Federal aid	197,441	16,441,584	-
Food sales	-	-	-
Miscellaneous	1,285,672	-	-
Total Revenues	133,254,760	18,449,260	-
<b>EXPENDITURES</b>			
Current			
General support	12,578,632	-	-
Instruction	63,028,841	17,002,539	-
Pupil transportation	5,405,892	338,426	-
Community services	210,405	-	-
Employee benefits	28,563,056	2,619,701	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	3,317,959	-	-
Interest	2,760,733	-	-
Capital outlay	-	-	26,909,564
Total Expenditures	115,865,518	19,960,666	26,909,564
Excess (Deficiency) of Revenues Over Expenditures	17,389,242	(1,511,406)	(26,909,564)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	1,511,406	-
Transfers out	(1,511,406)	-	-
Total Other Financing Sources (Uses)	(1,511,406)	1,511,406	-
Net Change in Fund Balances	15,877,836	-	(26,909,564)
<b>FUND BALANCES</b>			
Beginning of Year	34,453,784	-	12,722,626
End of Year	\$ 50,331,620	\$ -	\$ (14,186,938)

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 30,359,016
-	2,561,089
-	1,740,054
-	96,040
235,171	2,819,133
-	62,840
52,790	96,429,112
2,841,415	19,480,440
316,678	316,678
83,121	1,368,793
3,529,175	155,233,195
-	12,578,632
-	80,031,380
-	5,744,318
-	210,405
-	31,182,757
2,843,104	2,843,104
59,558	59,558
-	3,317,959
-	2,760,733
-	26,909,564
2,902,662	165,638,410
626,513	(10,405,215)
-	1,511,406
-	(1,511,406)
-	-
626,513	(10,405,215)
1,974,625	49,151,035
\$ 2,601,138	\$ 38,745,820

**Poughkeepsie City School District, New York**

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

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (10,405,215)</u>
--	------------------------

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	29,471,433
Depreciation expense	<u>(1,726,414)</u>

27,745,019

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes	<u>103,986</u>
---------------------	----------------

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized on the statement of activities.

Principal paid on general obligation bonds	2,810,000
Principal paid on energy performance contract	<u>507,959</u>

3,317,959

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	65,851
Compensated absences	(209,046)
Changes in pension liabilities and related deferred outflows and inflows of resources	(3,739,111)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	13,557,377
Amortization of premium on bonds	<u>197,482</u>

9,872,553

Change in Net Position of Governmental Activities	<u><u>\$ 30,634,302</u></u>
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The notes to financial statements are an integral part of this statement.

**Poughkeepsie City School District, New York**

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 30,052,028	\$ 30,182,143	\$ 30,359,016	\$ 176,873
Other tax items	2,437,283	2,307,168	2,561,089	253,921
Non-property taxes	1,350,000	1,350,000	1,740,054	390,054
Charges for services	6,200	6,200	96,040	89,840
Use of money and property	1,011,500	1,011,500	2,583,962	1,572,462
Sale of property and compensation for loss	10,000	10,000	62,840	52,840
State aid	98,335,842	98,335,842	94,368,646	(3,967,196)
Federal aid	200,000	200,000	197,441	(2,559)
Miscellaneous	500,000	500,000	1,285,672	785,672
Total Revenues	133,902,853	133,902,853	133,254,760	(648,093)
<b>EXPENDITURES</b>				
Current				
General support	10,794,127	15,200,474	12,578,632	2,621,842
Instruction	76,281,977	76,913,745	63,028,841	13,884,904
Pupil transportation	7,965,829	7,583,804	5,405,892	2,177,912
Community services	246,207	264,422	210,405	54,017
Employee benefits	37,523,839	31,216,650	28,563,056	2,653,594
Debt service				
Principal	3,979,875	3,743,788	3,317,959	425,829
Interest	2,164,142	2,822,666	2,760,733	61,933
Total Expenditures	138,955,996	137,745,549	115,865,518	21,880,031
Excess (Deficiency) of Revenues Over Expenditures	(5,053,143)	(3,842,696)	17,389,242	21,231,938
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	55,000	55,000	-	(55,000)
Transfers out	(600,000)	(1,810,447)	(1,511,406)	299,041
Total Other Financing Uses	(545,000)	(1,755,447)	(1,511,406)	244,041
Net Change in Fund Balances	(5,598,143)	(5,598,143)	15,877,836	21,475,979
<b>FUND BALANCES</b>				
Beginning of Year	5,598,143	5,598,143	34,453,784	28,855,641
End of Year	\$ -	\$ -	\$ 50,331,620	\$ 50,331,620

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



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## **Poughkeepsie City School District, New York**

Notes to Financial Statements  
June 30, 2024

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### **Note 1 - Summary of Significant Accounting Policies**

The Poughkeepsie City School District, New York ("School District"), 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 Dutchess County Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. There is no authority or process by which a school district can terminate its status as a BOCES component. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined in Education Law. Copies of BOCES' financial statements can be requested from Dutchess County BOCES, 5 BOCES Road, Poughkeepsie, New York 12601.

#### **B. District-Wide Financial Statements**

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

**C. Fund Financial Statements**

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly 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 fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

assigned to expenditure for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal or State funds. The major revenues of this fund are Federal and State aid.

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

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

Special Revenue Funds:

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

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

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

- b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, "*Fiduciary Activities*", the School District had no such activity to report in this fund category.

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

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

**Cash and Equivalents, Investments and Risk Disclosure**

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

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

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

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

The School District participates in the New York Liquid Assets Fund ("NYLAF"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. The sponsoring agency of the pool is another governmental unit, which acting through the fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. NYLAF has designated PMA Asset Management, LLC as its registered investment advisor.

The pool is authorized to invest in various securities issued by the United States and its agencies. The amounts represent the amortized cost of the cooperative shares and are considered to approximate fair value. The School District's position in the pool at June 30, 2024 of \$45,364,586 is equal to the value of the pool shares.

Additional information concerning the NYLAF is presented in the annual report, which may be obtained from the Governing Board c/o PMA Financial Network, LLC, 300 Westage Business Center Drive, Fishkill, NY 12524.

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

**Risk Disclosure**

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

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2024.

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

**Concentration of Credit Risk** - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

## Poughkeepsie City School District, New York

Notes to Financial Statements (Continued)  
June 30, 2024

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

**Taxes Receivable** - Real property taxes attach as an enforceable lien on real property as of September 1st. Taxes are collected during the period August 15 to December 5. The City of Poughkeepsie, New York ("City") is responsible for the billing and collection of the taxes. An amount representing all uncollected real property taxes must be reported to the City by January 1. The City guarantees the full payment of the School District warrant and assumes responsibility for the uncollected taxes. The City will remit, as collected, the unpaid taxes and within two years of the receipt of the statement, any balance due, exclusive of amounts legally restrained or prohibited.

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

**Due From/To Other Funds** - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2024, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings	50
Buildings and Improvements	15-20
Machinery and Equipment	5-15
Vehicles	5

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$62,634 in the General Fund for miscellaneous revenues collected, in advance, \$781,019 in the Special Aid Fund for State and Federal Aid received in advance and \$472,692 in the School Lunch fund for revenue collected in advance.

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

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

The School District reported deferred inflows of resources in the General Fund of \$2,796,729 for real property taxes not expected to be collected within the first sixty days of the subsequent fiscal year and \$1,003,942 in the Capital Projects Fund for state aid not expected to be collected within one year of the subsequent fiscal year.

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

**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 vacation and sick leave upon separation from service. The liability for such



**Note 1 - Summary of Significant Accounting Policies (Continued)**

accumulated leave is reflected in the district-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

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

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

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

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

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

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

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

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

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or by delegated authority to the Assistant Superintendent for Business Administration 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 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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

**F. Encumbrances**

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

**G. Use of Estimates**

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

**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 November 7, 2024.

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

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

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.

- f) Formal budgetary integration is employed during the year as a management control device for the General Fund.
- g) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, School Lunch, Special Purpose and Debt Service funds since other means control the use of these resources (e.g., grants awards) and sometimes span a period of more than one fiscal year.
- 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 to 4% of the ensuing year's budget.

**C. Property Tax Limitation**

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

**Poughkeepsie City School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2024

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**Note 2 - Stewardship, Compliance and Accountability (Continued)**

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

**D. Capital Projects Fund Project Deficits**

The deficits in the District Wide Projects, District Wide Projects 23-24, SMART School Bond Act, Middle School Structural, Columbus Egress, Unit Ventilators, PMS HVAC, HS Kitchen & Hot Water, Kreiger Electrical Transformer and PMS Elevator capital projects arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

**E. Capital Expenditures in Excess of Budget**

The Smart School Bond Act and PMS Elevator capital projects exceeded their budgetary appropriations by \$2,201,129 and \$130,312, respectively.

**Note 3 - Detailed Notes on All Funds**

**A. Taxes Receivable**

Taxes receivable at June 30, 2024 consisted of the following:

Current year	\$ 2,078,006
Prior years	<u>1,241,046</u>
	<u>\$ 3,319,052</u>

Taxes receivable in the fund financial statements are offset by deferred tax revenues of \$2,796,729, which represents the taxes receivable which were not collected within the first sixty days of the subsequent year.

**B. Interfund Receivables/Payables**

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

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 8,158,224	\$ 489,250
Special Aid	770,301	7,833,214
Capital Projects	489,250	1,261,588
Non-Major Governmental	<u>166,277</u>	<u>-</u>
	<u>\$ 9,584,052</u>	<u>\$ 9,584,052</u>

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

**Poughkeepsie City School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2024

**Note 3 - Detailed Notes on All Funds (Continued)**

**C. Capital Assets**

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

Class	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets, not being depreciated:				
Land	\$ 146,072	\$ -	\$ -	\$ 146,072
Construction-in-Progress	17,418,820	29,139,263	-	46,558,083
Total Capital Assets, not being depreciated	<u>\$ 17,564,892</u>	<u>\$ 29,139,263</u>	<u>\$ -</u>	<u>\$ 46,704,155</u>
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 80,486,791	\$ 59,104	\$ -	\$ 80,545,895
Machinery and Equipment	1,852,583	87,801	18,558	1,921,826
Vehicles	1,501,884	185,265	239,018	1,448,131
Total Capital Assets, being depreciated	<u>83,841,258</u>	<u>332,170</u>	<u>257,576</u>	<u>83,915,852</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	38,404,463	1,529,486	-	39,933,949
Machinery and Equipment	1,338,797	66,361	18,558	1,386,600
Vehicles	854,462	130,567	239,018	746,011
Total Accumulated Depreciation	<u>40,597,722</u>	<u>1,726,414</u>	<u>257,576</u>	<u>42,066,560</u>
Total Capital Assets, being Depreciated, net	<u>\$ 43,243,536</u>	<u>\$ (1,394,244)</u>	<u>\$ -</u>	<u>\$ 41,849,292</u>
Capital Assets, net	<u>\$ 60,808,428</u>	<u>\$ 27,745,019</u>	<u>\$ -</u>	<u>\$ 88,553,447</u>

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

General Support	\$ 455,157
Instruction	1,182,811
Pupil Transportation	63,878
Cost of Food Sales	<u>24,568</u>
Total Depreciation Expense	<u>\$ 1,726,414</u>

**D. Accrued Liabilities**

Accrued liabilities at June 30, 2024 were as follows:

	General Fund
Payroll and Employee Benefits	<u>\$ 389,654</u>

**Poughkeepsie City School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2024

**Note 3 - Detailed Notes on All Funds (Continued)**

**E. 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, 2023	New Issues	Redemptions	Balance June 30, 2024
Facilities Improvements	2024	4.75 %	June, 2024	\$ -	\$ 12,000,000	\$ 12,000,000	\$ -
Facilities Improvements	2024	3.65	June, 2025	-	4,500,000	-	4,500,000
Facilities Improvements	2024	4.50	June, 2025	-	17,000,000	-	17,000,000
				<u>\$ -</u>	<u>\$ 33,500,000</u>	<u>\$ 12,000,000</u>	<u>\$ 21,500,000</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgements 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 judgements be converted to long-term obligations generally 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 \$492,941 were recorded in fund financial statements in the General Fund and in the district-wide financial statements.

**F. Long-Term Liabilities**

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

	Balance July 1, 2023	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2024	Due Within One-Year
General Obligation Bonds Payable	\$ 39,910,000	\$ -	\$ 2,810,000	\$ 37,100,000	\$ 3,165,000
Premium on General Obligation Bonds	2,926,984	-	197,482	2,729,502	-
Energy Performance Contract Payable	7,342,128	-	507,959	6,834,169	671,989
Other Non-current Liabilities:					
Compensated Absences	1,602,552	369,046	160,000	1,811,598	180,000
Net Pension Liability - ERS	4,638,665	-	808,233	3,830,432	-
Net Pension Liability - TRS	4,250,223	-	1,652,775	2,597,448	-
Other Postemployment Benefit Liability	234,431,151	-	12,915,614	221,515,537	6,751,094
Total Other Non-current Liabilities	<u>244,922,591</u>	<u>369,046</u>	<u>15,536,622</u>	<u>229,755,015</u>	<u>6,931,094</u>
Total Long-Term Liabilities	<u>\$ 295,101,703</u>	<u>\$ 369,046</u>	<u>\$ 19,052,063</u>	<u>\$ 276,418,686</u>	<u>\$ 10,768,083</u>

The School District's indebtedness for general obligation bonds, energy performance contract payable, compensated absences, net pension liability and other postemployment benefit liabilities is satisfied by the General Fund.

**Poughkeepsie City School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2024

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**Note 3 - Detailed Notes on All Funds (Continued)**

**General Obligation Bonds Payable**

General obligation bonds payable at June 30, 2024 is comprised of the following individual issue:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2024
General Obligation - Qualified School Construction Bonds	2012	\$ 5,000,000	June, 2028	4.750-4.875 %	\$ 1,415,000
General Obligation Bonds	2012	5,000,000	June, 2028	3.125-3.500	950,000
General Obligation Bonds	2016	3,200,000	June, 2031	2.000-2.500	1,420,000
Refunding Bond	2017	18,605,000	May, 2033	2.500-5.000	11,250,000
Dormitory Authority of the State of New York	2022	5,510,000	June, 2037	5.000	5,030,000
Dormitory Authority of the State of New York	2023	17,615,000	June, 2038	5.000	17,035,000
					<u>\$ 37,100,000</u>

Interest expenditures of \$2,021,550 were recorded in the fund financial statements in the General Fund. Interest expense of \$1,756,649 was recorded in the district-wide financial statements.

**Energy Performance Contract Payable**

The School District entered into a lease agreement in 2012 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 in the amount of \$4,263,579 in annual installments through June, 2027 with an interest rate of 3.47%. The balance due at June 30, 2024 is \$1,037,130.

The School District entered into a lease agreement in 2015 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 in the amount of \$475,442 in annual installments through June, 2027 with an interest rate of 3.15%. The balance due at June 30, 2024 is \$134,482.

The School District entered into a lease agreement in 2023 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 in the amount of \$5,806,135 in annual installments through June 2039 with an interest rate of 3.42%. The balance due at June 30, 2024 is \$5,662,557.

Interest expenditures of \$246,242 were recorded in the fund financial statements in the General Fund. Interest expense of \$247,810 was recorded in the district-wide financial statements.



**Poughkeepsie City School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2024

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**Note 3 - Detailed Notes on All Funds (Continued)**

**Payments to Maturity**

The annual requirements to amortize all outstanding bonded and energy performance contract as of June 30, 2024 including interest payments of \$13,143,532 are as follows:

Year Ending June 30,	General Obligation Bonds		Energy Performance Contract	
	Principal	Interest	Principal	Interest
2025	\$ 3,165,000	\$ 1,662,010	\$ 671,989	\$ 229,483
2026	3,265,000	1,544,066	695,660	205,811
2027	3,400,000	1,394,304	718,486	181,304
2028	3,120,000	1,262,681	326,108	159,618
2029	2,840,000	1,115,525	337,356	148,370
2030-2034	14,000,000	3,553,801	1,869,560	559,068
2035-2039	7,310,000	913,873	2,215,010	213,618
	<u>\$ 37,100,000</u>	<u>\$ 11,446,260</u>	<u>\$ 6,834,169</u>	<u>\$ 1,697,272</u>

Year Ending June 30,	Total	
	Principal	Interest
2025	\$ 3,836,989	\$ 1,891,493
2026	3,960,660	1,749,877
2027	4,118,486	1,575,608
2028	3,446,108	1,422,299
2029	3,177,356	1,263,895
2030-2034	15,869,560	4,112,869
2035-2039	9,525,010	1,127,491
	<u>\$ 43,934,169</u>	<u>\$ 13,143,532</u>

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

**Legal Debt Margin**

The School District is subject to legal limitations on the amount of debt that it may issue. The School District's legal debt margin is 10% of the most recent full valuation of taxable real property.

**Compensated Absences**

Under the terms of existing collective bargaining agreements, the School District is required to compensate certain employees for accumulated sick leave. For these employees to receive reimbursement, they must be eligible for retirement, and must give notice pursuant to contract provisions. Clerical, custodial employees and administrators are granted vacation in varying

**Note 3 - Detailed Notes on All Funds (Continued)**

amounts, based primarily on length of service and service position. These benefits may be forfeited if not taken within the varying time periods. The value of the compensated absences is calculated based on pay rates in effect at year-end and has been reflected in the district-wide financial statements.

**Pension Plans**

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

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

**Poughkeepsie City School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2024

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**Note 3 - Detailed Notes on All Funds (Continued)**

the TRS by its Board of Trustees. The employer contribution rates for the ERS plan year ended March 31, 2024 and TRS plan year ended June 30, 2024 are as follows:

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

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Net pension liability	\$ 3,830,432	\$ 2,597,448
School District's proportion of the net pension liability	0.0260148 %	0.227132 %
Change in proportion since the prior measurement date	0.0043833 %	0.005638 %

The net pension liability was measured as of March 31, 2024 for ERS and June 30, 2023 for TRS and the total pension liability used to calculate the net pension liability were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension liability for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2024, the School District recognized pension expense in the district-wide financial statements of \$9,072,681 (\$1,718,615 for ERS and \$7,354,066 for TRS). Pension expenditures for ERS of \$595,900, \$53,347, and \$268,320 were reported in the fund financial statements and were charged to the General Fund, School Lunch Fund and Special Aid Fund respectively. Pension expenditures for TRS of \$4,025,202 and \$390,801 were recorded in the fund financial statements in the General Fund and Special Aid Fund, respectively

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

Poughkeepsie City School District, New York

Notes to Financial Statements (Continued)  
June 30, 2024

**Note 3 - Detailed Notes on All Funds (Continued)**

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,233,779	\$ 104,446	\$ 6,298,121	\$ 15,565
Changes of assumptions	1,448,200	-	5,592,229	1,218,796
Net difference between projected and actual earnings on pension plan investments	-	1,871,146	1,327,764	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	498,224	156,403	563,742	668,873
School District contributions subsequent to the measurement date	331,746	-	4,416,003	-
	<u>\$ 3,511,949</u>	<u>\$ 2,131,995</u>	<u>\$ 18,197,859</u>	<u>\$ 1,903,234</u>
Total				
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 7,531,900	\$ 120,011		
Changes of assumptions	7,040,429	1,218,796		
Net difference between projected and actual earnings on pension plan investments	1,327,764	1,871,146		
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,061,966	825,276		
School District contributions subsequent to the measurement date	4,747,749	-		
	<u>\$ 21,709,808</u>	<u>\$ 4,035,229</u>		

\$331,746 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the plan's year ended March 31, 2025. The \$4,416,003 reported as deferred outflows of resources related to TRS will be recognized as a decrease of the net pension liability in the plan's year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31,	June 30,
	ERS	TRS
2024	\$ -	\$ 999,893
2025	(663,283)	(1,392,362)
2026	812,064	10,542,634
2027	1,230,865	803,421
2028	(331,438)	569,129
Thereafter	-	355,907
	<u>\$ 1,048,208</u>	<u>\$ 11,878,622</u>

**Note 3 - Detailed Notes on All Funds (Continued)**

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

	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Investment rate of return	5.9% *	6.95% *
Salary scale	4.4%	1.95%-5.18%
Inflation rate	2.9%	2.4%
Cost of living adjustments	1.5%	1.3%

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

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

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

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

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

**Poughkeepsie City School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2024

**Note 3 - Detailed Notes on All Funds (Continued)**

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

Asset Type	ERS March 31, 2024		TRS June 30, 2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.00 %	33 %	6.8 %
International Equity	15	6.65	15	7.6
Private Equity	10	7.25	9	10.1
Real Estate Equity	9	4.60	11	6.3
Domestic Fixed Income	-	-	16	2.2
Global Bonds	-	-	2	1.6
High Yield Bonds	-	-	1	4.4
Global Equity	-	-	4	7.2
Private Debt	-	-	2	6.0
Real Estate Debt	-	-	6	3.2
Opportunistic/ARS Portfolio	3	5.25	-	-
Credit	4	5.40	-	-
Real Assets	3	5.79	-	-
Fixed Income	23	1.50	-	-
Cash	1	0.25	1	0.3
	<u>100 %</u>		<u>100 %</u>	

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

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

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

**Poughkeepsie City School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2024

**Note 3 - Detailed Notes on All Funds (Continued)**

	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)	<u>\$ 12,043,269</u>	<u>\$ 3,830,432</u>	<u>\$ (3,028,991)</u>
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 39,560,456</u>	<u>\$ 2,597,448</u>	<u>\$ (28,490,040)</u>

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

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

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2024 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2024 were \$331,746 to ERS and \$5,202,968 to TRS, inclusive of \$786,965 of employee contributions.

*Voluntary Defined Contribution Plan*

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending upon salary and the School District will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in the program.

**Poughkeepsie City School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2024

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**Note 3 - Detailed Notes on All Funds (Continued)**

**Other Postemployment Benefit Liability ("OPEB")**

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

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	435
Active employees	<u>547</u>
	<u>982</u>

The School District's total OPEB liability of \$221,515,537 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2024.

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation increases	2.70%
Salary increases	Vary based on the New York State TRS assumptions used in the June 30, 2015 valuation and/or ERS assumptions effective on April 1, 2020
Discount rate	4.21%
Healthcare cost trend rates	6.50% for 2025, decreasing per year to an ultimate rate of 4.14% for 2075 and later years
Retirees' share of benefit-related costs	Varies from 5% to 65% depending on applicable retirement year and bargaining unit

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Index.

Mortality rates were based on the Pub-2010 Headcount-Weighted table (Teacher for TRS group and General Employees for ERS Group) projected fully generationally using MP-2021.



**Poughkeepsie City School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2024

**Note 3 - Detailed Notes on All Funds (Continued)**

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

Total OPEB Liability - Beginning of Year	\$ 234,431,151
Service cost	7,961,392
Interest	9,872,812
Differences between expected and actual experience	(43,907,446)
Changes in assumptions or other inputs	19,908,722
Benefit payments	<u>(6,751,094)</u>
Total OPEB Liability - End of Year	<u>\$ 221,515,537</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.21%) or 1 percentage point higher (5.21%) than the current discount rate:

	1% Decrease (3.21%)	Current Discount Rate (4.21%)	1% Increase (5.21%)
Total OPEB Liability	<u>\$ 261,793,038</u>	<u>\$ 221,515,537</u>	<u>\$ 194,029,095</u>

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

	1% Decrease (5.50% decreasing to 3.14%)	Current Healthcare Cost Trend Rates (6.50% decreasing to 4.14%)	1% Increase (7.50% decreasing to 5.14%)
Total OPEB Liability	<u>\$ 188,363,859</u>	<u>\$ 221,515,537</u>	<u>\$ 264,218,583</u>

For the year ended June 30, 2024, the School District recognized OPEB expense of (\$6,806,283) in the district-wide financial statements. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 31,517,002	\$ 59,072,192
Differences between expected and actual experience	<u>1,916,650</u>	<u>91,269,532</u>
	<u>\$ 33,433,652</u>	<u>\$ 150,341,724</u>

**Poughkeepsie City School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2024

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**Note 3 - Detailed Notes on All Funds (Continued)**

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

Year Ended June 30,	
2025	\$ (24,640,488)
2026	(27,253,822)
2027	(27,253,826)
2028	(27,874,618)
2029	(6,456,928)
Thereafter	<u>(3,428,390)</u>
	<u>\$ (116,908,072)</u>

**G. Revenues and Expenditures**

**Interfund Transfers**

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

<u>Transfers Out</u>	<u>Transfers In Special Aid Fund</u>
General Fund	<u>\$ 1,511,406</u>

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

**H. Net Position**

The components of net position are detailed below:

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

*Restricted for Future Capital Projects* - the component of net position that has been established to set aside funds to be used for future capital projects.

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

**Poughkeepsie City School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2024

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**Note 3 - Detailed Notes on All Funds (Continued)**

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

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

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

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

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

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

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

**Poughkeepsie City School District, New York**

Notes to Financial Statements (Continued)

June 30, 2024

**Note 3 - Detailed Notes on All Funds (Continued)**

**I. Fund Balances**

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable				
Inventories	\$ -	\$ -	\$ 35,823	\$ 35,823
Prepaid expenditures	449,832	-	-	449,832
Total Nonspendable	449,832	-	35,823	485,655
Restricted				
Tax certiorari	22,188	-	-	22,188
Tax certiorari - for subsequent year's expenditures	426,698	-	-	426,698
Unemployment	234,428	-	-	234,428
Liability claims and property loss	2,723,076	-	-	2,723,076
Liability claims and property loss - for subsequent year's expenditures	673,393	-	-	673,393
Employee benefit accrued liability	1,811,000	-	-	1,811,000
ERS retirement contributions	1,700,607	-	-	1,700,607
ERS retirement contributions - for subsequent year's expenditures	200,000	-	-	200,000
TRS retirement contributions	2,038,642	-	-	2,038,642
TRS retirement contributions - for subsequent year's expenditures	250,000	-	-	250,000
Future capital projects	28,040,000	-	-	28,040,000
Debt service	-	-	406,828	406,828
Special Purpose - Extraclassroom activities	-	-	34,542	34,542
Special Purpose - Other	-	-	76,468	76,468
Total Restricted	38,120,032	-	517,838	38,637,870
Assigned				
Purchases on order				
General government support	1,544,846	-	-	1,544,846
Instruction	2,662,573	-	-	2,662,573
Pupil transportation	6,522	-	-	6,522
	4,213,941	-	-	4,213,941
For subsequent year's expenditures	2,000,000	-	-	2,000,000
School Lunch Fund	-	-	2,047,477	2,047,477
Total Assigned	6,213,941	-	2,047,477	8,261,418
Unassigned	5,547,815	(14,186,938)	-	(8,639,123)
Total Fund Balance	\$ 50,331,620	\$ (14,186,938)	\$ 2,601,138	\$ 38,745,820

## **Poughkeepsie City School District, New York**

Notes to Financial Statements (Continued)  
June 30, 2024

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### **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.

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

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

Subsequent year's expenditures represent that at June 30, 2024, the Board of Education 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 nonspendable, restricted, committed or assigned.

### **Note 4 - Summary Disclosure of Significant Contingencies**

#### **A. Litigation**

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the School District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

The School District is a defendant in several cases regarding complaints alleging the discrimination and harassment in employment based on race and color, with the EEOC. The School District continues to defend these cases.

#### **B. Contingencies**

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

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

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

**C. Risk Management**

The School District is exposed to various risks of loss related to torts, damage, injuries, errors and omissions, natural disasters, and other risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District participates in the Dutchess Educational Health Insurance Consortium, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool's geographic area and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events and the School District has essentially transferred all related risk to the pool.

The District incurs costs related to a workers' compensation insurance plan ("Plan") sponsored by Dutchess County BOCES. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the Plan must remain members for a minimum of five (5) years; a member may withdraw from the plan after that time by providing 180 days' written notice. Plan members include 13 districts, with the District bearing an 8 percent share of the Plan's assets and claims liabilities. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, the members would be responsible for the Plan's liabilities. The Plan uses a reinsurance agreement reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured. The Plan establishes a liability for both reported and unreported insured expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported by not settled, and claims that have been incurred by not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. Financial statements for the Plan are available from the administrator at 5 BOCES Road, Poughkeepsie, New York 12601.

**Note 5 - Recently Issued GASB Pronouncements**

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

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

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**Poughkeepsie City School District, New York**

Notes to Financial Statements (Concluded)  
June 30, 2024

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**Note 5 - Recently Issued GASB Pronouncements (Continued)**

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

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

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

**Note 6 - Tax Abatement**

The School District has real property tax abatement agreements with the City of Poughkeepsie ("City") and the County of Dutchess Industrial Development Agency ("IDA"), established by Article 18-A of General Municipal Law of New York State, under the authority of New York State General Municipal Law Section 922.

Copies of the agreements may be obtained from the School District. Information relevant to disclosure of these agreements for the fiscal year ended June 30, 2024 is as follows:

Agreement	Taxable Assessed Value	Tax Rate	Tax Value	PILOT Received	Taxes Abated
Poughkeepsie Landing LLC	\$ 12,000,000	\$ 15.4391	\$ 185,269	\$ 120,273	\$ 64,996
Eastman & Bixby Redevelopment Co, LLC	11,000,000	15.4391	169,830	67,464	102,366
400 Main LLC	7,200,700	15.4391	111,172	22,179	88,993
The Commons	7,074,375	15.4391	109,222	21,531	87,691
CNN Spruce	1,512,000	15.4391	23,344	9,523	13,821
Highbridge Gardens	8,664,000	15.4391	133,764	26,307	107,457
JM Development LLC	21,000,000	15.4391	324,221	39,069	285,152
Maple Street of Dutchess	3,500,000	15.4391	54,037	24,372	29,665
Queen City Lofts	7,200,000	15.4391	111,161	41,433	69,728
Woodside Associates	14,250,000	15.4391	220,007	59,180	160,827
Fallkill Commons	3,388,000	15.4391	52,308	39,047	13,261
31-39 Academy	725,100	15.4391	11,195	6,298	4,897
Crannell Square	2,750,000	15.4391	42,458	47,847	-
Vision Hotel	21,600,000	15.4391	333,484	63,987	269,497
Health Quest	24,000,000	15.4391	370,538	86,032	284,506
	<u>\$ 145,864,175</u>		<u>\$ 2,252,010</u>	<u>\$ 674,542</u>	<u>\$ 1,582,857</u>

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**Poughkeepsie City School District, New York**

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

	2024	2023	2022
Total OPEB Liability:			
Service cost	\$ 7,961,392	\$ 9,068,338	\$ 18,044,554
Interest	9,872,812	8,888,035	9,225,207
Changes of benefit terms	-	-	(35,535,195)
Differences between expected and actual experience	(43,907,446)	2,362,937	(76,000,865)
Changes in assumptions or other inputs	19,908,722	(23,562,716)	(73,922,940)
Benefit payments	(6,751,094)	(8,588,377)	(9,143,577)
Net Change in Total OPEB Liability	(12,915,614)	(11,831,783)	(167,332,816)
Total OPEB Liability – Beginning of Year	234,431,151	246,262,934	413,595,750
Total OPEB Liability – End of Year	<u>\$ 221,515,537</u>	<u>\$ 234,431,151</u>	<u>\$ 246,262,934</u>
School District's covered-employee payroll	<u>\$ 43,132,416</u>	<u>\$ 45,497,456</u>	<u>\$ 45,901,577</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>513.57%</u>	<u>515.26%</u>	<u>536.50%</u>
Discount Rate	<u>4.21%</u>	<u>4.13%</u>	<u>3.54%</u>

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

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

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

See independent auditors' report.

2021	2020	2019	2018
\$ 17,095,514	\$ 4,058,980	\$ 4,078,684	\$ 3,959,887
8,950,195	14,230,418	13,800,220	13,503,389
-	(38,799,005)	-	-
533,957	(61,233,066)	-	-
3,811,590	76,913,075	-	-
(9,321,408)	(10,249,617)	(9,131,594)	(8,833,173)
21,069,848	(15,079,215)	8,747,310	8,630,103
392,525,902	407,605,117	398,857,807	390,227,704 (3)
<u>\$ 413,595,750</u>	<u>\$ 392,525,902</u>	<u>\$ 407,605,117</u>	<u>\$ 398,857,807</u>
<u>\$ 41,892,740</u>	<u>\$ 39,692,976</u>	<u>\$ 39,161,138</u>	<u>\$ 42,261,151</u>
<u>987.27%</u>	<u>988.91%</u>	<u>1040.84%</u>	<u>943.79%</u>
<u>2.16%</u>	<u>2.21%</u>	<u>3.50%</u>	<u>3.50%</u>

**Poughkeepsie City School District, New York**

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

**Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (1)**

	2024 (3)	2023 (2)	2022 (3)	2021 (2)
School District's proportion of the net pension liability (asset)	<u>0.227132%</u>	<u>0.221494%</u>	<u>0.220470%</u>	<u>0.234490%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 2,597,448</u>	<u>\$ 4,250,223</u>	<u>\$ (38,206,084)</u>	<u>\$ 6,479,530</u>
School District's covered payroll	<u>\$ 42,975,662</u>	<u>\$ 39,108,786</u>	<u>\$ 40,056,976</u>	<u>\$ 41,482,140</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>6.04%</u>	<u>10.87%</u>	<u>(95.38)%</u>	<u>15.62%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>99.17%</u>	<u>98.57%</u>	<u>113.20%</u>	<u>97.76%</u>
Discount Rate	<u>6.95%</u>	<u>6.95%</u>	<u>6.95%</u>	<u>7.10%</u>

**Schedule of Contributions**

	2024	2023	2022	2021
Contractually required contribution	<u>\$ 4,482,730</u>	<u>\$ 4,422,196</u>	<u>\$ 3,566,275</u>	<u>\$ 3,526,280</u>
Contributions in relation to the contractually required contribution	<u>(4,482,730)</u>	<u>(4,422,196)</u>	<u>(3,566,275)</u>	<u>(3,526,280)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 45,929,611</u>	<u>\$ 42,975,662</u>	<u>\$ 39,108,786</u>	<u>\$ 40,056,976</u>
Contributions as a percentage of covered payroll	<u>9.76%</u>	<u>10.29%</u>	<u>9.12%</u>	<u>8.80%</u>

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

(2) 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.

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

See independent auditors' report.

2020	2019	2018	2017	2016	2015
<u>0.245120%</u>	<u>0.229420%</u>	<u>0.227270%</u>	<u>0.224420%</u>	<u>0.245410%</u>	<u>0.225760%</u>
<u>\$ (6,368,194)</u>	<u>\$ (4,148,472)</u>	<u>\$ (1,727,439)</u>	<u>\$ 2,403,660</u>	<u>\$ (25,489,936)</u>	<u>\$ (28,480,345)</u>
<u>\$ 42,043,946</u>	<u>\$ 37,439,630</u>	<u>\$ 36,499,611</u>	<u>\$ 35,964,100</u>	<u>\$ 36,866,400</u>	<u>\$ 37,766,800</u>
<u>(15.15)%</u>	<u>(11.08)%</u>	<u>(4.73)%</u>	<u>6.68%</u>	<u>(69.14)%</u>	<u>(75.41)%</u>
<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>
<u>7.10%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>8.00%</u>
2020	2019	2018	2017	2016	2015
<u>\$ 4,345,094</u>	<u>\$ 3,662,213</u>	<u>\$ 4,220,842</u>	<u>\$ 4,215,026</u>	<u>\$ 6,462,157</u>	<u>\$ 6,137,111</u>
<u>(4,345,094)</u>	<u>(3,662,213)</u>	<u>(4,220,842)</u>	<u>(4,215,026)</u>	<u>(6,462,157)</u>	<u>(6,137,111)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 41,482,140</u>	<u>\$ 42,043,946</u>	<u>\$ 37,439,630</u>	<u>\$ 36,499,611</u>	<u>\$ 35,964,100</u>	<u>\$ 36,866,400</u>
<u>10.47%</u>	<u>8.71%</u>	<u>11.27%</u>	<u>11.55%</u>	<u>17.97%</u>	<u>16.65%</u>

Poughkeepsie City School District, New York

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

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (1)

	2024 (3)	2023 (2)	2022 (3)	2021 (3)
School District's proportion of the net pension liability	<u>0.0260148%</u>	<u>0.0216315%</u>	<u>0.0171052%</u>	<u>0.0190674%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 3,830,432</u>	<u>\$ 4,638,665</u>	<u>\$ (1,398,280)</u>	<u>\$ 18,986</u>
School District's covered payroll	<u>\$ 9,209,956</u>	<u>\$ 8,536,719</u>	<u>\$ 6,730,478</u>	<u>\$ 5,187,139</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>41.59%</u>	<u>54.34%</u>	<u>(20.78)%</u>	<u>0.37%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.88%</u>	<u>90.78%</u>	<u>103.65%</u>	<u>99.95%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>

Schedule of Contributions

	2024	2023	2022	2021
Contractually required contribution	<u>\$ 1,005,101</u>	<u>\$ 694,958</u>	<u>\$ 761,789</u>	<u>\$ 855,930</u>
Contributions in relation to the contractually required contribution	<u>(1,005,101)</u>	<u>(694,958)</u>	<u>(761,789)</u>	<u>(855,930)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 9,833,736</u>	<u>\$ 8,648,930</u>	<u>\$ 6,730,478</u>	<u>\$ 5,187,139</u>
Contributions as a percentage of covered payroll	<u>10.22%</u>	<u>8.04%</u>	<u>11.32%</u>	<u>16.50%</u>

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

(2) 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.

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

See independent auditors' report.

<u>2020 (2)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>0.0215302%</u>	<u>0.0191157%</u>	<u>0.0197152%</u>	<u>0.0181661%</u>	<u>0.0222872%</u>	<u>0.0241647%</u>
<u>\$ 5,701,326</u>	<u>\$ 1,354,409</u>	<u>\$ 636,298</u>	<u>\$ 1,706,930</u>	<u>\$ 3,577,164</u>	<u>\$ 816,344</u>
<u>\$ 6,376,554</u>	<u>\$ 6,329,829</u>	<u>\$ 5,761,540</u>	<u>\$ 5,233,700</u>	<u>\$ 5,233,700</u>	<u>\$ 5,929,600</u>
<u>89.41%</u>	<u>21.40%</u>	<u>11.04%</u>	<u>32.61%</u>	<u>68.35%</u>	<u>13.77%</u>
<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>
<u>6.80%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.50%</u>

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>\$ 884,975</u>	<u>\$ 813,420</u>	<u>\$ 806,049</u>	<u>\$ 807,400</u>	<u>\$ 806,100</u>	<u>\$ 1,009,600</u>
<u>(884,975)</u>	<u>(813,420)</u>	<u>(806,049)</u>	<u>(807,400)</u>	<u>(806,100)</u>	<u>(1,009,600)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 6,376,554</u>	<u>\$ 6,329,829</u>	<u>\$ 5,761,540</u>	<u>\$ 5,233,700</u>	<u>\$ 5,233,700</u>	<u>\$ 5,929,600</u>
<u>13.88%</u>	<u>12.85%</u>	<u>13.99%</u>	<u>15.43%</u>	<u>15.40%</u>	<u>17.03%</u>

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Poughkeepsie City School District, New York

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

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
<b>REVENUES</b>					
Real property taxes	\$ 30,052,028	\$ 30,182,143	\$ 30,359,016	\$	\$ 176,873
Other tax items	2,437,283	2,307,168	2,561,089		253,921
Non-property taxes	1,350,000	1,350,000	1,740,054		390,054
Charges for services	6,200	6,200	96,040		89,840
Use of money and property	1,011,500	1,011,500	2,583,962		1,572,462
Sale of property and compensation for loss	10,000	10,000	62,840		52,840
State aid	98,335,842	98,335,842	94,368,646		(3,967,196)
Federal aid	200,000	200,000	197,441		(2,559)
Miscellaneous	500,000	500,000	1,285,672		785,672
<b>Total Revenues</b>	<b>133,902,853</b>	<b>133,902,853</b>	<b>133,254,760</b>		<b>(648,093)</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General support					
Board of education	142,395	140,954	117,314	2,461	21,179
Central administration	343,375	364,515	359,413	-	5,102
Finance	1,505,921	1,764,337	1,534,645	131,439	98,253
Staff	1,205,259	1,281,483	1,037,484	150	243,849
Central services	6,126,694	10,157,991	8,083,314	1,410,796	663,881
Special items	1,470,483	1,491,194	1,446,462	-	44,732
<b>Total General Support</b>	<b>10,794,127</b>	<b>15,200,474</b>	<b>12,578,632</b>	<b>1,544,846</b>	<b>1,076,996</b>
Instruction					
Instruction, administration and improvement	5,827,966	5,897,615	5,054,395	14,655	828,565
Teaching - Regular school	35,256,616	36,809,168	32,155,349	1,848,528	2,805,291
Programs for students with disabilities	22,983,853	22,325,187	17,244,239	734,250	4,346,698
Occupational education	1,058,250	1,061,250	1,043,609	-	17,641
Teaching - Special schools	8,764	96,841	16,436	35,184	45,221
Instructional media	3,134,723	3,304,115	2,426,198	9,869	868,048
Pupil services	8,011,805	7,419,569	5,088,615	20,087	2,310,867
<b>Total Instruction</b>	<b>76,281,977</b>	<b>76,913,745</b>	<b>63,028,841</b>	<b>2,662,573</b>	<b>11,222,331</b>
Pupil transportation	7,965,829	7,583,804	5,405,892	6,522	2,171,390
Community services	246,207	264,422	210,405	-	54,017
Employee benefits	37,523,839	31,216,650	28,563,056	-	2,653,594
Debt service					
Principal	3,979,875	3,743,788	3,317,959	-	425,829
Interest	2,164,142	2,822,666	2,760,733	-	61,933
<b>Total Expenditures</b>	<b>138,955,996</b>	<b>137,745,549</b>	<b>115,865,518</b>	<b>4,213,941</b>	<b>17,666,090</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(5,053,143)</b>	<b>(3,842,696)</b>	<b>17,389,242</b>	<b>(4,213,941)</b>	<b>17,017,997</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	55,000	55,000	-	-	(55,000)
Transfers out	(600,000)	(1,810,447)	(1,511,406)	-	299,041
<b>Total Other Financing Uses</b>	<b>(545,000)</b>	<b>(1,755,447)</b>	<b>(1,511,406)</b>	<b>-</b>	<b>244,041</b>
<b>Net Change in Fund Balance</b>	<b>(5,598,143)</b>	<b>(5,598,143)</b>	<b>15,877,836</b>	<b>\$ (4,213,941)</b>	<b>\$ 17,262,038</b>
<b>FUND BALANCE</b>					
Beginning of Year	5,598,143	5,598,143	34,453,784		
End of Year	\$ -	\$ -	\$ 50,331,620		

See independent auditors' report.



**Poughkeepsie City School District, New York**

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REAL PROPERTY TAXES</b>	<u>\$ 30,052,028</u>	<u>\$ 30,182,143</u>	<u>\$ 30,359,016</u>	<u>\$ 176,873</u>
<b>OTHER TAX ITEMS</b>				
School tax relief reimbursement	1,878,283	1,748,168	1,748,168	-
Payments in lieu of taxes	525,000	525,000	674,542	149,542
Interest and penalties on real property taxes	34,000	34,000	138,379	104,379
	<u>2,437,283</u>	<u>2,307,168</u>	<u>2,561,089</u>	<u>253,921</u>
<b>NON-PROPERTY TAXES</b>				
Utilities gross receipts	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,740,054</u>	<u>390,054</u>
<b>CHARGES FOR SERVICES</b>				
Other student fees and charges	6,200	6,200	5,702	(498)
Health services - other districts	-	-	90,338	90,338
	<u>6,200</u>	<u>6,200</u>	<u>96,040</u>	<u>89,840</u>
<b>USE OF MONEY AND PROPERTY</b>				
Earnings on investments	1,007,500	1,007,500	2,551,286	1,543,786
Rental of real property	4,000	4,000	32,676	28,676
	<u>1,011,500</u>	<u>1,011,500</u>	<u>2,583,962</u>	<u>1,572,462</u>
<b>SALE OF PROPERTY AND COMP FOR LOSS</b>				
Insurance recoveries	10,000	10,000	52,926	42,926
Sale of equipment	-	-	9,914	9,914
	<u>10,000</u>	<u>10,000</u>	<u>62,840</u>	<u>52,840</u>

**STATE AID**

Basic formula	78,290,131	78,290,131	60,608,578	(17,681,553)
Lottery aid	10,979,785	10,979,785	11,402,559	422,774
BOCES aid	2,315,504	2,315,504	2,131,283	(184,221)
Excess cost aid	5,205,107	5,205,107	18,411,317	13,206,210
Textbook aid	262,966	262,966	253,621	(9,345)
Computer software aid	147,929	147,929	138,441	(9,488)
Library aid	28,212	28,212	25,575	(2,637)
Charter school transitional	-	-	1,202,400	1,202,400
Other	1,106,208	1,106,208	194,872	(911,336)
	<u>98,335,842</u>	<u>98,335,842</u>	<u>94,368,646</u>	<u>(3,967,196)</u>

**FEDERAL AID**

Medical assistance	<u>200,000</u>	<u>200,000</u>	<u>197,441</u>	<u>(2,559)</u>
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**MISCELLANEOUS**

Refund of Medicare Part D expenditures	54,000	54,000	62,467	8,467
Refund of prior year's expenditures	-	-	526,588	526,588
Refund for BOCES aided services	300,000	300,000	332,967	32,967
Other	146,000	146,000	363,650	217,650
	<u>500,000</u>	<u>500,000</u>	<u>1,285,672</u>	<u>785,672</u>

**TOTAL REVENUES**

133,902,853	133,902,853	133,254,760	(648,093)
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**OTHER FINANCING SOURCES**

Transfers in				
Capital Projects Fund	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>(55,000)</u>

**TOTAL REVENUES AND OTHER  
FINANCING SOURCES**

<u>\$ 133,957,853</u>	<u>\$ 133,957,853</u>	<u>\$ 133,254,760</u>	<u>\$ (703,093)</u>
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See independent auditors' report.

**Poughkeepsie City School District, New York**

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance with Final Budget</u>
<b>GENERAL SUPPORT</b>					
<b><i>BOARD OF EDUCATION</i></b>					
Board of education	\$ 46,356	\$ 38,630	\$ 34,730	\$ 2,461	\$ 1,439
District clerk	86,330	87,615	72,290	-	15,325
District meeting	9,709	14,709	10,294	-	4,415
Total Board of Education	<u>142,395</u>	<u>140,954</u>	<u>117,314</u>	<u>2,461</u>	<u>21,179</u>
<b><i>CENTRAL ADMINISTRATION</i></b>					
Chief school administrator	<u>343,375</u>	<u>364,515</u>	<u>359,413</u>	<u>-</u>	<u>5,102</u>
<b><i>FINANCE</i></b>					
Business administration	1,160,421	1,422,084	1,298,817	64,686	58,581
Auditing	149,000	148,566	79,490	51,500	17,576
Tax collection service	14,000	32,688	32,070	-	618
Treasurer	120,000	98,499	95,083	-	3,416
Purchasing	2,500	2,500	2,124	-	376
Fiscal agent fees	60,000	60,000	27,061	15,253	17,686
Total Finance	<u>1,505,921</u>	<u>1,764,337</u>	<u>1,534,645</u>	<u>131,439</u>	<u>98,253</u>
<b><i>STAFF</i></b>					
Legal	428,404	419,404	287,292	-	132,112
Personnel	628,105	701,729	661,408	150	40,171
Records management	4,500	16,100	7,187	-	8,913
Public information and services	144,250	144,250	81,597	-	62,653
Total Staff	<u>1,205,259</u>	<u>1,281,483</u>	<u>1,037,484</u>	<u>150</u>	<u>243,849</u>

**CENTRAL SERVICES**

Operation and maintenance of plant	5,591,531	9,613,530	7,801,889	1,410,796	400,845
Security of plant	5,138	7,138	1,435	-	5,703
Central printing and mailing	169,800	169,800	78,659	-	91,141
Central data processing	360,225	334,673	168,481	-	166,192
Central registration	-	32,850	32,850	-	-
Total Central Services	6,126,694	10,157,991	8,083,314	1,410,796	663,881

**SPECIAL ITEMS**

Unallocated insurance	578,000	642,955	642,883	-	72
School association dues	500	249	240	-	9
Judgements and claims	10,000	10,000	3,360	-	6,640
Assessments on school property	130,000	130,000	113,948	-	16,052
Refunds of real property taxes	47,017	3,024	3,024	-	-
Administrative charge - BOCES	704,966	704,966	683,007	-	21,959
Total Special Items	1,470,483	1,491,194	1,446,462	-	44,732
Total General Support	10,794,127	15,200,474	12,578,632	1,544,846	1,076,996

**INSTRUCTION****INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	819,421	831,235	759,785	11,250	60,200
Supervision - Regular school	4,746,485	4,804,320	4,126,816	3,405	674,099
In-service training - Instruction	262,060	262,060	167,794	-	94,266
Total Instruction, Administration and Improvement	5,827,966	5,897,615	5,054,395	14,655	828,565

**TEACHING - REGULAR SCHOOL**

35,256,616	36,809,168	32,155,349	1,848,528	2,805,291
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**PROGRAMS FOR STUDENTS WITH DISABILITIES**

22,983,853	22,325,187	17,244,239	734,250	4,346,698
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**OCCUPATIONAL EDUCATION**

1,058,250	1,061,250	1,043,609	-	17,641
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**TEACHING - SPECIAL SCHOOLS**

8,764	96,841	16,436	35,184	45,221
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(Continued)

**Poughkeepsie City School District, New York**

General Fund

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

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
<b>INSTRUCTION (Continued)</b>					
<b><i>INSTRUCTIONAL MEDIA</i></b>					
School library and audiovisual	\$ 718,576	\$ 685,199	\$ 312,832	\$ 1,333	\$ 371,034
Computer assisted instruction	2,416,147	2,618,916	2,113,366	8,536	497,014
Total Instructional Media	3,134,723	3,304,115	2,426,198	9,869	868,048
<b><i>PUPIL SERVICES</i></b>					
Attendance - Regular school	108,569	108,818	55,692	-	53,126
Guidance - Regular school	1,057,736	747,766	680,763	-	67,003
Health services - Regular school	1,752,376	1,859,546	1,600,507	-	259,039
Psychological services - Regular school	662,395	696,541	467,901	-	228,640
Social work services - Regular school	679,625	588,934	118,721	-	470,213
Pupil personnel services - Special school	1,198,608	937,089	369,585	-	567,504
Pupil personnel services	376,900	285,283	125,722	-	159,561
Co-curricular activities - Regular school	1,083,919	1,001,566	697,530	-	304,036
Interscholastic athletics - Regular school	1,091,677	1,194,026	972,194	20,087	201,745
Total Pupil Services	8,011,805	7,419,569	5,088,615	20,087	2,310,867
Total Instruction	76,281,977	76,913,745	63,028,841	2,662,573	11,222,331
<b><i>PUPIL TRANSPORTATION</i></b>					
District transportation services	4,390,829	4,034,388	3,358,287	6,522	669,579
Contract and public carrier transportation	3,575,000	3,549,416	2,047,605	-	1,501,811
Total Pupil Transportation	7,965,829	7,583,804	5,405,892	6,522	2,171,390
<b><i>COMMUNITY SERVICES</i></b>					
Civic activities	246,207	264,422	210,405	-	54,017

**EMPLOYEE BENEFITS**

State retirement	1,637,179	1,637,179	595,900	-	1,041,279
Teachers' retirement	4,405,199	4,850,407	4,025,202	-	825,205
Social security	4,202,466	4,200,082	4,175,516	-	24,566
Life insurance	6,000	6,147	6,090	-	57
Hospital, medical and dental insurance	25,457,995	18,741,443	18,666,085	-	75,358
Workers' compensation benefits	750,000	750,000	406,872	-	343,128
Unemployment benefits	150,000	129,763	16,336	-	113,427
Other	915,000	901,629	671,055	-	230,574

## Total Employee Benefits

37,523,839	31,216,650	28,563,056	-	2,653,594
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**DEBT SERVICE**

## Principal

Serial bonds	3,471,350	3,235,829	2,810,000	-	425,829
Energy performance contract	508,525	507,959	507,959	-	-
	3,979,875	3,743,788	3,317,959	-	425,829

## Interest

Serial bonds	1,426,093	2,074,116	2,021,550	-	52,566
Energy performance contract	250,716	255,609	246,242	-	9,367
Bond anticipation note	487,333	492,941	492,941	-	-
	2,164,142	2,822,666	2,760,733	-	61,933

## Total Debt Service

6,144,017	6,566,454	6,078,692	-	487,762
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**TOTAL EXPENDITURES**

138,955,996	137,745,549	115,865,518	4,213,941	17,666,090
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**OTHER FINANCING USES**

## Transfers out

Special Aid Fund	600,000	1,810,447	1,511,406	-	299,041
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**TOTAL EXPENDITURES AND OTHER  
FINANCING USES**

\$ 139,555,996	\$ 139,555,996	\$ 117,376,924	\$ 4,213,941	\$ 17,965,131
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See independent auditors' report.

Poughkeepsie City School District, New York

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

PROJECT	Authorization	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
District-Wide Projects	\$ 98,791,306	\$ 21,941,683	\$ 17,675,518	\$ 39,617,201	\$ 59,174,105
District-Wide Projects 23-24	26,000,000	-	584,276	584,276	25,415,724
SMART School Bond Act	1,407,190	1,370,190	2,238,129	3,608,319	(2,201,129)
Middle School Structural	164,800	105,548	-	105,548	59,252
Smith Chimneys HVAC	400,000	84,712	-	84,712	315,288
Columbus Egress	196,500	144,168	291	144,459	52,041
Unit Ventilators	3,000,000	85,256	22,584	107,840	2,892,160
PMS HVAC	804,941	402,291	86,480	488,771	316,170
HS Kitchen & Hot Water	376,522	24,128	336,886	361,014	15,508
Energy Performance Contract	5,806,135	52,128	4,713,287	4,765,415	1,040,720
Kreiger Electrical Transformer	1,032,621	205,200	687,160	892,360	140,261
PMS Elevator	225,000	17,349	337,963	355,312	(130,312)
Warring Transformer	250,000	-	226,990	226,990	23,010
Totals	<u>\$ 138,455,015</u>	<u>\$ 24,432,653</u>	<u>\$ 26,909,564</u>	<u>\$ 51,342,217</u>	<u>\$ 87,112,798</u>

See independent auditors' report.

Proceeds of Obligations	Methods of Financing				Fund Balance (Deficit) at June 30, 2024	Bond Anticipation Note Outstanding at June 30, 2024
	Transfers In	State and Federal Aid	Other	Totals		
\$ 23,125,000	\$ 1,472,203	\$ -	\$ 2,923,701	\$ 27,520,904	\$ (12,096,297)	\$ 21,500,000
-	-	-	-	-	(584,276)	-
-	-	1,630,339	-	1,630,339	(1,977,980)	-
-	101,633	-	-	101,633	(3,915)	-
-	400,000	-	-	400,000	315,288	-
-	63,520	-	-	63,520	(80,939)	-
-	46,746	-	-	46,746	(61,094)	-
-	368,124	-	-	368,124	(120,647)	-
-	142,878	-	-	142,878	(218,136)	-
5,806,135	-	-	-	5,806,135	1,040,720	-
-	600,000	-	-	600,000	(292,360)	-
-	225,000	-	-	225,000	(130,312)	-
-	250,000	-	-	250,000	23,010	-
<u>\$ 28,931,135</u>	<u>\$ 3,670,104</u>	<u>\$ 1,630,339</u>	<u>\$ 2,923,701</u>	<u>\$ 37,155,279</u>	<u>\$ (14,186,938)</u>	<u>\$ 21,500,000</u>



**Poughkeepsie City School District, New York**

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

	School Lunch	Special Purpose	Debt Service	Total Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and equivalents	\$ 1,567,032	\$ 70,566	\$ 156,445	\$ 1,794,043
Investments	491,668	40,554	84,106	616,328
Receivables				
State and Federal aid	526,870	-	-	526,870
Due from other funds	-	-	166,277	166,277
Inventories	35,823	-	-	35,823
<b>Total Assets</b>	<b>\$ 2,621,393</b>	<b>\$ 111,120</b>	<b>\$ 406,828</b>	<b>\$ 3,139,341</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 56,528	\$ 110	\$ -	\$ 56,638
Due to retirement system	8,873	-	-	8,873
Unearned revenues	472,692	-	-	472,692
<b>Total Liabilities</b>	<b>538,093</b>	<b>110</b>	<b>-</b>	<b>538,203</b>
Fund balances				
Nonspendable	35,823	-	-	35,823
Restricted	-	111,010	406,828	517,838
Assigned	2,047,477	-	-	2,047,477
<b>Total Fund Balances</b>	<b>2,083,300</b>	<b>111,010</b>	<b>406,828</b>	<b>2,601,138</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,621,393</b>	<b>\$ 111,120</b>	<b>\$ 406,828</b>	<b>\$ 3,139,341</b>

See independent auditors' report.

**Poughkeepsie City School District, New York**

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

	School Lunch	Special Purpose	Debt Service	Total Non-Major Governmental Funds
<b>REVENUES</b>				
Use of money and property	\$ 38,812	\$ 2,806	\$ 193,553	\$ 235,171
State aid	52,790	-	-	52,790
Federal aid	2,841,415	-	-	2,841,415
Food sales	316,678	-	-	316,678
Miscellaneous	-	83,121	-	83,121
Total Revenues	<u>3,249,695</u>	<u>85,927</u>	<u>193,553</u>	<u>3,529,175</u>
<b>EXPENDITURES</b>				
Current				
Cost of food sales	2,843,104	-	-	2,843,104
Other	-	59,558	-	59,558
Total Expenditures	<u>2,843,104</u>	<u>59,558</u>	<u>-</u>	<u>2,902,662</u>
Excess of Revenues Over Expenditures	406,591	26,369	193,553	626,513
<b>FUND BALANCES</b>				
Beginning of Year	<u>1,676,709</u>	<u>84,641</u>	<u>213,275</u>	<u>1,974,625</u>
End of Year	<u>\$ 2,083,300</u>	<u>\$ 111,010</u>	<u>\$ 406,828</u>	<u>\$ 2,601,138</u>

See independent auditors' report.

**Poughkeepsie City School District, New York**

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

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Adopted Budget	\$ 135,957,853
Additions - Encumbrances	<u>3,598,143</u>
Original Budget	139,555,996
Budget Amendments	<u>-</u>
Final Budget	<u><u>\$ 139,555,996</u></u>

General Fund  
Section 1318 of Real Property Tax Law Limit Calculation

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2024-25 Expenditure Budget	\$ 138,695,378
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	\$ 6,213,941
Unassigned fund balance	<u>5,547,815</u>
Total Unrestricted Fund Balance	11,761,756
Less	
Appropriated for subsequent year's budget	2,000,000
Encumbrances	<u>4,213,941</u>
Total Adjustments	<u><u>6,213,941</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 5,547,815</u></u>
Actual Percentage	<u><u>4.00%</u></u>

See independent auditors' report.

**Poughkeepsie City School District, New York**

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

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Capital Assets, net		\$ 88,553,447
Less		
General obligation bonds payable	\$ (37,100,000)	
Energy performance contract payable	(6,834,169)	
Bond anticipation notes payable	(21,500,000)	
Accounts payable	(927,116)	
Unamortized portion of issuance premium	<u>(2,729,502)</u>	(69,090,787)
Add		
Unexpended bond proceeds		<u>6,975,635</u>
Net Investment in Capital Assets		<u><u>\$ 26,438,295</u></u>

See independent auditors' report.

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

**Independent Auditors' Report**

**The Board of Education of the  
Poughkeepsie City 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 Poughkeepsie City School District, New York ("School District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 7, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations during our audit, we did not identify deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we considered to be a significant deficiency.

## **Report on Compliance and Other Matters**

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

## **School District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of This Report**

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

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**  
Harrison, New York  
November 7, 2024





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

**Independent Auditors' Report**

**The Board of Education of the  
Poughkeepsie City School District, New York**

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Poughkeepsie City School District, New York's ("School District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2024. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

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

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



## ***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

## ***Report on Internal Control Over Compliance***

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

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

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

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

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**  
Harrison, New York  
November 7, 2024

Poughkeepsie City School District, New York

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

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Indirect Programs - Passed through the New York State Department of Education				
<i>Child Nutrition Cluster</i>				
School Breakfast Program	10.553	N/A	\$ -	\$ 717,656
National School Lunch Program - Cash	10.555	N/A	-	2,054,306
Summer Food Service Program for Children	10.559	N/A	-	592
Fresh Fruit and Vegetable Program	10.582	N/A	-	57,503
Subtotal Child Nutrition Cluster			-	2,830,057
Child and Adult Care Food Program	10.558	N/A	-	11,358
Farm to School Grant Program	10.575	N/A	-	2,945
Total U.S. Department of Agriculture			-	2,844,360
<u>U.S. Department of Justice</u>				
Direct Program				
STOP School Violence	16.839	N/A	-	305,464
<u>U.S. Department of Education</u>				
Indirect Programs - Passed through the New York State Department of Education				
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-23-0181	-	63,374
Special Education - Grants to States (IDEA, Part B)	84.027	0032-24-0181	-	1,367,403
Special Education - Grants to States (ARP Supplemental 611)	84.027X	5532-22-0181	-	4,988
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-24-0181	-	65,736
Subtotal Special Education Cluster			-	1,501,501
Adult Education - Basic Grants to States	84.002	N/A	-	6,910
Title I Grants to Local Educational Agencies	84.010	0021-22-0670	-	(4,479)
Title I Grants to Local Educational Agencies	84.010	0021-23-0670	-	28,986
Title I Grants to Local Educational Agencies	84.010	0021-24-0670	-	2,145,699
Title I Grants to Local Educational Agencies	84.010	0011-22-2166	-	1,911
Title I Grants to Local Educational Agencies	84.010	0011-23-2166	-	128,027
Title I Grants to Local Educational Agencies	84.010	0011-23-6007	-	15,395
Title I Grants to Local Educational Agencies	84.010	0011-24-6007	-	71,677
Title I Grants to Local Educational Agencies	84.010	0011-23-8378	-	29,423
Title I Grants to Local Educational Agencies	84.010	0011-24-2120	-	317,944
			-	2,734,583
Special Education - State Personnel Development	84.323	1035-23-1011	-	13,500
English Language Acquisition State Grants	84.365	0149-24-0670	-	8,806
English Language Acquisition State Grants	84.365	0293-24-0670	-	34,803
			-	43,609

(Continued)

Poughkeepsie City School District, New York

Schedule of Expenditures of Federal Awards (Continued)  
Year Ended June 30, 2024

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Education (Continued)</u>				
Supporting Effective Instruction State Grants	84.367	0147-22-0670	\$ -	\$ (20,400)
Supporting Effective Instruction State Grants	84.367	0147-23-0670	-	91,003
Supporting Effective Instruction State Grants	84.367	0147-24-0670	-	170,961
			-	241,564
Student Support and Academic Enrichment Program	84.424	0204-23-0670	-	(19,962)
Student Support and Academic Enrichment Program	84.424	0204-24-0670	-	121,169
			-	101,207
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	5891-21-0670	-	378,212
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5870-23-9242	-	123,749
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5870-24-9242	-	1,287,229
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880-21-0670	-	6,925,525
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5882-21-0670	-	120,372
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5883-21-0670	-	483,183
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5884-21-0670	-	2,073,618
American Rescue Plan Homeless Children and Youth Fund	84.425W	5218-21-0670	-	58,789
American Rescue Plan Homeless Children and Youth Fund	84.425W	5219-21-0670	-	39,624
			-	11,490,301
Total U.S. Department of Education			-	16,133,175
Total Expenditures of Federal Awards			\$ -	\$ 19,282,999

N/A - Information not available.

The accompanying notes are an integral part of this schedule.

**Poughkeepsie City School District, New York**

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

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**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Poughkeepsie City School District, New York ("School District") under programs of the federal government for the year ended June 30, 2024. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("*Uniform Guidance*"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available. Negative amounts reported in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as federal expenditures in prior years.

**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.

**Poughkeepsie City School District, New York**

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

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**Section I - Summary of Auditors' Results**

***Financial Statements***

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

Unmodified

Internal control over financial reporting:

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

\_\_\_\_ Yes    X No  
X Yes    \_\_\_\_ None reported

Noncompliance material to financial statements noted?

\_\_\_\_ Yes    X No

***Federal Awards***

Internal control over major federal programs:

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

\_\_\_\_ Yes    X No  
\_\_\_\_ Yes    X None reported

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

Unmodified

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

\_\_\_\_ Yes    X No

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425U	American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)
84.425W	American Rescue Plan Homeless Children and Youth Fund

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

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_ Yes    X No

**Poughkeepsie City School District, New York**

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

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**Section II - Financial Statement Findings**

**Finding 2024-001: Audit Readiness** *(Significant Deficiency)*

**Criteria:** The year-end closing process should result in a complete and accurate record that supports the financial statements and supporting schedules in accordance with Generally Accepted Accounting Principles ("GAAP").

**Condition:** Numerous correcting journal entries were required to be posted as part of auditor identified journal entries.

**Cause:** The School District had significant turnover of accounting personnel before the time of the audit.

**Effect or Potential Effect:** The financial statements might not provide a complete and accurate record of the School District's financial statement and supporting schedules in accordance with GAAP.

**Recommendation:** The School District should establish more effective review and reconciliation policies and procedures as a customary part of the accounting process, including monthly reconciliations being performed throughout the fiscal year and investigating old outstanding transactions.

**Management's Response:** See corrective action plan.

**Section III - Federal Award Findings and Questioned Costs**

None

**Poughkeepsie City School District, New York**

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2024

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***Financial Statement Findings***

**Finding 2023-001: Reconciliation of Taxes Receivable *(Material Weakness)***

**Condition:** As part of the year-end audit procedures, for the total taxes owed to the School District of \$2,692,743, the reconciliation of the taxes by taxpayer and tax year could not be provided as a reconciliation is not performed on the taxes owed to the School District from the City.

**Status:** This condition is not a repeated finding in the current fiscal year. The taxes were reconciled to the books with the City in the current fiscal year.

**Finding 2023-002: Special Aid Receivable Reconciliation *(Material Weakness)***

**Condition:** There was no reconciliation of old outstanding receivables performed and no project length schedule was prepared to reconcile the expenditures, revenues, receivables and unearned revenues by program. A total of \$839,941 of unidentified receivables older than one year was identified.

**Status:** This condition is not a repeated finding in the current fiscal year.

**Finding 2023-003: Capital Fund Project Length Schedule *(Material Weakness)***

**Condition:** The School District has historically included a project length schedule within the financial statements, but the schedule was mathematically inaccurate.

**Status:** This condition is not a repeated finding in the current fiscal year.

**Finding 2023-004: Audit Readiness *(Significant Deficiency)***

**Condition:** Numerous correcting journal entries were required to be posted as part of auditor identified journal entries.

**Status:** This condition continues and is repeated as finding 2024-001. The School District hired on a full accounting staff during the year and made strides in reconciling balances. However, the current year audit required numerous correcting journal entries.