

Putnam Valley Central School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2024

Putnam Valley Central School District, New York

Table of Contents

| | <u>Page No.</u> |
|--|-----------------|
| Independent Auditors' Report | 1 |
| Management's Discussion and Analysis | 4 |
| Basic Financial Statements | |
| District-Wide Financial Statements | |
| Statement of Net Position | 13 |
| Statement of Activities | 14 |
| Fund Financial Statements | |
| Balance Sheet - Governmental Funds | 15 |
| Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position | 17 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 18 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 20 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund | 21 |
| Fiduciary Fund | |
| Statement of Changes in Fiduciary Net Position | 22 |
| Notes to Financial Statements | 23 |
| Required Supplementary Information | |
| Other Postemployment Benefits | |
| Schedule of Changes in the School District's Total OPEB Liability and Related Ratios | 52 |
| New York State Teachers' Retirement System | |
| Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) | 54 |
| Schedule of Contributions | 54 |
| New York State and Local Employees' Retirement System | |
| Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) | 56 |
| Schedule of Contributions | 56 |
| Combining and Individual Fund Financial Statements and Schedules | |
| Major Governmental Funds | |
| General Fund | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 58 |
| Schedule of Revenues and Other Financing Sources Compared to Budget | 59 |
| Schedule of Expenditures and Other Financing Uses Compared to Budget | 61 |
| Capital Projects Fund | |
| Project-Length Schedule | 65 |
| Non-Major Governmental Funds | |
| Combining Balance Sheet | 67 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 68 |
| Supplementary Information | |
| Analysis of Change from Adopted Budget to Final Budget | 69 |
| Section 1318 of Real Property Tax Law Limit Calculation | 69 |
| Schedule of Net Investment in Capital Assets | 70 |

Putnam Valley Central School District, New York

Table of Contents (Concluded)

| | <u>Page No.</u> |
|---|-----------------|
| Federal Programs | |
| Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 71 |
| Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance | 73 |
| Schedule of Expenditures of Federal Awards | 76 |
| Notes to Schedule of Expenditures of Federal Awards | 77 |
| Schedule of Findings and Questioned Costs | 78 |



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 23, 2024

Putnam Valley Central School District, New York

Management's Discussion and Analysis (MD&A)
June 30, 2024

Introduction

Our discussion and analysis of the Putnam Valley Central School District, New York's ("School District") financial performance provides an overview of the School District's financial activities for the year ended June 30, 2024. It should be read along with the basic financial statements, which immediately follows this section, to enhance the understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2024 are as follows:

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4.0% of the ensuing year's budget, exclusive of the amount assigned for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,422,300.
- As of the close of the current fiscal year, the School District's governmental fund financial statements report a combined ending fund balance of \$25,035,728, an increase of \$16,828,336 from the prior year. Of this amount, the unassigned fund balance is \$2,422,300. This amount is available for spending at the discretion of the School District.
- On the district-wide financial statements, the liabilities and deferred inflows of resource exceeded the assets and deferred outflows of resources of the School District at the close of its most recent fiscal year by \$40,973,907. The School District's total net position decreased by \$956,066 for the year ended June 30, 2024.

Overview of the Financial Statements

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

District-Wide Financial Statements

- The *district-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.
- The *statement of net position* presents information on all of the School District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or

decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

- The *statement of activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The *governmental* activities of the School District include instruction, pupil transportation, community services, cost of food sales, other, interest and general administrative support.
- The district-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

- A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- The School District maintains six individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Special Aid, Debt Service and Capital Projects funds, since the School District has elected to report them as major funds.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for this fund within the basic financial statements to demonstrate compliance with the respective budget.

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

Notes to Financial Statements

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

Other Information

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

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial situation. This MD&A includes a summary of two district-wide statements that focus on operations of the School District as a whole. These statements measure inflows and outflows using an economic resources measurement focus, and use the accrual basis of accounting. Activities that are fiduciary in nature are not included in these statements.

In the case of the Putnam Valley Central School District, New York, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$40,973,907 at the close of the current fiscal year.

Net Position

| | June 30, | |
|-------------------------------------|-----------------|-----------------|
| | 2024 | 2023 |
| Current Assets | \$ 30,096,770 | \$ 25,108,932 |
| Capital Assets, net | 49,161,800 | 47,892,873 |
| Total Assets | 79,258,570 | 73,001,805 |
| Deferred Outflows of Resources | | |
| Deferred charges on refunding bonds | 83,946 | 101,021 |
| Pension related | 10,956,966 | 14,251,552 |
| OPEB related | 4,726,695 | 7,367,360 |
| | 15,767,607 | 21,719,933 |
| Current Liabilities | 5,780,047 | 17,426,890 |
| Non-Current Liabilities | 123,086,958 | 110,893,855 |
| Total Liabilities | 128,867,005 | 128,320,745 |
| Deferred Inflows of Resources | | |
| Pension related | 1,905,698 | 1,215,425 |
| OPEB related | 5,227,381 | 5,203,409 |
| | 7,133,079 | 6,418,834 |
| Net Position | | |
| Net investment in capital assets | 29,683,679 | 26,680,949 |
| Restricted for | | |
| Future capital projects | 7,060,753 | 3,752,293 |
| Capital projects | 939,739 | - |
| Repairs | 30,875 | 30,829 |
| Special purpose | 267,324 | 213,471 |
| Property loss and liability | 681,419 | 680,398 |
| Tax certiorari | 1,441,410 | 940,000 |
| Debt service | 4,085,887 | 4,040,561 |
| Retirement contributions | 5,041,673 | 4,534,871 |
| Unrestricted | (90,206,666) | (80,891,213) |
| Total Net Position | \$ (40,973,907) | \$ (40,017,841) |

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

As of June 30, 2024, the School District reported a net pension liability and deferred inflows/outflows of resources as calculated by the New York State Teachers' and Local Employees' Retirement systems. This liability and the net deferrals are not in custody of, nor are they accessible by the School District; rather these represent the School District's share of the calculated excess/shortfall

of the respective retirement systems. Please see Note 3E of the financial statements for more information on these pension items.

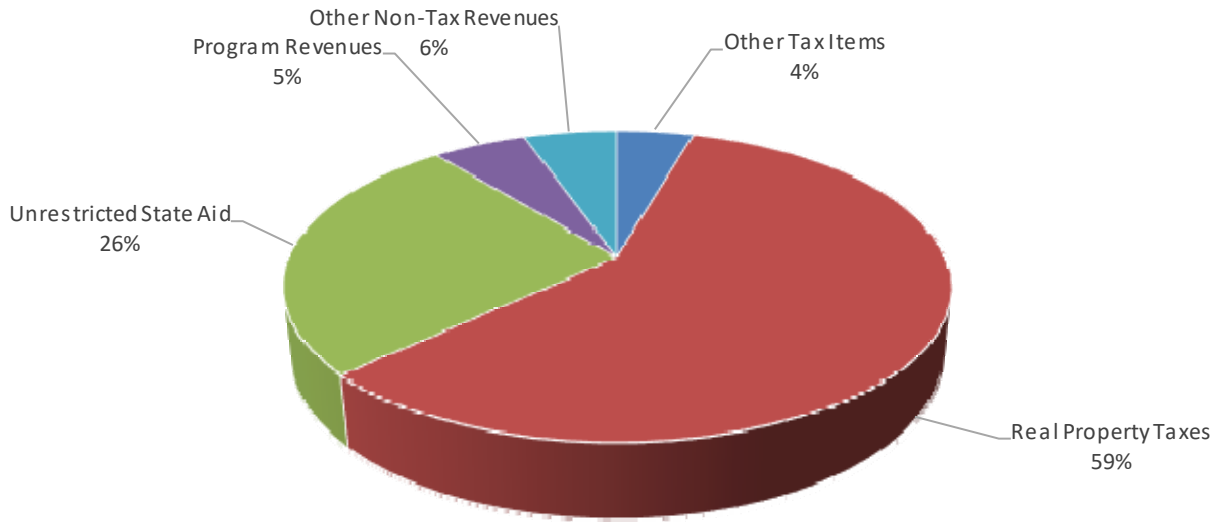
The restricted net position subject to external restrictions constitute \$19,549,080.

Net position decreased by \$956,066 for the year ended June 30, 2024.

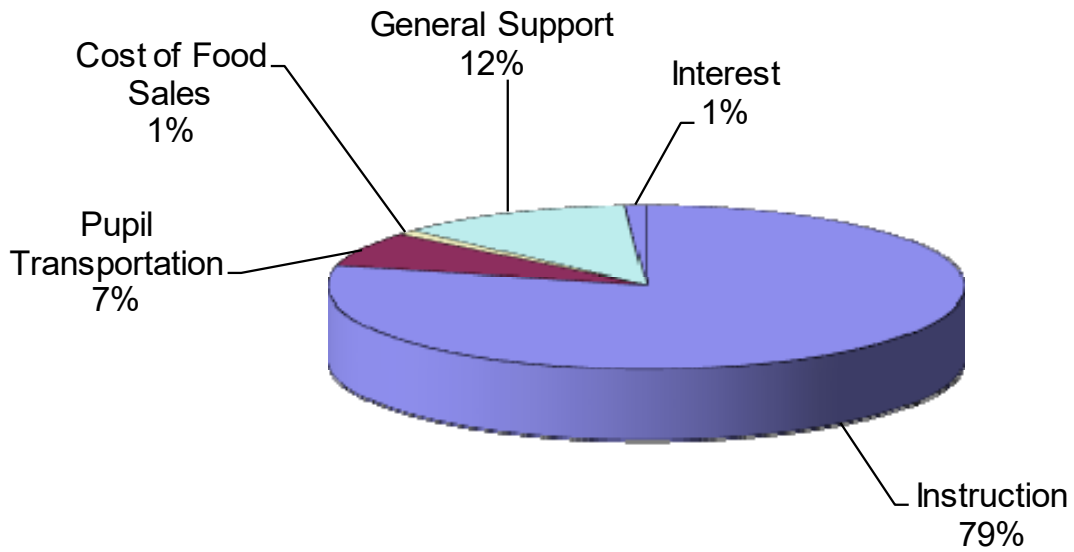
Changes in Net Position

| | Years Ended June 30, | |
|--------------------------------------|-------------------------|------------------------|
| | 2024 | 2023 |
| Revenues | | |
| Program Revenues | | |
| Charges for Services | \$ 605,418 | \$ 686,923 |
| Operating Grants and Contributions | 2,819,098 | 3,010,072 |
| Capital Grants and Contributions | 50,954 | 174,097 |
| Total Program Revenues | <u>3,475,470</u> | <u>3,871,092</u> |
| General Revenues | | |
| Real Property Taxes | 37,371,161 | 36,123,561 |
| Other Tax Items | 2,838,922 | 3,130,972 |
| Non-Property Taxes | 141,301 | 134,553 |
| Unrestricted Earnings on Investments | 1,476,438 | 926,029 |
| Unrestricted State Aid | 16,561,883 | 14,209,379 |
| Miscellaneous | 1,813,879 | 1,314,654 |
| Total General Revenues | <u>60,203,584</u> | <u>55,839,148</u> |
| Total Revenues | <u>63,679,054</u> | <u>59,710,240</u> |
| Program Expenses | | |
| General Support | 7,923,048 | 7,264,435 |
| Instruction | 50,315,144 | 49,318,485 |
| Pupil Transportation | 4,558,890 | 4,156,468 |
| Cost of Food Sales | 828,745 | 860,312 |
| Other | 217,014 | 159,242 |
| Interest | 792,279 | 723,563 |
| Total Program Expenditures | <u>64,635,120</u> | <u>62,482,505</u> |
| Change in Net Position | (956,066) | (2,772,265) |
| Net Position | | |
| Beginning | <u>(40,017,841)</u> | <u>(37,245,576)</u> |
| Ending | <u>\$ (40,973,907)</u> | <u>\$ (40,017,841)</u> |

Revenues by Sources for Fiscal Year 2024



Expenses for Fiscal Year 2024 Governmental Activities



The major changes are as follows:

Revenues

- The School District relies upon real property taxes, STAR aid and sales taxes (63%) as its primary revenue source.
- Real property Taxes: The tax levy increased in the amount of \$960,000, the allowable amount under the tax cap law and the extent needed to fund the budget.
- Use of money and property: increase of \$550,000 due to high interest rates throughout 2023-2024 school year.
- State Aid increase of \$2,200,000 due to the partial restoration of Foundation Aid.
- Miscellaneous Revenue increased by \$500,000. This includes any refunds for prior years expenses. This occurred due to the classification of COVID related expenses claimed through the federal grant reimbursement.

Expenditures

- General Support increased by \$650,000. The majority of this increase is due to the paving of the Elementary School entry, as well as the installation of UV light water purification and water softener in the area of Operations and Maintenance.
- Employee benefits had an overall increase of \$300,000 due primarily to the increase in Health Insurance premiums and employer pension contributions due to salary and NYS rate increases.

Financial Analysis of the School District's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$25,035,728 an increase of \$16,828,336 from the prior year. Of this amount, the *unassigned* fund balance of \$2,422,300 is available for spending at the School District's discretion. The remainder of fund balance is either Nonspendable, Restricted, or Assigned to indicate they're unavailable for spending because they have already been committed to honor the specific purposes for which it can be spent. The nonspendable fund balance of \$393,451 consists of assets that are inherently unspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, and principal of endowments. The restricted fund balance of \$20,752,988 consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other

governments; or through constitutional provisions or enabling legislation. Included within the restricted fund balances are reserves for tax certiorari \$1,441,410, special purpose \$267,324, employee benefit accrued liability \$1,613,137, retirement contributions \$5,041,673, property loss and liability of \$681,419, repairs restriction of \$30,875, future capital projects of \$7,060,753, capital projects of \$530,510 and debt service \$4,085,887. The assigned fund balance of \$1,466,989 consists of amounts that are subject to a purpose constraint that represents an intended use established by the Board of Education. Included within the assigned fund balances are encumbrances of \$622,274, Subsequent year's expenditures of \$399,167, and School Lunch Fund of \$445,548.

General Fund Budgetary Highlights

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$19,695,951, of which \$2,422,300 or 4% of the ensuing year's budget was unassigned. As previously mentioned, New York State Law limits the amount of unassigned fund balance that can be retained to 4.0% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

General Fund revenue received was \$3,448,479 more than budgeted. The positive variances were exhibited throughout entire revenue budget. Revenues such as aid increases and increased interest rates.

Expenditures were below the final budget. After encumbrances of \$622,274 expenditure savings were \$2,631,818 Savings were exhibited throughout the budget. General Support, Instruction and Employee Benefits.

The original General Fund budget anticipated the use of \$474,745 of fund balance from prior year encumbrances.

Capital Assets

At June 30, 2024, the School District had \$49,161,800, net of accumulated depreciation invested in capital assets, including land, buildings and improvements, machinery and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below.

| Class | June 30, | |
|---|---------------|---------------|
| | 2024 | 2023 |
| Land | \$ 2,891,200 | \$ 2,891,200 |
| Construction-in-Process | 208,400 | 90,707 |
| Buildings and Improvements | 44,626,667 | 43,756,213 |
| Machinery and Equipment | 1,435,533 | 1,154,753 |
| Total Capital Assets, net of accumulated depreciations | \$ 49,161,800 | \$ 47,892,873 |

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

Long-Term Debt

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

| | June 30, | |
|---|-----------------------|-----------------------|
| | 2024 | 2023 |
| General Obligation Bonds Payable | \$ 14,905,745 | \$ 3,865,505 |
| Energy Performance Contract Payable | 4,514,123 | 4,945,524 |
| Financed Purchase Debt Payable | - | 20,913 |
| Compensated Absences | 1,619,815 | 1,435,737 |
| Net Pension Liability | 3,596,768 | 5,671,897 |
| Other Postemployment Benefit Obligations Payable | 98,450,507 | 94,954,279 |
| | <u>\$ 123,086,958</u> | <u>\$ 110,893,855</u> |

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

Requests for Information

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

Putnam Valley Central School District
Attn: Grace Chan
Assistant Superintendent of Business
171 Oscawana Lake Rd.
Putnam Valley, NY 10579

Putnam Valley Central School District, New York

Statement of Net Position
June 30, 2024

| | <u>Governmental Activities</u> |
|---------------------------------------|------------------------------------|
| ASSETS | |
| Cash and equivalents | \$ 11,078,200 |
| Investments | 14,777,940 |
| Receivables | |
| Accounts | 134,487 |
| State and Federal aid | 2,353,655 |
| Due from other governments | 1,359,037 |
| Inventories | 10,508 |
| Prepaid expenses | 382,943 |
| Capital assets | |
| Not being depreciated | 3,099,600 |
| Being depreciated, net | <u>46,062,200</u> |
| Total Assets | <u>79,258,570</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred charges on refunding bonds | 83,946 |
| Pension related | 10,956,966 |
| OPEB related | <u>4,726,695</u> |
| Total Deferred Outflows of Resources | <u>15,767,607</u> |
| LIABILITIES | |
| Accounts payable | 2,139,562 |
| Accrued liabilities | 38,031 |
| Bond anticipation notes payable | 263,711 |
| Due to other governments | 164 |
| Due to retirement systems | 2,619,574 |
| Accrued interest payable | 719,005 |
| Non-current liabilities | |
| Due within one year | 4,040,307 |
| Due in more than one year | <u>119,046,651</u> |
| Total Liabilities | <u>128,867,005</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension related | 1,905,698 |
| OPEB related | <u>5,227,381</u> |
| Total Deferred Inflows of Resources | <u>7,133,079</u> |
| NET POSITION | |
| Net investment in capital assets | 29,683,679 |
| Restricted | |
| Future capital projects | 7,060,753 |
| Capital projects | 939,739 |
| Repairs | 30,875 |
| Special purpose | |
| Extraclassroom activities | 95,894 |
| Other | 171,430 |
| Property loss and liability | 681,419 |
| Tax certiorari | 1,441,410 |
| Debt service | 4,085,887 |
| ERS Retirement contributions | 3,010,420 |
| TRS Retirement contributions | 2,031,253 |
| Unrestricted | <u>(90,206,666)</u> |
| Total Net Position | <u>\$ (40,973,907)</u> |

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

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Putnam Valley Central School District, New York

Statement of Activities
Year Ended June 30, 2024

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | |
|---|----------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | | Capital Grants and Contributions |
| Governmental activities | | | | | |
| General support | \$ 7,923,048 | \$ - | \$ 11,433 | \$ - | \$ (7,911,615) |
| Instruction | 50,315,144 | 118,409 | 2,135,392 | - | (48,061,343) |
| Pupil transportation | 4,558,890 | - | - | - | (4,558,890) |
| Cost of food sales | 828,745 | 487,009 | 401,406 | - | 59,670 |
| Other | 217,014 | - | 270,867 | - | 53,853 |
| Interest | 792,279 | - | - | 50,954 | (741,325) |
| Total Governmental Activities | \$ 64,635,120 | \$ 605,418 | \$ 2,819,098 | \$ 50,954 | (61,159,650) |
| General revenues | | | | | |
| Real property taxes | | | | | 37,371,161 |
| Other tax items | | | | | |
| School tax relief reimbursement | | | | | 2,789,430 |
| Interest and penalties on real property taxes | | | | | 49,492 |
| Non-property taxes | | | | | |
| Non-property tax distribution from County | | | | | 141,301 |
| Unrestricted earnings on investments | | | | | 1,476,438 |
| Unrestricted State aid | | | | | 16,561,883 |
| Miscellaneous | | | | | 1,813,879 |
| Total General Revenues | | | | | 60,203,584 |
| Change in Net Position | | | | | (956,066) |
| Net Position - Beginning | | | | | (40,017,841) |
| Net Position - Ending | | | | | \$ (40,973,907) |

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

Putnam Valley Central School District, New York

Balance Sheet
 Governmental Funds
 June 30, 2024

| | General | Special Aid | Debt Service |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| ASSETS | | | |
| Cash and equivalents | \$ 9,046,968 | \$ 380,752 | \$ - |
| Investments | 14,093,128 | - | - |
| Receivables | | | |
| Accounts | 127,117 | - | - |
| State and Federal aid | 549,626 | 1,781,287 | - |
| Due from other governments | 1,359,037 | - | - |
| Due from other funds | 2,115,469 | - | 4,085,887 |
| Inventories | - | - | - |
| Prepaid expenditures | 382,943 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u>\$ 27,674,288</u> | <u>\$ 2,162,039</u> | <u>\$ 4,085,887</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable | \$ 1,798,160 | \$ 46,570 | \$ - |
| Accrued liabilities | 38,031 | - | - |
| Bond anticipation notes payable | - | - | - |
| Due to other funds | 3,522,572 | 2,115,469 | - |
| Due to other governments | - | - | - |
| Due to retirement systems | 2,619,574 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>7,978,337</u> | <u>2,162,039</u> | <u>-</u> |
| Fund balances | | | |
| Nonspendable | 382,943 | - | - |
| Restricted | 15,869,267 | - | 4,085,887 |
| Assigned | 1,021,441 | - | - |
| Unassigned | 2,422,300 | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Fund Balances | <u>19,695,951</u> | <u>-</u> | <u>4,085,887</u> |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities and Fund Balances | <u>\$ 27,674,288</u> | <u>\$ 2,162,039</u> | <u>\$ 4,085,887</u> |

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

| Capital Projects | Non-Major Governmental | Total Governmental Funds |
|---------------------|---------------------------|--------------------------------|
| \$ 918,541 | \$ 731,939 | \$ 11,078,200 |
| 684,812 | - | 14,777,940 |
| - | 7,370 | 134,487 |
| - | 22,742 | 2,353,655 |
| - | - | 1,359,037 |
| 539,956 | 19,520 | 6,760,832 |
| - | 10,508 | 10,508 |
| - | - | 382,943 |
| <u>\$ 2,143,309</u> | <u>\$ 792,079</u> | <u>\$ 36,857,602</u> |
| | | |
| \$ 226,297 | \$ 68,535 | \$ 2,139,562 |
| - | - | 38,031 |
| 263,711 | - | 263,711 |
| 1,122,791 | - | 6,760,832 |
| - | 164 | 164 |
| - | - | 2,619,574 |
| <u>1,612,799</u> | <u>68,699</u> | <u>11,821,874</u> |
| | | |
| - | 10,508 | 393,451 |
| 530,510 | 267,324 | 20,752,988 |
| - | 445,548 | 1,466,989 |
| - | - | 2,422,300 |
| <u>530,510</u> | <u>723,380</u> | <u>25,035,728</u> |
| | | |
| <u>\$ 2,143,309</u> | <u>\$ 792,079</u> | <u>\$ 36,857,602</u> |

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Putnam Valley Central School District, New York

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

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

| | |
|--|-------------------------------|
| Total Fund Balances - Governmental Funds | <u>\$ 25,035,728</u> |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | |
| Capital assets - non-depreciable | 3,099,600 |
| Capital assets - depreciable | 71,585,168 |
| Accumulated depreciation | <u>(25,522,968)</u> |
| | <u>49,161,800</u> |
| Difference between expected and actual experiences, assumptions changes and net difference 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 | 10,956,966 |
| Deferred outflows - OPEB related | 4,726,695 |
| Deferred inflows - pension related | (1,905,698) |
| Deferred inflows - OPEB related | <u>(5,227,381)</u> |
| | <u>8,550,582</u> |
| Long-term liabilities that are not due and payable in the current period are not reported in the funds. | |
| Accrued interest payable | (719,005) |
| General obligation bond payable | (13,054,911) |
| Energy performance contract payable | (4,514,123) |
| Net pension liability - ERS | (2,302,927) |
| Net pension liability - TRS | (1,293,841) |
| Compensated absences | (1,619,815) |
| Total OPEB liability | <u>(98,450,507)</u> |
| | <u>(121,955,129)</u> |
| Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | |
| Deferred amount on refunding | 83,946 |
| Premium on general obligation bonds | <u>(1,850,834)</u> |
| | <u>(1,766,888)</u> |
| Net Position of Governmental Activities | <u><u>\$ (40,973,907)</u></u> |

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

Putnam Valley Central School District, New York

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

| | General | Special Aid | Debt Service | Capital Projects |
|--|--------------------|------------------|-----------------|---------------------|
| REVENUES | | | | |
| Real property taxes | \$ 37,371,161 | \$ - | \$ - | \$ - |
| Other tax items | 2,838,922 | - | - | - |
| Non-property taxes | 141,301 | - | - | - |
| Charges for services | 118,409 | - | - | - |
| Use of money and property | 1,493,499 | - | 45,326 | - |
| State aid | 16,716,284 | 485,000 | - | - |
| Federal aid | - | 1,495,991 | - | - |
| Food sales | - | - | - | - |
| Miscellaneous | 1,813,879 | - | - | - |
| Total Revenues | 60,493,455 | 1,980,991 | 45,326 | - |
| EXPENDITURES | | | | |
| Current | | | | |
| General support | 5,417,777 | 47,594 | - | - |
| Instruction | 29,573,685 | 1,905,097 | - | - |
| Pupil transportation | 3,523,114 | 73,623 | - | - |
| Employee benefits | 12,505,948 | 75,927 | - | - |
| Cost of food sales | - | - | - | - |
| Other | - | - | - | - |
| Debt service | | | | |
| Principal | 1,122,314 | - | - | - |
| Interest | 802,189 | - | - | - |
| Bond issuance costs | - | - | 195,880 | - |
| Capital outlay | - | - | - | 2,474,751 |
| Total Expenditures | 52,945,027 | 2,102,241 | 195,880 | 2,474,751 |
| Excess (Deficiency) of Revenues Over Expenditures | 7,548,428 | (121,250) | (150,554) | (2,474,751) |
| OTHER FINANCING SOURCES (USES) | | | | |
| General obligation bonds issued | - | - | - | 10,525,000 |
| Issuance premium | - | - | 195,880 | 1,210,000 |
| Transfers in | 50,159 | 121,250 | - | 2,299,511 |
| Transfers out | (2,420,761) | - | - | (50,159) |
| Total Other Financing Sources (Uses) | (2,370,602) | 121,250 | 195,880 | 13,984,352 |
| Net Change in Fund Balances | 5,177,826 | - | 45,326 | 11,509,601 |
| FUND BALANCES (DEFICITS) | | | | |
| Beginning of Year | 14,518,125 | - | 4,040,561 | (10,979,091) |
| End of Year | \$ 19,695,951 | \$ - | \$ 4,085,887 | \$ 530,510 |

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

| Non-Major Governmental | Total Governmental Funds |
|---------------------------|--------------------------------|
| \$ - | \$ 37,371,161 |
| - | 2,838,922 |
| - | 141,301 |
| - | 118,409 |
| 7,051 | 1,545,876 |
| 11,721 | 17,213,005 |
| 383,825 | 1,879,816 |
| 487,009 | 487,009 |
| 269,676 | 2,083,555 |
| 1,159,282 | 63,679,054 |
| - | 5,465,371 |
| - | 31,478,782 |
| - | 3,596,737 |
| - | 12,581,875 |
| 846,685 | 846,685 |
| 217,014 | 217,014 |
| - | 1,122,314 |
| - | 802,189 |
| - | 195,880 |
| - | 2,474,751 |
| 1,063,699 | 58,781,598 |
| 95,583 | 4,897,456 |
| - | 10,525,000 |
| - | 1,405,880 |
| - | 2,470,920 |
| - | (2,470,920) |
| - | 11,930,880 |
| 95,583 | 16,828,336 |
| 627,797 | 8,207,392 |
| \$ 723,380 | \$ 25,035,728 |

Putnam Valley Central School District, New York

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

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

| | |
|---|----------------------------|
| Net Change in Fund Balances - Total Governmental Funds | <u>\$ 16,828,336</u> |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p> | |
| Capital outlay expenditures | 3,265,125 |
| Depreciation expense | <u>(1,996,198)</u> |
| | <u>1,268,927</u> |
| <p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p> | |
| Principal paid on general obligation bonds | 670,000 |
| Principal paid on energy performance contract | 431,401 |
| Principal paid on financed purchase debt | 20,913 |
| General obligation bonds issued | (10,525,000) |
| Issuance premium | <u>(1,405,880)</u> |
| | <u>(10,808,566)</u> |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p> | |
| Accrued interest | (193,655) |
| Compensated absences | (184,078) |
| Changes in pension liabilities and related deferred outflows and inflows of resources | (1,909,730) |
| Changes in OPEB and related deferred outflows and inflows of resources | (6,160,865) |
| Amortization of loss on refunding bonds and issuance premium | <u>203,565</u> |
| | <u>(8,244,763)</u> |
| Change in Net Position of Governmental Activities | <u><u>\$ (956,066)</u></u> |

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

Putnam Valley Central School District, New York

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

| | General Fund | | | |
|--|--------------------|--------------------|--------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget |
| REVENUES | | | | |
| Real property taxes | \$ 37,510,570 | \$ 37,510,570 | \$ 37,371,161 | \$ (139,409) |
| Other tax items | 2,834,430 | 2,834,430 | 2,838,922 | 4,492 |
| Non-property taxes | - | - | 141,301 | 141,301 |
| Charges for services | 165,000 | 165,000 | 118,409 | (46,591) |
| Use of money and property | 100,000 | 550,000 | 1,493,499 | 943,499 |
| State aid | 15,659,976 | 15,659,976 | 16,716,284 | 1,056,308 |
| Miscellaneous | 325,000 | 325,000 | 1,813,879 | 1,488,879 |
| Total Revenues | 56,594,976 | 57,044,976 | 60,493,455 | 3,448,479 |
| EXPENDITURES | | | | |
| Current | | | | |
| General support | 5,520,211 | 6,248,874 | 5,417,777 | 831,097 |
| Instruction | 31,304,341 | 31,144,335 | 29,573,685 | 1,570,650 |
| Pupil transportation | 3,591,095 | 3,671,225 | 3,523,114 | 148,111 |
| Employee benefits | 13,323,608 | 13,210,181 | 12,505,948 | 704,233 |
| Debt service | | | | |
| Principal | 1,575,221 | 1,122,315 | 1,122,314 | 1 |
| Interest | 801,282 | 802,189 | 802,189 | - |
| Total Expenditures | 56,115,758 | 56,199,119 | 52,945,027 | 3,254,092 |
| Excess (Deficiency) of Revenues Over Expenditures | 479,218 | 845,857 | 7,548,428 | 6,702,571 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,550,159 | 1,100,159 | 50,159 | (1,050,000) |
| Transfers out | (2,504,122) | (2,420,761) | (2,420,761) | - |
| Total Other Financing Uses | (953,963) | (1,320,602) | (2,370,602) | (1,050,000) |
| Net Change in Fund Balances | (474,745) | (474,745) | 5,177,826 | 5,652,571 |
| FUND BALANCES | | | | |
| Beginning of Year | 474,745 | 474,745 | 14,518,125 | 14,043,380 |
| End of Year | \$ - | \$ - | \$ 19,695,951 | \$ 19,695,951 |

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

Putnam Valley Central School District, New York

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

Year Ended June 30, 2024

| | <u>Custodial Fund</u> |
|--|-----------------------|
| ADDITIONS | |
| Real property taxes collected for other governments | \$ 459,398 |
| DEDUCTIONS | |
| Payments of real property taxes to other governments | <u>459,398</u> |
| Net Change in Fiduciary Net Position | - |
| NET POSITION | |
| Beginning of Year | <u>-</u> |
| End of Year | <u>\$ -</u> |

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

Note 1 - Summary of Significant Accounting Policies

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

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

A. Financial Reporting Entity

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

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

The School District participates in the Putnam-Northern Westchester Board of Cooperative Educational Services ("BOCES"). BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by the ratio which the component school district's full value of taxable properties in effect at the time of adoption bears to the total full value of taxable properties of all component school districts within the BOCES as defined in Education Law. Copies of BOCES' financial statements can be requested from Putnam-Northern Westchester BOCES, 200 BOCES Drive, Yorktown Heights, New York, 10598.

B. District-Wide Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Fund Financial Statements

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

Fund Categories

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Special Revenue Funds:

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

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

- 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. The Custodial Fund is used to account for real property taxes collected for other governments.

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

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

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the Fiduciary Fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Note 1 - Summary of Significant Accounting Policies (Continued)

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The School District participates in the Cooperative Liquid Assets Securities System (“CLASS”), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission (“SEC”), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

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

The School District’s position in the pool in the amount of \$14,777,940 is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days. CLASS is rated AAAM by Standard & Poor’s. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable on that date. The School District is responsible for the billing and collection of taxes through October 31st, at which time the responsibility for uncollected taxes is transferred to the County. On or about April 1st, the County remits to the School District the balance of all uncollected taxes thus making the School District whole.

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

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

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

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consists of insurance costs and other charges for services, which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent years budget and will benefit such periods. Reported amounts are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$10,000 and an

Note 1 - Summary of Significant Accounting Policies (Continued)

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. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

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

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

| <u>Class</u> | <u>Life in Years</u> |
|----------------------------|--------------------------|
| Buildings and Improvements | 7-50 |
| Machinery and Equipment | 5-20 |

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net 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 amounts on refunding bonds resulting from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated sick leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through 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, repairs, special purpose, property loss and liability, tax certiorari, debt service, ERS retirement contributions and TRS retirement contributions.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 23, 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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

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

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

B. Limitation on Fund Balance

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

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a 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

Note 2 - Stewardship, Compliance and Accountability (Continued)

the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

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

D. Capital Projects Fund Project Deficits

The deficits of \$111,714 in the School Buses, \$145,548 in the School Buses-2024 Proposition arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an “other financing source”. Liabilities for bond anticipation notes issued are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. Deficits in these projects will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

Deficits in other projects arose because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or transfer of funds from the General Fund.

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

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

| <u>Fund</u> | <u>Due From</u> | <u>Due To</u> |
|------------------------|---------------------|---------------------|
| General | \$ 2,115,469 | \$ 3,522,572 |
| Special Aid | - | 2,115,469 |
| Debt Service | 4,085,887 | - |
| Capital Projects | 539,956 | 1,122,791 |
| Non-Major Governmental | 19,520 | - |
| | <u>\$ 6,760,832</u> | <u>\$ 6,760,832</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.

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

B. Capital Assets

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

| Class | Balance July 1, 2023 | Additions | Deletions | Balance June 30, 2024 |
|--|----------------------------|---------------------|------------------|-----------------------------|
| Capital Assets, not being depreciated: | | | | |
| Land | \$ 2,891,200 | \$ - | \$ - | \$ 2,891,200 |
| Construction-in-Progress | 90,707 | 208,400 | 90,707 | 208,400 |
| Total Capital Assets, not being depreciated | <u>\$ 2,981,907</u> | <u>\$ 208,400</u> | <u>\$ 90,707</u> | <u>\$ 3,099,600</u> |
| Capital Assets, being depreciated: | | | | |
| Buildings and Improvements | \$ 65,075,526 | \$ 2,929,654 | \$ - | \$ 68,005,180 |
| Machinery and Equipment | 3,432,826 | 217,778 | 70,616 | 3,579,988 |
| Total Capital Assets, being depreciated | <u>68,508,352</u> | <u>3,147,432</u> | <u>70,616</u> | <u>71,585,168</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | 21,611,155 | 1,767,358 | - | 23,378,513 |
| Machinery and Equipment | 1,986,231 | 228,840 | 70,616 | 2,144,455 |
| Total Accumulated Depreciation | <u>23,597,386</u> | <u>1,996,198</u> | <u>70,616</u> | <u>25,522,968</u> |
| Total Capital Assets, being depreciated, net | <u>\$ 44,910,966</u> | <u>\$ 1,151,234</u> | <u>\$ -</u> | <u>\$ 46,062,200</u> |
| Capital Assets, net | <u>\$ 47,892,873</u> | <u>\$ 1,359,634</u> | <u>\$ 90,707</u> | <u>\$ 49,161,800</u> |

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

| | |
|----------------------------|---------------------|
| General Support | \$ 1,097,771 |
| Instruction | 688,188 |
| Pupil Transportation | <u>210,239</u> |
| Total Depreciation Expense | <u>\$ 1,996,198</u> |

C. Accrued Liabilities

Accrued liabilities at June 30, 2024 were as follows:

| | |
|-------------------------------|---------------------|
| | <u>General Fund</u> |
| Payroll and Employee Benefits | <u>\$ 38,031</u> |

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

D. Short-Term Capital Borrowings

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

| Purpose | Year of Original Issue | Rate of Interest | Maturity Date | Balance July 1, 2023 | New Issues | Redemptions | Balance June 30, 2024 |
|--------------|------------------------|------------------|---------------|----------------------|-------------------|----------------------|-----------------------|
| School Buses | 2019 | 6.00 % | October, 2024 | \$ 219,122 | \$ - | \$ 104,511 | \$ 114,611 |
| Construction | 2019 | 3.75 | - | 12,430,000 | - | 12,430,000 | - |
| School Buses | 2024 | 4.09 | October, 2024 | - | 149,100 | - | 149,100 |
| | | | | <u>\$ 12,649,122</u> | <u>\$ 149,100</u> | <u>\$ 12,534,511</u> | <u>\$ 263,711</u> |

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

Interest expenditures of \$474,671 were recorded in the fund financial statements in the General Fund. Interest expense of \$26,968 was recorded in the district-wide financial statements.

E. Long-Term Liabilities

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

| | Balance, July 1, 2023 | New Issues/ Additions | Maturities and/or Payments | Balance June 30, 2024 | Due Within One-Year |
|--|-----------------------|-----------------------|----------------------------|-----------------------|---------------------|
| General Obligation Bonds Payable | \$ 3,199,911 | \$ 10,525,000 | \$ 670,000 | \$ 13,054,911 | \$ 1,015,000 |
| Plus | | | | | |
| Unamortized premium on bonds | 665,594 | 1,405,880 | 220,640 | 1,850,834 | - |
| | <u>3,865,505</u> | <u>11,930,880</u> | <u>890,640</u> | <u>14,905,745</u> | <u>1,015,000</u> |
| Energy Performance Contract Payable | 4,945,524 | - | 431,401 | 4,514,123 | 444,343 |
| Financed Purchase Debt Payable | 20,913 | - | 20,913 | - | - |
| Other Non-current Liabilities | | | | | |
| Net Pension Liability - TRS | 2,177,319 | - | 883,478 | 1,293,841 | - |
| Net Pension Liability - ERS | 3,494,578 | - | 1,191,651 | 2,302,927 | - |
| Compensated Absences | 1,435,737 | 184,078 | - | 1,619,815 | 162,000 |
| Other Postemployment Benefit Liability | 94,954,279 | 6,845,064 | 3,348,836 | 98,450,507 | 2,418,964 |
| Total Other Non-Current Liabilities | <u>107,028,350</u> | <u>7,029,142</u> | <u>5,876,279</u> | <u>108,181,213</u> | <u>3,025,307</u> |
| Total Long-Term Liabilities | <u>\$ 110,893,855</u> | <u>\$ 18,960,022</u> | <u>\$ 6,766,919</u> | <u>\$ 123,086,958</u> | <u>\$ 4,040,307</u> |

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

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

General Obligation Bonds Payable

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

| <u>Purpose</u> | <u>Year of Issue</u> | <u>Original Issue Amount</u> | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Amount Outstanding at June 30, 2024</u> |
|------------------|----------------------|------------------------------|-----------------------|-----------------------|--|
| Refunding bonds | 2015 | \$ 4,579,911 | June, 2028 | 5.00 % | \$ 2,529,911 |
| Various purposes | 2023 | 10,525,000 | June, 2036 | 5.00 % | <u>10,525,000</u> |
| | | | | | <u>\$ 13,054,911</u> |

Interest expenditures of \$160,000 were recorded in the fund financial statements in the General Fund. Interest expense of \$604,081 was recorded in the district-wide financial statements.

Energy Performance Contract Payable

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

Interest expenditures of \$166,611 were recorded in the fund financial statements in the General Fund. Interest expense of \$161,040 was recorded in the district-wide financial statements. The balance due at June 30, 2024 was \$4,514,123.

Financed Purchase Debt Payable

The School District has entered into an agreement to finance the cost of purchasing equipment. The terms of the agreement provide for repayment in annual installments, through 2023, including interest at a rate of 4.25%. Interest expenditures of \$907 was charged to the fund financial statements. Interest expense of \$190 was recorded in the district-wide financial statements. There is no balance due as of June 30, 2024.

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded, energy performance contract and financed purchase debt outstanding as of June 30, 2024 including interest payments of \$5,034,861 are as follows:

| Year Ending June 30, | General Obligation Bonds Payable | | Energy Performance Contract | | Total | |
|----------------------------|-------------------------------------|---------------------|-----------------------------|-------------------|----------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | \$ 1,015,000 | 1,029,667 | \$ 444,343 | \$ 152,077 | \$ 1,459,343 | \$ 1,181,744 |
| 2026 | 1,415,000 | 582,625 | 457,673 | 137,108 | 1,872,673 | 719,733 |
| 2027 | 1,370,000 | 512,625 | 471,403 | 121,689 | 1,841,403 | 634,314 |
| 2028 | 1,389,911 | 443,250 | 485,545 | 105,808 | 1,875,456 | 549,058 |
| 2029 | 820,000 | 372,750 | 500,111 | 89,450 | 1,320,111 | 462,200 |
| 2030-2034 | 4,775,000 | 1,188,625 | 2,155,048 | 184,187 | 6,930,048 | 1,372,812 |
| 2035-2036 | 2,270,000 | 115,000 | - | - | 2,270,000 | 115,000 |
| | <u>\$ 13,054,911</u> | <u>\$ 4,244,542</u> | <u>\$ 4,514,123</u> | <u>\$ 790,319</u> | <u>\$ 17,569,034</u> | <u>\$ 5,034,861</u> |

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

Legal Debt Margin

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

Pension Plans

New York State and Local Retirement System and Teachers’ Retirement System

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

Note 3 - Detailed Notes on All Funds (Continued)

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

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the ERS plan year ended March 31, 2024 and TRS plan year ended June 30, 2024 are as follows:

| | <u>Tier/Plan</u> | <u>Rate</u> |
|-----|------------------|-------------|
| ERS | 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 | \$ 2,302,927 | \$ 1,293,841 |
| School Districts' proportion of the net pension liability | 0.0156406 % | 0.113139 % |
| Change in proportion since the prior measurement date | (0.0006557) % | (0.000329) % |

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

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension liability for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2024, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$4,624,153 (\$1,031,630 for ERS and \$3,592,523 for TRS). Pension expenditures of \$2,831,413 (\$713,856 for ERS and \$2,117,557 for TRS) and \$23,334 (\$15,923 for ERS and \$7,411 for TRS) were recorded in the fund financial statements and were charged to the General and Special Aid Funds, respectively.

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

| | ERS | | TRS | |
|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 741,771 | \$ 62,795 | \$ 3,137,220 | \$ 7,753 |
| Changes of assumptions | 870,685 | - | 2,785,601 | 607,106 |
| Net difference between projected and actual earnings on pension plan investments | - | 1,124,968 | 661,386 | - |
| Changes in proportion and differences between School District contributions and proportionate share of contributions | 132,049 | 63,930 | 250,850 | 39,146 |
| School District contributions subsequent to the measurement date | 252,436 | - | 2,124,968 | - |
| | <u>\$ 1,996,941</u> | <u>\$ 1,251,693</u> | <u>\$ 8,960,025</u> | <u>\$ 654,005</u> |
| | Total | | | |
| | Deferred Outflows of Resources | Deferred Inflows of Resources | | |
| Differences between expected and actual experience | \$ 3,878,991 | \$ 70,548 | | |
| Changes of assumptions | 3,656,286 | 607,106 | | |
| Net difference between projected and actual earnings on pension plan investments | 661,386 | 1,124,968 | | |
| Changes in proportion and differences between School District contributions and proportionate share of contributions | 382,899 | 103,076 | | |
| School District contributions subsequent to the measurement date | 2,377,404 | - | | |
| | <u>\$ 10,956,966</u> | <u>\$ 1,905,698</u> | | |

\$252,436 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 \$2,124,968 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

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

| Year Ended | March 31, ERS | June 30, TRS |
|------------|------------------|-----------------|
| 2024 | \$ - | \$ 563,775 |
| 2025 | (396,417) | (598,321) |
| 2026 | 467,001 | 5,261,087 |
| 2027 | 674,678 | 430,412 |
| 2028 | (252,450) | 328,845 |
| Thereafter | - | 195,254 |
| | \$ 492,812 | \$ 6,181,052 |

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

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

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

| 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 % | 6.80 % |
| International Equity | 15 | 6.65 | 15 | 7.60 |
| Private Equity | 10 | 7.25 | 9 | 10.10 |
| Real Estate | 9 | 4.60 | 11 | 6.30 |
| Global Fixed Income Securities | - | - | 16 | 2.20 |
| Domestic Fixed Income Securities | - | - | 2 | 1.60 |
| Global Equities | - | - | 1 | 4.40 |
| Private Debt | - | - | 4 | 7.20 |
| Real Estate Debt | - | - | 2 | 6.00 |
| High Yield Fixed Income Securities | - | - | 6 | 3.20 |
| Opportunistic Portfolio/ARS Portfolio | 3 | 5.25 | - | - |
| Credit | 4 | 5.40 | - | - |
| Real Assets | 3 | 5.79 | - | - |
| Fixed Income | 23 | 1.50 | - | - |
| Cash | 1 | 0.25 | 1 | 0.30 |
| | <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 asset was 5.90% 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

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

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 asset.

The following presents the School District's proportionate share of the net pension asset calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the School District's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (4.90% for ERS and 5.95% for TRS) or 1 percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

| | 1% Decrease (4.90%) | Current Discount Rate (5.90%) | 1% Increase (6.90%) |
|--|---------------------------|-------------------------------------|---------------------------|
| School District's proportionate share of the ERS net pension liability (asset) | \$ 7,240,638 | \$ 2,302,927 | \$ (1,821,086) |
| | 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) | \$ 19,705,852 | \$ 1,293,841 | \$ (14,191,457) |

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

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

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

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

Note 3 - Detailed Notes on All Funds (Continued)

Accrued retirement contributions as of June 30, 2024 were \$252,436 to ERS and \$2,367,138 to TRS (including employee contribution of \$242,170).

Voluntary Defined Contribution Plan

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

Compensated Absences

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

Other 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 | 184 |
| Active employees | <u>312</u> |
| | <u><u>496</u></u> |

The School District’s total OPEB liability of \$98,450,507 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023.

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|---|
| Salary increases | 3%, average, including inflation |
| Discount rate | 4.09% |
| Healthcare cost trend rates | 7.0% for 2025, decreasing 0.25% per year to an ultimate rate of 4.0% for 2037 and later years |
| Retirees' share of benefit-related costs | Retiree contribution rates vary by employee class and date of retirement. |

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

The actuarial assumptions used in the June 30, 2024 valuation reflects the retirement from the active plan and is based on age and gender period. This is the assumption used by the TRS and ERS.

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

| | |
|--|---------------------------------|
| Total OPEB Liability - Beginning of Year | \$ 94,954,279 |
| Service cost | 3,010,902 |
| Interest | 3,834,162 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | - |
| Changes in assumptions or other inputs | (929,872) |
| Benefit payments | <u>(2,418,964)</u> |
| Total OPEB Liability - End of Year | <u><u>\$ 98,450,507</u></u> |

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.09%) or 1 percentage point higher (5.09%) than the current discount rate:

| | 1% Decrease (3.09%) | Current Discount Rate (4.09%) | 1% Increase (5.09%) |
|----------------------|-----------------------------|-------------------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Total OPEB Liability | <u>\$ 118,299,222</u> | <u>\$ 98,450,507</u> | <u>\$ 83,090,984</u> |

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.0%) or 1 percentage point higher (8.0% decreasing to 5.0%) than the current healthcare cost trend rates:

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

| | 1% Decrease (6.0% decreasing to 3.0%) | Healthcare Cost Trend Rates (7.0% decreasing to 4.0%) | 1% Increase (8.0% decreasing to 5.0%) |
|----------------------|--|---|--|
| Total OPEB Liability | <u>\$ 81,530,726</u> | <u>\$ 98,450,507</u> | <u>\$ 120,919,812</u> |

For the year ended June 30, 2024 the School District recognized OPEB expense of \$8,579,829 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 | \$ 4,726,695 | \$ 5,227,381 |
| Differences between expected and actual experience | <u>-</u> | <u>-</u> |
| | <u>\$ 4,726,695</u> | <u>\$ 5,227,381</u> |

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

| Year Ended June 30, | |
|------------------------|---------------------|
| 2025 | \$ 1,734,765 |
| 2026 | 513,809 |
| 2027 | (239,579) |
| 2028 | (905,900) |
| 2029 | (905,896) |
| Thereafter | <u>(697,885)</u> |
| | <u>\$ (500,686)</u> |

F. Revenues and Expenditures

Interfund Transfers

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

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

| | Transfers In | | | Total |
|-----------------------|------------------|-------------------|-----------------------|---------------------|
| | General Fund | Special Aid Fund | Capital Projects Fund | |
| <u>Transfers Out</u> | | | | |
| General Fund | \$ - | \$ 121,250 | \$ 2,299,511 | \$ 2,420,761 |
| Capital Projects Fund | 50,159 | - | - | 50,159 |
| | <u>\$ 50,159</u> | <u>\$ 121,250</u> | <u>\$ 2,299,511</u> | <u>\$ 2,470,920</u> |

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

G. Net Position

The components of net position are detailed below:

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

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

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

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

Restricted for Special Purpose - the component of net position that 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.

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

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

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

Putnam Valley Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2024

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for ERS Retirement Contributions - the component of net position that reports the amounts set aside to be used for *ERS* retirement costs in accordance with Section 6r of the General Municipal Law of the State of New York that reports the amounts restricted for capital projects, less unexpended bond proceeds and unrestricted interest earnings.

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

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

H. Fund Balances

| | General Fund | Debt Service Fund | Capital Projects Fund | Non-Major Governmental Funds | Total |
|---|----------------------|----------------------|-----------------------------|------------------------------------|----------------------|
| Nonspendable | | | | | |
| Inventories | \$ - | \$ - | \$ - | \$ 10,508 | \$ 10,508 |
| Prepaid expenditures | 382,943 | - | - | - | 382,943 |
| Total Nonspendable | 382,943 | - | - | 10,508 | 393,451 |
| Restricted | | | | | |
| Repairs | 30,875 | - | - | - | 30,875 |
| Property loss and liability | 681,419 | - | - | - | 681,419 |
| Tax certiorari | 1,441,410 | - | - | - | 1,441,410 |
| Employee benefit accrued liability | 1,613,137 | - | - | - | 1,613,137 |
| ERS retirement contributions | 3,010,420 | - | - | - | 3,010,420 |
| ERS retirement contributions - for subsequent year's expenditures | - | - | - | - | - |
| TRS retirement contributions | 2,031,253 | - | - | - | 2,031,253 |
| Future capital projects | 7,060,753 | - | - | - | 7,060,753 |
| Debt service | - | 4,085,887 | - | - | 4,085,887 |
| Capital projects | - | - | 530,510 | - | 530,510 |
| Special Purpose - Extraclassroom activities | - | - | - | 95,894 | 95,894 |
| Special Purpose - Other | - | - | - | 171,430 | 171,430 |
| Total Restricted | 15,869,267 | 4,085,887 | 530,510 | 267,324 | 20,752,988 |
| Assigned | | | | | |
| Purchases on order | | | | | |
| General government support | 563,526 | - | - | - | 563,526 |
| Instruction | 58,748 | - | - | - | 58,748 |
| Pupil transportation | - | - | - | - | - |
| Employee benefits | - | - | - | - | - |
| | 622,274 | - | - | - | 622,274 |
| Subsequent year's expenditures | 399,167 | - | - | - | 399,167 |
| School Lunch Fund | - | - | - | 445,548 | 445,548 |
| Total Assigned | 1,021,441 | - | - | 445,548 | 1,466,989 |
| Unassigned | 2,422,300 | - | - | - | 2,422,300 |
| Total Fund Balance | \$ 19,695,951 | \$ 4,085,887 | \$ 530,510 | \$ 723,380 | \$ 25,035,728 |

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

Employee benefit accrued liability has been established pursuant to General Municipal Law to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

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

Subsequent year's expenditures represent that at June 30, 2024, the Board has utilized the above amounts to be appropriated for the ensuing year's budget.

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

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

B. Contingencies

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

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

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

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

The School District has also established a reserve for property loss and liability pursuant to General Municipal Law. At June 30, 2024, the balance in the reserve was \$681,419, which is to be used for the uninsured portion of any losses.

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

The School District and neighboring school districts in Northern Westchester and Putnam Counties participate in the Northern Westchester - Putnam Schools Cooperative Medical Expense Benefit Plan. The plan operates under an agreement dated February 17, 1989. The purposes of the plan are to provide for the efficient and economical evaluation, processing, administration and payment of claims against plan members for medical expenses through self-insurance and to provide for centralized administration, funding and disbursements for such services. The governance of the plan rests in the Board of Trustees which shall consist of five Trustees selected by the plan members. A majority vote of the total number of Trustees shall be required to taken any actions. The billings are based upon coverages provided to each participants' employees. The School District has transferred all related risk to the Plan.

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 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.

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.

Putnam Valley Central School District, New York

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

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|--|----------------------|----------------------|----------------------|
| Total OPEB Liability: | | | |
| Service cost | \$ 3,010,902 | \$ 2,453,166 | \$ 2,560,014 |
| Interest | 3,834,162 | 3,750,311 | 3,497,948 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | - | - | - |
| Changes of assumptions or other inputs | (929,872) | (3,723,364) | (2,593,956) |
| Benefit payments | <u>(2,418,964)</u> | <u>(2,567,196)</u> | <u>(2,412,840)</u> |
| Net Change in Total OPEB Liability | 3,496,228 | (87,083) | 1,051,166 |
| Total OPEB Liability – Beginning of Year | <u>94,954,279</u> | <u>95,041,362</u> | <u>93,990,196</u> |
| Total OPEB Liability – End of Year | <u>\$ 98,450,507</u> | <u>\$ 94,954,279</u> | <u>\$ 95,041,362</u> |
| School District's covered-employee payroll | <u>\$ 26,044,804</u> | <u>\$ 23,204,781</u> | <u>\$ 23,204,781</u> |
| Total OPEB liability as a percentage of covered-employee payroll | <u>378%</u> | <u>409%</u> | <u>410%</u> |
| Discount Rate | <u>4.09%</u> | <u>4.00%</u> | <u>3.77%</u> |

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

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

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

| | 2021 | 2020 | 2019 | 2018 |
|----|-------------------|----------------------|----------------------|----------------------|
| \$ | 2,548,303 | \$ 2,216,739 | \$ 800,049 | \$ 685,077 |
| | 1,798,914 | 2,047,622 | 2,402,073 | 2,508,163 |
| | - | - | - | - |
| | - | - | - | - |
| | 4,664,259 | 5,273,696 | 8,546,699 | - |
| | (2,187,403) | (2,034,349) | (2,051,892) | (2,031,890) |
| | 6,824,073 | 7,503,708 | 9,696,929 | 1,161,350 |
| | 87,166,123 | 79,662,415 | 69,965,486 | 68,804,136 (3) |
| \$ | <u>93,990,196</u> | <u>\$ 87,166,123</u> | <u>\$ 79,662,415</u> | <u>\$ 69,965,486</u> |
| \$ | <u>22,900,153</u> | <u>\$ 22,900,153</u> | <u>\$ 21,493,900</u> | <u>\$ 21,493,900</u> |
| | <u>410%</u> | <u>381%</u> | <u>371%</u> | <u>326%</u> |
| | <u>2.09%</u> | <u>2.44%</u> | <u>3.10%</u> | <u>3.70%</u> |

Putnam Valley Central 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 | 2023 (2) | 2022 (3) | 2021 (2) |
|---|---------------|---------------|-----------------|---------------|
| School District's proportion of the net pension liability (asset) | 0.113139% | 0.113468% | 0.116462% | 0.117348% |
| School District's proportionate share of the net pension liability (asset) | \$ 1,293,841 | \$ 2,177,319 | \$ (20,181,761) | \$ 3,242,650 |
| School District's covered payroll | \$ 20,983,262 | \$ 20,168,352 | \$ 19,831,396 | \$ 19,954,628 |
| School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 6.17% | 10.80% | (101.77)% | 0.16% |
| Plan fiduciary net position as a percentage of the total pension liability | 99.17% | 98.57% | 113.20% | 97.76% |
| Discount Rate | 6.95% | 6.95% | 6.95% | 7.10% |

Schedule of Contributions

| | 2024 | 2023 | 2022 | 2021 |
|--|---------------|---------------|---------------|---------------|
| Contractually required contribution | \$ 2,124,996 | \$ 2,159,178 | \$ 1,976,499 | \$ 1,889,932 |
| Contributions in relation to the contractually required contribution | (2,124,996) | (2,159,178) | (1,976,499) | (1,889,932) |
| Contribution excess | \$ - | \$ - | \$ - | \$ - |
| School District's covered payroll | \$ 21,772,504 | \$ 20,983,262 | \$ 20,168,352 | \$ 19,831,396 |
| Contributions as a percentage of covered payroll | 9.76% | 10.29% | 9.80% | 9.53% |

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

(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 (3) | 2017 (2) | 2016 | 2015 |
|-----------------------|-----------------------|----------------------|----------------------|------------------------|------------------------|
| <u>(0.119380%)</u> | <u>(0.121130%)</u> | <u>(0.117988%)</u> | <u>0.113078%</u> | <u>(0.110161%)</u> | <u>(0.110175%)</u> |
| <u>\$ (3,101,500)</u> | <u>\$ (2,190,356)</u> | <u>\$ (896,824)</u> | <u>\$ 1,211,113</u> | <u>\$ (11,442,268)</u> | <u>\$ (12,272,786)</u> |
| <u>\$ 20,220,672</u> | <u>\$ 20,036,811</u> | <u>\$ 19,002,024</u> | <u>\$ 17,826,436</u> | <u>\$ 17,017,000</u> | <u>\$ 16,679,000</u> |
| <u>(15.34)%</u> | <u>(10.93)%</u> | <u>(4.72)%</u> | <u>6.79%</u> | <u>(67.24)%</u> | <u>(73.58)%</u> |
| <u>102.20%</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>\$ 1,767,980</u> | <u>\$ 2,147,435</u> | <u>\$ 1,963,607</u> | <u>\$ 2,227,037</u> | <u>\$ 2,363,785</u> | <u>\$ 2,983,123</u> |
| <u>(1,767,980)</u> | <u>(2,147,435)</u> | <u>(1,963,607)</u> | <u>(2,227,037)</u> | <u>(2,363,785)</u> | <u>(2,983,123)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>\$ 19,954,628</u> | <u>\$ 20,220,672</u> | <u>\$ 20,036,811</u> | <u>\$ 19,002,024</u> | <u>\$ 17,826,426</u> | <u>\$ 17,017,000</u> |
| <u>8.86%</u> | <u>10.62%</u> | <u>9.80%</u> | <u>11.72%</u> | <u>13.26%</u> | <u>17.53%</u> |

Putnam Valley Central 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)

| | <u>2024 (3)</u> | <u>2023 (2)</u> | <u>2022 (3)</u> | <u>2021 (3)</u> |
|---|---------------------|---------------------|-----------------------|---------------------|
| School District's proportion of the net pension liability (asset) | <u>0.0156406%</u> | <u>0.0162963%</u> | <u>0.0151525%</u> | <u>0.0145145%</u> |
| School District's proportionate share of the net pension liability (asset) | <u>\$ 2,302,927</u> | <u>\$ 3,494,578</u> | <u>\$ (1,238,657)</u> | <u>\$ 14,453</u> |
| School District's covered payroll | <u>\$ 5,475,970</u> | <u>\$ 5,738,861</u> | <u>\$ 4,615,981</u> | <u>\$ 4,633,925</u> |
| School District's proportionate share of the net pension liability as a percentage of its covered payroll (asset) | <u>42.06%</u> | <u>60.89%</u> | <u>(26.83%)</u> | <u>0.31%</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

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|---------------------|---------------------|
| Contractually required contribution | <u>\$ 654,334</u> | <u>\$ 548,202</u> | <u>\$ 726,011</u> | <u>\$ 657,701</u> |
| Contributions in relation to the contractually required contribution | <u>(654,334)</u> | <u>(548,202)</u> | <u>(726,011)</u> | <u>(657,701)</u> |
| Contribution excess | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| School District's covered payroll | <u>\$ 5,823,393</u> | <u>\$ 5,421,012</u> | <u>\$ 5,505,412</u> | <u>\$ 4,699,302</u> |
| Contributions as a percentage of covered payroll | <u>11.24%</u> | <u>10.11%</u> | <u>13.19%</u> | <u>14.00%</u> |

(1) The amounts presented for each fiscal year were determined as of the March 31 measurement date with 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 (2)</u> | <u>2015</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <u>0.0151191%</u> | <u>0.0155373%</u> | <u>0.017981%</u> | <u>0.018319%</u> | <u>0.018833%</u> | <u>0.018730%</u> |
| <u>\$ 4,003,623</u> | <u>\$ 1,100,865</u> | <u>\$ 580,338</u> | <u>\$ 1,721,284</u> | <u>\$ 3,022,746</u> | <u>\$ 632,733</u> |
| <u>\$ 4,596,952</u> | <u>\$ 4,383,401</u> | <u>\$ 5,054,799</u> | <u>\$ 4,851,419</u> | <u>\$ 4,753,923</u> | <u>\$ 4,824,000</u> |
| <u>87.09%</u> | <u>25.11%</u> | <u>11.48%</u> | <u>35.48%</u> | <u>63.58%</u> | <u>13.12%</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>\$ 655,578</u> | <u>\$ 641,151</u> | <u>\$ 757,522</u> | <u>\$ 749,797</u> | <u>\$ 829,309</u> | <u>\$ 855,220</u> |
| <u>(655,578)</u> | <u>(641,151)</u> | <u>(757,522)</u> | <u>(749,797)</u> | <u>(829,309)</u> | <u>(855,220)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>\$ 4,526,777</u> | <u>\$ 4,661,842</u> | <u>\$ 4,346,645</u> | <u>\$ 4,976,862</u> | <u>\$ 4,988,810</u> | <u>\$ 4,824,000</u> |
| <u>14.48%</u> | <u>13.75%</u> | <u>17.43%</u> | <u>15.07%</u> | <u>16.62%</u> | <u>17.73%</u> |

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Putnam Valley Central School District, New York

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

| | Original Budget | Final Budget | Actual | Encumbrances | Variance with Final Budget |
|--|--------------------|--------------------|--------------------|---------------------|-------------------------------|
| REVENUES | | | | | |
| Real property taxes | \$ 37,510,570 | \$ 37,510,570 | \$ 37,371,161 | \$ | \$ (139,409) |
| Other tax items | 2,834,430 | 2,834,430 | 2,838,922 | | 4,492 |
| Non-property taxes | - | - | 141,301 | | 141,301 |
| Charges for services | 165,000 | 165,000 | 118,409 | | (46,591) |
| Use of money and property | 100,000 | 550,000 | 1,493,499 | | 943,499 |
| State aid | 15,659,976 | 15,659,976 | 16,716,284 | | 1,056,308 |
| Miscellaneous | 325,000 | 325,000 | 1,813,879 | | 1,488,879 |
| Total Revenues | 56,594,976 | 57,044,976 | 60,493,455 | | 3,448,479 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General support | | | | | |
| Board of education | 96,013 | 104,813 | 72,482 | - | 32,331 |
| Central administration | 436,662 | 450,606 | 441,273 | - | 9,333 |
| Finance | 807,839 | 828,449 | 751,307 | 3,166 | 73,976 |
| Staff | 391,386 | 342,576 | 274,106 | - | 68,470 |
| Central services | 3,067,811 | 3,752,515 | 3,146,603 | 560,360 | 45,552 |
| Special items | 720,500 | 769,915 | 732,006 | - | 37,909 |
| Total General Support | 5,520,211 | 6,248,874 | 5,417,777 | 563,526 | 267,571 |
| Instruction | | | | | |
| Instruction, administration and improvement | 2,336,517 | 2,413,284 | 2,236,824 | 9,219 | 167,241 |
| Teaching - Regular school | 15,185,863 | 14,410,407 | 14,076,585 | 19,933 | 313,889 |
| Programs for students with disabilities | 7,978,680 | 7,842,314 | 7,021,474 | 591 | 820,249 |
| Instructional media | 1,598,938 | 2,202,493 | 2,144,442 | 28,169 | 29,882 |
| Pupil services | 4,204,343 | 4,275,837 | 4,094,360 | 836 | 180,641 |
| Total Instruction | 31,304,341 | 31,144,335 | 29,573,685 | 58,748 | 1,511,902 |
| Pupil transportation | 3,591,095 | 3,671,225 | 3,523,114 | - | 148,111 |
| Employee benefits | 13,323,608 | 13,210,181 | 12,505,948 | - | 704,233 |
| Debt service | | | | | |
| Principal | 1,575,221 | 1,122,315 | 1,122,314 | - | 1 |
| Interest | 801,282 | 802,189 | 802,189 | - | - |
| Total Expenditures | 56,115,758 | 56,199,119 | 52,945,027 | 622,274 | 2,631,818 |
| Excess of Revenues Over Expenditures | 479,218 | 845,857 | 7,548,428 | (622,274) | 6,080,297 |
| OTHER FINANCING (USES) | | | | | |
| Transfers in | 1,550,159 | 1,100,159 | 50,159 | - | (1,050,000) |
| Transfers out | (2,504,122) | (2,420,761) | (2,420,761) | - | - |
| Total Other Financing (Uses) | (953,963) | (1,320,602) | (2,370,602) | - | (1,050,000) |
| Net Change in Fund Balance | (474,745) | (474,745) | 5,177,826 | \$ (622,274) | \$ 5,030,297 |
| FUND BALANCE | | | | | |
| Beginning of Year | 474,745 | 474,745 | 14,518,125 | | |
| End of Year | \$ - | \$ - | \$ 19,695,951 | | |

See independent auditors' report.

Putnam Valley Central 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 |
|---|--------------------|-------------------|-------------------|-------------------------------|
| REAL PROPERTY TAXES | \$ 37,510,570 | \$ 37,510,570 | \$ 37,371,161 | \$ (139,409) |
| OTHER TAX ITEMS | | | | |
| School tax relief reimbursement | 2,789,430 | 2,789,430 | 2,789,430 | - |
| Interest and penalties on real property taxes | 45,000 | 45,000 | 49,492 | 4,492 |
| | <u>2,834,430</u> | <u>2,834,430</u> | <u>2,838,922</u> | <u>4,492</u> |
| NON-PROPERTY TAXES | | | | |
| Non-property tax distribution from County | - | - | 141,301 | 141,301 |
| CHARGES FOR SERVICES | | | | |
| Day school tuition | 140,000 | 140,000 | 52,428 | (87,572) |
| Other student fees and charges | 25,000 | 25,000 | 65,981 | 40,981 |
| | <u>165,000</u> | <u>165,000</u> | <u>118,409</u> | <u>(46,591)</u> |
| USE OF MONEY AND PROPERTY | | | | |
| Earnings on investments | 100,000 | 550,000 | 1,493,499 | 943,499 |
| STATE AID | | | | |
| Basic formula | 11,589,817 | 11,589,817 | 12,339,775 | 749,958 |
| BOCES aid | 1,376,587 | 1,376,587 | 1,635,533 | 258,946 |
| Textbook aid | 118,446 | 118,446 | 94,191 | (24,255) |
| Lottery aid | 2,520,941 | 2,520,941 | 2,586,575 | 65,634 |
| Computer software aid | 44,738 | 44,738 | 44,738 | - |
| Library materials aid | 9,447 | 9,447 | 9,447 | - |
| Tuition aid for students with disabilities | - | - | 6,025 | 6,025 |
| | <u>15,659,976</u> | <u>15,659,976</u> | <u>16,716,284</u> | <u>1,056,308</u> |

MISCELLANEOUS

| | | | | |
|---|---------|---------|-----------|-----------|
| Refund of prior year's expenditures | 150,000 | 150,000 | 1,617,973 | 1,467,973 |
| Refund of prior year's BOCES expenditures | 100,000 | 100,000 | 134,369 | 34,369 |
| Unclassified | 75,000 | 75,000 | 61,537 | (13,463) |

| | | | | |
|--|----------------|----------------|------------------|------------------|
| | <u>325,000</u> | <u>325,000</u> | <u>1,813,879</u> | <u>1,488,879</u> |
|--|----------------|----------------|------------------|------------------|

TOTAL REVENUES

| | | | | |
|--|------------|------------|------------|-----------|
| | 56,594,976 | 57,044,976 | 60,493,455 | 3,448,479 |
|--|------------|------------|------------|-----------|

OTHER FINANCING SOURCES

Transfers in

| | | | | |
|-----------------------|------------------|------------------|----------|--------------------|
| Capital Projects Fund | 50,159 | 50,159 | 50,159 | - |
| Debt Service Fund | <u>1,500,000</u> | <u>1,050,000</u> | <u>-</u> | <u>(1,050,000)</u> |

TOTAL OTHER FINANCING SOURCES

| | | | | |
|--|------------------|------------------|---------------|--------------------|
| | <u>1,550,159</u> | <u>1,100,159</u> | <u>50,159</u> | <u>(1,050,000)</u> |
|--|------------------|------------------|---------------|--------------------|

**TOTAL REVENUES AND OTHER
FINANCING SOURCES**

| | | | | |
|--|----------------------|----------------------|----------------------|---------------------|
| | <u>\$ 58,145,135</u> | <u>\$ 58,145,135</u> | <u>\$ 60,543,614</u> | <u>\$ 2,398,479</u> |
|--|----------------------|----------------------|----------------------|---------------------|

Putnam Valley Central School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2024

| | Original Budget | Final Budget | Actual | Encumbrances | Variance with Final Budget |
|---------------------------------|--------------------|-----------------|----------------|--------------|-------------------------------|
| GENERAL SUPPORT | | | | | |
| BOARD OF EDUCATION | | | | | |
| Board of education | \$ 48,700 | \$ 38,714 | \$ 27,580 | \$ - | \$ 11,134 |
| District clerk | 19,813 | 25,413 | 22,304 | - | 3,109 |
| District meeting | 27,500 | 40,686 | 22,598 | - | 18,088 |
| Total Board of Education | <u>96,013</u> | <u>104,813</u> | <u>72,482</u> | <u>-</u> | <u>32,331</u> |
| CENTRAL ADMINISTRATION | | | | | |
| Chief school administrator | <u>436,662</u> | <u>450,606</u> | <u>441,273</u> | <u>-</u> | <u>9,333</u> |
| FINANCE | | | | | |
| Business administration | 523,230 | 531,419 | 522,232 | 1,023 | 8,164 |
| Auditing | 75,000 | 75,000 | 53,747 | - | 21,253 |
| Treasurer | 133,916 | 159,889 | 143,424 | 2,143 | 14,322 |
| Tax collector | 45,808 | 32,256 | 24,117 | - | 8,139 |
| Fiscal agent fees | 29,885 | 29,885 | 7,787 | - | 22,098 |
| Total Finance | <u>807,839</u> | <u>828,449</u> | <u>751,307</u> | <u>3,166</u> | <u>73,976</u> |
| STAFF | | | | | |
| Legal | 105,000 | 105,000 | 46,124 | - | 58,876 |
| Personnel | 228,818 | 175,387 | 166,393 | - | 8,994 |
| Public information and services | 57,568 | 62,189 | 61,589 | - | 600 |
| Total Staff | <u>391,386</u> | <u>342,576</u> | <u>274,106</u> | <u>-</u> | <u>68,470</u> |

CENTRAL SERVICES

| | | | | | |
|------------------------------------|-----------|-----------|-----------|---------|--------|
| Operation and maintenance of plant | 3,067,811 | 3,752,515 | 3,146,603 | 560,360 | 45,552 |
|------------------------------------|-----------|-----------|-----------|---------|--------|

SPECIAL ITEMS

| | | | | | |
|--------------------------------|---------|---------|---------|---|--------|
| Unallocated insurance | 225,000 | 268,294 | 268,294 | - | - |
| School association dues | 25,000 | 20,556 | 15,872 | - | 4,684 |
| Judgments and claims | 100,000 | 100,000 | 66,775 | - | 33,225 |
| Administrative charges - BOCES | 370,500 | 381,065 | 381,065 | - | - |

| | | | | | |
|---------------------|---------|---------|---------|---|--------|
| Total Special Items | 720,500 | 769,915 | 732,006 | - | 37,909 |
|---------------------|---------|---------|---------|---|--------|

| | | | | | |
|-----------------------|-----------|-----------|-----------|---------|---------|
| Total General Support | 5,520,211 | 6,248,874 | 5,417,777 | 563,526 | 267,571 |
|-----------------------|-----------|-----------|-----------|---------|---------|

INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

| | | | | | |
|--|-----------|-----------|-----------|-------|---------|
| Curriculum development and supervision | 181,790 | 206,806 | 176,886 | 1,813 | 28,107 |
| Supervision - Regular school | 2,154,727 | 2,206,478 | 2,059,938 | 7,406 | 139,134 |

| | | | | | |
|---|-----------|-----------|-----------|-------|---------|
| Total Instruction, Administration and Improvement | 2,336,517 | 2,413,284 | 2,236,824 | 9,219 | 167,241 |
|---|-----------|-----------|-----------|-------|---------|

| | | | | | |
|----------------------------------|------------|------------|------------|--------|---------|
| TEACHING - REGULAR SCHOOL | 15,185,863 | 14,410,407 | 14,076,585 | 19,933 | 313,889 |
|----------------------------------|------------|------------|------------|--------|---------|

| | | | | | |
|--|-----------|-----------|-----------|-----|---------|
| PROGRAMS FOR STUDENTS WITH DISABILITIES | 7,978,680 | 7,842,314 | 7,021,474 | 591 | 820,249 |
|--|-----------|-----------|-----------|-----|---------|

INSTRUCTIONAL MEDIA

| | | | | | |
|--------------------------------|-----------|-----------|-----------|--------|--------|
| School library and audiovisual | 233,974 | 300,880 | 284,623 | - | 16,257 |
| Computer assisted instruction | 1,364,964 | 1,901,613 | 1,859,819 | 28,169 | 13,625 |

| | | | | | |
|---------------------------|-----------|-----------|-----------|--------|--------|
| Total Instructional Media | 1,598,938 | 2,202,493 | 2,144,442 | 28,169 | 29,882 |
|---------------------------|-----------|-----------|-----------|--------|--------|

(Continued)

Putnam Valley Central School District, New York

General Fund

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

Year Ended June 30, 2024

| | Original Budget | Final Budget | Actual | Encumbrances | Variance with Final Budget |
|---|--------------------|-------------------|-------------------|---------------|-------------------------------|
| PUPIL SERVICES | | | | | |
| Guidance - Regular school | \$ 730,171 | \$ 722,893 | \$ 690,866 | \$ - | \$ 32,027 |
| Health services - Regular school | 379,181 | 392,757 | 372,217 | - | 20,540 |
| Psychological services - Regular school | 454,029 | 436,761 | 436,761 | - | - |
| Pupil personnel services - Special schools | 1,354,204 | 1,369,360 | 1,262,585 | 270 | 106,505 |
| Co-curricular activities - Regular school | 250,308 | 266,202 | 247,758 | - | 18,444 |
| Interscholastic activities - Regular school | 1,036,450 | 1,087,864 | 1,084,173 | 566 | 3,125 |
| Total Pupil Services | <u>4,204,343</u> | <u>4,275,837</u> | <u>4,094,360</u> | <u>836</u> | <u>180,641</u> |
| Total Instruction | <u>31,304,341</u> | <u>31,144,335</u> | <u>29,573,685</u> | <u>58,748</u> | <u>1,511,902</u> |
| PUPIL TRANSPORTATION | | | | | |
| District transportation services | 1,174,497 | 1,254,627 | 1,189,739 | - | 64,888 |
| Contract transportation | 2,416,598 | 2,416,598 | 2,333,375 | - | 83,223 |
| Total Pupil Transportation | <u>3,591,095</u> | <u>3,671,225</u> | <u>3,523,114</u> | <u>-</u> | <u>148,111</u> |
| EMPLOYEE BENEFITS | | | | | |
| State retirement | 899,755 | 745,465 | 713,856 | - | 31,609 |
| Teachers' retirement | 2,584,228 | 2,584,228 | 2,117,557 | - | 466,671 |
| Social security | 2,176,462 | 2,176,462 | 2,077,450 | - | 99,012 |
| Workers' compensation benefits | 156,450 | 156,450 | 141,597 | - | 14,853 |
| Life insurance | 10,000 | 10,000 | 9,921 | - | 79 |
| Unemployment benefits | 41,000 | 41,000 | 2,163 | - | 38,837 |
| Hospital, medical and dental insurance | 6,930,713 | 6,902,608 | 6,855,186 | - | 47,422 |
| Union welfare benefits | 525,000 | 525,000 | 519,250 | - | 5,750 |
| Incentive and sick time payout | - | 68,968 | 68,968 | - | - |
| Total Employee Benefits | <u>13,323,608</u> | <u>13,210,181</u> | <u>12,505,948</u> | <u>-</u> | <u>704,233</u> |

DEBT SERVICE

Principal

| | | | | | |
|-----------------------------|---------|---------|---------|---|---|
| Serial bonds | 670,000 | 670,000 | 670,000 | - | - |
| Energy performance contract | 431,401 | 431,401 | 431,401 | - | - |
| financed purchase debt | 473,820 | 20,914 | 20,913 | - | 1 |

| | | | | | |
|--|------------------|------------------|------------------|----------|----------|
| | <u>1,575,221</u> | <u>1,122,315</u> | <u>1,122,314</u> | <u>-</u> | <u>1</u> |
|--|------------------|------------------|------------------|----------|----------|

Interest

| | | | | | |
|-----------------------------|---------|---------|---------|---|---|
| Serial bonds | 160,000 | 160,000 | 160,000 | - | - |
| Bond anticipation notes | 474,671 | 474,671 | 474,671 | - | - |
| Energy performance contract | 166,611 | 166,611 | 166,611 | - | - |
| financed purchase debt | - | 907 | 907 | - | - |

| | | | | | |
|--|----------------|----------------|----------------|----------|----------|
| | <u>801,282</u> | <u>802,189</u> | <u>802,189</u> | <u>-</u> | <u>-</u> |
|--|----------------|----------------|----------------|----------|----------|

| | | | | | |
|--------------------|------------------|------------------|------------------|----------|----------|
| Total Debt Service | <u>2,376,503</u> | <u>1,924,504</u> | <u>1,924,503</u> | <u>-</u> | <u>1</u> |
|--------------------|------------------|------------------|------------------|----------|----------|

| | | | | | |
|---------------------------|-------------------|-------------------|-------------------|----------------|------------------|
| TOTAL EXPENDITURES | <u>56,115,758</u> | <u>56,199,119</u> | <u>52,945,027</u> | <u>622,274</u> | <u>2,631,818</u> |
|---------------------------|-------------------|-------------------|-------------------|----------------|------------------|

OTHER FINANCING USES

Transfers out

| | | | | | |
|-----------------------|-----------|-----------|-----------|---|---|
| Special Aid Fund | 90,000 | 121,250 | 121,250 | - | - |
| Capital Projects Fund | 2,414,122 | 2,299,511 | 2,299,511 | - | - |

| | | | | | |
|-----------------------------------|------------------|------------------|------------------|----------|----------|
| TOTAL OTHER FINANCING USES | <u>2,504,122</u> | <u>2,420,761</u> | <u>2,420,761</u> | <u>-</u> | <u>-</u> |
|-----------------------------------|------------------|------------------|------------------|----------|----------|

| | | | | | |
|--|----------------------|----------------------|----------------------|-------------------|---------------------|
| TOTAL EXPENDITURES AND OTHER FINANCING USES | <u>\$ 58,619,880</u> | <u>\$ 58,619,880</u> | <u>\$ 55,365,788</u> | <u>\$ 622,274</u> | <u>\$ 2,631,818</u> |
|--|----------------------|----------------------|----------------------|-------------------|---------------------|

See independent auditors' report.

Putnam Valley Central School District, New York

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

| PROJECT | Project Budget | Expenditures and Transfers To Date | | |
|--|----------------------|------------------------------------|---------------------|----------------------|
| | | Prior Years | Current Year | Totals |
| General Reconstruction | | | | |
| General Reconstruction | \$ 1,635,526 | \$ 1,585,367 | \$ 50,159 | \$ 1,635,526 |
| Middle School Roof | 257,000 | 257,000 | - | 257,000 |
| Middle School Elevator | 140,674 | 140,674 | - | 140,674 |
| HVAC | 111,325 | 111,325 | - | 111,325 |
| Boiler | 39,900 | 39,900 | - | 39,900 |
| Paving | 65,575 | 65,575 | - | 65,575 |
| | <u>2,250,000</u> | <u>2,199,841</u> | <u>50,159</u> | <u>2,250,000</u> |
| School Buses | 500,000 | 438,420 | - | 438,420 |
| School Buses- 2024 proposition | 1,000,000 | - | 145,548 | 145,548 |
| Capital Facilities | | | | |
| Middle School and District-Wide Improvements | 14,810,000 | 14,694,937 | - | 14,694,937 |
| High School Roof Replacement | 2,890,000 | 90,707 | 1,863,318 | 1,954,025 |
| Modular Remodel | 175,000 | 89,469 | 110,259 | 199,728 |
| Outdoor Learning Spaces | 103,000 | 23,652 | 105,667 | 129,319 |
| Elementary School Water Filtration | 80,000 | 79,405 | - | 79,405 |
| Mezzanine Security Enclosure | 90,000 | 87,146 | 10,437 | 97,583 |
| High School Courtyard Learning Wall | 230,000 | 195,709 | 31,122 | 226,831 |
| High School Track/Field/Fencing | 1,300,000 | - | 208,400 | 208,400 |
| Totals | <u>\$ 23,428,000</u> | <u>\$ 17,899,286</u> | <u>\$ 2,524,910</u> | <u>\$ 20,424,196</u> |

See independent auditors' report.

| Unexpended Balance | Methods of Financing | | | Fund Balance (Deficit) at June 30, 2024 | Bond Anticipation Notes Outstanding at June 30, 2024 |
|-----------------------|------------------------|----------------------------|----------------------|---|---|
| | Interfund Transfers | Proceeds of Obligations | Total | | |
| \$ - | \$ - | \$ 1,635,526 | \$ 1,635,526 | \$ - | \$ - |
| - | - | 257,000 | 257,000 | - | - |
| - | - | 140,674 | 140,674 | - | - |
| - | - | 111,325 | 111,325 | - | - |
| - | - | 39,900 | 39,900 | - | - |
| - | - | 65,575 | 65,575 | - | - |
| - | - | 2,250,000 | 2,250,000 | - | - |
| 61,580 | - | 326,706 | 326,706 | (111,714) | 114,611 |
| 854,452 | - | - | - | (145,548) | 149,100 |
| 115,063 | 2,365,000 | 12,445,000 | 14,810,000 | 115,063 | - |
| 935,975 | 2,890,000 | - | 2,890,000 | 935,975 | - |
| (24,728) | 175,000 | - | 175,000 | (24,728) | - |
| (26,319) | 103,000 | - | 103,000 | (26,319) | - |
| 595 | 80,000 | - | 80,000 | 595 | - |
| (7,583) | 90,000 | - | 90,000 | (7,583) | - |
| 3,169 | 230,000 | - | 230,000 | 3,169 | - |
| 1,091,600 | - | - | - | (208,400) | - |
| <u>\$ 3,003,804</u> | <u>\$ 5,933,000</u> | <u>\$ 15,021,706</u> | <u>\$ 20,954,706</u> | <u>\$ 530,510</u> | <u>\$ 263,711</u> |

Putnam Valley Central School District, New York

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

| | School Lunch | Special Purpose | Total Non-Major Governmental Funds |
|--------------------------------------|-------------------|--------------------|---|
| ASSETS | | | |
| Cash and equivalents | \$ 485,096 | \$ 246,843 | \$ 731,939 |
| Receivables | | | |
| Accounts | - | 7,370 | 7,370 |
| State and Federal aid | 22,742 | - | 22,742 |
| Due from other funds | - | 19,520 | 19,520 |
| | <u>22,742</u> | <u>26,890</u> | <u>49,632</u> |
| Inventories | <u>10,508</u> | - | <u>10,508</u> |
| Total Assets | <u>\$ 518,346</u> | <u>\$ 273,733</u> | <u>\$ 792,079</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable | \$ 62,126 | \$ 6,409 | \$ 68,535 |
| Due to other governments | 164 | - | 164 |
| Total Liabilities | <u>62,290</u> | <u>6,409</u> | <u>68,699</u> |
| Fund balances | | | |
| Nonspendable | 10,508 | - | 10,508 |
| Restricted | - | 267,324 | 267,324 |
| Assigned | 445,548 | - | 445,548 |
| Total Fund Balances | <u>456,056</u> | <u>267,324</u> | <u>723,380</u> |
| Total Liabilities and Fund Balances | <u>\$ 518,346</u> | <u>\$ 273,733</u> | <u>\$ 792,079</u> |

See independent auditors' report.

Putnam Valley Central School District, New York

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

| | School Lunch | Special Purpose | Total Non-Major Governmental Funds |
|---|-------------------|--------------------|---|
| REVENUES | | | |
| Use of money and property | \$ 5,838 | \$ 1,213 | \$ 7,051 |
| State aid | 11,721 | - | 11,721 |
| Federal aid | 383,825 | - | 383,825 |
| Food sales | 487,009 | - | 487,009 |
| Miscellaneous | 22 | 269,654 | 269,676 |
| | <u>888,415</u> | <u>270,867</u> | <u>1,159,282</u> |
| EXPENDITURES | | | |
| Current | | | |
| Cost of food sales | 846,685 | - | 846,685 |
| Other | - | 217,014 | 217,014 |
| | <u>846,685</u> | <u>217,014</u> | <u>1,063,699</u> |
| Total Expenditures | | | |
| Excess of Revenues Over Expenditures | 41,730 | 53,853 | 95,583 |
| FUND BALANCES | | | |
| Beginning of Year | <u>414,326</u> | <u>213,471</u> | <u>627,797</u> |
| End of Year | <u>\$ 456,056</u> | <u>\$ 267,324</u> | <u>\$ 723,380</u> |

See independent auditors' report.

Putnam Valley Central School District, New York

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

| | | |
|-------------------|--|-----------------------------|
| Adopted Budget | | \$ 58,145,135 |
| Encumbrances | | <u>474,745</u> |
| Original Budget | | 58,619,880 |
| Budget Amendments | | <u>-</u> |
| Final Budget | | <u><u>\$ 58,619,880</u></u> |

General Fund Section 1318 of Real Property Tax Law Limit Calculation

| | | |
|---|------------------|----------------------------|
| 2024-25 Expenditure Budget | | \$ <u>60,557,653</u> |
| General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law | | |
| Unrestricted fund balance | | |
| Assigned fund balance | \$ 1,021,441 | |
| Unassigned fund balance | <u>2,422,300</u> | |
| Total Unrestricted Fund Balance | | <u>3,443,741</u> |
| Less | | |
| Appropriated for subsequent year's budget | 399,167 | |
| Encumbrances | <u>622,274</u> | |
| Total Adjustments | | <u>1,021,441</u> |
| General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law | | <u><u>\$ 2,422,300</u></u> |
| Actual Percentage | | <u><u>4.00%</u></u> |

See independent auditors' report.

Putnam Valley Central School District, New York

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

| | | |
|--|-----------------|----------------------|
| Capital Assets, net | | \$ 49,161,800 |
| Less | | |
| Bonds Payable | \$ (13,054,911) | |
| Energy Performance Contract Payable | (4,514,123) | |
| Unamortized Portion of Premium on Bonds | (1,850,834) | |
| Bond Anticipation Notes Payable | (263,711) | |
| Accounts Payable | <u>(48,713)</u> | (19,732,292) |
| Plus | | |
| Unexpended Debt Proceeds | 170,225 | |
| Unamortized Portion of Loss on Refunding Bonds | <u>83,946</u> | <u>254,171</u> |
| Net Investment in Capital Assets | | <u>\$ 29,683,679</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
Putnam Valley Central School District, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Putnam Valley Central School District, New York ("School District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 23, 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 23, 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
Putnam Valley Central School District, New York**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

September 23, 2024

Putnam Valley Central School District, New York

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

| <u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u> | <u>Federal Assistance Listing Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Provided to Sub- Recipients</u> | <u>Total Federal Expenditures</u> |
|---|--|---|--|---|
| <u>U.S. Department of Agriculture</u> | | | | |
| Indirect Programs - Passed through New York State Department of Education | | | | |
| <i>Child Nutrition Cluster</i> | | | | |
| School Breakfast Program | 10.553 | N/A | \$ - | \$ 47,059 |
| National School Lunch Program - Commodities | 10.555 | N/A | - | 55,304 |
| National School Lunch Program - Cash | 10.555 | N/A | - | 281,462 |
| Total U.S. Department of Agriculture | | | - | 383,825 |
| <u>U.S. Department of Education</u> | | | | |
| Indirect Programs - Passed through New York State Department of Education | | | | |
| <i>Special Education Cluster (IDEA)</i> | | | | |
| Special Education - Grants to States | 84.027 | 0032-24-0741 | - | 362,922 |
| Special Education - Preschool Grants (IDEA Preschool) | 84.173 | 0033-24-0741 | - | 19,681 |
| Subtotal Special Education Cluster | | | - | 382,603 |
| Title I Grants to Local Educational Agencies | 84.010 | 0021-24-2460 | - | 174,368 |
| Higher Education Institutional Aid | 84.031 | 0293-24-2460 | - | 23,734 |
| Supporting Effective Instruction State Grants | 84.367 | 0147-24-2460 | - | 28,846 |
| Student Support and Academic Enrichment Program | 84.424 | 0204-24-2460 | - | 15,728 |
| Governor's Emergency Education Relief Fund (GEER) Elementary and Secondary School Emergency Relief (ESSER) Fund | 84.425C | 5896-21-2460 | | 171,187 |
| American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth | 84.425D | 5891-21-2460 | - | 698,936 |
| | 84.425W | 5219-21-2460 | - | 589 |
| | | | - | 870,712 |
| Total U.S. Department of Education | | | - | 1,495,991 |
| Total Expenditures of Federal Awards | | | \$ - | \$ 1,879,816 |

N/A - Information not available.

The accompanying notes are an integral part of this schedule.

Putnam Valley Central School District, New York

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

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") includes the federal award activity of the Putnam Valley Central School District, New York ("School District") under programs of the federal government for the year ended June 30, 2024. 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.

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.

Putnam Valley Central School District, New York

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

Section I - Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

Yes No
 Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major federal programs:

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

Yes No
 Yes None reported

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

Unmodified

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

Yes No

Identification of major federal programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

84.027
84.173

Special Education Cluster (IDEA)
Special Education Grants to States
Special Education Preschool Grants

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

\$750,000

Auditee qualified as low-risk auditee?

Yes No

Putnam Valley Central School District, New York

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

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None