AUGUST 1, 2023

ERRATUM NOTICE

TO THE PRELIMINARY OFFICIAL STATEMENT DATED JULY 31, 2023

RELATING TO THE ISSUANCE OF

POUGHKEEPSIE CITY SCHOOL DISTRICT

DUTCHESS COUNTY, NEW YORK

GENERAL OBLIGATIONS

$12,000,000 Bond Anticipation Notes, 2023

(referred to herein as the "Notes")

(the "Notes")

Dated: August 17, 2023 **Due: June 26, 2024**

PLEASE BE ADVISED the "Debt Statement Summary" section on the page 22 is revised to read as follows:

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 31, 2023:

	Computed Using Regular State Equalization Rates	Computed Using Special State Equalization Ratios (1)
Five-Year Average Full Valuation of Taxable Real Property	$ 1,776,503,338	$ 2,033,643,330
Debt Limit 5% thereof	88,825,167	101,682,166
Inclusions:		
Bonds(2)	$ 39,910,000	$ 39,910,000
Bond Anticipation Notes	0	0
Revenue Anticipation Notes	0	0
Total Inclusions	$ 39,910,000	$ 39,910,000
Exclusions:		
Appropriations – Bonds	$ 0	$ 0
Current refunded bonds outstanding	0	0
Revenue Anticipation Notes	0	0
Total Exclusions	$ 0	$ 0
Total Net Indebtedness (3) (4)	$ 39,910,000	$ 39,910,000
Net Debt-Contracting Margin	$ 48,915,167	$ 61,862,166
The percent of debt contracting power exhausted is	44.93%	39.25%

(1) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. Conventional State equalization rates are also established by said Office of Real Property Services, and are used for all other purposes. See "TAX INFORMATION – Taxable Assessed Valuations" herein or "APPENDIX – C" attached hereto.

(2) Does not include $7,366,683 outstanding of energy performance contract debt.

(3) Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. The District, as a school district located in a city, may not under Section 121.20 of the Local Finance Law exclude from gross indebtedness estimated State aid for School building purposes. As noted above, the District receives New York State debt service building aid in an amount approximating 98.0% of its outstanding debt. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive.

(4) The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the constitutional debt limit of the District.

PLEASE BE ADVISED the "Appendix B and B1" is revised to read as follows:

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2024	$ 2,810,000	$ 2,021,549	$ 4,831,549
2025	3,165,000	1,662,010	4,827,010
2026	3,265,000	1,544,066	4,809,066
2027	3,400,000	1,394,304	4,794,304
2028	3,120,000	1,262,681	4,382,681
2029	2,840,000	1,115,525	3,955,525
2030	2,975,000	978,063	3,953,063
2031	3,030,000	833,438	3,863,438
2032	3,070,000	708,150	3,778,150
2033	3,205,000	582,650	3,787,650
2034	1,720,000	451,500	2,171,500
2035	1,805,000	365,500	2,170,500
2036	1,890,000	275,250	2,165,250
2037	1,975,000	180,750	2,155,750
2038	1,640,000	82,000	1,722,000
TOTALS	$ 39,910,000	$ 13,457,434	$ 53,367,434

APPENDIX - B1
Poughkeepsie CSD

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2012 Bonds			2012 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	$ 365,000	$ 84,573	$ 449,573	$ 300,000	$ 40,431	$ 340,431
2025	380,000	67,691	447,691	295,000	31,431	326,431
2026	400,000	49,641	449,641	285,000	22,213	307,213
2027	420,000	30,641	450,641	275,000	12,950	287,950
2028	215,000	10,481	225,481	95,000	3,325	98,325
TOTALS	$ 1,780,000	$ 243,027	$ 2,023,027	$ 1,250,000	$ 110,350	$ 1,360,350

Fiscal Year Ending June 30th	2016 Bonds			2017 Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	$ 235,000	$ 35,413	$ 270,413	$ 1,035,000	$ 454,800	$ 1,489,800
2025	240,000	30,713	270,713	1,065,000	428,925	1,493,925
2026	250,000	25,913	275,913	1,090,000	402,300	1,492,300
2027	255,000	20,913	275,913	1,145,000	347,800	1,492,800
2028	260,000	15,813	275,813	1,180,000	316,313	1,496,313
2029	165,000	9,963	174,963	1,240,000	257,313	1,497,313
2030	165,000	6,250	171,250	1,300,000	195,313	1,495,313
2031	85,000	2,125	87,125	1,365,000	130,313	1,495,313
2032	-	-	-	1,410,000	85,950	1,495,950
2033	-	-	-	1,455,000	43,650	1,498,650
TOTALS	1,655,000	147,100	1,802,100	$ 12,285,000	$ 2,662,675	$ 14,947,675

Fiscal Year Ending June 30th	2022A DASNY			2023A DASNY		
	Principal	Interest	Total	Principal	Interest	Total
2024	$ 295,000	$ 266,250	$ 561,250	580,000	$ 1,140,082	$ 1,720,082
2025	315,000	251,500	566,500	870,000	851,750	1,721,750
2026	330,000	235,750	565,750	910,000	808,250	1,718,250
2027	345,000	219,250	564,250	960,000	762,750	1,722,750
2028	365,000	202,000	567,000	1,005,000	714,750	1,719,750
2029	380,000	183,750	563,750	1,055,000	664,500	1,719,500
2030	400,000	164,750	564,750	1,110,000	611,750	1,721,750
2031	415,000	144,750	559,750	1,165,000	556,250	1,721,250
2032	435,000	124,000	559,000	1,225,000	498,200	1,723,200
2033	465,000	102,250	567,250	1,285,000	436,750	1,721,750
2034	370,000	79,000	449,000	1,350,000	372,500	1,722,500
2035	390,000	60,500	450,500	1,415,000	305,000	1,720,000
2036	405,000	41,000	446,000	1,485,000	234,250	1,719,250
2037	415,000	20,750	435,750	1,560,000	160,000	1,720,000
2038	-	-	-	1,640,000	82,000	1,722,000
TOTALS	$ 5,325,000	$ 2,095,500	$ 7,420,500	$ 17,615,000	$ 8,198,782	$ 25,813,782

PRELIMINARY OFFICIAL STATEMENT DATED JULY 31, 2023

NEW ISSUE | **BOND ANTICIPATION NOTES**

In the opinion of Barclay Damon LLP, Bond Counsel to the School District, under existing law and assuming compliance with certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, for tax years beginning after December 31, 2022, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Bond Counsel is also of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "Tax Matters" herein regarding certain other tax considerations.

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

POUGHKEEPSIE CITY SCHOOL DISTRICT
DUTCHESS COUNTY, NEW YORK
GENERAL OBLIGATIONS
$12,000,000 Bond Anticipation Notes, 2023
(the "Notes")

Dated: August 17, 2023 | **Due: June 26, 2024**

The Notes will constitute general obligations of the Poughkeepsie City School District, Dutchess County, New York, (the "School District" or the "District") and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes. Unless paid from other sources, all the taxable real property within the District will be subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. See "TAX LEVY LIMITATION LAW" herein.

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

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

If the Notes will be issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as the Securities Depository for the Notes. Individual purchases of the Notes will be made only in book-entry-form, in principal denominations of $5,000 or integral multiples thereof, as may be determined by the successful bidder. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of the principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes. If the Notes are registered in the name of the purchaser, principal and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. Paying agent fees, if any, are to be paid by the purchaser. In such case, the Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof, as may be determined by such successful bidder. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of Barclay Damon LLP, Bond Counsel, Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon with the purchaser on or about August 17, 2023.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on August 3, 2023 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

August __, 2023

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

POUGHKEEPSIE CITY SCHOOL DISTRICT
DUTCHESS COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2023-2024 BOARD OF EDUCATION

THOMAS O'NEILL
President

FATIMAH CARMEN MARTINEZ-SANTIAGO
Vice President

ROBERT CREEDON
DR. ANDREW RIESER
DR. FELICIA WATSON

DR. ERIC ROSSER
Superintendent of Schools

BILL HOGAN
Chief Operations Officer

LOUISE LYNCH
Assistant Superintendent for Business

BECKY TORRES
School District Clerk

BOND SCHOENECK & KING, PLLC
School District Attorney

BARCLAY DAMON LLP
Bond Counsel

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

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

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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OFFICIAL STATEMENT

of the

POUGHKEEPSIE CITY SCHOOL DISTRICT
DUTCHESS COUNTY, NEW YORK

Relating To

$12,000,000 Bond Anticipation Notes, 2023

This Official Statement, which includes the cover page and appendices, has been prepared by the Poughkeepsie City School District, Dutchess County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of its $12,000,000 principal amount of Bond Anticipation Notes, 2023 (the "Notes").

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

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

NATURE OF OBLIGATION

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

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

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

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

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

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

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

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

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

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

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

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

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THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). Unless paid from other sources, all the taxable real property within the District will be subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. (See "TAX LEVY LIMITATION LAW" herein.)

The Notes are dated August 17, 2023 and mature, without option of prior redemption, on June 26, 2024. Interest on the Notes will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and the Education Law, and pursuant to a bond resolution that was duly adopted by the Board of Education of the School District (the "Board") on October 26, 2020 and thereafter approved by the qualified voters of the District at a special meeting held on October 20, 2020, authorizing the issuance of obligations of the District in an estimated maximum amount of $48,250,000 for the financing of an approved capital improvements project consisting of the reconstruction various District buildings and facilities and the sites thereof (the "Project").

The proceeds of the Notes will provide $12,000,0000 new money for the Project.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is discontinued the following provisions will apply:

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof, as may be determined by such successful bidder. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company, located and authorized to do business in the State to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

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

The School District is approximately 4.8 square miles in size and has an estimated population of 31,475 (2021 U.S. Census estimate). The School District is composed of five elementary schools, one middle school, one high school, and one administration building. The School District is also a component district of the Dutchess BOCES. The School District provides educational programs for approximately 4,219 students. The School District’s student population is a diverse mix of African American, Latino, Asian and Caucasian students.

There are approximately 724 professional and support staff employed by the School District, of which 363 are teaching staff. The Board of Education consists of five members of the community, each elected at large to a three-year term of office by city residents to carry out functions mandated by the State Constitution, State Law and the State Education Department. The Board is responsible for establishing School District philosophy, policy, budget and goals.

Source: District officials.

Population

The current estimated population of the District is 31,475. (Source: 2021 U.S. Census Bureau estimate)

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Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2000	2006-2010	2017-2021	2000	2006-2010	2017-2021
City of:						
Poughkeepsie	$ 16,759	$ 23,192	$ 39,364	$ 35,779	$ 43,105	$ 65,045
County of:						
Dutchess	23,940	31,642	44,800	63,254	83,599	109,717
State of:						
New York	42,922	30,948	43,208	50,229	67,405	92,731

Note: 2018-2022 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2017-2021 American Community Survey data.

Larger Employers

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

Name	Type	Number of Employees
The Dysom-Kissner-Morgan	International Holding Compay	4,000
Marist College	College	2,750
Central Hudson Gas & Electric Corp.	Utility	1,954
Dutchess County	Local Government	1,930
City of Poughkeepsie	Local Government	1,045
Poughkeepsie City School District	Public Education	786

Source: District officials.

Unemployment Rate Statistics

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

Annual Average

	2016	2017	2018	2019	2020	2021	2022
Dutchess County	4.2%	4.3%	3.7%	3.5%	7.3%	4.4%	3.1%
New York State	4.9	4.7	4.1	3.8	9.9	6.9	4.3

2023 Monthly Figures

	Jan	Feb	Mar	April	May	June	Jul
Dutchess County	3.6%	3.3%	2.9%	2.3%	2.8%	N/A	N/A
New York State	4.6	4.5	4.0	3.7	3.8	N/A	N/A

Note: Unemployment rates for June and July 2023 are not available as of the date of this Official Statement.

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

Form of School Government

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

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

Budgetary Procedures

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

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

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

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

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

Recent Budget Vote Results

The budget for the 2022-2023 fiscal year was adopted by the qualified voters on May 17, 2022 with a vote of 694 to 193. The District's budget for the 2022-2023 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 0.56%, which is below the District tax levy limit of 0.74%.

The budget for the 2023-2024 fiscal year was voted on by the qualified voters on May 16, 2023 with a vote of 289 to 66. The District's budget for the 2023-2024 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.15%, which is below the District tax levy limit of 4.04%.

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposit accounts in, certificates of deposit issued by or a deposit placement program (as provided by statute) with a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district or district corporation other than the School District; and (6) in the case of the School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law, or satisfy the statutory requirements of the deposit placement program.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian. The School District is not authorized by State Law to invest in reverse repurchase agreements or similar derivative-type investments.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2023-2024 fiscal year, approximately 73.4% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

Federal Aid Received by the State

Since March 2020, the State has been awarded over $14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated approximately $28.5 million in funds from the American Rescue Plan and Coronavirus Response and Relief Supplemental Appropriations Act.

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2023-2024 preliminary building aid ratios, the District expects to receive State building aid of approximately 91.7% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State Aid History

School district fiscal year (2018-2019): The State's 2018-2019 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-2018. Approximately $859 million of that increase was comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid stood at $26.03 billion statewide, a 3.4% increase over the prior year. The State's 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid totaled nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State's 2018-2019 Enacted Budget guaranteed that all school districts receive an increase in Foundation Aid over their 2017-2018 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State's 2018-2019 Enacted Budget fully funded all expense-based aid for 2018-2019, including building, transportation, BOCES and special education aid. These categories served as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-2019.

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

School District Fiscal Year (2020-2021): The 2020-21 Enacted Budget includes a year-to-year funding increase for State aid of $95.0 million of .035%. Foundation Aid to school districts is frozen at the same level as the 2019-2020 fiscal year; while other aids, calculated according to formulas in current law, are responsible for the increase. The State's 2020-2021 Enacted Budget includes $10 million in new funding for grants to school districts for student mental health services. It should be noted that there was an actual year-to-year decrease of State aid implemented through a reduction of each school district's State aid allocation form the 2019-2020 fiscal year. The reduction is being referred to as a "Pandemic Adjustment." However, the decrease in State aid id expected to be fully offset by an allocation received by the State of funds from the recently approved federal stimulus bill. Absent the federal stimulus funds, there would have been a $1.127 billion decrease in State aid from the 2019-2020 fiscal year. In addition, the State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% of estimates or if actual disbursements exceed 101% of estimates. See "State Aid" herein for a discussion of this provision set forth in the 2020-2021 Enacted Budget.

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

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

School district fiscal year (2023-2024): The State's Enacted Budget for fiscal 2023-24 was enacted on May 2, 2024 and provides for a total of $34 billion in State funding to school districts for the 2023-24 school year. The State's Enacted Budget for fiscal year 2023-24 represents a $3.2 billion or 10.4% increase in State funding for education, and includes a $2.629, or 12.3% percent Foundation Aid increase.

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments. While foundation aid has generally remained below the initially promised amounts, the State announced, as part of the States 2021-22 budget, that the final foundation aid phase in will take place over the next three State fiscal years.

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

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

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

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years, budgeted and unaudited figures for the 2022-23 fiscal year and budgeted figures for the 2023-24 fiscal year comprised of State aid.

Fiscal Year	Total Revenues [1]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2017-2018	$ 95,662,600	$ 65,829,134	68.81%
2018-2019	97,267,157	67,599,391	69.50
2019-2020	102,738,799	69,337,510	67.49
2020-2021	107,442,234	69,447,130	64.64
2021-2022	107,826,191	72,398,047	67.14
2022-2023 (Budgeted)	116,779,482	82,844,524	70.94
2022-2023 (Unaudited)	117,467,479	83,937,221	71.46
2023-2024 (Budgeted)	133,957,853	98,355,842	73.41

[1] General fund only. Does not include inter-fund transfers or use of reserves.

Source: Audited Financial Statement for the 2017-2018 fiscal year through and including the 2021-2022 fiscal year, unaudited and budgeted figures for 2022-2023 and the adopted budgets for the 2023-2024 fiscal year of the District. This table is not audited.

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

District Facilities

The District currently operates the following facilities:

Name of School	Grades	Date of Constuction	Date of last Addition or Alteration	Capacity
W.W. Smith Elementary	Pre-K - K	1912	2012	531
S.F.B Morse School #5	1-5	1929	2012	549
G.W. Krieger School #11	1-5	1929	2012	406
Governor Clinton School #8	1-5	1925	2012	414
Warring	1-5	1918	2012	530
Poughkeepsie Middle School	6-8	1967	2012	2,048
Poughkeepsie High School	9-12	1956	2015	1,760
Columbus School #3*	--	1929	2018	529

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

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2018-19	4,414	2023-24	3,768
2019-20	4,409	2024-25	3,708
2020-21	4,205	2025-26	3,708
2021-22	4,219	2026-27	3,708
2022-23	3,828	2027-28	3,708

Source: District officials.

Employees

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

Number of Employees	Bargaining Unit	Contract Expiration Date
375	Poughkeepsie Teachers' Association	6/30/2018[1]
28	Poughkeepsie Admin Association	6/30/2022
58	Maintenance Workers/Nurses	6/30/2024
69	Cafeteria Workers	6/30/2024
42	Clerical Staff	6/30/2025
100	Paraprofessionals	6/30/2025

[1] the District is actively negotiating this contract and has agreed to mediation for assistance.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, a new Tier VI pension program was signed into law, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years, , budgeted and unaudited figures for the 2022-23 fiscal year and budgeted figures for the 2023-24 fiscal year are as follows:

Fiscal Year	ERS	TRS
2018-2019	806,570	3,681,310
2019-2020	884,975	4,345,094
2020-2021	855,930	3,526,280
2021-2022	1,337,150	4,374,731
2022-2023 (Budgeted)	1,427,150	4,341,000
2022-2023 (Unaudited)	1,051,941	4,632,271
2023-2024 (Budgeted)	1,637,179	5,005,199

Source: District records.

Pursuant to various laws enacted between 1991 and 2002, the State legislature authorized local governments to make available certain early retirement incentive programs to its employees. The contracts for administrators and teachers both include retirement incentives. During the 2015-16 fiscal year, 25 employees elected to take a retirement incentive at cost to the District of $25,844 per employee. The District offered a one time incentive to all employees to retire by June 30, 2018 with qualifying number of years of experience and a tiered amount based on the years of experience with the District. During the 2017-2018 fiscal year, 19 employees elected to take the retirement incentive at a cost to the District of $30,000 per employee and savings of approximately $1 million. For 2018-19, 13 employees qualified for the retirement incentives available for an average payout of $24,754. The payroll savings for these employees was realized during the 2020-21 budget process. The District had no employees take a retirement incentive for the 2019-2020 through 2022-2023 fiscal years and has no retirement incentives planned at this time.

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

A chart of average ERS and TRS rates as a percent of payroll (2019-20 to 2023-24) is shown below:

Year	ERS	TRS
2019-20	14.6%	8.86%
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76

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

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

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

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

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The Board has authorized a TRS reserve fund and the District has established the reserve. The balance of the TRS reserve fund as of June 30, 2023 is $1,320,000.

Other Post Employee Benefits

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

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

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

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

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

The District contracted with Capital Region BOCES, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2021 and 2022. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits.

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

Balance beginning at:	July 1, 2020	July 1, 2021
	$ 392,525,902	$ 413,595,750
Changes for the year:		
Service cost	17,095,514	18,044,554
Interest on total OPEB liability	8,950,195	9,225,207
Changes in Benefit Terms	-	(35,535,195)
Differences between expected and actual experience	533,957	(76,000,865)
Changes in Assumptions or other inputs	3,811,590	(73,922,940)
Benefit payments	(9,321,408)	(9,143,577)
Net Changes	$ 21,069,848	$ (167,332,816)
Balance ending at:	**June 30, 2021**	**June 30, 2022**
	$ 413,595,750	**$ 246,262,934**

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

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

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

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

Other Information

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

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2022 and is attached hereto as “APPENDIX – E”. Certain financial information of the District can be found attached as Appendices to the Official Statement. The audit report covering the period ending June 30, 2023 is not available as of the date of this Official Statement.

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

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

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on July 2, 2020. The purpose of the audit was to determine whether District officials ensured information technology (IT) systems were adequately secured and protected against unauthorized use, access and loss.

Key Findings:

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

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

Key Recommendations:

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

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2022	No Designation	16.7
2021	No Designation	16.7
2020	Susceptible Fiscal Stress	38.3

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

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

TAX INFORMATION

Taxable Assessed Valuations [1]

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
Total Taxable Assessed Valuation	$ 1,525,999,643	$ 1,593,000,349	$ 1,711,627,614	$ 1,897,025,119	$ 2,154,863,964
Full Valuation Computed Using Regular State Equalization Rates	$ 1,525,999,643	$ 1,593,000,349	$ 1,711,627,614	$ 1,897,025,119	$ 2,154,863,964
Full Valuation Computed Using Special State Equalization Rates	$ 1,695,932,033	$ 1,880,312,027	$ 2,143,553,681	$ 2,200,725,196	$ 2,247,693,714

(1) Please refer to APPENDIX – C attached hereto for greater detail as to the taxable valuations by the City.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
City of:					
Poughkeepsie	$ 17.93	$ 17.67	$ 17.09	$ 15.72	$ 13.99

Tax Collection Procedure

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

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Total Tax Levy	$ 28,771,167	$ 29,551,790	$ 30,600,878	$ 31,029,290	$ 31,258,258
% Uncollected	7.20%	7.40%	7.90%	7.90%	6.80%

(1) See "Tax Collection Procedure" herein.

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Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years , budgeted and unaudited figures for the 2022-23 fiscal year and budgeted figures for the 2023-24 fiscal year comprised of real property taxes.

Fiscal Year	Total Revenues [1]	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Taxes
2017-2018	$ 95,662,600	$ 28,462,777	29.75%
2018-2019	97,267,157	28,771,167	29.58
2019-2020	102,738,799	31,059,812	30.23
2020-2021	107,442,234	32,670,858	30.41
2021-2022	107,826,191	33,641,059	31.20
2022-2023 (Budgeted)	116,779,482	33,167,258	28.40
2022-2023 (Unaudited)	117,467,479	33,317,505	28.36
2023-2024 (Budgeted)	133,957,853	33,839,311	25.26

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

Source: Audited Financial Statement for the 2017-2018 fiscal year through and including the 2021-2022 fiscal year, unaudited figures for 2022-2023 and the adopted budgets for the 2022-2023 and 2023-2024 fiscal years of the District. This table is not audited.

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

Larger Taxpayers 2022 for the 2022-2023 Tax Roll

Name	Type	Assessed Valuation
Central Hudson Gas & Electric Corp.	Utility	$138,813,207
Corlies Manor Realty, LLC	Apartments	17,520,000
Welltower OM Group LLC	Medical	15,487,700
Rip Van Winkle House LLC	Apartments	12,530,000
Luckey Platt Equities LLC	Real Estate	11,071,000
Verizon New York Inc.	Utility	11,058,969
EP Poughkeepsie Realty LLC	Nursing Home	9,360,000
Executive Towes Apartments	Apartments	8,024,000
River Valley Realty Co. LP	Home for the Aged	7,200,000
Acadia Hudson	Real Estate	6,500,000
Total		$237,564,876

The larger taxpayers listed above have a total assessed valuation of $237,564,876, which represents 11.02% of the total assessed valuation of the District.

As of the date of this Official Statement, the District does not currently have any pending or outstanding tax certiorari claims that are anticipated to have a material financial impact on the District.

Source: District Tax Rolls.

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STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School Districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $93,200or less in 2023-24, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $81,400 for the 2023-24 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

The 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent. While various Executive Orders issued in response to COVID-19 pandemic temporarily precluded the State Tax Department from disallowing STAR exemptions or credits, the most recent of such Executive Orders expired on July 5, 2021.

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

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

City of:	Enhanced Exemption	Basic Exemption	Date Certified
Poughkeepsie	$102,800	$ 38,030	4/6/2023

$1,878,283 of the District's $31,783,258 school tax levy for 2022-23 was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2023.

$1,878,283 of the District's $32,455,311 school tax levy for 2023-24 is expected to be exempt by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State in January 2024.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

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

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

TAX LEVY LIMITATION LAW

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

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

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

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

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. Chapter 20 additionally allows the State Commissioner of Taxation and Finance to adjust for changes in the real property base to reflect development on tax-exempt real property, although no such regulations have been promulgated as of the date of this Official Statement. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

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

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

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation. The State Commissioner of Taxation and Finance has promulgated a regulation that allows school districts, beginning in the 2020-2021 school year, to adjust the exclusion to reflect a school District's share of capital expenditures related to projects funded through a board of cooperative educational services ("BOCES").

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of such bonds. No down payment is required in connection with the issuance of District obligations.

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

Debt Limit. The District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State provided the aggregate principal amount thereof shall not five ten per centum of the average full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional method for determining average full valuation is by taking the assessed valuation of taxable real estate for the last five completed assessment rolls and applying thereto the ratio (special equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services.

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

(1) (a) such obligations were authorized for an object or purpose for which the District is not authorized to expend money, or

(b) the provisions of the law which should be complied with as of the date of publication of this notice were not substantially complied with,

and an action, suit or proceeding contesting such validity is commenced within 20 days after the date of such publication of this notice; or

(2) Such obligations were authorized in violation of the provisions of the Constitution of New York.

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

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

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th	2019	2020	2021	2022	2023
Bonds	$ 24,580,000	$ 22,555,000	$ 20,730,000	$ 24,380,000	$ 39,910,000
Bond Anticipation Notes	0	0	0	0	0
Other Debt [1]	2,873,582	2,557,005	2,162,433	1,889,465	7,386,683
Total Debt Outstanding	$ 27,453,582	$ 25,112,005	$ 22,892,433	$ 26,269,465	$ 47,276,683

[1] Represents Installment Purchase Contracts and Capital Leases

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of July 31, 2023.

Type of Indebtedness	Maturity		Amount
Bonds	2023-2038		$ 39,910,000
Bond Anticipation Notes	-		0
		Total Indebtedness	$ 39,910,000

(1)-To be fully redeemed and renewed at maturity with the proceeds of the Notes.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 31, 2023:

	Computed Using Regular State Equalization Rates	Computed Using Special State Equalization Ratios (1)
Five-Year Average Full Valuation of Taxable Real Property	$ 1,776,503,338	$ 2,033,643,330
Debt Limit 5% thereof	88,825,167	101,682,166
Inclusions:		
Bonds	$ 39,910,000	$ 39,910,000
Bond Anticipation Notes	0	0
Revenue Anticipation Notes	0	0
Total Inclusions	$ 39,910,000	$ 39,910,000
Exclusions:		
Appropriations – Bonds	$ 0	$ 0
Current refunded bonds outstanding	0	0
Revenue Anticipation Notes	0	0
Total Exclusions	$ 0	$ 0
Total Net Indebtedness (2) (3)	$ 39,910,000	$ 39,910,000
Net Debt-Contracting Margin	$ 48,915,167	$ 61,862,166
The percent of debt contracting power exhausted is	44.93%	39.25%

(1) The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. Conventional State equalization rates are also established by said Office of Real Property Services, and are used for all other purposes. See "TAX INFORMATION – Taxable Assessed Valuations" herein or "APPENDIX – C" attached hereto.

(2) Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. The District, as a school district located in a city, may not under Section 121.20 of the Local Finance Law exclude from gross indebtedness estimated State aid for School building purposes. As noted above, the District receives New York State debt service building aid in an amount approximating 98.0% of its outstanding debt. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive.

(3) The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the constitutional debt limit of the District.

Bonded Debt Service

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

Capital Project Plans

On October 20, 2020, District voters approved two capital project propositions, one for $48,250,000 and a second for $50,541,306, totaling $98,791,306. The capital project consists of the reconstruction of the Intermediate, Middle, Senior High School and Bus Garage. The District voters authorized the District to exceed its debt limit with respect to the $50,541,306 capital project, subject to the consent of the Board of Regents and the Office of the State Comptroller, both of which have been received. The Notes will provide $12 million in new money for the aforementioned purpose.

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

There are no other capital projects authorized or financings contemplated at the present time other than the School District Bonds.

Cash Flow Borrowings

The District has not usually found it necessary to issue revenue anticipation notes in the past and does not intend to in the foreseeable future.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed as of the close of the last fiscal year of the respective municipalities.

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Dutchess	12/31/2021	$ 212,188,900	$ -	$ 212,188,900	9.98%	$ 21,176,452
City of:						
Poughkeepsie	12/31/2021	58,965,892	25,680,892	33,285,000	100.00%	33,285,000
					Total:	$ 54,461,452

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

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2021.

Note: The 2022 Comptroller's Special Report is currently unavailable as of the date of this Official Statement.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of July 31, 2023:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 39,910,000	$ 1,268.00	1.85%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	94,371,452	2,998.30	4.38

(a) The current estimated population of the District is 31,475. (See "THE SCHOOL DISTRICT – Population" herein.)
(b) The District's full value of taxable real estate for the 2022-2023 fiscal year is $2,154,863,964. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
(d) Estimated net overlapping indebtedness is $54,461,452. (See "Estimated Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

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

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

MARKET AND RISK FACTORS

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

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

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

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

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

Cybersecurity

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

TAX MATTERS

In the opinion of Barclay Damon LLP, Bond Counsel to the School District, under existing law, and assuming compliance with the certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, for tax years beginning after December 31, 2022, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax under the Code. Bond Counsel also is of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Bond Counsel expresses no opinion regarding any other federal, state or local tax consequences with respect to the Notes. The opinion of Bond Counsel will speak as of its date of issue and will not contain or provide any opinion or assurance regarding the future activities of the School District, or about the effect of future changes in the Code, the applicable regulations, rulings, judicial decisions, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the "IRS"). In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, the exclusion of interest on the Notes from gross income for federal income tax purposes.

General

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

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

Certain Collateral Federal Income Tax Consequences

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

Backup Withholding and Information Reporting

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

Legislation

Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the federal or state level, may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subjected to state income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Notes for federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Notes. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of Beneficial Owners of the Notes may occur. Prospective purchasers of the Notes should consult their own advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authority and represents the judgment of Bond Counsel as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the IRS or the courts.

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

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Barclay Damon LLP, Bond Counsel, Albany, New York to the effect that the Notes are valid and legally binding obligations of the District, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Notes and the interest thereon without limitation as to rate or amount, that interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, however, for tax years beginning after December 31, 2022, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax under the Code, and that interest on the Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Such opinion also will state that: (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity; (b) Bond Counsel expresses no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes; and (c) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may occur thereafter.

LITIGATION

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

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

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

DISCLOSURE UNDERTAKING

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

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATING

The underlying rating assigned to the School District by S&P Global Ratings, a division of S&P Global Inc., is an “A” rating, which was assigned January 8, 2018. The underlying rating assigned to the School District by Moody’s Investors Service, Inc., is an “Baa1” rating, which was assigned November 28, 2016, was affirmed on May 20, 2021 and was stated in the most recent Issuer Comment Report dated October 18, 2021.

The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) pending the approval of the District, including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District’s Continuing Disclosure Undertakings. (See “APPENDIX – D”, attached hereto).

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management’s beliefs as well as assumptions made by, and information currently available to, the District’s management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District’s files with the repositories. When used in District documents or oral presentation, the words “anticipate”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

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

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

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

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

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

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

The District's contact information is as follows: Mr. William Hogan Chief Operations Officer, Poughkeepsie City School District, 18 South Perry Street, Poughkeepsie, New York 12601, Phone: (845) 451-4900 x 4960, Email:busconsult@poughkeepsieschools.org

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

POUGHKEEPSIE CITY SCHOOL DISTRICT

Dated: August __, 2023

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PRESIDENT OF THE BOARD OF EDUCATION

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2018	2019	2020	2021	2022
ASSETS					
Unrestricted Cash and cash equivalents	$ 13,969,841	$ 8,337,496	$ 5,062,918	$ 6,079,350	$ 4,136,959
Restricted Cash and cash equivalents	897,276	899,509	912,846	7,563,217	19,233,605
Accounts receivable	1,621,861	2,385,036	2,655,446	2,602,155	2,388,396
Due from Other Funds	7,711,142	9,085,528	7,731,244	9,497,996	8,320,966
State and Federal Aid Receivable	2,284,457	2,230,466	3,009,442	5,174,901	2,726,280
Property Taxes Recievable	-	-	-	-	-
Due from Other Governments	600,967	753,049	1,277,161	2,193,762	1,075,814
Inventories and prepaid expenses	1,870,688	655,881	491,869	357,112	455,471
TOTAL ASSETS	$ 28,956,232	$ 24,346,965	$ 21,140,926	$ 33,468,493	$ 38,337,491
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 1,817,301	$ 2,581,146	$ 1,765,245	$ 1,215,759	$ 2,319,501
Accrued Liabilities	656,866	635,452	501,708	817,310	788,596
Accrued Interest Payable	-	-	-	-	-
Due to Other Funds	3,337,535	3,705,979	3,563	3,563	-
Due to Other Governments	2,408,129	2,909,513	3,177,205	2,910,096	2,003,033
Due to Teachers' Retirement System	3,766,583	3,463,103	3,892,923	3,456,135	3,878,997
Due to Employees' Retirement System	232,572	212,111	124,622	222,439	132,420
Deferred Inflows of Resources	1,475,730	2,348,344	2,293,299	2,532,695	2,306,541
Overpayments and Collections in Advance	84,684	88,767	142,806	105,673	34,797
TOTAL LIABILITIES	$ 13,779,400	$ 15,944,415	$ 11,901,371	$ 11,263,670	$ 11,463,885
FUND EQUITY					
Nonspendable	$ 1,870,688	$ 655,881	$ 491,869	$ 357,112	$ 455,471
Restricted	897,276	899,509	912,846	7,563,217	19,233,605
Committed					
Assigned	1,259,647	2,500,000	500,000	1,683,540	2,738,439
Unassigned	11,149,221	4,347,160	7,334,840	12,600,954	4,446,091
TOTAL FUND EQUITY	$ 15,176,832	$ 8,402,550	$ 9,239,555	$ 22,204,823	$ 26,873,606
TOTAL LIABILITIES and FUND EQUITY	$ 28,956,232	$ 24,346,965	$ 21,140,926	$ 33,468,493	$ 38,337,491

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2018	2019	2020	2021	2022
REVENUES					
Real Property Taxes and Tax Items	$ 28,462,777	$ 28,385,192	$ 31,059,812	$ 32,670,858	$ 33,641,059
Charges for Services	3,181	4,015	7,680	68	6,945
Use of Money & Property	207,465	301,943	79,294	5,977	79,523
Sale of Property and Compensation for Loss	14,402	53,319	6,444	-	65,374
Miscellaneous	951,627	633,054	1,811,930	3,080,490	1,218,452
Revenues from State Sources	65,829,134	67,599,391	69,337,510	69,447,130	72,398,047
Revenues from Federal Sources	194,014	290,243	436,129	2,237,711	416,791
Total Revenues	$ 95,662,600	$ 97,267,157	$ 102,738,799	$ 107,442,234	$ 107,826,191
Other Sources:					
Appropriated fund equity - reserves	-	-	-	-	-
Prior year encumbrances	-	-	-	-	-
Proceeds from issuance of lease	-	-	-	-	-
Premium on BAN Issuance	-	-	-	5,636	-
Interfund Transfers	99,282	85,772	622,668	55,379	53,757
Total Revenues and Other Sources	$ 95,761,882	$ 97,352,929	$ 103,361,467	$ 107,503,249	$ 107,879,948
EXPENDITURES					
General Support	$ 8,192,915	$ 7,860,287	$ 7,939,603	$ 9,293,136	$ 11,361,604
Instruction	51,644,371	58,561,077	56,557,539	51,546,761	55,868,135
Pupil Transportation	3,183,863	3,422,015	3,436,263	3,046,450	4,692,737
Community Services	54,720	60,686	30,764	4,335	42,995
Employee Benefits	27,289,777	29,175,373	30,689,746	27,078,006	26,136,126
Debt Service	-	-	14,547	27,157	-
Other Expenditures	-	-	-	3,132	
Total Expenditures	$ 90,365,646	$ 99,079,438	$ 98,668,462	$ 90,998,977	$ 98,101,597
Other Uses:					
Interfund Transfers	4,049,039	5,047,773	3,856,000	3,539,004	5,109,568
Total Expenditures and Other Uses	$ 94,414,685	$ 104,127,211	$ 102,524,462	$ 94,537,981	$ 103,211,165
Excess (Deficit) Revenues Over Expenditures	1,347,197	(6,774,282)	837,005	12,965,268	4,668,783
FUND BALANCE					
Fund Balance - Beginning of Year	13,829,635	15,176,832	8,402,550	9,239,555	22,204,823
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 15,176,832	$ 8,402,550	$ 9,239,555	$ 22,204,823	$ 26,873,606

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2022 Original Budget	2022 Revised Budget	2022 Actual	2023 Adopted Budget	2024 Adopted Budget
REVENUES					
Real Property Taxes & Tax Items	$ 33,021,290	$ 33,021,290	$ 32,005,189	$ 31,817,258	$ 32,489,311
Charges for Services	6,200	6,200	1,642,815	1,356,200	1,356,200
Use of Money & Property	79,600	79,600	79,523	11,500	1,011,500
Sale of Property and Compensation for Loss	30,000	38,500	65,374	10,000	10,000
Miscellaneous	538,100	585,077	1,218,452	500,000	500,000
Revenues from State Sources	74,110,628	74,110,628	72,398,047	82,884,524	98,335,842
Revenues from Federal Sources	300,000	492,967	416,791	200,000	200,000
Total Revenues	$ 108,085,818	$ 108,334,262	$ 107,826,191	$ 116,779,482	$ 133,902,853
Other Sources:					
Appropriated fund equity - reserves	-	248,354	-		-
Prior year encumbrances	-	1,683,540	-	-	-
Proceeds from issuance of lease	-	-	-	-	-
Interfund Transfers	105,000	105,000	53,757	55,000	55,000
Total Revenues and Other Sources	$ 108,190,818	$ 110,371,156	$ 107,879,948	$ 116,834,482	$ 133,957,853
EXPENDITURES					
General Support	$ 9,263,899	$ 12,483,007	$ 11,361,604	$ 9,293,189	$ 10,329,018
Instruction	57,084,815	59,505,521	55,868,135	62,204,898	73,160,440
Pupil Transportation	4,403,137	5,277,388	4,692,737	5,975,226	7,965,539
Community Services	85,000	88,800	42,995	235,000	235,000
Employee Benefits	33,237,597	27,691,288	26,136,126	35,116,730	37,523,839
Debt Service	-	49,667	-	4,434,440	6,144,017
Total Expenditures	$ 104,074,448	$ 105,095,671	$ 98,101,597	$ 117,259,483	$ 135,357,853
Other Uses:					
Interfund Transfers	4,116,370	5,275,485	5,109,568	1,075,000	600,000
Total Expenditures and Other Uses	$ 108,190,818	$ 110,371,156	$ 103,211,165	$ 118,334,482	$ 135,957,853
Excess (Deficit) Revenues Over Expenditures	-	-	4,668,783	(1,500,000)	(2,000,000)
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	22,204,823	1,500,000	2,000,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 26,873,606	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th		Principal		Interest		Total
2024	$	2,810,000	$	100,206.25	$	2,910,206.25
2025		3,165,000		117,943.75		3,282,943.75
2026		3,265,000		149,762.50		3,414,762.50
2027		3,400,000		131,622.50		3,531,622.50
2028		3,120,000		147,156.25		3,267,156.25
2029		2,840,000		137,462.50		2,977,462.50
2030		2,975,000		144,625.00		3,119,625.00
2031		3,030,000		125,487.50		3,155,487.50
2032		3,070,000		125,300.00		3,195,300.00
2033		3,205,000		131,150.00		3,336,150.00
2034		1,720,000		86,000.00		1,806,000.00
2035		1,805,000		90,250.00		1,895,250.00
2036		1,890,000		94,500.00		1,984,500.00
2037		1,975,000		98,750.00		2,073,750.00
2038		1,640,000		82,000.00		1,722,000.00
TOTALS	$	39,910,000	$	1,762,216	$	41,672,216

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2012 Bonds Principal	2012 Bonds Interest	2012 Bonds Total	2012 Bonds Principal	2012 Bonds Interest	2012 Bonds Total
2024	$ 365,000	$ 16,881	$ 381,881	$ 300,000	$ 9,000	$ 309,000
2025	380,000	18,050	398,050	295,000	9,219	304,219
2026	400,000	19,000	419,000	285,000	9,263	294,263
2027	420,000	20,160	440,160	275,000	9,625	284,625
2028	215,000	10,481	225,481	95,000	3,325	98,325
TOTALS	$ 1,780,000	$ 84,572.50	$1,864,572.50	$ 1,250,000	$ 40,431	$ 1,290,431

Fiscal Year Ending June 30th	2016 Bonds Principal	2016 Bonds Interest	2016 Bonds Total	2017 Refunding Bonds Principal	2017 Refunding Bonds Interest	2017 Refunding Bonds Total
2024	$ 235,000	$ 4,700	$ 239,700	$ 1,035,000	$ 25,875	$ 1,060,875
2025	240,000	4,800	244,800	1,065,000	26,625	1,091,625
2026	250,000	5,000	255,000	1,090,000	54,500	1,144,500
2027	255,000	5,100	260,100	1,145,000	31,488	1,176,488
2028	260,000	5,850	265,850	1,180,000	59,000	1,239,000
2029	165,000	3,713	168,713	1,240,000	62,000	1,302,000
2030	165,000	4,125	169,125	1,300,000	65,000	1,365,000
2031	85,000	2,125	87,125	1,365,000	44,363	1,409,363
2032	-	-	-	1,410,000	42,300	1,452,300
2033	-	-	-	1,455,000	43,650	1,498,650
TOTALS	1,655,000	35,413	1,690,413	$ 12,285,000	$ 454,800	$ 12,739,800

Fiscal Year Ending June 30th	2022A DASNY Principal	2022A DASNY Interest	2022A DASNY Total	2023A DASNY Principal	2023A DASNY Interest	2023A DASNY Total
2024	$ 295,000	$ 14,750	$ 309,750	$ 580,000	$ 29,000	$ 609,000
2025	315,000	15,750	330,750	870,000	43,500	913,500
2026	330,000	16,500	346,500	910,000	45,500	955,500
2027	345,000	17,250	362,250	960,000	48,000	1,008,000
2028	365,000	18,250	383,250	1,005,000	50,250	1,055,250
2029	380,000	19,000	399,000	1,055,000	52,750	1,107,750
2030	400,000	20,000	420,000	1,110,000	55,500	1,165,500
2031	415,000	20,750	435,750	1,165,000	58,250	1,223,250
2032	435,000	21,750	456,750	1,225,000	61,250	1,286,250
2033	465,000	23,250	488,250	1,285,000	64,250	1,349,250
2034	370,000	18,500	388,500	1,350,000	67,500	1,417,500
2035	390,000	19,500	409,500	1,415,000	70,750	1,485,750
2036	405,000	20,250	425,250	1,485,000	74,250	1,559,250
2037	415,000	20,750	435,750	1,560,000	78,000	1,638,000
2038	-	-	-	1,640,000	82,000	1,722,000
TOTALS	$ 5,325,000	$ 266,250	$ 5,591,250	$ 17,615,000	$ 880,750	$ 18,495,750

COMPUTATION OF FULL VALUATION

Using Regular Equalization Rates

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Assessed Valuation					
City of:					
Poughkeepsie	$ 1,525,999,643	$ 1,593,000,349	$ 1,711,627,614	$ 1,897,025,119	$ 2,154,863,964
Total Assessed Valuation	$ 1,525,999,643	$ 1,593,000,349	$ 1,711,627,614	$ 1,897,025,119	$ 2,154,863,964
State Equalization Rates					
City of:					
Poughkeepsie	100.00%	100.00%	100.00%	100.00%	100.00%
Full Valuation					
Cityof:					
Poughkeepsie	$ 1,525,999,643	$ 1,593,000,349	$ 1,711,627,614	$ 1,897,025,119	$ 2,154,863,964
Total Taxable Full Valuation	$ 1,525,999,643	$ 1,593,000,349	$ 1,711,627,614	$ 1,897,025,119	$ 2,154,863,964

Using Special Equalization Ratios

Fiscal Year Ending June 30:	2019	2020	2021	2022	2023
Special Equalization Ratios					
City of:					
Poughkeepsie	89.98%	84.72%	79.85%	86.20%	95.87%
Full Valuation					
City of:					
Poughkeepsie	$ 1,695,932,033	$ 1,880,312,027	$ 2,143,553,681	$ 2,200,725,196	$ 2,247,693,714
Total Full Valuation	$ 1,695,932,033	$ 1,880,312,027	$ 2,143,553,681	$ 2,200,725,196	$ 2,247,693,714

DISCLOSURE UNDERTAKING

This undertaking to provide notice of certain designated events (the "Disclosure Undertaking") is executed and delivered by the Poughkeepsie City School District, Dutchess County, New York (the "Issuer") in connection with the issuance of its $[12,000,000] Bond Anticipation Note(s), 2023A (such Note(s) including any interests therein, being collectively referred to herein as the "Security"). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

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

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;

(7) Modifications to rights of Security Holders, if material;

(8) Bond (or Note) calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Security, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

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

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

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

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

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

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

Section 2. Definitions

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

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

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

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

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

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

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

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

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

(a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;

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

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

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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer to this Disclosure Undertaking as of [August 17, 2023].

POUGHKEEPSIE CITY SCHOOL DISTRICT
DUTCHESS COUNTY, NEW YORK

By: ____
President of the Board of Education

(SEAL)

ATTEST:

____
District Clerk

POUGHKEEPSIE CITY SCHOOL DISTRICT
DUTCHESS COUNTY, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2022

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

FINANCIAL REPORT
AUDITED

POUGHKEEPSIE CITY SCHOOL DISTRICT

For the Year Ended June 30, 2022

Audited for:

Board of Education
POUGHKEEPSIE CITY SCHOOL DISTRICT

Audited By:

RBT CPAs, LLP
4071 US Route 9
Hudson, NY 12534
(518) 828-4616

POUGHKEEPSIE CITY SCHOOL DISTRICT

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POUGHKEEPSIE CITY SCHOOL DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The following is a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2022. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- Commencing in 2018, the District implemented GASB Statement No. 75 *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. The District reported Other Post-Employment Benefits (OPEB) liabilities related to OPEB in the amount of $246,262,934 and a Deferred Outflow of $41,560,498 and Deferred Inflow of $159,122,652.

- Commencing in 2015, with the adoption of GASB 68, the negative impact of this liability (asset) is tempered by the positive overall impact of the Deferred Outflow in excess of Pension Liabilities inclusive of the corresponding Deferred Outflows and Inflows in the amount of $22.09 million.

- Delinquent Taxes. After the normal tax collection period is elapsed, the City of Poughkeepsie is given the delinquent and unpaid tax roll in accordance with the RPTL section 1332. The City is responsible for the collection of taxes after this period. As tax receipts are collected by the City, they are to be turned over to the District on a monthly basis. Also, the City is required to remit the balance of the unpaid taxes to the School District 2 years after receiving the delinquent tax roll. Total overdue taxes as of year-end were $2,306,541.

Overview of the Financial Statements

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

- The first two statements are ***District-Wide Financial Statements*** that provide both *short-term* and *long-term* information about the District's *overall* financial status.

- The remaining statements are ***Fund Financial Statements*** that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column.

- The *Governmental Funds Statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.

- *Fiduciary Funds Statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

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

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

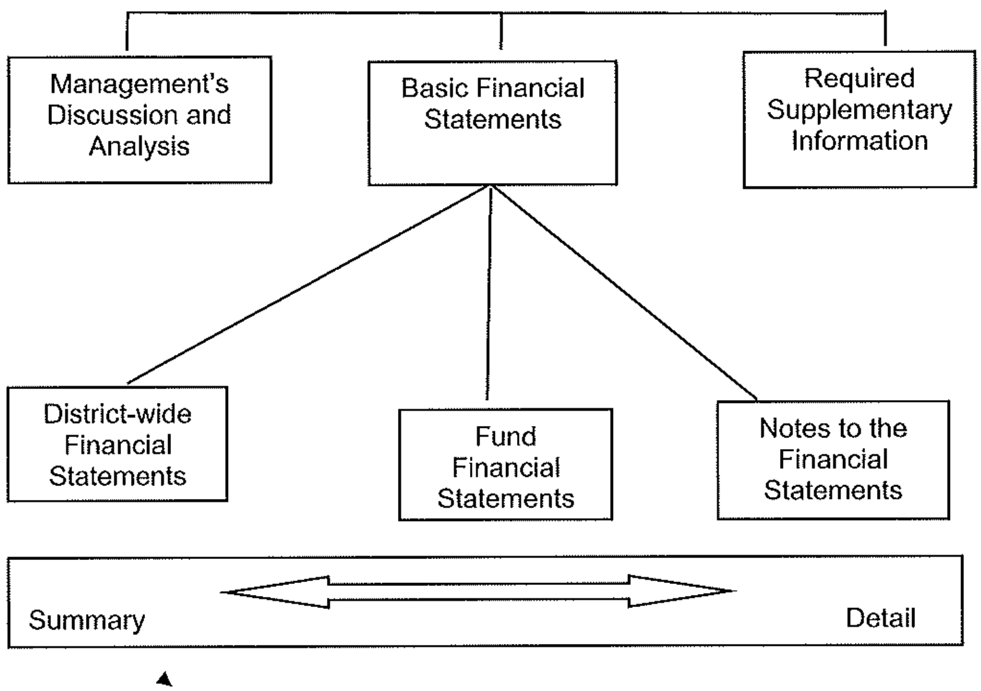


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents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

Figure A-2
Major Features of the District-Wide and Fund Financial Statements

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

District-Wide Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

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

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

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (such as a fund for scholarship monies) or to show that it is properly using certain revenues (such as federal grants).

The District has two kinds of funds:

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

- *Fiduciary Funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

Net Assets

The following schedule shows the Net Position for the School District as of June 30, 2022:

Figure A-3

Condensed Statement of Net Position (In Millions of Dollars)

	Governmental and Total School District Activities		
	2022	2021	% Change
Assets			
Current and Other Assets	$ 27.16	$ 17.61	54.2%
Receivables, Inventory	16.48	19.37	-14.9%
Capital Assets	46.09	36.20	27.3%
Net Pension Asset-Proportionate Share	39.60	-	100.00%
Total Assets	129.33	73.18	76.7%
Deferred Outflows of Resources	67.76	32.96	105.58%
Total Assets and Deferred Outflows of Resources	197.09	106.14	85.7%
Liabilities			
Current Liabilities	5.41	5.69	4.9%
Long-Term Debt	279.14	448.36	37.7%
Total Liabilities	284.55	454.05	37.3%
Deferred Inflows of Resources	208.30	1.93	-10692.7%
Total Liabilities and Deferred Inflows of Resources	492.85	455.98	-8.1%
Net Position			
Invested in Capital Assets, Net of Related Debt	19.82	13.24	-49.7%
Restricted	8.57	7.99	-7.3%
Unrestricted	(324.16)	(371.07)	12.6%
Total Net Position	$ (295.77)	$ (349.84)	15.5%

Note: Assets - Liabilities = Net Position

- Investment in capital assets increased primarily due to decrease in bonds payable.
- The increase in unrestricted net position is primarily due to the decrease in other post-employment liability (OPEB) of $167,332,816.

Governmental Activities/*Changes in Net Position*

Figure A-4

Change in Net Position from Operating Results (In Millions of Dollars)

	Governmental and Total School District Activities		
	2022	Restated 2021	% Change
Revenues			
Program Revenue:			
Charges for Services	$ 0.12	$ 0.03	300.0%
Operating Grants and Contributions	18.60	10.07	84.7%
General Revenue:			
Property Taxes & Tax Items	33.41	32.91	1.5%
Use of Money & Property	0.08	-	100.0%
State Formula Aid - Restated	72.76	70.45	3.3%
Medicaid Reimbursement	-	-	-
Food Sales & Surplus	-	-	-
Other	1.29	3.07	-58.0%
Total Revenues	126.26	116.53	8.3%
Expenses			
General Support	9.62	16.55	-41.9%
Instruction	50.43	104.25	-51.6%
Pupil Transportation	8.11	5.41	49.9%
Debt Service	0.86	0.87	-1.1%
Other Expenses	0.14	-	0.0%
Community Service	-	-	0.0%
School Lunch Program	2.30	0.97	137.1%
Total Expenses	71.46	128.05	-44.2%
Excess (Deficiency) of Revenues Over Expense Increase (Decrease) in Net Position	$ 54.80	$ (11.52)	-575.7%

Changes in Net Position

The School District's 2022 revenue was $126,784,426 (See Figure A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 25.07% and 57.39%, respectively, of the total revenue raised (see Figure A-5). The remainder of revenue came from charges for services, operating grants and contributions, nonproperty taxes, other tax items, federal sources, and other miscellaneous sources.

The total cost of all programs and services totaled $71,460,828. For these expenses, (89%) are predominately for the education; supervision, school lunch program, and transportation of students (see Figure A-6). The School District's administrative and business activities, including debt service accounted for 11% of total costs.

Net position increased during the year by $54,795,078.

Figure A-5 - Sources of Revenues for Fiscal Year 2022

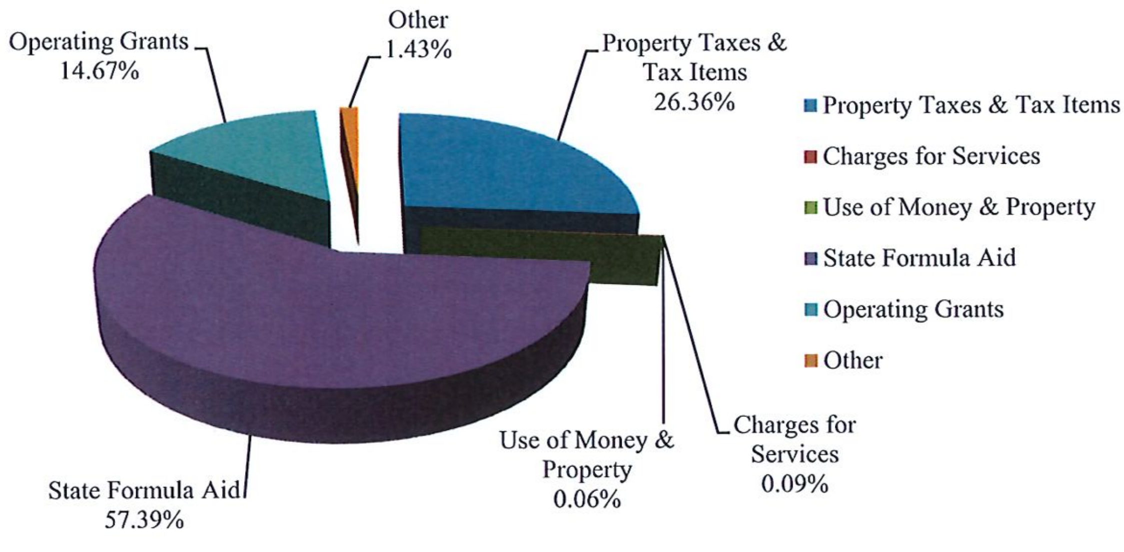
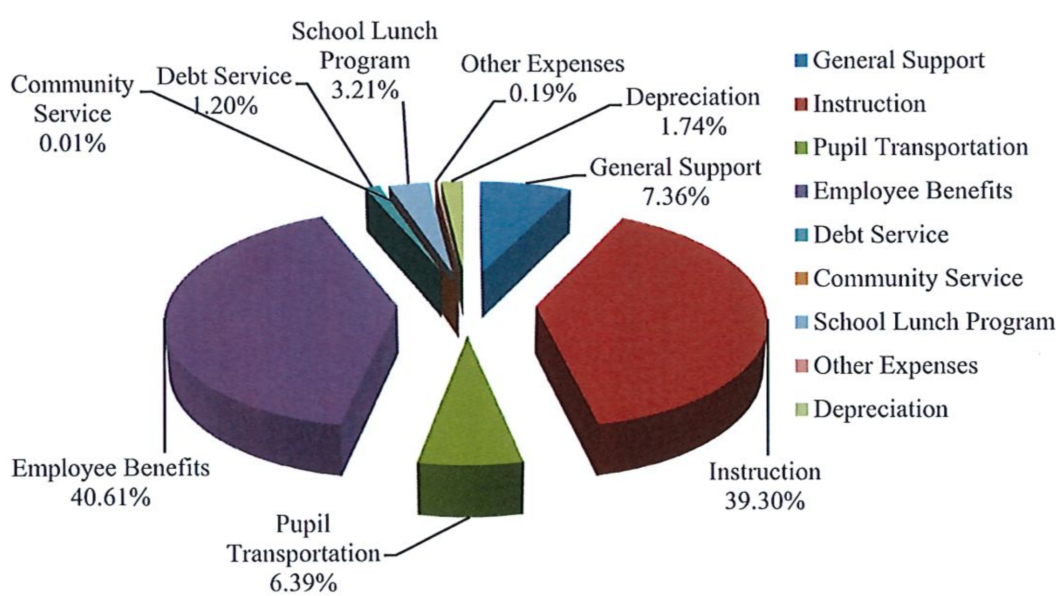


Figure A-6 – Expenses for the Fiscal Year 2022



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

Figure A-7
Net Cost of Governmental Activities (In Millions of Dollars):

	Total Cost of Services			Net Cost of Services	
Program Expenses	2022	2021	% Change	2022	2021
General Support	$ 5.3	$ 9.3	-43.0%	$ 9.6	$ 16.6
Instruction	28.1	59.1	-52.5%	34.9	94.9
Pupil Transportation	4.6	3.1	50.3%	7.9	5.4
Community Service	-	-	-	-	-
Employee Benefits	29.0	53.5	-45.7%	-	-
Debt Service - Interest	0.9	0.9	0.0%	0.9	0.9
Other Expenses	0.1	-	-	0.1	-
Depreciation	1.2	1.3	100.0%	-	-
School Lunch Program	2.3	1.0	137.1%	(0.7)	-
Total	$ 71.5	$ 128.1	-44.2%	$ 52.7	$ 117.7

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of $30.54 million; a $6.37 million increase from last year's ending fund balances of $24.17 million.

Governmental Activities

Revenue for the School District's governmental activities totaled $133,010,580 while total expenses were $126,637,598. Accordingly, fund balances increased by $6,372,982. The increase was primarily the result of the current year increase in state aid.

- The users of the School District's programs financed $115,251 of the costs.
- The federal and state government financed $91,359,450 of the costs.
- The majority of the net costs were financed by the School District's taxpayers and unallocated NYS aid.

Governmental Funds Highlights

The following is a brief description of the activity in the governmental funds for 2022:

- General Fund – The District revenues increased due to an increase in Property and Other Taxes of $0.50 million, along with increases in State Aid Revenues of $2.31.

- Special Aid Fund – The District Special Aid Fund revenues increased by $8.20million due to an increase in revenues from Federal Sources of $7.5.

- Special Aid Fund – The District Special Aid Fund revenues increased by $8.20million due to an increase in revenues from Federal Sources of $7.5.

- School Lunch Fund – The Food Service Fund is continuing to provide students a high-quality selection of food, with an increase in Federal Sources of $2.1 million.

- Capital Projects Fund – The District continued Phases 1A & 1B of the $99 million Capital Project to improve infrastructure and other physical upgrades including roof replacements in several of the district's buildings.

- Debt Service Fund –The District made principal and interest payments totaling $2.69 and $0.84, respectively.

General Fund Budgetary Highlights

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

Figure A-8
Results vs. Budget (In Millions of Dollars)

	Original Budget	Final Budget	Actual	Variance (Actual/Budget)
Revenue:				
Local Sources	$ 33.68	$ 33.73	$ 35.01	$ 1.28
State Sources	74.11	74.11	72.40	(1.71)
Federal Sources	0.30	0.49	0.42	(0.07)
Transfers In	0.10	0.10	0.05	(0.05)
Designated Fund Balance & Encumbrances	-	1.94	-	(1.94)
Total	108.19	110.37	107.88	(2.49)
Expenses				
General Support	9.26	12.48	11.36	(1.12)
Instruction	57.08	59.51	55.87	(3.64)
Pupil Transportation	4.40	5.28	4.69	(0.59)
Community Services	0.08	0.08	0.04	(0.04)
Employee Benefits	33.24	27.69	26.14	(1.55)
Debt Service	-	0.05	-	(0.05)
Transfers Out	4.12	5.28	5.11	(0.17)
Total	108.18	110.37	103.21	(7.16)
Revenue over (under) expenditures	$ 0	$ -	$ 4.67	$ 4.67

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

- The General fund had an excess of revenue over expenditures in 2022 of $4,668,783. As a result of this excess, the District's fund balance has increased by this amount. All reserves are within the legal limitations.

Capital Assets and Debt Administration

Capital Assets, Net

As of June 30, 2022, the School District had $46,089,726 invested in buildings, computers, and other educational equipment.

The overall capital assets as of June 30, 2022, are given below in Figure A-9.

Figure A-9
Capital Assets (net of depreciation, in millions of dollars)

	Capital Assets	
	2022	2021
Land	$ 0.1	$ 0.1
Construction	7.0	0.5
Buildings and Improvements	75.2	71.1
Vehicles	1.7	1.2
Furniture and Equipment, Restated	1.4	1.4
Total	85.4	74.3
Less: Accumulated Depreciation	39.4	38.2
Net Capital Assets	$ 46.0	$ 36.1

Long-Term Debt

As of June 30, 2022, the District had $26,269,465 in general obligation and other long-term debt outstanding. More detailed information about the School District's long-term debt is included in the notes to the financial statements. The District, because of its status as a small city school, is limited to issuing debt of no greater than 5% of its full assessed value. Currently, the District is below its debt limit.

Figure A-10
Oustanding Long-Term Debt (in Millions of Dollars)

	Total School District	
	2022	2021
General Obligation Bonds & Notes	$ 24.38	$ 20.73
Other Long Term Debt	1.89	2.23
Total	$ 26.27	$ 22.96

Factors Bearing on the District's Future

- The district has generated a surplus from operations this year resulting from unspent funds. In June of 2022, the District was able to increase its level of reserves by $7.3 million and set aside $1.5 million towards 21st Century Furniture replacement. Management proactively plans for long-term financial stabilization. Unassigned fund balance was appropriately decreased to align with the statutory limit.

- The $99 million capital improvement project which was supported on October 20, 2020 has begun with roof replacements, improvements to our heating system and many other much needed repairs.

- The District benefits financially as a result of the many Grants that are awarded for improvements in our schools, most recently the American Recovery Act will benefit the District through the 2023-24 school year. Both will be exhausted by June 30, 2024.

- The State University of New York Board of Trustees (the "SUNY Trustees"), in its capacity as a charter authorizer approved the Little Water Preparatory Charter School on June 15, 2021 within the city limits of Poughkeepsie. It will be a K-5 school and plans to grow its enrollment to 360 students over 5 years beginning in the fall of 2022. If successful in enrolling and maintaining students, the school will have a negative effect on the finances of the Poughkeepsie City School District. Additionally, it will impede the District's ability to plan for enrollment and staffing levels on an annual basis.

- As is typical in a district this size, some challenges to property tax assessments are ongoing, which may require the issuance of future tax refunds. The amount of these potential refunds cannot be determined at the present time and are being addressed with the District's legal counsel. They have intervened on the significant cases as necessary. The District has set aside a tax certiorari reserve in preparation for these types of refunds.

- The NYS legislature has imposed a real property tax cap on public school districts, which has failed to acknowledge the true cost of increases in unfunded mandates, employee benefits and rising energy costs. Unless these issues are recognized in any new legislation, school districts will be forced to reallocate funds from instruction to these other areas.

- Poughkeepsie City School District is a high needs District with over 85% of its enrolled students designated economically disadvantaged. This population requires additional supports as is typical with other urban school districts.

Contacting the District's Financial Management

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

Poughkeepsie City School District
Attn: Ms. Louise M. Lynch
Assistant Superintendent for Business
18 South Perry Street
Poughkeepsie, NY 12601
(845) 451-4960

LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Poughkeepsie City School District
18 South Perry Street
Poughkeepsie, New York 12601

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Poughkeepsie City Central School District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof 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 and the standards appliable to the 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 2. to the financial statement, in 2022 the District adopted new accounting guidance GASB No. 87, *Leases*. Our opinion is not modified with respect to this matter.

A prior period adjustment for Capital Fund receivable was reflected, see Note 16.

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 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.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 the management's discussion and analysis, revenues, expenditures – budget and actual, changes in the total other post-employment benefits liability and related ratios, local government's proportionate share of net pension liability for New York State Employees' Retirement System and for New York State Teachers' Retirement System, and the schedule of local government's contributions for the New York State Employees' Retirement System and for the New York State Teachers' Retirement System information 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 District's basic financial statements. The combining and individual nonmajor fund financial statements are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections and the Schedule of Change from Adopted Budget to Final Budget and Section 1318 Real Property Tax Law Limit Calculation, Schedule of Project Expenditures – Capital Project Fund, and the Schedule of Net Investment in Capital Assets but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2022, on our consideration of 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 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 District's internal control over financial reporting and compliance.

RBT CPAs, LLP

Hudson, New York
October 28, 2022

POUGHKEEPSIE CITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government Governmental Activities
ASSETS	
Cash:	
Unrestricted	$ 3,917,010
Restricted	2,736
Investments:	
Unrestricted	3,672,983
Restricted	19,566,867
Receivables:	
Taxes	2,306,541
State and Federal Aid	12,505,785
Due from Other Governments	1,075,814
Other	81,855
Inventories	52,153
Prepaid Expenditure	455,471
Capital Assets, Net	46,089,726
Net Pension Asset-Proportionate Share	39,604,364
Total Assets	129,331,305
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - OPEB	41,560,498
Deferred Outflows - Pension	21,609,428
Deferred Outflows - Contributions Post Measurement	4,586,029
Total Deferred Outflows of Resources	67,755,955
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Total Assets and Deferred Outflows of Resources	197,087,260
LIABILITIES	
Payables:	
Accounts Payable	2,405,099
Accrued Liabilities	862,449
Due to Other Governments	2,003,054
Bond Interest and Matured Bonds	100,296
Deferred Credits:	
Overpayments and Collections in Advance	34,797
Long-Term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable	2,085,000
Energy Performance Contracts Payable	351,790
Due to Teachers' Retirement System	4,349,668
Due to Employees' Retirement System	236,361
Due and Payable After One Year:	
Bonds Payable	22,823,518
Retainage Payable	39,685
Energy Performance Contracts Payable	1,537,675
Compensated Absences Payable	1,455,857
Other Post Employment Benefits Payable	246,262,934
Total Liabilities	284,548,183
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenues - Other	899,091
Deferred Revenues - OPEB	159,122,652
Deferred Revenues - Pension	48,282,362
Total Deferred Inflows of Resources	208,304,105
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
Total Liabilities and Deferred Inflows of Resources	492,852,288
NET POSITION	
Net Investment in Capital Assets	19,820,261
Restricted	
Debt Service	335,998
Other Legal Restrictions	19,233,605
Unrestricted	(335,154,892)
Total Net Postion	$ (295,765,028)

See accompanying notes to the financial statements.

POUGHKEEPSIE CITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Expenses	Indirect Expenses Allocation	Program Revenues Charges for Services	Program Revenues Operating Grants	Net (Expense) Revenue and Changes in Net Position Governmental Activities
FUNCTIONS/PROGRAMS					
General Support	$ (5,256,726)	$ (4,361,285)	$ -	$ -	$ (9,618,011)
Instruction	(28,083,341)	(22,347,505)	6,945	15,499,629	(34,924,272)
Pupil Transporation	(4,562,967)	(3,550,379)	-	238,592	(7,874,753)
Community Service	(4,702)	(3,599)	-	-	(8,301)
Employee Benefits	(29,020,329)	29,020,329	-	-	-
Debt Service	(855,500)	-	-	-	(855,500)
Other Expenses	(137,505)	-	-	-	(137,505)
Cafeteria Program	(2,297,320)	-	108,306	2,856,934	667,920
Depreciation	(1,242,439)	1,242,439	-	-	-
Total Functions and Programs	$ (71,460,828)	$ -	$ 115,251	$ 18,595,155	(52,750,422)
GENERAL REVENUES					
Real Property Taxes					29,133,544
Other Tax Items					2,645,491
Non Property Taxes					1,635,870
Use of Money and Property					80,691
Sale of Property and Compensation for Loss					65,374
Miscellaneous					1,220,237
State Sources					72,764,295
Total General Revenues					107,545,502
Change in Net Position					54,795,079
Total Net Position - Beginning of Year					(349,839,777)
Prior Period Adjustment - See Note 16					(720,330)
Total Net Position - Beginning of Year, as Restated					(350,560,107)
Total Net Position - End of Year					$ (295,765,028)

See accompanying notes to the financial statements.

POUGHKEEPSIE CITY SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Special Aid	Non-Major	Governmental Funds
ASSETS				
Cash:				
Unrestricted	$ 557,534	$ 389,336	$ 2,970,140	$ 3,917,010
Restricted	2,736	-	-	2,736
Investments:				
Unrestricted	3,579,425	-	93,558	3,672,983
Restricted	19,230,869	-	335,998	19,566,867
Receivables:				
Taxes	2,306,541	-	-	2,306,541
Due from Other Funds	8,320,966	18,938	134,597	8,474,501
State and Federal Aid	2,726,280	7,617,510	2,161,995	12,505,785
Due from Other Governments	1,075,814	-	-	1,075,814
Other, Net of Allowance	81,855	-	-	81,855
Inventories	-	-	52,153	52,153
Prepaid Expenditures	455,471	-	-	455,471
Total Assets	$ 38,337,491	$ 8,025,784	$ 5,748,441	$ 52,111,716
LIABILITIES				
Payables:				
Accounts Payable	$ 2,319,501	$ 85,598	$ -	$ 2,405,099
Accrued Liabilities	788,596	43,245	30,608	862,449
Due to Other Funds	-	6,950,776	1,523,725	8,474,501
Due to Other Governments	2,003,033	-	21	2,003,054
Due to Teachers' Retirement System	3,878,997	470,671	-	4,349,668
Due to Employees' Retirement System	132,420	51,175	52,766	236,361
Unearned Credits:				
Overpayments and Collections in Advance	34,797	-	-	34,797
Total Liabilities	9,157,344	7,601,465	1,607,120	18,365,929
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue	2,306,541	424,319	474,772	3,205,632
Total Deferred Inflows of Resources	2,306,541	424,319	474,772	3,205,632
FUND BALANCES				
Non-Spendable				
Inventory	-	-	52,153	52,153
Prepaid Expenditures	455,471	-	-	455,471
Total Non-Spendable Fund Balance	455,471	-	52,153	507,624
Restricted				
Unemployment Insurance	222,830	-	-	222,830
Tax Certiorari	428,635	-	-	428,635
Retirement Contribution Reserve - ERS	1,000,201	-	-	1,000,201
Retirement Contribution Reserve - TRS	1,320,000	-	-	1,320,000
Liability Claims and Property Loss Reserve	261,939	-	-	261,939
Employee Benefit Accrued Liabiltiy Reserve	1,000,000	-	-	1,000,000
Capital Reserve	15,000,000	-	-	15,000,000
Debt Service	-	-	335,998	335,998
Total Restricted Fund Balance	19,233,605	-	335,998	19,569,603
Committed	-	-	-	-
Assigned				
Unappropriated	-	-	3,278,398	3,278,398
Appropriated for Subsequent Year's Expenditures	1,500,000			1,500,000
Encumbrances	1,238,439	-	-	1,238,439
Total Assigned Fund Balance	2,738,439	-	3,278,398	6,016,837
Unassigned	4,446,091	-	-	4,446,091
Total Fund Balance	26,873,606	-	3,666,549	30,540,155
Total Liabilities and Fund Balances	$ 38,337,491	$ 8,025,784	$ 5,748,441	$ 52,111,716

See accompanying notes to the financial statements.

POUGHKEEPSIE CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General	Special Aid	Non-Major	Total Governmental Funds
REVENUES				
Real Property Taxes	$ 29,133,544	$ -	$ -	$ 29,133,544
Other Tax Items	2,871,645	-	-	2,871,645
Nonproperty Taxes	1,635,870	-	-	1,635,870
Charges for Services	6,945	-	-	6,945
Use of Money and Property	79,523	-	1,168	80,691
Sale of Property and Compensation for Loss	65,374	-	-	65,374
Miscellaneous	1,218,452	-	1,785	1,220,237
State Sources	72,398,047	3,211,829	422,368	76,032,244
Federal Sources	416,791	12,109,601	2,800,814	15,327,206
Sales - School Lunch	-	-	108,306	108,306
Total Revenues	107,826,191	15,321,430	3,334,441	126,482,062
EXPENDITURES				
General Support	11,361,604	961,154	-	12,322,758
Instruction	55,868,135	11,803,684	-	67,671,819
Pupil Transportation	4,692,737	238,592	-	4,931,329
Community Service	42,995	-	-	42,995
Employee Benefits	26,136,126	2,569,245	314,958	29,020,329
Debt Service:				
Principal	-	-	2,689,636	2,689,636
Interest	-	-	842,148	842,148
Cost of Sales	-	-	2,297,320	2,297,320
Other Expenditures	-	-	137,505	137,505
Capital Outlay	-	-	6,681,759	6,681,759
Total Expenditures	98,101,597	15,572,675	12,963,326	126,637,598
Excess (Deficiency) of Revenues Over Expenditures	9,724,594	(251,245)	(9,628,885)	(155,537)
OTHER FINANCING SOURCES AND USES				
Proceeds from Bond Issuance	-	-	5,510,000	5,510,000
Premium on Bond Issuance	-	-	528,518	528,518
Bond Anticipation Note Redeemed from Appropriations	-	-	490,000	490,000
Operating Transfers In	53,757	305,001	4,804,566	5,163,324
Operating Transfers (Out)	(5,109,568)	(53,756)	-	(5,163,324)
Total Other Sources (Uses)	(5,055,811)	251,245	11,333,084	6,528,518
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	4,668,783	-	1,704,199	6,372,982
Fund Balances - Beginning of Year	22,204,823	-	2,682,680	24,887,503
Prior Period Adjustment - See Note 15	-	-	(720,330)	(720,330)
Fund Balances - Beginning of Year, as Restated	22,204,823	-	1,962,350	24,167,173
Fund Balances - End of Year	$ 26,873,606	$ -	$ 3,666,549	$ 30,540,155

See accompanying notes to the financial statements.

POUGHKEEPSIE CITY SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund Balances - Total Governmental Funds		$ 30,540,155
Amounts reported for Governmental Activities in the Statement of Net Position are:		
Capital assets, net of accumulated depreciation, used in Governmental Activities are not currect financial resources and, therefore, are not reported in the funds.		
Total Historical Cost	85,460,784	
Less Accumulated Depreciation	(39,371,058)	46,089,726
The School District's proportionate share of the Teacher and Employee Retirement Systems' collective net pension (asset) or liability is not reported in the funds.		
TRS Net Pension Asset - Proportionate share	38,206,084	
ERS Net Pension Asset - Proportionate share	1,398,280	39,604,364
Deferred outflows of resources, including deferred charges on defeased debt, OPEB, and pensions, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including OPEB, and pensions, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.		
ERS Deferred Outflows of Resources - Pension	2,577,265	
ERS Deferred Outflows of Resources - Contribution Post Measurement	236,361	
ERS Deferred Inflows of Resources - Pension	(5,088,360)	
TRS Deferred Outflows of Resources - Pension	19,032,163	
TRS Deferred Outflows of Resources - Contribution Post Measurement	4,349,668	
TRS Deferred Inflows of Resources - Pension	(43,194,002)	
Deferred Outflows of Resources - OPEB	41,560,498	
Deferred Inflows of Resources - OPEB	(159,122,652)	(139,649,059)
Certain revenues are deferred in Governmental Funds due to applying the "availability criterion" to receivables for the modified accrual basis of accounting. However, these deferred inflows of resources are considered revenue in the Statement of Activities and, therefore, are not reported in the Statement of Net Position.		2,306,541
Long-term liabilites, including bonds payable, compensated absences, and amounts due for other post-employment employee benefits, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds Payable	(24,380,000)	
Unamortized Bond Premium	(528,518)	
Retainage Payable	(39,685)	
Energy Performance Contracts Payable	(1,889,465)	
Long-Term Compensated Absences	(1,455,857)	
Other Post-Employment Benefits Liabilities	(246,262,934)	(274,556,459)
Interest is accrued on outstanding balances of debt obligations in the District-wide financial statements.		
Accrued Interest on Long-Term Debt		(100,296)
Net Position (Deficit) of Governmental Activities		$ (295,765,028)

See notes to the financial statements.

POUGHKEEPSIE CITY SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

	Total Governmental Funds	Long-Term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash:				
Unrestricted	$ 3,917,010	$ -	$ -	$ 3,917,010
Restricted	2,736	-	-	2,736
Investments:				
Unrestricted	3,672,983	-	-	3,672,983
Restricted	19,566,867	-	-	19,566,867
Receivables:				
Taxes	2,306,541	-	-	2,306,541
Due from Other Funds	8,474,501	-	(8,474,501)	-
State and Federal Aid	12,505,785	-	-	12,505,785
Due from Other Governments	1,075,814	-	-	1,075,814
Other	81,855	-	-	81,855
Inventories	52,153	-	-	52,153
Prepaid Expenditures	455,471	-	-	455,471
Capital Assets, Net	-	46,089,726	-	46,089,726
Net Pension Asset-Proportionate Share	-	39,604,364	-	39,604,364
Total Assets	52,111,716	85,694,090	(8,474,501)	129,331,305
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows - OPEB	-	41,560,498	-	41,560,498
Deferred Outflows - Pension	-	21,609,428	-	21,609,428
Deferred Outflows - Contributions Post Measurement	-	4,586,029	-	4,586,029
Total Deferred Outflows of Resources	-	67,755,955	-	67,755,955
Total Assets and Deferred Outflows of Resources	$ 52,111,716	$ 153,450,045	$ (8,474,501)	$ 197,087,260
LIABILITIES				
Payables:				
Accounts Payable	$ 2,405,099	$ -	$ -	$ 2,405,099
Accrued Liabilities	862,449	-	-	862,449
Due to Other Funds	8,474,501	-	(8,474,501)	-
Due to Other Governments	2,003,054	-	-	2,003,054
Bond Interest and Matured Bonds	-	100,296	-	100,296
Due to Teachers' Retirement System	4,349,668	-	-	4,349,668
Due to Employees' Retirement System	236,361	-	-	236,361
Deferred Credits:				
Overpayments and Collections in Advance	34,797	-	-	34,797
Long-Term Liabilities:				
Bonds Payable	-	24,908,518	-	24,908,518
Retainage Payable	-	39,685	-	39,685
Energy Performance Contracts Payable	-	1,889,465	-	1,889,465
Compensated Absences Payable	-	1,455,857	-	1,455,857
Other Post Employment Benefits Payable	-	246,262,934	-	246,262,934
Net Pension Liability-Proportionate Share	-	-	-	-
Total Liabilities	18,365,929	274,656,755	(8,474,501)	284,548,183
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue - Other	3,205,632	-	(2,306,541)	899,091
Deferred Revenues - OPEB	-	159,122,652	-	159,122,652
Deferred Revenues - Pension	-	48,282,362	-	48,282,362
Total Deferred Inflows of Resources	3,205,632	207,405,014	(2,306,541)	208,304,105
FUND BALANCE/NET POSITION				
Total Fund Balance/Net Position	30,540,155	(328,611,724)	2,306,541	(295,765,028)
Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position	$ 52,111,716	$ 153,450,045	$ (8,474,501)	$ 197,087,260

See accompanying notes to financial statements.

POUGHKEEPSIE CITY SCHOOL DISTRICT
RECONCILIATION OF NET CHANGE IN GOVERNMENTAL FUND
BALANCES TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
JUNE 30, 2022

Total net changes in fund balances - governmental funds			$ 6,372,982
Amounts reported for governmental activities in the Statement of Activities are different because:			
Revenues for the Statement of Activities are accrual based on entitlement to funds. The governmental funds only accrue receivables to the extent they are deemed available per the revenue recognition policy.			(226,154)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeds capital outlays in the period.			
	Depreciation Expense	$ (1,242,439)	
	Net Capital Outlays	11,134,594	9,892,155
In the Statement of Activities, certain operating expenses--compensated absences (vacations), special termination benefits (early retirement) and retirees' health insurance--are measured by the amounts *earned* during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually *paid*).			35,615,377
Bond anticipation notes redeemed from appropriations is a revenue in the governmental funds, but it decreases short-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.			(490,000)
Issuance of bond principal is a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.			(5,510,000)
Governmental funds report bond premium as other financing sources. However, these amounts are reported on the statement of net position as credits and are amortizedd over the life of the debt.			(528,518)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.			2,689,637
Retainage Payable does not meet the definition of a current laibility in governmental funds until it becomes due an payable on contruction in progress accounts, but rather consitute long-term liability in the Statement of Net Position.			(39,685)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities is the result of accrued interest on bonds, leases, and contracts payable.			(13,353)
(Increases) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.			
Teachers' Retirement System			6,365,431
Employees' Retirement System			667,207
Change in net position of governmental activities.			$ 54,795,079

See accompanying notes to the financial statements.

POUGHKEEPSIE CITY SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Total Governmental Funds	Long-Term Revenue, Expenses	Capital Related Items	Long-Term Debt Transactions	Statement of Activities Totals
REVENUES					
Real Property Taxes	$ 29,133,544	$ -	$ -	$ -	$ 29,133,544
Other Tax Items	2,871,645	(226,154)	-	-	2,645,491
Non-Property Taxes	1,635,870	-	-	-	1,635,870
Charges for Services	6,945	-	-	-	6,945
Use of Money and Property	80,691	-	-	-	80,691
Sale of Property and Compensation for Loss	65,374	-	-	-	65,374
Miscellaneous	1,220,237	-	-	-	1,220,237
Interfund Revenue	-	-	-	-	-
State Sources	76,032,244	-	-	-	76,032,244
Medicaid Reimbursement	-	-	-	-	-
Federal Sources	15,327,206	-	-	-	15,327,206
Surplus Food	-	-	-	-	-
Sales - School Lunch	108,306	-	-	-	108,306
Total Revenues	126,482,062	(226,154)	-	-	126,255,908
EXPENDITURES/EXPENSES					
General Support	12,322,758	(3,130,161)	(3,975,557)	39,685	5,256,726
Instruction	67,671,819	(39,130,606)	(457,872)	-	28,083,341
Pupil Transportation	4,931,329	(348,955)	(19,407)	-	4,562,967
Community Service	42,995	(38,293)	-	-	4,702
Employee Benefits	29,020,329	-	-	-	29,020,329
Debt Service	3,531,784	-	-	(2,676,284)	855,500
Cost of Sales	2,297,320	-	-	-	2,297,320
Other Expenditures/Expenses	137,505	-	-	-	137,505
Capital Outlay	6,681,759	-	(6,681,759)	-	-
Depreciation	-	-	1,242,439	-	1,242,439
Total Expenditures/Expenses	126,637,598	(42,648,015)	(9,892,156)	(2,636,599)	71,460,828
Excess (Deficiency) of Revenues Over Expenditures/Expenses	(155,537)	42,421,861	9,892,156	2,636,599	54,795,079
OTHER SOURCES AND USES					
Proceeds from Bond Issuance	5,510,000	-	-	(5,510,000)	-
Premium on Bond Issuance	528,518	-	-	(528,518)	-
Bond Anticipation Note Redeemed from Appropriations	490,000	-	-	(490,000)	-
Operating Transfers In	5,163,324	(5,163,324)	-	-	-
Operating Transfers (Out)	(5,163,324)	5,163,324	-	-	-
Total Other Sources (Uses)	6,528,518	-	-	(6,528,518)	-
Net Change for the Year	$ 6,372,981	$ 42,421,861	$ 9,892,156	$ (3,891,919)	$ 54,795,079

See accompanying notes to the financial statements.

POUGHKEEPSIE CITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	Private Purpose Trusts	Custodial
ASSETS		
Cash	$ 50,737	$ 22,956
Total Assets	50,737	22,956
LIABILITIES		
Due to Other Funds	-	-
Total Liabilities	-	-
NET POSITION		
Reserved for Scholarship	50,737	-
Reserved for Extra Classroom	-	22,956
Total Net Position	$ 50,737	$ 22,956

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Private Purpose Trusts	Custodial
ADDITIONS:		
Contributions	$ 3,875	$ 34,022
Total Additions	3,875	34,022
DEDUCTIONS:		
Scholarships and Awards	4,899	-
Other Custodial Activities	-	31,149
	4,899	31,149
Change in Net Position	(1,024)	2,873
Net Position - Beginning of Year	51,761	20,083
Net Position - End of Year	$ 50,737	$ 22,956

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Poughkeepsie City School District (the "District") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board ("GASB"), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 5 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity,* as amended by GASB Statement 39, *Component Units,* GASB 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB No. 14 and No. 39* and GASB Statement 80 - *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14.* The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and its component unit and other organizational entities determined to be includable in the District's financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity.

-- Extraclassroom Activity Funds:

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District's business office. The District accounts for assets held as an agent for various student organizations in a Custodial Fund.

B. Joint Venture:

The District is a component district in the Dutchess County Board of Cooperative Educational Services ("BOCES"). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed $14,333,671 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $2,390,699.

The basic financial statements for the BOCES are available from the BOCES administrative office.

C. Basis of Presentation:

I. District-Wide Statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

II. Fund Financial Statements:

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as non-major funds.

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The District reports the following major governmental funds:

a. General Fund:

This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

b. Special Aid Fund:

Special Aid Fund is used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.

The District reports the following non-major governmental funds:

a. Special Revenue Funds:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

a. School Lunch Fund:

School Lunch Fund is used to account for transactions of lunch, breakfast, snack and dinner programs.

1. Miscellaneous Special Revenue Fund:

A Miscellaneous Special Revenue Fund used to account for and report those revenue that are restricted for committed to expenditures for specified purposes.

b. Capital Projects Funds:

These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

c. Debt Service Fund:

This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

The District reports the following fiduciary funds:

These funds are used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the district-wide financial statements, because their resources do not belong to the District, and are not available to be used.

a. Private Purpose Trust Funds:

These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

b. Custodial Funds:

These funds are strictly custodial in nature and are not required to be reported in pension and other employee benefit trust funds, investments trust funds or private purpose trust fund.

D. Measurement Focus and Basis of Accounting:

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 or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The district-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year, including real property taxes.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Cash (and Cash Equivalents) and Investments:

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposits not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts. Investments are stated at fair value.

F. Property Taxes:

I. Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien by September 1. Taxes are collected during the period August 15 to December 5.

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The City and County in which the District is located enforces uncollected real property taxes. An amount representing all uncollected real property taxes must be reported to the City by January 1. All amounts receivable expected to be collected within 60 days of year-end, less similar amounts collected during this period in the preceding year are recognized as revenue. Otherwise, deferred revenues offset related property taxes receivable.

II. In June of 2011, New York State passed Chapter 97 of the Laws of 2011 (Tax Cap Law). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of real property taxes that may be levied by the District in a particular year, beginning with the 2012 fiscal year.

The growth in annual levy is limited to the lesser of two percent or annual change in the national unadjusted Consumer Price Index for All Urban Consumers – All Items (CPI-U), subject to certain limited exceptions and adjustments.

G. Accounts Receivable:

Receivables (accounts receivable) are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

H. Inventories and Prepaid Items:

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

I. Interfund Transactions:

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year.

Permanent transfers of funds include the transfer of expenditure and revenues to provide financial or other services. In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds).

Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

J. Other Assets/Restricted Assets:

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

In the district-wide financial statements, bond issuance costs are capitalized and amortized over the life of the debt issue. In the funds statements these same costs are netted against bond proceeds and recognized in the period of issuance.

K. Capital Assets:

Capital assets are reported at actual cost for acquisitions. Donated assets are reported at estimated fair market value at the time received.

Capitalized threshold (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$5,000	Straight-Line	50 Years
Building Improvements	$5,000	Straight-Line	15-20 Years
Land Improvements	$5,000	Straight-Line	20 Years
Furniture and Equipment	$5,000	Straight-Line	5-15 Years

L. Deferred Outflows and Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. There are two common deferred outflow items that qualify for reporting in this category. The first item could be related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item that could be reported is the District's contributions to the pension systems (see Note 10) subsequent to the measurement date. This represents the effect of the net change in the actual and expected experience.

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. There are potentially three items that would qualify for reporting in this category. The first item arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item could be related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (see Note 10) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item potentially could be related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

M. Vested Employee Benefits:

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions. Consistent with GASB Statement 16, *Accounting for Compensated Absences*, an accrual for accumulated sick leave is included in the compensated absences liability in the district-wide financial statements. The compensated absences liability is calculated based on the rates in effect at year-end as defined in the contractual bargaining agreement.

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available resources. These amounts are expensed on a pay-as-you go basis.

N. Other Benefits:

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors in accordance with various employment contracts. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District and have completed 10 years of continuous service. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. Some costs of providing post-retirement benefits are shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of the insurance premiums as expenditure or operating transfer to other funds in the General Fund in the year paid.

O. Unearned Revenue:

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

criteria are met, or when the District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

P. Restricted Resources:

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these notes.

Q. Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period.

Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

R. Short-Term Debt:

The District may issue Revenue Anticipation Notes ("RAN") and Tax Anticipation Notes ("TAN") in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually received the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which an insufficient or no provision is made in the annual budget. The budget note must be repaid not later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes ("BAN") in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

S. Accrued Liabilities and Long-Term Obligations:

Payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources.

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

T. Equity Classifications:

I. District-Wide Statements:

In the District-wide statements there are three classes of net assets:

a. *Net Investment in Capital Assets* – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

b. *Restricted Net Position* – reports net position when constraints placed on the position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

c. *Unrestricted Net Position* – reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

II. Fund Statements:

In the fund basis statements there are five classifications of fund balance:

a. *Non-Spendable Fund Balance* – includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

b. *Restricted* – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as indicated below. The District has established the following restricted fund balances unless otherwise noted:

1. Capital/Technology:

According to Education Law §3651, restricted fund balances must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters.

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund under Restricted Fund Balance.

2. Debt Service:

According to General Municipal Law §6-l, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement.

3. Employee Benefit Accrued Liability:

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

4. Insurance *(not currently utilized)*:

According to General Municipal Law §6-n, the Insurance Reserve must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action and funded by budgetary appropriations or such other funds as may be legally appropriated.

There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval.

5. Liability Claims and Property Loss:

According to Education Law §1709(8) (c), this reserve fund must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss are required and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000.

6. Repairs *(not currently utilized)*:

According to General Municipal Law §6-d, must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.

7. Retirement Contributions:

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This Reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operations and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019 a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

8. Tax Certiorari:

According to Education Law §3651.1-a, this reserve fund must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.

9. Unemployment Insurance:

According to General Municipal Law §6-m, this reserve fund must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget.

If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

10. Workers' Compensation (*not currently utilized):*

According to General Municipal Law §6-j, this reserve fund must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law and for payment of expenses of administering this self-insurance

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget.

11. Tax Reduction *(not currently utilized)*:

    According to Education Law §1604(36), 1709(37), this reserve fund is available to retain the proceeds from the sale of school district real property that are not needed to pay any debts, and gradually use such proceeds to reduce real property taxes over a period not to exceed ten years.

12. Encumbrances:

    Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Restricted fund balance includes the following:

General Fund:	
Unemployment Insurance	$ 222,830
Tax Certiorari	428,635
Retirement Contribution Reserve - ERS	1,000,201
Retirement Contribution Reserve - TRS	1,320,000
Property Loss and Liability Reserve	261,939
Employee Benefit Accrued Liability	1,000,000
Captial Reserve	15,000,000
	19,233,605
Debt Service Fund:	
Debt Service	335,998
Total Restricted Funds	$ 19,569,603

c. *Committed* – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2022.

d. *Assigned* – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to $1,238,439. Assigned to the reduction of the 2022-2023 tax levy is an additional $1,500,000.

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

e. *Unassigned* – Includes all other General Fund net assets that do not meet the definition of the above four classifications and are deemed to be available for general use by the District.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

III. Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

U. New Accounting Standards:

The District has adopted all current Statements of the Governmental Accounting Standards Board ("GASB") that are applicable. The following standards issued by GASB:

In June 2017, GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District implemented the standard for the year ended June 30, 2022.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. This statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations and improves note disclosures. The requirements for this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021. The School District is required to implement this standard for the year ending June 30, 2023. The District has not evaluated the effect of GASB 91 on its financial statements.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses a variety of topics including leases, intra-entity transfers, fiduciary activities, public risk pools/reinsurance recoveries, fair value measurements, and derivative instrument technology. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021. The District implemented the standard for the year ended June 30, 2022. The implementation did not have a significant impact on the District's financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements ("PPPs"). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement ("SCA"), which GASB defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements ("APAs"). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The School District is required to implement this standard for the year ending June 30, 2023. The District has not evaluated the effect of GASB 94 on its financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The School District is required to implement this standard for the year ending June 30, 2023. The District has not evaluated the effect of GASB 96 on its financial statements.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and Supersession of GASB Statement No 32*. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2)

NOTE 1- SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans, and employee benefit plans other than pension plans or other postemployment benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code ("IRC") Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution other postemployment benefit plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. The requirements of this statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution other postemployment benefit plans, or other employee benefit plans and (2) limit the applicability of the financial burden criteria, are effective immediately. The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a component unit, the requirements of this statement that provide for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. The District implemented this standard for the year ended June 30, 2022. The implementation did not have significant impact on the District's financial statements.

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this statement are effective for fiscal years ending after December 15, 2021. The School District implement this standard for the year ended June 30, 2022. The implementation did not have significant impact on the District's financial statements.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. This statement addresses a variety of topics, including derivative instruments, leases, PPP arrangements, SBITAs, LIBOR, and pledges of future revenues. Many of the requirements are effective immediately. The requirements related to leases, PPPs, and SBITAs are effective for years beginning after June 15, 2022. The requirements related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2024. The School District is required to implement this standard for the year ending June 30, 2023. The District has not evaluated the effect of GASB 99 on its financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This statement provides clarification and guidance for accounting and financial reporting related to accounting changes and error corrections ("ACEC"). GASB 100 also addresses disclosure requirements for ACEC, and how these items should be presented in Required Supplementary Information and Supplementary Information. The requirements of this statement are effective for ACECs made in fiscal years beginning after June 15, 2023. The School

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

District is required to implement this standard for the year ending June 30, 2024. The District has not evaluated the effect of GASB 100 on its financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences.* This statement amends the recognition, measurement, and disclosure requirements for compensated absences. The requirements of this statement are effective for fiscal years beginning after December 15, 2023. The School District is required to implement this standard for the year ending June 30, 2025. The District has not evaluated the effect of GASB 101 on its financial statements.

NOTE 2 - CHANGES IN ACCOUNTING PRINCIPLE:

For the fiscal year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The impact to the financials are not substantial.

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS STATEMENTS AND DISTRICT-WIDE STATEMENTS:

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

A. Total Fund Balances of Governmental Funds vs. Net Assets of Governmental Activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

The costs of building and acquiring capital assets (lands, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet.

However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives. See *Note 7 – Capital Assets* in these notes to the financial statements for information on the net capital assets.

Long-term liabilities are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period.

Accrued interest on long-term debt is reported in the Statement of Net Position, regardless of when due. In the Governmental Funds, interest is not reported until it is due.

Pension Differences:

Pension differences occur as a result of the changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS STATEMENTS AND DISTRICT-WIDE STATEMENTS (CONTINUED):

OPEB Differences:

OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

B. Statement of Revenues, Expenditures, and Changes in Fund Balance vs. Statement of Activities:

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories:

I. Long-Term Revenue/Expense Differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

II. Capital Related Differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

III. Long-Term Debt Transaction Differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

IV. Pension Differences:

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

V. OPEB Differences:

OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A. Budgetary Procedures and Budgetary Accounting:

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

-- General Fund

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations will lapse at the end of the fiscal year unless expended or encumbered.

Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists, which was not determined at the time the budget was adopted.

Supplemental appropriations occurred during the year and are detailed below:

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET	
Adopted Budget	$ 108,190,818
Prior Year's Encumbrances	1,683,540
Original Budget	109,874,358
Budget Revisions	496,798
Final Budget	$ 110,371,156

Budgets are adopted annually on a basis consisted with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

Special Revenue Funds have not been included in the comparison because they do not have legally authorized (appropriated) budgets.

Budgets are established and used for individual capital project fund expenditures as approved by a special referendum of the District's votes.

The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the project.

B. Encumbrances:

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period.

NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED):

Related expenditures are recognized at that time, as the liability is incurred, or the commitment is paid.

NOTE 5 – CASH AND CASH EQUIVALENTS – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS:

Cash:

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes.

As of June 30, 2022 $-0- of the District's bank balance of $9,005,405 was exposed to custodial credit risk as follows:

Uncollateralized	$ -
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$ -

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $472,619 within the governmental funds and $-0- in the fiduciary funds.

NOTE 6 – INVESTMENTS:

U.S. GAAP established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted for identical assets or liabilities in active markets that the District has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

NOTE 6 – INVESTMENTS (CONTINUED):

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest of any inputs that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

All of the District's investments are valued based on Level 1 hierarchy.

The following is a description of the valuation methodologies used for investments measured at fair value:

Cash and Cash equivalents: Valued at cost plus accrued interest, which approximates fair market value.

The District participates in a multi-municipal cooperative investment pool agreement pursuant to the New York State General Municipal Law Article 5-G, 119-O, where-by it holds a portion of the investments in cooperation with other participants.

At year-end, the District held $22,531,647 in investments consisting of various investments in securities issued by the United States and its agencies. The investments are highly liquid and considered to be cash equivalents.

The following amounts are included as (un)restricted investments:

Investments	General Fund	Debt Service Fund	Total Governmental Funds
Unrestricted	$ 3,579,425	$ 93,558	$ 3,672,983
Restricted	19,230,869	335,998	19,566,867
	$ 22,810,294	$ 429,556	$ 23,239,850

The above amounts represent the costs of the investment pool shares and are considered to approximate market value. The investment pool is invested in US Treasury and its agencies' securities which do not require collateralization.

NOTE 7 – CAPITAL ASSETS:

Capital asset balances and activity for the year ended June 30, 2022, were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental Activities:				
Capital Assets that are Not Depreciated:				
Land	$ 146,072	$ -	$ -	$ 146,072
Construction in Progress	472,592	6,681,760	107,845	7,046,507
Total Non-Depreciable Historical Cost	$ 618,664	$ 6,681,760	$ 107,845	$ 7,192,579
Capital Assets that are Depreciated:				
Building and Improvements	$ 71,085,325	$ 4,123,182	$ -	$ 75,208,507
Machinery and Equipment	1,443,531	240,053	-	1,683,584
Vehicles	1,230,207	197,444	51,537	1,376,114
Total Depreciable Historical Cost	73,759,063	4,560,679	51,537	78,268,205
Less Accumulated Depreciation:				
Building and Improvements	36,065,242	1,121,128	-	37,186,370
Machinery and Equipment	1,233,829	45,217	-	1,279,046
Vehicles	881,085	76,094	51,537	905,642
Total Accumulated Depreciation	38,180,156	1,242,439	51,537	39,371,058
Total Depreciable Historical Cost, Net	$ 35,578,907	$ 3,318,240	$ -	$ 38,897,147

Depreciation Expense was Charged to Governmental Functions as Follows:	
General Support	$ 336,990
Instruction	848,257
Transportation	57,192
	$ 1,242,439

NOTE 8 – LONG-TERM DEBT:

Long-term liability balances and activity for the year are summarized below:

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of the 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. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

NOTE 8 – LONG-TERM DEBT (CONTINUED):

Serial Bonds:

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

Noncurrent liability balances and activity are as follows:

Interest on long-term debt for the year was composed of:

Interest Paid	$ 842,148
Less Interest Accrued in the Prior Period	(86,944)
Plus Interest Accrued in the Current Period	100,296
Total Expense	$ 855,500

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Government Activities:					
Bonds and Notes Payable:					
Serial Bonds	$ 20,730,000	$ 6,000,000	$ 2,350,000	$ 24,380,000	$ 2,085,000
Premium on Bond	-	528,518	-	528,518	33,032
Total Bonds Payable	20,730,000	6,528,518	2,350,000	24,908,518	2,118,032
Lease Payable:					
Energy Performance Contract	2,229,102	-	339,637	1,889,465	351,790
Total Lease Payable	2,229,102	-	339,637	1,889,465	351,790
Other Liabilities:					
Compensated Absences	1,478,665	-	22,808	1,455,857	-
Other Post-Employment Benefits	413,595,750	-	167,332,816	246,262,934	-
Teachers' Retirement System	3,555,589	794,079	-	4,349,668	4,349,668
Employees' Retirement System	277,779	-	41,418	236,361	236,361
Total Other Liabilities	418,907,783	794,079	167,397,042	252,304,820	4,586,029
Total Long-Term Liabilities	$ 441,866,885	$ 7,322,597	$ 170,086,679	$ 279,102,803	$ 7,055,851

NOTE 8 – LONG-TERM DEBT (CONTINUED):

The following is a summary of the maturity of long-term indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at 06/30/22
Serial Bonds:				
Reconstruction	1/24/2012	6/15/2028	1.6-4.875%	$ 2,130,000
Reconstruction	6/22/2012	6/15/2028	2.0-3.5%	1,560,000
Addition/Reconstruction	6/22/2016	6/15/2031	2.1185%	1,885,000
Refunding - Addition/Reconstruction	5/1/2018	5/1/2033	2.8964%	13,295,000
Refunding - Addition/Reconstruction	5/1/2018	5/1/2033	2.8964%	5,510,000
				$ 24,380,000
Lease Financing:				
Energy Performance Contract	9/1/2011	6/15/2027	3.47%	$ 1,671,413
Energy Performance Contract	6/15/2015	6/15/2027	3.15%	218,052
				$ 1,889,465

The following is a summary of maturing debt service requirements:

	Bonds	Interest	Total
2023	$ 2,085,000	$ 1,025,473	$ 3,110,473
2024	2,230,000	881,466	3,111,466
2025	2,295,000	810,260	3,105,260
2026	2,355,000	735,816	3,090,816
2027	2,440,000	631,554	3,071,554
2028-2032	9,475,000	1,852,326	11,327,326
2033-2037	3,500,000	347,150	3,847,150
	$ 24,380,000	$ 6,284,045	$ 30,664,045

	Lease Financing	Interest	Total
2023	$ 351,790	$ 63,955	$ 415,745
2024	364,381	51,363	415,744
2025	377,425	38,320	415,745
2026	390,936	24,808	415,744
2027	404,933	10,811	415,744
2028-2032	-	-	-
2033-2037	-	-	-
	$ 1,889,465	$ 189,257	$ 2,078,722

NOTE 9 – INTERFUND BALANCES AND ACTIVITY:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 8,320,966	$ -	$ 53,757	$ 5,109,568
Special Aid Fund	18,938	6,950,776	305,001	53,756
Non-Major Funds	134,597	1,523,725	4,804,566	-
Total Government Activities	8,474,501	8,474,501	5,163,324	5,163,324
Fiduciary Funds	-	-	-	-
Totals	$ 8,474,501	$ 8,474,501	$ 5,163,324	$ 5,163,324

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Assets.

NOTE 9 – INTERFUND BALANCES AND ACTIVITY (CONTINUED):

In the normal course of its operations, the District budgets for and transfers monies between funds for these budgeted purposes. From the General Fund these represent transferring the Districts 20% share of the Special Aid Fund's Summer Handicapped Program and transfers to the Capital Fund for voter authorized capital items such as construction and bus purchases.

Additional loans will occur between funds to mitigate the effects of cash flow, such as in the Special Aid Fund where-in project advances generally do not keep pace with costs and General Fund has to "loan" cash dollars to run the programs. In the case of the Capital Fund, loans will occur in advance of obtaining the final funding through bond proceeds. In addition, in the case of the Capital Fund, interest earned on borrowed funds becomes payable to the Debt Service Fund for the future reduction of debt service payments. In the case of the Agency Fund, most if not all, fringe benefits are advanced from the General Fund and result in the need to reflect a due from both the Special Aid Fund and the School Lunch Fund for the applicable payroll.

All interfund payables are expected to be repaid within one year.

NOTE 10 – PENSION PLANS:

A. General Information:

The District participates in the New York State Employees' Retirement System ("NYSERS") and the New York State Teachers' Retirement System ("NYSTRS"). These are cost-sharing, multiple-employer, public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

B. Plan Descriptions and Benefits Provided:

I. Teachers' Retirement System ("TRS"):

The District participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, 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 System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. TRS issues a publicly available financial report that contains financial statements and required supplementary information. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

NOTE 10 – PENSION PLANS (CONTINUED):

II. Employees' Retirement System ("ERS"):

The District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("the Fund"), which was established to hold all net assets and record changes in plan net position allocated to the System.

The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("RSSL"). Once a public employer elects to participate in the System, 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 District also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. The System maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report, including information with regards to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Funding Policies:

The Systems are noncontributory except for employees who joined after July 26, 1976, who contribute 3% of their salary for the first 10 years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law.

Contributions for the current year and two preceding years were equal to 100 percent of the actuarially determined contributions required, and were as follows:

	ERS	TRS
2021-2022	$ 761,789	$ 3,566,275
2020-2021	$ 855,930	$ 3,526,280
2019-2020	$ 884,975	$ 4,345,094

NOTE 10 – PENSION PLANS (CONTINUED):

ERS has provided additional disclosures through entities that elected to participate in Chapters 260, 57, and 105.

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2022, the District reported the following asset/(liability) for it proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net position asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Actuarial Valuation Date	4/1/2021	6/30/2020
Net Pension Asset/(Liability)	$ 1,398,280	$ 38,206,084
District's Portion of the Plan's Total Net Pension Asset/(Liability)	0.0171052%	0.220474%

For the year ended June 30, 2022, the District's recognized pension expense (credit) of $53,162 for ERS and of ($2,003,195) for TRS. At June 30, 2022, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences Between Expected and Actual Experience	$ 105,894	$ 5,266,303	$ 137,350	$ 198,497
Changes of Assumptions	2,333,573	12,566,780	39,377	2,225,392
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	4,578,782	39,986,620
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	137,798	1,199,080	332,851	783,493
District's Contributions Subsequent to the Measurement Date	236,361	4,349,668	-	-
Total	$ 2,813,626	$ 23,381,831	$ 5,088,360	$ 43,194,002

NOTE 10 – PENSION PLANS (CONTINUED):

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Year Ended:		
2023	$ (390,549)	$ (4,744,797)
2024	(559,029)	(5,767,337)
2025	(1,272,519)	(7,311,834)
2026	(288,998)	(9,633,768)
2027	-	1,955,664
Thereafter	-	1,340,233
	$ (2,511,095)	$ (24,161,839)

D. Actuarial Assumptions:

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following assumptions:

	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Actuarial Valuation Date	April 1, 2021	June 30, 2020
Interest Rate	5.90%	6.95%
Salary Scale	4.40%	5.18%-1.95%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation Rate	2.70%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020. For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP 2020.

For ERS, the actuarial assumptions used in the April 1, 201 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

The long term rate of return on pension plan investments was determined using a building block method in which the best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each of the target asset allocation percentages and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

NOTE 10 – PENSION PLANS (CONTINUED):

	ERS	ERS	TRS	TRS
Measurement Date	March 31, 2022	March 31, 2022	June 30, 2021	June 30, 2021
	Target Allocation	Long Term Expected Real Rate of Return	Target Allocation	Long Term Expected Real Rate of Return
Asset Type				
Domestic Equity	32%	3.30%	33%	6.80%
International Equity	15%	5.85%	16%	7.60%
Private Equity	10%	6.50%	8%	10.00%
Real Estate	9%	5.00%	11%	6.50%
Alternative Investments	3%	4.10%	4%	7.10%
Total Equities	69%		72%	
Domestic Fixed Income Securities	23%	0.00%	16%	1.30%
Global Fixed Income Securities	0%	0.00%	2%	0.80%
Real Assets	3%	5.58%	0%	0.00%
Bonds and Mortgages	0%	0.00%	7% - 1%	3.3% - 3.8%
Cash and Cash Equivalents	1%	-1.00%	1%	-0.20%
Credit/High-Yield Bonds	4%	3.78%	1%	5.90%
Total Fixed Income	31%		28%	
Total	100%		100%	

E. Discount Rate:

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially.

Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

F. Sensitivity of the Proportionate Share of the Net Pension to the Discount Rate Assumption:

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

NOTE 10 – PENSION PLANS (CONTINUED):

ERS	1% Decrease (4.9%)	Assumption (5.9%)	1% Increase (6.9%)
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 3,599,158	$ (1,398,280)	$ (5,578,397)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ (4,009,171)	$ (38,206,084)	$ (66,946,108)

G. Pension Plan Fiduciary Net Position:

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	(Dollars in Thousands)	
	ERS	TRS
Valuation Date	4/1/2021	6/30/2020
Employer's Total Pension Liability	$ 223,874,888	$ 130,819,415
Plan Net Position	232,049,473	148,148,457
Employer's Net Pension Liability/(Asset)	$ (8,174,585)	$ (17,329,042)
Plan Net Position as a Percentage to the Systems' Total Pension Liability/(Asset)	103.65%	113.25%

H. Payables to the Pension Plan:

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022, amounted to $236,361.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2022, represent employee and employer contributions for the fiscal year ended June 30, 2022, based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022, amounted to $4,349,668.

NOTE 11 – OTHER POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS:

A. General Information about the OPEB Plan:

Plan Description – The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided – The District provides healthcare for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	476
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	560
	1,036

B. Total OPEB Liability:

The District's total OPEB liability of $246,262,934 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

NOTE 11 – OTHER POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (CONTINUED):

Inflation	2.50%
Salary Increases	Varied by pension retirement system membership
Discount Rate	3.54%
Healthcare Cost Trend Rates	
Medical/Prescription Drug	5.75% from 2022 to 2023, decreasing gradually to an ultimate rate of 3.94% by 20
Part B Reimbursement	7.19% from 2022 to 2023, followed by projected Part B premium increase shown in the 2021 Medicare Trustees report, and ultimately decreasing to an ultimate rate of 3.94% by 2075

Retirees' Share of Benefit-Related Costs

Retiree contributions vary based on class of employees. Contribution rates are based on a percentage of premium. Contribution rates are established based on the plan with all employees receiving 100% company subsidy (or 0% retiree contribution) for single and family coverage. For clerical employees hired after July 1, 1989, the company subsidy is 100% for singles and 0% for dependents (cost of dependents is retiree-pay-all), For administrative personnel retiring on or after September 18, 2017, the retiree contribution schedule for future retirees will be as follows:

	Hire Date Cut-Off	Years of Service	Retiree	Spouse
Administrators	Not Applicable	5 to 7	50%	50%
	Not Applicable	8 to 11	Same as last day of employment *	
	Not Applicable	12 or more	100%	100%
Paraprofessional	Before 7/1/2019		100%	100%
	On/After 7/1/2019		90%	90%
Office / Clerical	Before 7/1/2019		100%	100%
	On/After 7/1/2019		100%	0%

* 84.5% effective on July 1, 2019, decreasing to 83.5% on July 1, 2021, and 82.5% on/after June 30, 2022

The discount rate was based on the 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2022.

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021 through June 30, 2022.

NOTE 11 – OTHER POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (CONTINUED):

C. Changes in the total OPEB Liability:

Balance at June 30, 2021	$ 413,595,750
Changes for the Year:	
Service Cost	18,044,554
Interest	9,225,207
Changes of Benefit Terms	(35,535,195)
Differences Between Expected and Actual Experience	(76,000,865)
Changes in Assumptions or Other Inputs	(73,922,940)
Benefit Payments	(9,143,577)
Net Changes	(167,332,816)
Balance at June 30, 2022	$ 246,262,934

The assumptions and census information reflected are the same as the prior valuation. The discount rate decreased to 3.54% as of June 30, 2022, from 2.16% as of June 30, 2021. As a result, there was actuarial (losses) reported.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54 percent) or 1 percentage point higher (4.54 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	$ 209,589,163	$ 246,262,934	$ 292,662,620

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 205,297,813	$ 246,262,934	$ 299,946,690

D. OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2022, the District recognized negative OPEB Expense of ($26,448,992). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 11 – OTHER POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (CONTINUED):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 381,397	$ (95,760,132)
Changes of Assumptions or Other Inputs	-	-
Contributions Subsequent to the Measurement Period	41,179,101	(63,362,520)
Total	$ 41,560,498	$ (159,122,652)

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

Fiscal Year Ending June 30,	Amount
2023	$ (18,183,558)
2024	(18,183,558)
2025	(18,183,559)
2026	(20,796,893)
2027	(20,796,897)
Thereafter	(21,417,689)
	$ (117,562,154)

NOTE 12 – RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

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

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

NOTE 12 – RISK MANAGEMENT (CONTINUED):

charged or credited to expense in the periods in which they are made. Financial statements for the Plan are available from the administrator at 5 BOCES Road; Poughkeepsie, New York 12601.

NOTE 13 – CONTINGENT LIABILITIES:

A. Litigation:

The District is currently handling various open claims and loss contingencies.

1. The District received a complainant under the Individuals with Disabilities in Education Act. The Court issued a decision and order awarding the Plaintiff. The overall potential exposure to the District is approximately $85,000 in attorney's fees.

2. The District is subject to a complaint of failure to accommodate an individual's disability during the COVID-19 pandemic under the U.S. Equal Employment Opportunity Commission ("EEOC"). At this time, the outcome is not predictable.

3. The District is defendant is a case of an improper practice charge against the District with the Public Employee Relations Board. The charge alleges that the District violated the Taylor Law. The District believes that is has legitimate defense that negate lability and that there will be no financial exposure to the District, apart from legal defense fees, associated with this claim.

4. The District has a pending case regarding a complaint alleging the discrimination and harassment in employment based on race and color, with the EEOC. The District is awaiting further correspondence from the EEOC regrading the investigation. The individual had filed a late notice of claim in the Dutchess County Supreme Court. The District intends to defend both cases and believes that there are multiple valid defenses to liability.

5. The District filed disciplinary charges against an individual with tenure in December 2018, based on involvement in abnormities in the District's 2017 graduation. The individual has appealed the termination decision and received a reversal of the termination decision at the Appellate Division level. The District has moved for leave to appeal. It is too early to predict the outcome. In the event the determination is final, the District is liable to the individual for backpay in the amount of approximately $200,000.

6. The District is a defendant in a case, asserting the District violated the Americans with Disabilities Act, when it denied an individual's request to work remotely due to concerns regarding the COVID-19 virus. The District intends to defend the case and believes that there are multiple valid defenses.

B. Other:

The District received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the District's administration believes disallowances, if any, will be immaterial.

NOTE 14 – TAX ABATEMENTS:

The District enters into property tax abatement agreements with local businesses under the state Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Act"). Under the Act, localities may grant property tax abatements for a business' property tax bill for the purpose of attracting or retaining business within their jurisdiction. The abatements may be granted to any business located within or promising to relocate within the District's property limits.

For the fiscal year ended June 30, 2022, the District abated property taxes totaling $2,090,219 under this program. The District participates in a number of tax abatements through the City of Poughkeepsie and Dutchess County IDA. The abatements amounted to $574,162.

Agency	Company	Projected Tax Revenue	PILOT Payment	Taxes Abated
Dutchess County IDA	Bonura & Dibrizzi Enterprises (Grand Hotel)	$ 795,518	$ 127,727	$ 667,791
Poughkeepsie IDA	Poughkeepsie Landing LLC	145,503	37,332	108,171
Poughkeepsie IDA	Eastman & Bixby Redevelopment Co, LLC	122,814	67,821	54,993
Poughkeepsie IDA	400 Main LLC	146,366	20,053	126,313
Poughkeepsie IDA	The Commons	143,799	21,645	122,154
Poughkeepsie IDA	CNN Spruce	51,252	7,683	43,569
Poughkeepsie IDA	Highbridge Gardens	176,111	26,446	149,665
Poughkeepsie IDA	JM Development Development LLC	426,861	34,756	392,105
Poughkeepsie IDA	Maple Street of Dutchess	71,143	17,662	53,481
Poughkeepsie IDA	Queen City Lofts	101,634	40,035	61,599
Poughkeepsie IDA	Woodside Associates, LLP	256,116	59,492	196,624
Poughkeepsie IDA	Fallkill Commons	68,867	38,480	30,387
Dutchess County IDA	HealthQuest	158,397	75,030	83,367
		$ 2,664,381	$ 574,162	$ 2,090,219

NOTE 15 – SUBSEQUENT EVENT:

The District issued a Bond Anticipation Note (BAN) dated 07/27/2022 in the amount for $10,000,000 with an interest rate of 3.75% and a premium of $109,150. The BAN matures on 06/29/2023.

NOTE 16 – PRIOR PERIOD ADJUSTMENT:

For fiscal year June 30, 2021, the District reversed an overstatement of State and Federal Receivables in the Capital Fund in fiscal year 2021. The June 30, 2021, opening fund balance was overstated by $720,330.

REQUIRED SUPPLEMENTARY INFORMATION

POUGHKEEPSIE CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) BASIS AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources:				
Real Property Taxes	$ 28,858,024	$ 28,858,024	$ 29,133,544	$ 275,520
Other Tax Items	4,163,266	4,163,266	2,871,645	(1,291,621)
Charges for Services	6,200	6,200	1,642,815	1,636,615
Use of Money and Property	79,600	79,600	79,523	(77)
Sale of Property and Compensation for Loss	30,000	38,500	65,374	26,874
Miscellaneous	538,100	585,077	1,218,452	633,375
Interfund Revenues	-	-	-	-
Total Local Sources	33,675,190	33,730,667	35,011,353	1,280,686
State Sources	74,110,628	74,110,628	72,398,047	(1,712,581)
Federal Sources	300,000	492,967	416,791	(76,176)
Total Revenues	108,085,818	108,334,262	107,826,191	(508,071)
OTHER FINANCING SOURCES				
Transfers from Other Funds	105,000	105,000	53,757	(51,243)
Appropriated Reserves	-	248,354	-	(248,354)
Designated Fund Balance and Encumbrances Carried Forward From Prior Year	-	1,683,540	-	(1,683,540)
Total Revenues and Other Financing Sources	$ 108,190,818	$ 110,371,156	$ 107,879,948	$ (2,491,208)

POUGHKEEPSIE CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP) BASIS AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances
EXPENDITURES					
General Support:					
Board of Education	$ 129,250	$ 141,700	$ 109,557	$ 233	$ 31,910
Central Administration	323,940	402,980	393,313	2,316	7,351
Finance	876,299	1,137,296	965,930	45,354	126,012
Staff	878,403	1,115,789	895,815	59,129	160,845
Central Services	4,209,407	6,456,542	5,779,443	295,166	381,933
Special Items	2,846,600	3,228,700	3,217,546	-	11,154
Total General Support	9,263,899	12,483,007	11,361,604	402,198	719,205
Instruction:					
Instruction, Administration and Improvement	4,022,008	4,067,393	3,921,500	1,375	144,518
Teaching - Regular School	28,109,380	29,731,100	28,403,923	571,871	755,306
Programs for Students with Disabilities	18,998,032	18,379,569	17,702,287	50,000	627,282
Occupational Education	340,875	430,325	430,325	-	-
Teaching - Special School	4,865	173,469	164,654	-	8,815
Instructional Media	1,666,054	2,591,707	1,899,027	204,219	488,461
Pupil Services	3,943,601	4,131,958	3,346,419	7,499	778,040
Total Instruction	57,084,815	59,505,521	55,868,135	834,964	2,802,422
Pupil Transportation	4,403,137	5,277,388	4,692,737	-	584,651
Community Services	85,000	88,800	42,995	-	45,805
Employee Benefits	33,237,597	27,691,288	26,136,126	1,277	1,553,885
Debt Service:					
Principal	-	-	-	-	-
Interest	-	49,667	-	-	49,667
Total Debt Service	-	49,667	-	-	49,667
Total Expenditures	104,074,448	105,095,671	98,101,597	1,238,439	5,755,635
OTHER FINANCING USES					
Operating Transfers Out	4,116,370	5,275,485	5,109,568	-	165,917
Total Expenditures and Other Uses	$ 108,190,818	$ 110,371,156	$ 103,211,165	$ 1,238,439	$ 5,921,552
Net Change in Fund Balances			4,668,783		
Fund Balance - Beginning			22,204,823		
Fund Balance - Ending			$ 26,873,606		

POUGHKEEPSIE CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTALRY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total OPEB Liability										
Service Cost	$ 18,044,554	$ 17,095,514	$ 4,058,980	$ 4,078,684	$ 3,959,887	$ -	$ -	$ -	$ -	$ -
Interest	9,225,207	8,950,195	14,230,418	13,800,220	13,503,389	-	-	-	-	-
Changes of Benefit Terms	(35,535,195)	-	(38,799,005)	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	(76,000,865)	533,957	(61,233,066)	-	-	-	-	-	-	-
Changes of Assumption or Other Inputs	(73,922,940)	3,811,590	76,913,075	-	-	-	-	-	-	-
Benefit Payments	(9,143,577)	(9,321,408)	(10,249,617)	(9,131,594)	(8,833,173)	-	-	-	-	-
Net Change in total OPEB Liability	(167,332,816)	21,069,848	(15,079,215)	8,747,310	8,630,103	-	-	-	-	-
Total OPEB Liability - Beginning	413,595,750	392,525,902	407,605,117	398,857,807	390,227,704	-	-	-	-	-
Total OPEB Liability - Ending	$ 246,262,934	$ 413,595,750	$ 392,525,902	$ 407,605,117	$ 398,857,807	$ -	$ -	$ -	$ -	$ -
Covered-Employee Payroll	45,901,577	41,892,740	39,692,976	39,161,138	42,261,151	-	-	-	-	-
Total OPEB Liability as a Percentage of Covered-Employee Payroll	536.50%	987.27%	988.91%	1040.84%	943.79%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Changes of Assumptions

Changes of Assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.50%
2017	5.00%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

In accordance with New York State Law, the District's Defined Benefit OPEB Plan is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Accordingly, the District does not have net assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

POUGHKEEPSIE CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM AND
FOR THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2022

LAST 10 FISCAL YEARS*

FOR THE NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM AND

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
The District's Proportion of the Net Pension Liability (Asset)	0.0171052%	0.0190674%	0.0215302%	0.0191157%	0.0197152%	0.0181661%	0.0222872%	0.0241647%	-	-
The District's Proportionate Share of the Net Pension Liability (Asset)	$ (1,398,280)	$ 18,986	$ 5,701,326	$ 1,354,409	$ 636,298	$ 1,706,930	$ 3,577,164	$ 816,344	-	-
The District's Covered Employee Payroll	$ 6,730,478	$ 5,187,139	$ 6,376,554	$ 6,329,829	$ 5,761,540	$ 5,233,700	$ 5,233,700	$ 5,929,600	-	-
The District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	-20.78%	0.37%	89.41%	21.40%	11.04%	32.61%	68.35%	13.77%	-	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%	-	-

* The amounts presented for each fiscal year were determined as of 3/31

FOR THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
The District's Proportion of the Net Pension Liability (Asset)	0.22047%	0.23449%	0.24512%	0.22942%	0.22727%	0.22442%	0.24541%	0.22576%	-	-
The District's Proportionate Share of the Net Pension Liability (Asset)	$ (38,206,084)	$ 6,479,530	$ (6,368,194)	$ (4,148,472)	$ (1,727,439)	$ 2,403,660	$(25,489,936)	$ (28,480,345)	-	-
The District's Covered Employee Payroll	$ 40,056,976	$ 41,482,140	$ 42,043,946	$ 37,439,630	$ 36,499,611	$ 35,964,100	$ 36,866,400	$ 37,766,800	-	-
The District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	-95.38%	15.62%	-15.15%	-11.08%	-4.73%	6.68%	-69.14%	-75.41%	-	-
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	-	-

* The amounts presented for each fiscal year were determined as of 6/30

POUGHKEEPSIE CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE LOCAL GOVERNMENT'S CONTRIBUTIONS
FOR THE NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM AND
FOR THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2022

LAST 10 FISCAL YEARS

FOR THE NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 761,789	$ 855,930	$ 884,975	$ 813,420	$ 806,049	$ 807,400	$ 806,100	1,009,600	-	-
Contributions in Relation to the Contractually Required Contribution	$ 761,789	$ 855,930	$ 884,975	$ 813,420	$ 806,049	$ 807,400	$ 806,100	1,009,600	-	-
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
The District's Covered Employee Payroll	$ 6,730,478	$ 5,187,139	$ 6,376,554	$ 6,329,829	$ 5,761,540	$ 5,233,700	$ 5,233,700	5,929,600	-	-
Contributions as a Percentage of a Covered Employee Payroll	11.32%	16.50%	13.88%	12.85%	13.99%	15.43%	15.40%	17.03%	-	-

FOR THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	$ 3,566,275	$ 3,526,280	$ 4,345,094	$ 3,662,213	$ 4,220,842	$ 4,215,026	$ 6,462,157	$ 6,137,111	-	-
Contributions in Relation to the Contractually Required Contribution	$ 3,566,275	$ 3,526,280	$ 4,345,094	$ 3,662,213	$ 4,220,842	$ 4,215,026	$ 6,462,157	$ 6,137,111	-	-
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
The District's Covered Employee Payroll	$ 40,056,976	$ 41,482,140	$ 42,043,946	$ 37,439,630	$ 36,499,611	$ 35,964,100	$ 36,866,400	$37,766,800	-	-
Contributions as a Percentage of a Covered Employee Payroll	8.90%	8.50%	10.33%	9.78%	11.56%	11.72%	17.53%	16.25%	-	-

SUPPLEMENTARY INFORMATION

POUGHKEEPSIE CITY SCHOOL DISTRICT

Supplemental Schedule #5

SUPPLEMENTAL INFORMATION

SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

	Cafeteria	Debt Service	Miscellaneous	Capital Projects	Total Non-Major
ASSETS					
Cash:					
Unrestricted	$ 1,037,336	$ 40,327	$ 14,668	$ 1,877,809	$ 2,970,140
Investments:					
Unrestricted	-	93,558	-	-	93,558
Restricted	-	335,998	-	-	335,998
Receivables:					
Due from Other Funds	-	356	-	134,241	134,597
State and Federal Aid	791,805	-	-	1,370,190	2,161,995
Inventories	52,153	-	-	-	52,153
Total Assets	$ 1,881,294	$ 470,239	$ 14,668	$ 3,382,240	$ 5,748,441
LIABILITIES					
Payables:					
Accrued Liabilities	$ 30,608	$ -	$ -	$ -	$ 30,608
Due to Other Funds	-	134,241	-	1,389,484	1,523,725
Due to Other Governments	21	-	-	-	21
Due to Employees' Retirement System	52,766	-	-	-	52,766
Deferred Credits:					
Deferred Revenues	474,772	-	-	-	474,772
Total Liabilities	558,167	134,241	-	1,389,484	2,081,892
FUND BALANCES					
Non Spendable - Inventory	52,153	-	-	-	52,153
Reserved - Debt Service	-	335,998	-	-	335,998
Assigned	1,270,974	-	14,668	1,992,756	3,278,398
Total Fund Balances	1,323,127	335,998	14,668	1,992,756	3,666,549
Total Liabilities and Fund Balances	$ 1,881,294	$ 470,239	$ 14,668	$ 3,382,240	$ 5,748,441

POUGHKEEPSIE CITY SCHOOL DISTRICT
SUPPLEMENTAL INFORMATION
SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Cafeteria	Debt Service	Miscellaneous	Capital Projects	Total Non-Major
REVENUES					
Use of Money and Property	$ 576	$ 592	$ -	$ -	$ 1,168
Miscellaneous	-	-	1,785	-	1,785
State Sources	56,120	-	-	366,248	422,368
Federal Sources	2,800,814	-	-	-	2,800,814
Sales - School Lunch	108,306	-	-	-	108,306
Total Revenues	2,965,816	592	1,785	366,248	3,334,441
EXPENDITURES					
Employee Benefits	314,958	-	-	-	314,958
Debt Service:					
Principal	-	2,689,636	-	-	2,689,636
Interest	-	842,148	-	-	842,148
Cost of Sales	2,297,320	-	-	-	2,297,320
Other Expenditures	-	134,241	3,264	-	137,505
Capital Outlay	-	-	-	6,681,759	6,681,759
Total Expenditures	2,612,278	3,666,025	3,264	6,681,759	12,963,326
Excess (Deficiency) of Revenues Over Expenditures	353,538	(3,665,433)	(1,479)	(6,315,511)	(9,628,885)
OTHER FINANCING SOURCES AND USES					
Proceeds from Bond Issuance	-	-	-	5,510,000	5,510,000
Premium on Issuance of Bonds	-	528,518	-	-	528,518
Bond Anticipation Note Redeemed from Appropriations	-	-	-	490,000	490,000
Operating Transfers In	-	3,041,784	-	1,762,782	4,804,566
Total Other Sources (Uses)	-	3,570,302	-	7,762,782	11,333,084
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	353,538	(95,131)	(1,479)	1,447,271	1,704,199
Fund Balances - Beginning of Year	969,589	431,129	16,147	1,265,815	2,682,680
Prior Period Adjustment - See Note 16	-	-	-	(720,330)	(720,330)
Fund Balances - Beginning of Year, as Restated	969,589	431,129	16,147	545,485	1,962,350
Fund Balances - End of Year	$ 1,323,127	$ 335,998	$ 14,668	$ 1,992,756	$ 3,666,549

OTHER INFORMATION

POUGHKEEPSIE CITYSCHOOL DISTRICT
SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND SECTION 1318 REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE YEAR ENDED JUNE 30, 2022

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		$ 108,190,818
Add: Prior Year's Encumbrances		1,683,540
Original Budget		109,874,358
Budget Revisions:		
Donations	46,977	
Insurance Recovery	8,500	
Federal Aid: CARES Act - ESSER	105,147	
Federal Aid: CARES Act - GEER	87,820	
Appropriated Fund Balance	248,354	
		496,798
Final Budget		$ 110,371,156

SECTION 1318 REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-2023 Expenditure Budget Maximum Allowed	$ 116,834,482
Maximum Allowed (4% of 2022-2023 Budget)	$ 4,673,379
General Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted Fund Balance:	
Commited Fund Balance	$ -
Assigned Fund Balance	2,738,439
Unassigned Fund Balance	4,446,091
Total Unrestricted Fund Balance	7,184,530
Less:	
Appropriated Fund Balance 21-22 Budget	1,500,000
Encumbrances Included in Committed and Assigned Fund Balance	1,238,439
Total Adjustments	2,738,439
General Fund Balance Subject to Section 1318 of Real Property Tax Law	$ 4,446,091
Actual Percentage	3.81%

POUGHKEEPSIE CITY SCHOOL DISTRICT
SUPPLEMENTAL INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022

PROJECT TITLE	Original Budget	Revised Budget	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Unexpended Balance	Methods of Financing: Proceeds of Obligation	Methods of Financing: State Aid	Methods of Financing: Local Sources	Methods of Financing: Total	Fund Balance June 30, 2022
Major Capital Projects:											
District-Wide	$ 99,126,787	$ 98,791,306	$ 386,163	$ 5,762,654	$ 6,148,817	$ 92,642,489	$ 6,000,000	$ -	$ 372,787	$ 6,372,787	$ 1,323,386
SMART School Bond Act - Stage 1	2,308,639	1,407,190	1,003,942	366,248	1,370,190	37,000	-	1,724,272	-	1,724,272	354,082
	101,435,426	100,198,496	1,390,105	6,128,902	7,519,007	92,679,489	6,000,000	1,724,272	372,787	8,097,059	1,677,468
Non-Major Capital Projects:											
Middle School Structural	164,800	164,800	45,533	56,100	101,633	63,167	-	-	101,633	101,633	-
Smith Chimneys HVAC	400,000	400,000	84,223	489	84,712	315,288	-	-	400,000	400,000	315,288
Columbus Egress	196,500	196,500	-	63,520	63,520	132,980	-	-	63,520	63,520	-
Unit Ventilators	150,000	150,000	-	46,746	46,746	103,254	-	-	46,746	46,746	-
PMS HVAC	311,413	462,297	-	368,124	368,124	94,173	-	-	368,124	368,124	-
HS Kitchen & Hot Water	27,800	27,800	-	17,878	17,878	9,922	-	-	17,878	17,878	-
	$ 1,250,513	$ 1,401,397	$ 129,756	$ 552,857	$ 682,613	$ 718,784	$ -	$ -	$ 997,901	$ 997,901	$ 315,288
Totals	$ 102,685,939	$ 101,599,893	$ 1,519,861	$ 6,681,759	$ 8,201,620	$ 93,398,273	$ 6,000,000	$ 1,724,272	$ 1,370,688	$ 9,094,960	$ 1,992,756

POUGHKEEPSIE CITY SCHOOL DISTRICT
SUPPLEMENTAL INFORMATION
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

Capital Assets, Net		$ 46,089,726
Add:		
Cash Held for BAN Payment	$ -	
Total Additions		-
Deduct:		
Short-Term Portion of Bonds Payable	2,085,000	
Long-Term Portion of Bonds Payable	22,295,000	
Short-Term Portion of Energy Performance Contract Payable	351,790	
Long-Term Portion of Energy Performance Contract Payable	1,537,675	
BANs Payable	-	
Total Deductions		26,269,465
Net Investment in Capital Assets		$ 19,820,261

LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
Poughkeepsie City School District
18 South Perry Street
Poughkeepsie, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Poughkeepsie City School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 28, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses.

We consider the deficiencies described in the accompanying schedule of findings to be material weaknesses, 2022-001, and 2022-002.

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51 Sullivan Street
Wurtsboro, NY 12790

590 Madison Avenue
21st Floor
New York, NY, 10022

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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*.

District's Response to Findings

District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

RBT CPAs, LLP

Hudson, New York

October 28, 2022

POUGHKEEPSIE CITY SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2022

I. FINDINGS – FINANCIAL STATEMENT AUDIT

2021-001 Year-end Closing Procedures – Material Weakness

This finding is resolved for 2022

2021-002 Maintaining Current User Access Rights – Material Weakness

This finding is continuing for 2022

2021-004 Control Procedures for Adjusting Journal Entries – Material Weakness

This finding is resolved for 2022

2021-005 Compliance with Section 1318 of the New York State Property Tax Law – NonCompliance

This finding is resolved for 2022

2021-006 Energy Performance Capital Project Oversight Monitoring – Material Weakness

This finding is continuing for 2022

POUGHKEEPSIE CITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2022

Financial Statements:

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	_x_ yes	___ no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ yes	_x_ none reported
Non-compliance material to financial statements noted?	___ yes	_x_ no

2022-001 Maintaining Current User Access Rights (formerly 2021-002)

CRITERIA:
User rights for the District's financial software should be reviewed and updated regularly to ensure that access is limited to appropriate personnel.

CONDITION:
During the 2017 audit, while the Auditor updated their understanding of the District's information technology control environment, we noted that user rights for the District's fiscal software (Finance Manager) had not been revoked for several former business office personnel.

QUESTIONED COSTS:
There are no questioned costs.

CAUSE:
The District has had significant turnover in recent years resulting in a lack of continuity in its accounting practices.

EFFECT: A lack of ongoing review of these rights could lead to unintended access vulnerabilities.

RECOMMENDATION:
It was recommended that the Finance Manager Administrator review the user rights at least semiannually for users requiring revocation as well as assessing the reasonableness of assigned rights and whether they create any segregation of duties conflicts.

VIEW OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:
The District agrees with the finding and has removed the staff no longer with the District. Additionally, the District plans to develop a formal review process of these user access rights. The District should regularly add, modify and delete access for employees using the fiscal software. Additionally, the District should review access on a periodic basis.

Status as of June 30, 2022:

During the current year audit we noted a formal review process has not been updated.

2022-002 Energy Performance Capital Project Oversight Monitoring (formerly 2021-006)

CRITERIA:
Monitoring of the energy cost savings criteria is being monitored on a scheduled basis.

CONDITION:
The District does not receive and review or perform an analysis on the cost savings received from the 2011 and 2015 Energy Performance Capital Project.

QUESTIONED COSTS:
There are no questioned costs.

CAUSE:
During the 2021 year the District had not competed monitoring oversight of the cost savings being received from 2011 and 2015 Energy Performance Capital Project.

POUGHKEEPSIE CITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS
JUNE 30, 2022
(CONTINUED)

EFFECT:

Lack of an ongoing oversight to the District's cost savings may lead to a missed opportunity for savings.

RECOMMENDATION:

We recommend that the District monitor the cost savings on the 2011 and 2015 Energy Performance Capital Project Contact.

VIEW OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

The District should review the measurement and value reports from the 2011 and 2015 Energy Performance Contract's contractor to ensure the energy savings materialized. These is a cost to acquire these repots and the footprint/building usage has changed.

Status as of June 30, 2022:

The District has a plan to contact the Energy Performance contractor and request cost savings reports and review accordingly.