

**PRELIMINARY OFFICIAL STATEMENT DATED JUNE 3, 2025**

**NEW & RENEWAL ISSUE**

**BOND ANTICIPATION NOTES**

*In the opinion of Barclay Damon LLP, Albany, New York, Bond Counsel to the School District, under 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, the 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 designated as or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.*

**\$13,305,000**

**CITY SCHOOL DISTRICT OF THE CITY OF JOHNSTOWN  
FULTON AND MONTGOMERY COUNTIES, NEW YORK**

**GENERAL OBLIGATIONS**

**\$13,305,000 Bond Anticipation Notes, 2025  
(the "Notes")**

**Dated: June 26, 2025**

**Due: June 26, 2026**

The Notes are general obligations of the City School District of the City of Johnstown (the "District" or "School District"), Fulton and Montgomery Counties, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued as registered book-entry notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser(s) with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate.

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Barclay Damon LLP, Albany, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), on or about June 26, 2025.

**ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.fiscaladvisorsauction.com](http://www.fiscaladvisorsauction.com) on June 12, 2025 until 10:45 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.**

June \_\_, 2025

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

**CITY SCHOOL DISTRICT OF THE CITY OF JOHNSTOWN  
FULTON & MONTGOMERY COUNTIES, NEW YORK**

**SCHOOL DISTRICT OFFICIALS**

**2024-2025 BOARD OF EDUCATION**

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Local Attorney



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor

**BARCLAY  
DAMON**

BARCLAY DAMON LLP

Bond Counsel

No person has been authorized by City School District of the City of Johnstown 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 City School District of the City of Johnstown.

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PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT**  
**of the**  
**CITY SCHOOL DISTRICT OF THE CITY OF JOHNSTOWN**  
**FULTON AND MONTGOMERY COUNTIES, NEW YORK**

**Relating To**  
**\$13,305,000 Bond Anticipation Notes, 2025**

This Official Statement, which includes the cover page, has been prepared by the City School District of the City of Johnstown, Fulton and Montgomery Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of \$13,305,000 principal amount of Bond Anticipation Notes, 2025 (the "Notes").

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

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

**NATURE OF OBLIGATION**

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

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

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

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

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

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

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the city's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts

have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

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

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

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

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

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

## 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). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the principal amount of the Notes and interest thereon, without limitation as to rate or amount. (See “TAX LEVY LIMITATION LAW”).

The Notes are dated June 26, 2025 and mature, without option of prior redemption, on June 26, 2026. The Notes will be issued in either (i) registered form, registered to the purchaser(s) with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate, or (ii) at the option of the purchaser(s), registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as the securities depository for the Notes. See “Book-Entry-Only System” herein. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

### No Optional Redemption

The Notes are not subject to redemption prior to maturity.

## Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among other things, the Education Law and the Local Finance Law, and bond resolutions adopted by the Board of Education on August 18, 2022 authorizing the issuance of (i) \$14,000,000 serial bonds and the use of \$1,000,000 capital reserve funds to finance the reconstruction, renovation, and improvement of various District buildings, facilities, and sites at a maximum estimated cost of \$15,000,000, and (ii) \$3,000,000 serial bonds to finance the reconstruction, renovation, and improvement of various District buildings and facilities to enhance energy efficiency at a maximum estimated cost of \$3,000,000.

The proceeds of the Notes, along with \$465,000 of available funds of the District, will redeem and partially renew the \$5,000,000 currently outstanding bond anticipation notes maturing June 27, 2025, and will provide \$8,770,000 in new monies against the August 18, 2022 authorization for \$14,000,000.

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

### **Certificated Notes**

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on the Notes will be payable at the option of the District at the office of the District or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York 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 District is situated in upstate New York in the south central portion of Fulton County, about 35 miles northwest of the City of Albany. It encompasses approximately 46 square miles, and is located primarily within the City of Johnstown. Additionally, the School District encompasses various portions of the Towns of Ephratah, Johnstown and Palatine (the “Towns”) and the Cities of Amsterdam and Gloversville.

The City of Johnstown, together with its twin City of Gloversville, (together the “Cities”) less than 1 mile away, produce about forty percent of the fine leather gloves made in the United States. Other industries include leather tanning, knitwear, sporting goods, machines and tools, chemicals, furs, shoes, wool blankets, jackets and dyeing, lithographing, and dry cleaning. Residents not employed in these industries find employment in industrial and governmental operations in Gloversville, Schenectady, Canajoharie and Albany.

Passenger rail service by Amtrak is available in nearby Amsterdam or Rensselaer. The Barge Canal, located just to the south, provides direct water transportation to the Port of New York and the Great Lakes at Buffalo.

Bus transportation is provided by Greyhound and Trailways Bus Lines and air transportation is available at Albany International Airport and Fulton County Airport. The New York State Thruway has an interchange just south of the School District at Fultonville. Other major highways include New York State Routes #29, #30A and #67.

Electricity and natural gas are supplied throughout the School District by National Grid. The City of Johnstown and the Towns maintain water supply and distribution systems, entirely supported by user charges, and they provide sanitary sewage collection and treatment facilities. These services are supported by user charges and special benefit assessments.

Police protection is provided by the New York State police, the Johnstown Police Department, the county Sheriff's Office, and by police departments of the respective Towns; fire protection service is provided by the Johnstown Fire Department and by local volunteer units; ambulance service is provided by private companies.

Source: District officials.

### Population

The 2023 estimated population of the District is 10,929.

Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates.

### Larger Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Lexington Center (Fulton Co. ARC)	Residential & Day Treatment	1,600
Wal-Mart Distribution Center	Warehouse	900
Nathan Littauer Hospital	Health Care	880
Taylor Made Custom Products	Manufacturing	400
Fulton County	County Government	480
Fage Yogurt	Yogurt Manufacturer	350

Source: District officials.

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Cities of:						
Johnstown	\$ 22,424	\$ 27,983	\$ 34,473	\$ 50,153	\$ 70,208	\$ 75,636
Gloversville	17,889	21,973	26,463	37,518	44,165	51,641
Towns of:						
Ephratah	21,511	27,204	33,811	58,068	70,357	83,382
Johnstown	27,382	34,407	38,352	62,076	80,145	103,247
Palatine	19,146	28,786	37,579	52,321	71,146	100,968
Counties of:						
Fulton	23,147	29,984	34,843	50,425	63,988	73,183
Montgomery	22,347	27,346	31,975	53,476	63,989	86,028
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Note: 2020-2024 American Community Survey 5-Year estimates are not available as of the date of this Official Statement.

Source: 2006-2010, 2016-2020, and 2019-2023 American Community Survey 5-Year estimates.

## Unemployment Rate Statistics

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

	<u>Annual Averages</u>						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Fulton County	4.6%	4.4%	7.7%	5.1%	3.7%	3.8%	4.0%
Montgomery County	5.0%	4.8%	8.4%	5.6%	4.0%	4.3%	4.3%
New York State	4.1%	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%

	<u>2025 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>
Fulton County	4.9%	5.2%	4.5%	3.4%	N/A	N/A
Montgomery County	5.1%	5.5%	4.7%	3.4%	N/A	N/A
New York State	4.6%	4.3%	4.1%	3.6%	N/A	N/A

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

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

## Form of School Government

The Board of Education, the policy-making body of the District, consists of seven members with overlapping three-year terms so that an equal number is elected to the Board each year. The President and the Vice President are selected by the Board members.

The duties of the administrative officers of the District include the implementation of the policies of the Board of Education and the supervision of the operation of the school system.

## **Budgetary Procedures**

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared a tentative budget of the School District for the ensuing fiscal year. This tentative budget must be completed at least seven days before the annual District meeting at which it is to be presented. Copies are available upon request to taxpayers within the School District, seven days preceding such meeting and at each such meeting. The Board must also give notice that a copy of the tentative budget may be obtained at each schoolhouse within the School District.

The Board of Education causes a notice to be published stating the time, date, place and purpose of the annual or district meeting. At least forty-five days must elapse between the first publication of such notice and the date specified for such meeting. The meeting must be held at the time and place specified but it may be adjourned to permit voting on the following day. If the qualified voters at the annual or School District meeting approve the tentative budget, the Board of Education, by resolution adopts the tentative budget as the budget of the School District for the ensuing year.

Pursuant to 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% (subject to certain adjustments) or the rate of inflation (the “Tax Levy Cap”), then a majority vote is required for approval. If the proposed budget requires a tax levy increase that exceeds the Tax Levy Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the Tax Levy Cap also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the third 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 no budget is approved, the Board of Education, must, pursuant to law, adopt by resolution an austerity budget for the ensuing fiscal year. The Board of Education may then levy a tax for ordinary contingent expenses of the School District, which levy may not exceed the prior year’s levy under the provisions of Chapter 97. See “TAX LEVY LIMITATION LAW” herein.

### *Recent Budget Vote Results*

The budget for the 2024-25 fiscal year was approved by the qualified voters on May 21, 2024 by a vote of 357 to 180. The District’s adopted budget for the 2024-25 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The adopted budget called for a total tax levy of 4.26%, which was equal to the District’s Tax Cap of 4.26%.

The District’s budget for the 2025-26 fiscal year was approved by qualified voters on May 20, 2025 by a vote of 350 yes to 151 no. The District’s adopted budget for the 2025-26 fiscal year will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget calls for a total tax levy increase of 2.99%, which is equal to the District’s tax levy limit of 2.99%.

## **Investment Policy**

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

Consistent with the above statutory limitations, it is the 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 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 District has adopted its own investment policy, which, in addition to incorporating all of the provisions of statute enumerated above, further restricts trading partners to commercial banks or trust companies licensed and doing business in New York State. The policy prohibits investing through any private entity or brokerage firm and provides for written security agreements and/or custodial agreements with each commercial bank or trust company.

## State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2025-26 fiscal year, approximately 64.44% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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.

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State’s fiscal year of April 1. With the exception of the State’s fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, thirty-eight (38) days after the April 1 deadline, the State’s fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State’s fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State’s budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

### *Federal Aid Received by the State*

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

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

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

## *Building Aid*

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-26 preliminary building aid ratios, the District expects to receive State building aid of approximately 93.1% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

## *State Aid History*

*School district fiscal year (2021-2022):* The State's 2021-22 Budget includes \$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 includes the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, 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 are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are to be 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 provides \$31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

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

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

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

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

### *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.

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 *Campaign for Fiscal Equity* 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:

A breakdown of currently anticipated Foundation Aid funding is available below

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts
- FY 2025: Funding the full amount of Foundation Aid for all school districts
- FY 2026: \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and a 2% minimum increase in Foundation Aid to all school districts

The State’s 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

## State Aid Revenues

The following table illustrates the percentage of total revenues of the District comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2019-2020	\$34,570,527	\$22,164,552	64.11%
2020-2021	38,750,074	22,586,658	66.03
2021-2022	37,622,993	24,176,569	64.26
2022-2023	41,438,309 <sup>(1)</sup>	24,763,330	59.76
2023-2024	42,860,704	26,296,410	61.35
2024-2025 (Budgeted)	39,536,198 <sup>(1)</sup>	25,596,714	64.74
2024-2025 (Unaudited)	43,488,975	25,596,714	58.86
2025-2026 (Budgeted)	40,239,209 <sup>(1)</sup>	25,931,963	64.44

<sup>(1)</sup> Includes interfund transfers.

Source: Audited Financial Statements for the 2019-2020 through 2023-2024 fiscal years, unaudited estimates of the District for the 2024-2025 fiscal year, and the adopted budgets of the District for the 2024-2025 and 2025-2026 fiscal years. The 2024-2025 unaudited figures are based upon certain current assumptions and estimates, and the audited results may vary therefrom. This table is not audited.

## District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions</u>
Warren Street Elementary	2-4	567	1976, '90, '07, '18
Glebe Street Elementary	-( <sup>(1)</sup> )	401	1966, '96, '98, '07, '18
Pleasant Avenue Elementary	Pre-K-1	371	1955, '86, '94, '96, '07, '18
Knox Junior High School	5-7	667	1931, '66, '92, '07, '18
Johnstown High School	8-12	760	1962, '75, '98, '07, '18

<sup>(1)</sup> Glebe Street Elementary is fully leased to the Board of Cooperative Educational Services for the sole supervisory District of Hamilton, Fulton, and Montgomery Counties for its Pathways in Technology Early College High School (“PTECH”) program.

Note: The District sold its Jansen Avenue building, which had a capacity of 401 students.

Source: District officials.

## Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2020-21	1,567	2025-26	1,498
2021-22	1,579	2026-27	1,500
2022-23	1,581	2027-28	1,500
2023-24	1,592	2028-29	1,500
2024-25	1,563	2029-30	1,500

Note: Figures above exclude Charter School enrollment.

Source: District officials.

## Employees

The District employs approximately 248 full-time and 6 part-time persons. The collective bargaining agents, if any, which represent them and the dates of expiration of the various collective bargaining agreements are as follows:

<u>Employees</u>	<u>Union</u>	<u>Contract Expiration Date</u>
172	City School District of the City of Johnstown Teachers' Association	June 30, 2026 <sup>(1)</sup>
7	City School District of the City of Johnstown Administrators' Association	June 30, 2026
57	Civil Service Employees' Association	June 30, 2027
4	City School District of the City of Johnstown Central Office Association	June 30, 2027

<sup>(1)</sup> Under negotiation, with the new agreement tentatively anticipated to expire June 30, 2029.

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 five 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, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Effective April 20, 2024, this final average salary calculation for ERS Tier VI members has been changed from five years to the three highest consecutive years of earnings. 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 and budgeted contributions for the 2025-2026 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	\$ 289,945	\$ 937,276
2021-2022	322,393	1,058,059
2022-2023	476,675	1,425,260
2023-2024	367,048	1,038,767
2024-2025	326,763	1,397,493
2025-2026 (Budgeted)	501,600	1,397,988

Source: District officials.

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

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

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

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

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

\*Estimated.

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The

amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by 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 is not participating in the Stable Rate Pension Contribution Option and does not intend to do so in the foreseeable future.

The State’s 2019-2020 Budget, which was signed into law as Chapter 59 of the Laws of 2019, included a provision that allowed 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 were 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 District has established a TRS reserve fund.

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

## **Other Post-Employment Benefits**

**Healthcare Benefits.** It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that 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.** Other Post-Employment Benefits (“OPEB”) refers to “other post-employment benefits,” meaning other than pension benefits provided to retired employees. OPEB primarily consists of health care benefits and may include other benefits such as disability benefits and life insurance. These benefits had generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

**GASB 75.** In 2015, the Governmental Accounting Standards Board (“GASB”) released new accounting standards for public Other Post-Employment Benefits (“OPEB”) plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“GASB 75”), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District’s 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 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Capital Region BOCES to calculate its actuarial valuation under GASB 75. The following table outlines the changes to the Total OPEB Liability during the below fiscal years, by source.

	Balance beginning at July 1:	2022	2023
		\$ 53,117,264	\$ 41,435,799
<u>Changes for the year:</u>			
Service cost		1,688,616	1,701,462
Interest on total OPEB liability		1,910,375	1,741,352
Changes in benefit terms		(68,851)	-
Differences between expected and actual experience		(12,282,648)	852,609
Changes in assumptions or other inputs		(1,233,254)	(525,421)
Benefit payments		(1,695,703)	(1,967,473)
Net Changes		\$ (11,681,465)	\$ 1,802,529
	Balance ending at June 30:	2023	2024
		\$ 41,435,799	\$ 43,238,328

Source: Audited Financial Statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability see "APPENDIX – D" attached hereto.

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.

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

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

## Other Information

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

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

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

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

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

## Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024 and is attached hereto as "APPENDIX – D". In addition, 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. Certain financial information of the District can be found attached as Appendices to 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 the 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.

*Anticipated Unaudited Results of Operations for Fiscal Year Ending June 30, 2025*

Based on preliminary estimates, the District is projecting that it will end the fiscal year ending June 30, 2025 with an unappropriated unreserved fund balance of \$1,806,273.

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

Revenues:	\$ 43,488,975
Expenditures:	<u>41,479,549</u>
Excess (Deficit) Revenues Over Expenditures:	\$ 2,009,426
Fund Balance at June 30, 2024:	<u>\$ 23,418,259</u>
Total Projected Fund Balance at June 30, 2025:	<u>\$ 25,427,685</u>

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

**New York State Comptroller Report of Examination**

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

There are no State Comptroller's audits of the District released within the past five years, nor are there any that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

**State Education Department Audit**

In accordance with Federal requirements, the District is currently being audited by the New York State Education Department with respect to the District's use of amounts received from the Elementary and Secondary School Emergency Relief Fund and the Governor's Emergency Education Relief Fund.

**The State Comptroller's Fiscal Stress Monitoring System**

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

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

The classification of the District for the past three fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	0.0

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein and the website is not incorporated herein by reference.

## TAX INFORMATION

### Taxable Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
City of:					
Gloversville	\$ 22,845,279	\$ 24,364,475	\$ 25,182,634	\$ 25,736,958	\$ 26,291,095
Johnstown	365,553,554	373,124,525	370,888,575	369,853,379	368,934,405
Towns of:					
Ephratah	\$ 27,364,804	\$ 27,637,984	\$ 27,681,826	\$ 27,782,289	\$ 27,943,272
Johnstown	108,675,019	108,974,254	108,751,634	110,467,947	119,532,008
Palatine	668,608	697,411	699,097	719,199	740,912
Total Assessed Values	<u>\$ 525,107,264</u>	<u>\$ 534,798,649</u>	<u>\$ 533,203,766</u>	<u>\$ 534,559,772</u>	<u>\$ 543,441,692</u>

### State Equalization Rates

City of:					
Gloversville	100.00%	100.00%	89.00%	76.34%	69.44%
Johnstown	94.00%	92.00%	84.00%	75.00%	69.00%
Towns of:					
Ephratah	69.00%	64.90%	61.00%	56.12%	53.31%
Johnstown	65.00%	60.70%	56.50%	50.75%	47.45%
Palatine	55.00%	51.75%	45.60%	41.50%	39.00%
Total Taxable Full Valuation	<u>\$ 619,799,163</u>	<u>\$ 653,397,005</u>	<u>\$ 709,223,030</u>	<u>\$ 795,760,422</u>	<u>\$ 878,776,988</u>

Source: District officials.

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

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
City of:					
Gloversville	\$ 16.70	\$ 16.44	\$ 17.84	\$ 19.37	\$ 20.10
Johnstown	17.76	17.87	18.90	19.71	20.23
Towns of:					
Ephratah	\$ 24.20	\$ 25.33	\$ 26.03	\$ 26.34	\$ 26.18
Johnstown	25.69	27.08	28.10	29.13	29.42
Palatine	30.36	31.77	34.82	35.63	35.79

Source: District officials.

## Tax Collection Procedure

The School District levies its own taxes at the end of August and collects taxes during September and October. Taxes paid by the end of the first 30 days of collection are not subject to a penalty. Taxes collected during the second phase (the end of the first 30-day period until October 31<sup>st</sup>) are subject to a 2% penalty.

All taxes uncollected after the 31<sup>st</sup> of October are sent to the City of Johnstown or the respective County where the properties are located. The School District is guaranteed payment of the taxes by the municipalities by New York State law. A 2% penalty is added to the amount to be returned to the School District. The School District receives payment from the local municipalities as it is collected on a monthly basis. The uncollected balance plus the 2% penalty is paid to the School District by November of the following year.

## Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy	\$ 10,348,596	\$ 10,741,843	\$ 11,261,290	\$ 11,764,841	\$ 12,265,659
Amount Uncollected <sup>(1)</sup>	697,945	746,858	763,000	733,808	879,160
% Uncollected	6.74%	6.95%	6.78%	6.24%	7.17%

<sup>(1)</sup> The District receives 100% of its tax levy each year. See "Tax Collection Procedure" herein.

Source: District officials.

## Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District comprised of Real Property Taxes for the below fiscal years.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes &amp; Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2019-2020	\$ 34,570,527	\$ 10,409,074	30.11%
2020-2021	38,750,074	11,015,106	28.43
2021-2022	37,622,993	11,226,406	29.84
2022-2023	41,438,309 <sup>(1)</sup>	11,945,174	28.83
2023-2024	42,860,704	12,843,107	29.96
2024-2025 (Budgeted)	39,536,198 <sup>(1)</sup>	12,316,197	31.15
2024-2025 (Unaudited)	43,488,975	12,900,000	29.66
2025-2026 (Budgeted)	40,239,209 <sup>(1)</sup>	12,683,959	31.52

<sup>(1)</sup> Includes interfund transfers.

Source: Audited Financial Statements for the 2019-2020 through 2023-2024 fiscal years, unaudited estimates of the District for the 2024-2025 fiscal year, the adopted budgets of the District for the 2024-2025 and 2025-2026 fiscal years. The 2024-2025 unaudited figures are based upon certain current assumptions and estimates, and the audited results may vary therefrom. This table is not audited.

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## Ten Largest Taxpayers – 2024 Assessment Roll for 2024-25 District Tax Roll

<u>Name</u>	<u>Type/Industry</u>	<u>Taxable Full Valuation</u>
Niagara Mohawk	Utility	\$ 39,052,637
Johnstown Comrie Associates	Shopping Mall	22,033,220
CG Roxane	Water Bottling	18,373,024
Walmart Real Estate Bus, Trust	Retail/Commercial	15,841,014
City of Johnstown	Government	9,556,846
DG NY Solar	Solar	7,996,754
Crest Enterprises Inc	Hotel/Motel	5,661,884
Ctc of Upstate NY Inc	Commercial (Telephone)	5,479,452
Pearl Leather	Manufacturing	5,420,290
Shoal Creek LP	Auto Dealer	5,102,213

The ten larger taxpayers listed above have an approximate total taxable full valuation of \$134,517,334, which represents 15.31% of the tax base of the District for the 2024-2025 fiscal year.

The District experiences the impact of tax certiorari filings on a regular basis for which the District has a tax certiorari reserve to cover. At this time, the level of tax certiorari filings is within acceptable norms and the pending tax certiorari filings, if decided adversely to the District, would not have a material adverse impact on the District's finances.

Source: District Tax Rolls.

## STAR – School Tax Exemption

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

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

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

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

<u>Municipality:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
City of Gloversville	\$ 59,790	\$ 21,150	4/10/2025
City of Johnstown	59,410	20,700	4/10/2025
Town of Ephratah	45,900	15,990	4/10/2025
Town of Johnstown	40,850	14,240	4/10/2025
Town of Palatine	33,580	11,700	4/10/2025

\$1,157,256 of the District's \$12,265,659 school tax levy for the 2024-2025 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2025.

Approximately \$1,191,274 of the District's \$12,632,818 school tax levy for the 2025-2026 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2026.

### **Additional Tax Information**

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Agricultural-0.7%, Residential-54.9%, Commercial-20.9% and Manufacturing-3.8%.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the District is approximately \$1,396 including County, Town, School District and Fire District taxes.

### **TAX LEVY LIMITATION LAW**

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

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

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

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

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

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

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

See “State Aid” for a discussion of the *New Yorkers for Students’ Educational Rights v. State of New York* case which includes a challenge to the supermajority requirements regarding school district property tax increases.

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

## **STATUS OF INDEBTEDNESS**

### **Constitutional Requirements**

The New York State Constitution and Local Finance Law limit the power of the School District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations in summary form, and as generally applicable to the School District and the Notes, include the following:

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

The School District may contract indebtedness only for a school district purpose and shall pledge its faith and credit for the payment of the 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. The School 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.

*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 exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

### **Statutory Procedure**

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

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

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing, and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

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

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

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

#### Debt Outstanding End of Fiscal Year

<u>Fiscal Year Ending June 30<sup>th</sup>:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 38,675,000	\$ 35,685,000	\$ 32,600,000	\$ 29,590,000	\$ 26,645,000
Bond Anticipation Notes	0	0	0	4,000,000	5,000,000
Other Indebtedness <sup>(1)</sup>	<u>0</u>	<u>0</u>	<u>19,369</u>	<u>9,757</u>	<u>0</u>
Total Debt Outstanding	\$ 38,675,000	\$ 35,685,000	\$ 32,619,369	\$ 33,599,757	\$ 31,645,000

<sup>(1)</sup> In 2022, the District implemented GASB Statement No. 87 for accounting and reporting leases. GASB Statement No. 87 requires the recognition of certain lease assets and liabilities for leases previously classified as operating leases along with the recognition of inflows and outflows of resources, as applicable.

Note: Apart from as noted above, the figures above do not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the District.

#### Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of June 3, 2025:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds:</u>	2025-2033	\$ 26,645,000
<u>Bond Anticipation Notes:</u>		
Capital Project	June 27, 2025	<u>5,000,000</u>
	Total Indebtedness	\$ 31,645,000

<sup>(1)</sup> To be redeemed and partially renewed at maturity with a portion of the proceeds of the Notes and available funds of the District.

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

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## Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 3, 2025:

Full Valuation of Taxable Real Property .....	\$ 878,776,988
Debt Limit 10% thereof .....	87,877,699

### Inclusions:

Bonds.....	\$ 26,645,000
Bond Anticipation Notes (BANs):.....	5,000,000
Total Inclusions prior to issuance of the Notes .....	31,645,000
Less: BANs being redeemed from appropriations .....	465,000
Add: New money proceeds of the Notes .....	8,770,000
Total Net Inclusions after issuance of the Notes .....	<u>\$ 39,950,000</u>

### Exclusions:

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

Total Net Indebtedness ..... \$ 39,950,000

Net Debt-Contracting Margin ..... \$ 47,927,699

The percent of debt contracting power exhausted is ..... 45.46%

Notes: On November 7, 2023, State voters approved a proposed amendment to the State Constitution that removed a constitutional debt limitation previously imposed on small city school districts. A small city school district is one that is partly or wholly within a city having fewer than one hundred twenty-five thousand inhabitants. The State Constitution previously provided that small city school districts were not allowed to contract indebtedness for education purposes that would exceed an amount equal to five percent of the average full valuation of taxable real estate in the school district. The approved amendment to the State Constitution eliminated that constitutional debt limitation applicable to small city school districts, rendering small city school districts subject to the same ten percent limitation applicable to other school districts in the State.”

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

The figures above do not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the District.

## Bonded Debt Service

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

## Cash Flow Borrowings

The District historically does not issue revenue or tax anticipation notes, and does not reasonably expect to issue such notes in the foreseeable future.

## Capital Project Plans

On November 15, 2022, the qualified voters of the District approved a \$15,000,000 capital project. The project will be financed with the expenditure of \$1,000,000 from a capital reserve fund and the issuance of obligations of the District in a principal amount of not to exceed \$14,000,000. The District issued \$4,000,000 of bond anticipation notes on June 29, 2023 (the “2023 Notes”) to finance a portion of the cost of the capital project. The District issued \$5,000,000 of bond anticipation notes on June 27, 2024 (the “2024 Notes”), the proceeds of which, along with \$230,000 of available funds of the District, redeemed and renewed the 2023 Notes, and provided \$1,230,000 in new monies to finance a portion of the cost of the capital project. The proceeds of the Notes, along with \$465,000 available District funds, will redeem and partially renew the 2024 Notes, and will provide \$8,770,000 in new monies to finance a portion of the cost of the capital project.

On November 15, 2022, the qualified voters of the District also approved a not-to-exceed \$3,000,000 Energy Performance Contract Project that will be financed with the proceeds of an installment sale agreement, the principal and interest on which will be paid by the District from guaranteed energy savings over the life of the agreement.

On May 21, 2024, the District voters approved a proposition to authorize a \$5,000,000 capital project, which is anticipated to be funded in full with capital reserve funds.

The District anticipates presenting a proposition in the amount of \$11,000,000 to voters on July 15, 2025 for a project consisting of the development and construction of a solar installation. Pending voter and State Education Department approval, borrowings would occur as the project's cash flow needs warrant.

There are presently no other capital projects authorized and unissued by the District.

### Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated indebtedness of the respective municipalities is outlined in the table below:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Exclusions</u> <sup>(2)</sup>	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Fulton	12/31/2023 <sup>(4)</sup>	\$ 660,363	\$ - <sup>(5)</sup>	\$ 660,363	17.80%	\$ 117,545
Montgomery	7/11/2024 <sup>(3)</sup>	37,512,000	2,430,000	35,082,000	0.06%	21,049
City of:						
Gloversville	12/31/2023 <sup>(4)</sup>	14,670,125	- <sup>(5)</sup>	14,670,125	6.55%	960,893
Johnstown	6/28/2024 <sup>(3)</sup>	7,645,000	7,645,000	-	77.31%	-
Town of:						
Ephratah	12/31/2023 <sup>(4)</sup>	100,000	- <sup>(5)</sup>	100,000	39.15%	39,150
Johnstown	12/31/2023 <sup>(4)</sup>	180,385	- <sup>(5)</sup>	180,385	33.72%	60,826
Palatine	12/31/2023 <sup>(4)</sup>	-	- <sup>(5)</sup>	-	0.75%	-
Total:						<u>\$ 1,199,463</u>

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

### Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 3, 2025:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 39,950,000	\$ 3,655.41	4.55%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	41,149,463	3,765.16	4.68

- (a) The 2023 estimated population of the District is 10,929. (See "THE SCHOOL DISTRICT – Population" herein.)
- (b) The District's full value of taxable real estate for 2024-2025 is \$878,776,988. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
- (c) See "Debt Statement Summary" herein.
- (d) Estimated net overlapping indebtedness is \$1,199,463. (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**

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 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.

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgment or accrued claim against it shall not exceed nine per centum per annum. 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 or interest on the Notes.

In accordance with the general rule with respect to municipalities, judgments against the District may not be enforced by levy and execution against property owned by the District.

The Federal Bankruptcy Code allows public bodies, such as the District, 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 to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While these Local Finance Law provisions do not apply to school districts, there can be no assurance that they will not be made so applicable in the future.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

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

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."

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

## **MARKET AND RISK FACTORS**

The financial condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the 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 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 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 District, in any year, the District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the District. In several recent years, the 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 District could have an impact upon the market price of the Notes. See “TAX LEVY LIMITATION LAW” 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 Authority, 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 Authority, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, interest on the Notes that is included in the “adjusted financial statement income” of certain corporations is not excluded from the corporate alternative minimum tax under the Code. Bond Counsel also is of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

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

### *General*

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

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

### *Certain Collateral Federal Income Tax Consequences*

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

## *Backup Withholding and Information Reporting*

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

## *Legislation*

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

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

## **LEGAL MATTERS**

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

## **LITIGATION**

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

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the 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.

## **CONTINUING DISCLOSURE**

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to Provide Notice of Material Events Certificate, a description of which is attached hereto as "APPENDIX – C".

### **Historical Compliance**

The District has maintained compliance, in all material respects, within the last five years with all previous undertakings made pursuant to Rule 15c2-12.

## **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.

## **RATINGS**

The Notes are not rated. The purchaser(s) of the Notes may choose to request that a rating be assigned after the sale pending the approval of the District and applicable rating agency, and at the expense of the purchaser(s), including any rating agency and other fees to be incurred by the District, as such rating action may result in a material event notice to be posted to EMMA and/or the provision of a Supplement to the final Official Statement.

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

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds.

## **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, this Official Statement.

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

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

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

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

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

The District's contact information is as follows: Melissa Baker, School Business Manager/Deputy Treasurer, City School District of the City of Johnstown, The Knox Building, 400 South Perry Street, Johnstown, New York 12095, Phone: (518) 762-4611, Email: [mbaker@johnstownschoools.org](mailto:mbaker@johnstownschoools.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., Phone: (315) 752-0051, or at [www.fiscaladvisors.com](http://www.fiscaladvisors.com).

## **CITY SCHOOL DISTRICT OF THE CITY OF JOHNSTOWN**

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

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

**GENERAL FUND**

**Balance Sheets**

Fiscal Years Ending June 30:

	<u><b>2020</b></u>	<u><b>2021</b></u>	<u><b>2022</b></u>	<u><b>2023</b></u>	<u><b>2024</b></u>
<b><u>ASSETS</u></b>					
Unrestricted Cash	\$ 6,283,282	\$ 8,824,696	\$ 7,331,378	\$ 5,587,933	\$ 4,753,087
Restricted Cash	4,971,603	9,936,112	10,718,254	15,473,354	15,840,458
Taxes Receivable	519,494	542,003	759,287	1,169,606	1,398,357
State & Federal Aid Receivable	970,100	792,909	517,564	707,677	809,719
Due from Other Funds	2,498,012	2,109,943	3,427,602	5,284,488	8,210,465
Other Receivable	51,601	56,849	24,719	198,035	232,115
Due from Fiduciary Funds	880,593	-	-	-	-
Due from Other Governments	783,911	1,242,631	1,861,248	2,339,906	3,124,905
Lease Receivables	-	-	1,108,689	973,392	837,169
Prepaid Expenses	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u><u>\$ 16,958,596</u></u>	<u><u>\$ 23,505,143</u></u>	<u><u>\$ 25,748,741</u></u>	<u><u>\$ 31,734,391</u></u>	<u><u>\$ 35,206,275</u></u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>					
Accounts Payable	\$ 417,828	\$ 973,810	\$ 326,542	\$ 247,711	\$ 446,841
Accrued Liabilities	17,032	36,132	38,719	39,318	96,482
Due to Other Funds	2,677,241	3,013,335	2,907,294	4,446,525	7,570,535
Due to Fiduciary Funds	12,820	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	906,929	996,741	1,154,326	1,307,450	1,325,198
Due to Employees' Retirement System	83,132	85,029	98,035	79,815	111,618
Collections in Advance	28,492	43,165	66,266	39,153	39,153
Deferred Revenues	438,765	452,335	1,813,677	1,818,620	2,198,189
<b>TOTAL LIABILITIES</b>	<u><u>4,582,239</u></u>	<u><u>5,600,547</u></u>	<u><u>6,404,859</u></u>	<u><u>7,978,592</u></u>	<u><u>11,788,016</u></u>
<b><u>FUND EQUITY</u></b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	4,971,603	9,936,112	10,718,254	15,473,354	15,840,458
Assigned	3,383,021	3,168,330	3,433,899	3,343,207	4,089,755
Unassigned	4,021,733	4,800,154	5,191,729	4,939,238	3,488,046
<b>TOTAL FUND EQUITY</b>	<u><u>12,376,357</u></u>	<u><u>17,904,596</u></u>	<u><u>19,343,882</u></u>	<u><u>23,755,799</u></u>	<u><u>23,418,259</u></u>
<b>TOTAL LIABILITIES and FUND EQUITY</b>	<u><u>\$ 16,958,596</u></u>	<u><u>\$ 23,505,143</u></u>	<u><u>\$ 25,748,741</u></u>	<u><u>\$ 31,734,391</u></u>	<u><u>\$ 35,206,275</u></u>

**GENERAL FUND**

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

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>REVENUES</b>					
Real Property Taxes & Tax Items	\$ 7,123,656	\$ 8,374,840	\$ 9,019,654	\$ 9,159,182	\$ 9,880,374
Other Property Tax Items	2,101,502	2,034,234	1,995,452	2,067,224	2,064,800
Charges for Services	292,113	201,989	186,306	140,698	225,578
Use of Money & Property	229,014	358,189	223,016	213,707	489,071
Sale of Property and Compensation for Loss	1,972	6,549	-	600,717	-
Miscellaneous	1,364,212	1,298,083	1,208,792	1,112,945	1,432,124
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	22,462,965	22,164,552	25,586,658	24,176,569	24,763,330
Revenues from Federal Sources	172,023	132,091	530,196	151,951	119,860
Total Revenues	<u>\$ 33,747,457</u>	<u>\$ 34,570,527</u>	<u>\$ 38,750,074</u>	<u>\$ 37,622,993</u>	<u>\$ 38,975,137</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,463,172</u>
Total Revenues and Other Sources	<u>\$ 33,747,457</u>	<u>\$ 34,570,527</u>	<u>\$ 38,750,074</u>	<u>\$ 37,622,993</u>	<u>\$ 41,438,309</u>
<b>EXPENDITURES</b>					
General Support	\$ 3,953,874	\$ 3,896,225	\$ 4,368,664	\$ 4,408,934	\$ 4,217,163
Instruction	15,655,427	14,678,141	15,247,565	15,617,444	17,438,947
Pupil Transportation	1,785,231	1,865,303	1,955,929	2,497,737	3,205,682
Community Services	2,685	2,118	577	826	626
Employee Benefits	8,588,435	7,542,594	7,374,684	7,166,643	6,836,587
Debt Service	3,247,513	4,440,031	4,166,350	4,181,500	4,019,950
Total Expenditures	<u>\$ 33,233,165</u>	<u>\$ 32,424,412</u>	<u>\$ 33,113,769</u>	<u>\$ 33,873,084</u>	<u>\$ 35,718,955</u>
Other Uses:					
Interfund Transfers	<u>22,562</u>	<u>130,174</u>	<u>166,428</u>	<u>2,310,623</u>	<u>1,307,437</u>
Total Expenditures and Other Uses	<u>33,255,727</u>	<u>32,554,586</u>	<u>33,280,197</u>	<u>36,183,707</u>	<u>37,026,392</u>
Excess (Deficit) Revenues Over Expenditures	<u>491,730</u>	<u>2,015,941</u>	<u>5,469,877</u>	<u>1,439,286</u>	<u>4,411,917</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	9,709,062	10,445,537	12,376,357	17,904,596	19,343,882
Prior Period Adjustments (net)	244,745	(85,121)	58,362	-	-
Fund Balance - End of Year	<u>\$ 10,445,537</u>	<u>\$ 12,376,357</u>	<u>\$ 17,904,596</u>	<u>\$ 19,343,882</u>	<u>\$ 23,755,799</u>

Source: Audited Financial Statements of the School District. This Appendix is not itself Audited.

**GENERAL FUND**

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

Fiscal Years Ending June 30:

	<b>2024</b>			<b>2025</b>	<b>2026</b>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>
<b><u>REVENUES</u></b>					
Real Property Taxes & Items	\$ 11,764,841	\$ 10,569,608	\$ 10,509,006	\$ 12,265,659	\$ 12,632,818
Other Property Tax Items	700,518	1,895,751	2,334,101	50,538	51,141
Nonproperty Tax Items	-	-	-	430,000	430,000
Charges for Services	137,350	137,350	179,780	137,350	137,350
Use of Money & Property	223,700	223,700	1,086,409	168,200	168,200
Sale of Property and Compensation for Loss	-	-	731,500	-	-
Miscellaneous	708,000	708,000	1,593,478	708,000	708,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	25,294,689	25,294,689	26,296,410	25,596,714	25,931,963
Revenues from Federal Sources	140,000	140,000	130,020	120,000	120,000
Total Revenues	<u>\$ 38,969,098</u>	<u>\$ 38,969,098</u>	<u>\$ 42,860,704</u>	<u>\$ 39,476,461</u>	<u>\$ 40,179,472</u>
Other Sources:					
Interfund Transfers	<u>61,403</u>	<u>61,403</u>	<u>-</u>	<u>59,737</u>	<u>59,737</u>
Total Revenues and Other Sources	<u>39,030,501</u>	<u>39,030,501</u>	<u>42,860,704</u>	<u>39,536,198</u>	<u>40,239,209</u>
<b><u>EXPENDITURES</u></b>					
General Support	\$ 4,942,381	\$ 5,172,790	\$ 4,833,872	\$ 5,326,078	\$ 5,637,302
Instruction	20,734,042	20,722,899	18,977,966	21,792,541	22,835,380
Pupil Transportation	2,708,167	3,795,732	2,444,604	2,780,400	2,889,900
Community Services	7,000	3,827	60	7,000	7,000
Employee Benefits	9,410,916	8,419,935	7,469,520	9,071,008	8,904,735
Debt Service	4,199,800	4,248,222	4,248,222	4,341,950	4,712,500
Total Expenditures	<u>\$ 42,002,306</u>	<u>\$ 42,363,405</u>	<u>\$ 37,974,244</u>	<u>\$ 43,318,977</u>	<u>\$ 44,986,817</u>
Other Uses:					
Interfund Transfers	<u>220,000</u>	<u>5,224,001</u>	<u>5,224,000</u>	<u>170,000</u>	<u>170,000</u>
Total Expenditures and Other Uses	<u>42,222,306</u>	<u>47,587,406</u>	<u>43,198,244</u>	<u>43,488,977</u>	<u>45,156,817</u>
Excess (Deficit) Revenues Over Expenditures	<u>(3,191,805)</u>	<u>(8,556,905)</u>	<u>(337,540)</u>	<u>(3,952,779)</u>	<u>(4,917,608)</u>
<b><u>FUND BALANCE</u></b>					
Fund Balance - Beginning of Year	3,191,805	8,556,905	23,755,799	3,052,777	3,117,608
Planned Use of Reserves	-	-	-	900,000	1,800,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,418,259</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Audited Financial Statements and budgets (unaudited) of the School District. This Appendix is not itself Audited.

**APPENDIX - B**  
**Johnstown City SD**

**BONDED DEBT SERVICE**

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	\$ 3,040,000	\$ 816,950	\$ 3,856,950
2026	3,135,000	721,100	3,856,100
2027	3,235,000	622,250	3,857,250
2028	3,130,000	520,200	3,650,200
2029	2,735,000	423,150	3,158,150
2030	2,815,000	341,100	3,156,100
2031	2,900,000	256,650	3,156,650
2032	2,985,000	169,650	3,154,650
2033	2,670,000	80,100	2,750,100
TOTALS	\$ 26,645,000	\$ 3,951,150	\$ 30,596,150

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

**APPENDIX - B1**  
**Johnstown City SD**

**CURRENT BONDS OUTSTANDING**

Fiscal Year Ending June 30th	2015			2019		
	Refunding of 2008 Bonds			Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 465,000	\$ 70,400.00	\$ 535,400.00	\$ 2,575,000	\$ 746,550.00	\$ 3,321,550.00
2026	480,000	51,800.00	531,800.00	2,655,000	669,300.00	3,324,300.00
2027	500,000	32,600.00	532,600.00	2,735,000	589,650.00	3,324,650.00
2028	315,000	12,600.00	327,600.00	2,815,000	507,600.00	3,322,600.00
2029	-	-	-	2,735,000	423,150.00	3,158,150.00
2030	-	-	-	2,815,000	341,100.00	3,156,100.00
2031	-	-	-	2,900,000	256,650.00	3,156,650.00
2032	-	-	-	2,985,000	169,650.00	3,154,650.00
2033	-	-	-	2,670,000	80,100.00	2,750,100.00
TOTALS	\$ 1,760,000	\$ 167,400.00	\$ 1,927,400.00	\$ 24,885,000	\$ 3,783,750.00	\$ 28,668,750.00

**MATERIAL EVENT NOTICES**

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

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Note
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

**CITY SCHOOL DISTRICT OF THE CITY OF JOHNSTOWN  
FULTON AND MONTGOMERY COUNTIES, NEW YORK**

**FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2024**

**The Audited Financial Statements, including opinion, 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.**

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**AUDITED FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL SCHEDULES**

**JUNE 30, 2024**

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## **INDEPENDENT AUDITORS' REPORT**

To the President and the Other Members  
of the Board of Education of the  
Greater Johnstown School District  
Johnstown, New York

### **Report on the Audit of 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 Greater Johnstown School District (the District), as of and for the year ended June 30, 2024, 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, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, budgetary comparison information, schedule of funding progress – changes in total other post-employment benefits liability and related ratios, and schedule of local government's proportionate share of the net pension liability and contributions on pages 4 through 13 and 51 through 55 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 introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information on pages 56 through 58 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. Such 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2024, on our consideration of the 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 the District's internal control over financial reporting and compliance.

*WEST & COMPANY CPAs PC*

Gloversville, New York  
October 9, 2024

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**FINANCIAL HIGHLIGHTS**

The District experienced an overall improvement in its financial position in the 2023-2024 fiscal year. Through diligent controls on expenditures and operational decisions resulting in cost savings, the District was able to contain actual expenditures to 90.8% of the adjusted operating budget, similar to fiscal year 2022-2023. The addition of COVID relief monies has continued to offset some general fund expense in terms of instructional salaries and benefits. The District also realized savings in the BOCES COSERS mainly in the Transportation and Special Ed categories.

Earned revenue for the 2023-2024 fiscal year was approximately \$3,830,203 more than the budgeted amount. This is primarily due to higher than budgeted sale of property revenues and miscellaneous revenues, along with higher than anticipated interest earnings.

The maximum allowable levy for the 2024-2025 school year is \$12,265,659 or 4.26%. In May, 2024, the District proposed a fiscal year budget of \$43,488,975, which also included the use of \$3,052,777 of fund balance and \$900,000 from Reserves. The budget proposal was approved by a margin of 67%, with 357 voting in favor and 180 voting against.

In May of 2024, District voters approved a proposition to create a new capital construction reserve (maximum of \$10,000,000). The voters also approved the use of \$5,000,000 from the 2023 Capital Reserve fund to reconstruct, renovate and improve various District buildings, facilities and sites.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

The remaining statements are *fund financial statements* that focus on individual parts of the School District, reporting the School District's operations in more detail than the District-wide statements.

The *governmental funds statements* tell how basic services such as general and special education were financed in the short-term, as well as what remains for future spending.

*Fiduciary funds* statements provide information about the financial relationships in which the School District acts solely as a custodian for the benefit of others.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

**Table A-1** summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

**Table A-1** Major Features of the District-wide and Fund Financial Statements

		<b>Fund Financial Statements</b>	
	<b>District-Wide</b>	<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire District (except fiduciary funds)	The activities of the School District that are proprietary or fiduciary, such as instruction, special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
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 the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

### District-Wide Statements

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

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

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the School District, additional nonfinancial factors such as changes in the property tax base and the condition of buildings and other facilities should be considered.

Net position of the governmental activities differ from the governmental fund balance because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (dollars) are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balance.

District-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.
- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
  - Net investment in capital assets.
  - Restricted net position are those with constraints placed on use by external sources or imposed by law.
  - Unrestricted net position are net position that do not meet any of the above restrictions.

## **Fund Financial Statements**

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) 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 School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can be readily converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information following the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund and the capital project fund. Required financial statements are the balance sheet and the statement of revenue, expenditures and changes in fund balance.
- **Fiduciary Fund:** The School District is the custodian for assets that belong to others, such as the student activities funds and the private purpose trust funds. The School 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 School District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

# FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Table A-2**

## Condensed Statement of Net Position (in thousands)

	<b>Fiscal Year 2024</b>	<b>Fiscal Year 2023</b>	<b>% Change (Increase, - Decrease)</b>
<b>Assets</b>			
Current and other assets	\$ 39,409	\$ 35,497	11
Capital assets - net	52,035	50,882	2
<b>Total Assets</b>	91,444	86,379	6
<b>Deferred Outflows of Resources</b>			
Other post-employment benefits	14,900	19,820	-25
Pensions	6,051	7,556	-20
<b>Total Deferred Outflows of Resources</b>	20,951	27,376	-23
<b>Liabilities</b>			
Current liabilities	10,584	9,585	10
Long-term liabilities	68,818	70,919	-3
<b>Total Liabilities</b>	79,402	80,504	-1
<b>Deferred Inflows of Resources</b>			
Other post-employment benefits	16,651	21,002	-21
Leases	837	973	-14
Pensions	1,226	874	40
<b>Total Deferred Inflows of Resources</b>	18,714	22,849	-18
<b>Net Position</b>			
Net investment in capital assets	25,390	21,282	19
Restricted	15,840	15,473	2
Unrestricted	(26,951)	(26,353)	-2
<b>Total Net Position</b>	\$ 14,279	\$ 10,402	37

## Changes in Net Position

The School District's 2024 revenue was \$49,017,747 (see Table A-3). Property taxes and New York State aid accounted for the majority of revenue by contributing 22.5% and 53.8%, respectively, of the total revenue raised (see Table A-4). The remainder of revenue came from fees for services, use of money and property, operating grants and other miscellaneous sources.

The total cost of all programs and services totaled \$45,142,797 for 2024. These expenses are predominantly for the education, supervision and transportation of students (see Table A-5). The School District's administrative and business activities accounted for 15.5% of total costs.

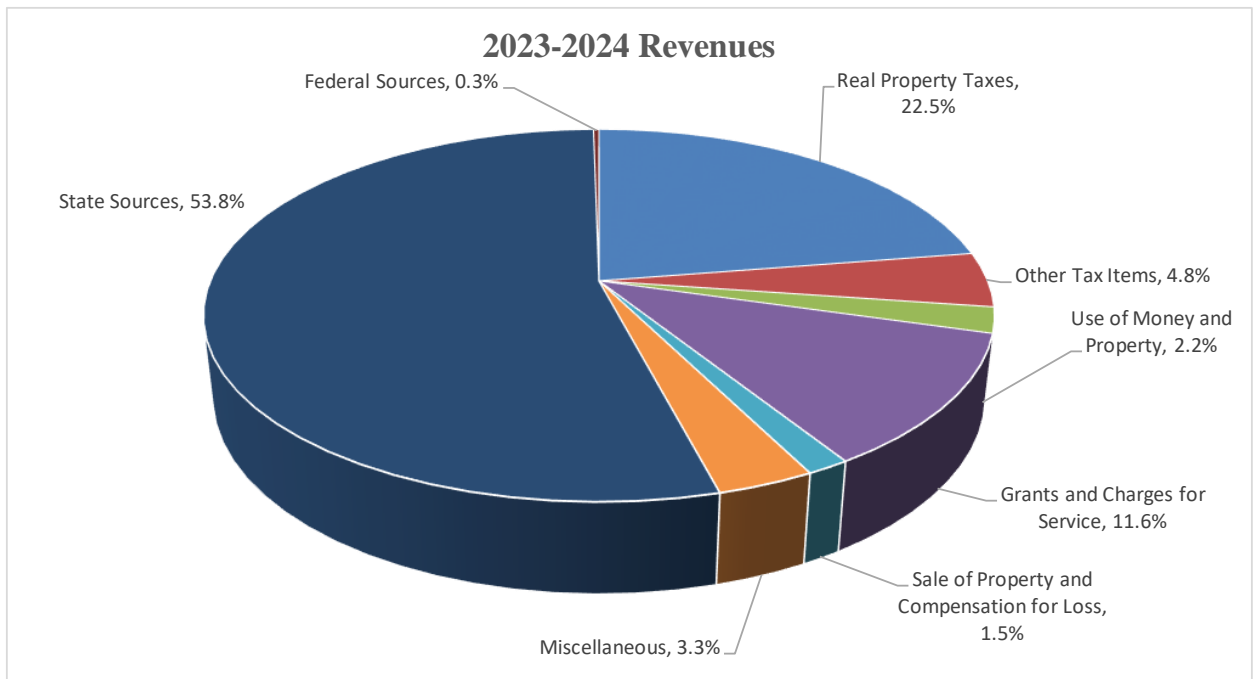
Net position increased during the year by \$3,874,950.

**Table A-3**

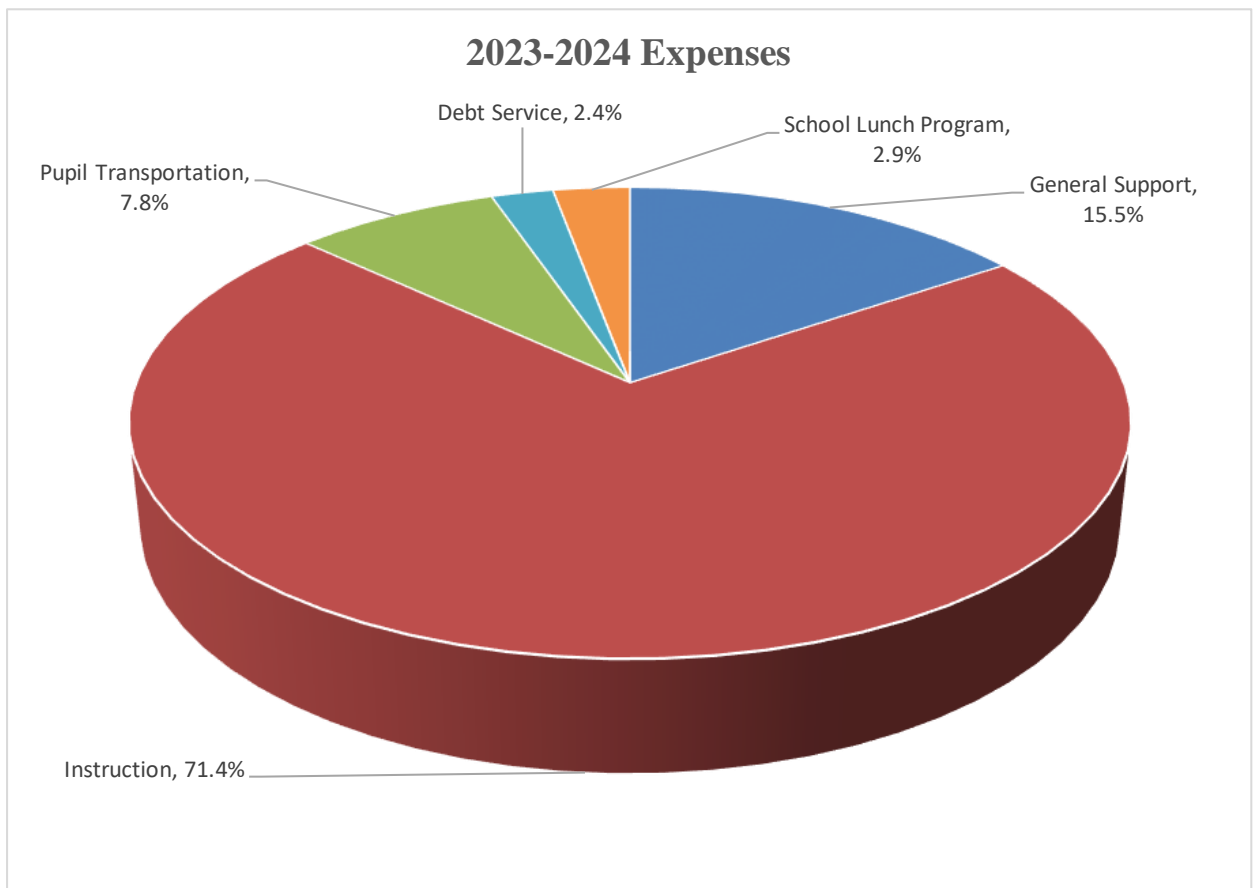
### Changes in Net Position from Operating Results (in thousands)

	<b>Fiscal Year 2024</b>	<b>Fiscal Year 2023</b>	<b>% Change (Increase, - Decrease)</b>
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for services	\$ 206	\$ 265	-22
Operating grants and contributions	5,457	4,728	15
<b>General Revenues</b>			
Property taxes	13,359	12,085	11
State sources	26,391	25,723	3
Federal sources	130	120	8
Use of money and property	1,088	490	122
Sale of property and compensation for loss	732	0	100
Miscellaneous	1,655	1,507	10
<b>Total Revenues</b>	<b>49,018</b>	<b>44,918</b>	<b>9</b>
<b>Expenses</b>			
General support	7,006	5,935	18
Instruction	32,233	28,612	13
Transportation	3,522	4,488	-22
Community service	0	1	-100
Debt service	1,063	1,000	6
Cost of sales – Lunch Program	1,319	1,090	21
<b>Total Expenses</b>	<b>45,143</b>	<b>41,126</b>	<b>10</b>
<b>Total Change in Net Position</b>	<b>\$ 3,875</b>	<b>\$ 3,792</b>	<b>2</b>

## REVENUES – TABLE A-4



## EXPENDITURES – TABLE A-5



## Governmental Activities

Revenue for the School District's governmental activities totaled \$49,017,747 while total expenses were \$45,142,797. Accordingly, net position increased by \$3,874,950. The District's current year financial condition can be attributed to:

- Continued leadership and guidance by the Board of Education.
- Consistent and experienced District leadership.
- Increased revenues from sources other than New York State.
- Use of services from BOCES.
- Improvement in procedures to maximize revenue and control expenditures.

**Table A-6** presents the cost of several of the School District's major activities. The table also shows each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

**Table A-6**

### Net Cost of Governmental Activities (in thousands)

	<b>Total Cost of Services</b>		<b>% Change</b>	<b>Net Cost of Services</b>		<b>% Change</b>
	<b>2024</b>	<b>2023</b>	<b>(Incr.; -Decr.)</b>	<b>2024</b>	<b>2023</b>	<b>(Incr.; -Decr.)</b>
General support	\$ 7,006	\$ 5,935	18%	\$ 7,006	\$ 5,935	18%
Instruction	32,233	28,612	13%	27,713	24,562	13%
Pupil transportation	3,522	4,488	-22%	3,522	4,488	-22%
Community service	0	1	-100%	0	1	-100%
Debt service - interest	1,063	1,000	6%	1,063	1,000	6%
Cost of sales - lunch program	1,319	1,090	21%	175	147	19%
<b>Totals</b>	<b>\$ 45,143</b>	<b>\$ 41,126</b>	<b>10%</b>	<b>\$ 39,479</b>	<b>\$ 36,133</b>	<b>9%</b>

- The cost of all governmental activities for the year was \$45,142,797.
- The users of the School District's programs financed \$206,099 of the costs.
- Federal and state government grants financed \$5,456,902.
- The majority of costs were financed by the School District's taxpayers and state aid.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a combined fund balance of \$29,667,149. The 2023-2024 increase in overall fund balance was \$2,618,033. Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets and the current payments for debt, including the principal and interest payment.

## General Fund Budgetary Highlights

	Results vs. Budget			
	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Fav; (Unfav)
<b>REVENUES</b>				
Local Sources	\$ 13,534,409	\$ 13,534,409	\$ 16,434,274	\$ 2,899,865
State Sources	25,294,689	25,294,689	26,296,410	1,001,721
Federal Sources	140,000	140,000	130,020	(9,980)
<b>Total Revenues</b>	<b>38,969,098</b>	<b>38,969,098</b>	<b>42,860,704</b>	<b>3,891,606</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	61,403	61,403	0	(61,403)
<b>Total Revenues and Other Financing Sources</b>	<b>39,030,501</b>	<b>39,030,501</b>	<b>42,860,704</b>	<b>3,830,203</b>
<b>EXPENDITURES</b>				
General Support	4,942,381	5,172,790	4,833,872	338,918
Instruction	20,734,042	20,722,899	18,977,966	1,744,933
Pupil Transportation	2,708,167	3,795,732	2,444,604	1,351,128
Community Services	7,000	3,827	60	3,767
Employee Benefits	9,410,916	8,419,935	7,469,520	950,415
Debt Service	4,199,800	4,248,222	4,248,222	0
<b>Total Expenditures</b>	<b>42,002,306</b>	<b>42,363,405</b>	<b>37,974,244</b>	<b>4,389,161</b>
<b>OTHER USES</b>				
Transfers Out	220,000	5,224,001	5,224,000	1
<b>Total Expenditures and Other Uses</b>	<b>42,222,306</b>	<b>47,587,406</b>	<b>43,198,244</b>	<b>\$ 4,389,162</b>
<b>Revenues Over (Under) Expenditures and Other Uses</b>	<b>(3,191,805)</b>	<b>(8,556,905)</b>	<b>(337,540)</b>	
<b>Beginning Fund Balance</b>	<b>23,755,799</b>	<b>23,755,799</b>	<b>23,755,799</b>	
<b>Ending Fund Balance</b>	<b>\$ 20,563,994</b>	<b>\$ 15,198,894</b>	<b>\$ 23,418,259</b>	

For the 2023-2024 school year, the voters of the District approved a budget of \$42,222,306. Overall at the end of the fiscal year, the budget was increased by \$5,365,100, which included \$151,402 in carryover encumbrances, \$5,000,000 from reserves for a small capital project. The budget was increased from the fund balance for the emergency repair of the Pleasant Avenue parking lot. The budget was also increased for donations received by the District of \$6,868.

Through operational changes there remained a sum of \$4,250,065, unexpended and unencumbered as of June 30, 2024. The addition of COVID related relief grant funds allowed the District to realize significant savings on expenses originally planned as part of the general operational budget.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

As of June 30, 2024, the School District had \$52,035,126 (net of depreciation and amortization) invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers and other educational equipment.

### **Capital Assets**

**Table A-7**

#### **Capital Assets (net of depreciation and amortization) (in thousands)**

	<b>Fiscal Year 2024</b>	<b>Fiscal Year 2023</b>
Land, land improvements and construction in progress	\$ 45,485	\$ 42,891
Buildings and equipment	6,289	7,737
Right to use assets	261	254
<b>Totals</b>	<b>\$ 52,035</b>	<b>\$ 50,882</b>

### **Long-Term Debt**

As of June 30, 2024, the School District had \$70,065,399 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 basic financial statements.

**Table A-8**

#### **Outstanding long-term debt (in thousands)**

	<b>Fiscal Year 2024</b>	<b>Fiscal Year 2023</b>
General obligation bonds (financed with property taxes)	\$ 26,645	\$ 29,590
All other debt	43,420	41,620
<b>Totals</b>	<b>\$ 70,065</b>	<b>\$ 71,210</b>

Other debt is comprised of lease liability, compensated absences and other post-employment benefits.

## **FACTORS BEARING ON THE DISTRICT'S FUTURE**

At the time these financial statements were prepared and audited, the District is aware of several circumstances that may have a bearing on its financial condition in the future.

The District is highly-dependent on state aid to fund operating expenses. Changes in the State's economy and other changes at the state level that impact the manner in which state aid is paid could have a significant impact on the finances of the District. Enrollment has declined in the last ten years, which may result in some reductions in expenditures in the upcoming years but may have a negative impact on state aid figures as well.

We are beginning to see a flattening in enrollment, and project minimal declines in the next ten years, which should help to avoid negative impacts to our state aid figures moving forward.

Due to the uncertainty of COVID-19 financial implications indicated on New York State's finances, and the ending of COVID related relief monies, the District is keeping funds in unassigned fund balance above the designated limit until solid projections can be made for the 2023-2024 school year school aid and beyond. The fund balance status, inclusive of our reserves, indicates the financial foundation of the school district is solid, which shows the District to be in good stead for future school fiscal years and in a position to minimize negative impacts on our financial position. Unfunded mandates continue to add pressure to the District's overall financial operation.

Health insurance, including post-employment benefits costs, remain a formidable component of the budgeting and collective bargaining processes. The District continues to use the competitive bidding process conducted by a third-party broker, to establish contracts with insurance carriers that provide comparable coverages and provide for potential cost savings to the District to hopefully offset any increases in premiums the District pays. As utilization is a major driver of health insurance costs, the District will continue to work with the District-wide Health Insurance Committee, as well as with other school districts in the region, to implement measures to slow the rate of growth in health insurance costs.

Another factor that the District is monitoring closely is the rate of inflation and its impact on the cost of materials and supplies required for educating our students and for the safe, daily operation of the district. The District will continue to utilize competitive bidding and the use of purchasing consortiums to offset higher costs for goods and services.

The Board of Education has established and maintains reserves to help offset anticipated increases in costs or unexpected, unforeseen expenses that may occur. These reserves include:

- Reserve for worker's compensation
- Reserve for retirement contributions (ERS)
- Reserve for retirement contributions sub-fund (TRS)
- Reserve for tax certiorari
- Reserve for capital projects (construction)
- Reserve for capital projects (buses)
- Reserve for accrued employee benefits liability
- Reserve for property loss
- Reserve for liability claims
- Reserve for unemployment insurance

The District continues to engage in long-range financial planning, reserve planning and fund-balance management. Through the planning process, the District will continue to employ strategies to utilize reserves and fund balance in a planned, methodical manner in an attempt to maintain programs and maximize the best use of our resources.

## **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

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

Greater Johnstown School District  
Business Office  
1 Sir Bills Circle, Suite 101  
Johnstown, New York 12095

# GREATER JOHNSTOWN SCHOOL DISTRICT

## STATEMENT OF NET POSITION

JUNE 30, 2024

### ASSETS

Cash	
Unrestricted	\$ 13,620,576
Restricted	15,900,682
Receivables	
State and Federal aid	4,051,565
Due from other governments	3,361,843
Lease receivable	837,169
Taxes receivable	1,398,357
Other receivables	232,115
Inventories	6,699
Right to use assets, net of amortization	260,601
Capital assets, net of depreciation	51,774,525
<b>Total Assets</b>	<b>91,444,132</b>

### DEFERRED OUTFLOWS OF RESOURCES

Other post-employment benefits	14,900,371
Pensions	6,050,826
<b>Total Deferred Outflows of Resources</b>	<b>20,951,197</b>

### LIABILITIES

Payables	
Accounts payable	946,205
Accrued liabilities	100,062
Collections in advance	60,215
Unearned grant revenues	370
Bond anticipation note payable	5,000,000
Long-term liabilities	
Due and payable within one year	
Due to Teachers' Retirement System	1,325,198
Due to Employees' Retirement System	111,618
Bonds payable	3,040,000
Due and payable after one year	
Bonds payable	23,605,000
Net pension liability - proportionate share	1,792,920
Other post-employment benefits	43,238,328
Compensated absences payable	182,071
<b>Total Liabilities</b>	<b>79,401,987</b>

### DEFERRED INFLOWS OF RESOURCES

Other post-employment benefits	16,651,047
Lease	837,169
Pensions	1,226,285
<b>Total Deferred Inflows of Resources</b>	<b>18,714,501</b>

### NET POSITION

Net investment in capital assets	25,390,126
Restricted	
Reserve for liability and property loss	540,735
Reserve for tax certiorari	401,740
Reserve for debt service	597,641
Reserves for capital projects	8,131,306
Reserve for capital projects - buses	23,643
Reserve for employee benefit accrued liability	182,071
Reserve for workers' compensation	2,592,145
Unemployment insurance reserve	390,345
Reserve for retirement contribution - TRS	300,503
Reserve for retirement contribution - ERS	2,680,329
Unrestricted	(26,951,743)
<b>Total Net Position</b>	<b>\$ 14,278,841</b>

See notes to basic financial statements.

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2024**

		<b>Program Revenues</b>		<b>Net (Expense)</b>
	<b>Expenses</b>	<b>Charges for</b>	<b>Operating</b>	<b>Revenues and</b>
		<b>Services</b>	<b>Grants</b>	<b>Changes in</b>
				<b>Net Position</b>
<b>FUNCTIONS/PROGRAMS</b>				
General support	\$ 7,006,247	\$ 0	\$ 0	\$ (7,006,247)
Instruction	32,232,083	(179,780)	(4,339,328)	(27,712,975)
Pupil transportation	3,522,175	0	0	(3,522,175)
Debt service	1,063,465	0	0	(1,063,465)
Community service	60	0	0	(60)
School lunch program	1,318,767	(26,319)	(1,117,574)	(174,874)
<b>Total Functions and Programs</b>	<b>\$ 45,142,797</b>	<b>\$ (206,099)</b>	<b>\$ (5,456,902)</b>	<b>(39,479,796)</b>
<b>GENERAL REVENUES</b>				
Real property taxes				11,024,798
Other tax items				2,334,101
Use of money and property				1,088,211
Sale of property and compensation for loss				731,500
Miscellaneous				1,655,003
State sources				26,391,113
Federal sources				130,020
<b>Total General Revenues</b>				<b>43,354,746</b>
<b>CHANGE IN NET POSITION</b>				<b>3,874,950</b>
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>				<b>10,403,891</b>
<b>TOTAL NET POSITION - END OF YEAR</b>				<b>\$ 14,278,841</b>

See notes to basic financial statements.

# GREATER JOHNSTOWN SCHOOL DISTRICT

## BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2024

	General	Special Aid	School Lunch	Capital	CM Misc. Special Revenue	Total Governmental Funds
<b>ASSETS</b>						
Cash						
Unrestricted	\$ 4,753,087	\$ 50,608	\$ 41,264	\$ 8,711,503	\$ 64,114	\$ 13,620,576
Restricted	15,840,458	0	0	0	60,224	15,900,682
Due from other funds	8,210,465	1,873,574	790,623	3,772,752	0	14,647,414
State and Federal aid receivable	809,719	2,122,667	64,720	1,054,459	0	4,051,565
Due from other governments	3,124,905	0	236,938	0	0	3,361,843
Lease receivable	837,169	0	0	0	0	837,169
Taxes receivable	1,398,357	0	0	0	0	1,398,357
Other receivables	232,115	0	0	0	0	232,115
Inventories	0	0	6,699	0	0	6,699
<b>TOTAL ASSETS</b>	<b>\$ 35,206,275</b>	<b>\$ 4,046,849</b>	<b>\$ 1,140,244</b>	<b>\$ 13,538,714</b>	<b>\$ 124,338</b>	<b>\$ 54,056,420</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 446,841	\$ 404,024	\$ 0	\$ 95,340	\$ 0	\$ 946,205
Accrued liabilities	96,482	900	2,680	0	0	100,062
Due to other funds	7,570,535	3,642,955	850,568	2,581,811	1,545	14,647,414
Bond anticipation note payable	0	0	0	5,000,000	0	5,000,000
Due to Employees' Retirement System	111,618	0	0	0	0	111,618
Due to Teachers' Retirement System	1,325,198	0	0	0	0	1,325,198
Collections in advance	39,153	0	21,062	0	0	60,215
Unearned grant revenues	0	370	0	0	0	370
<b>Total Liabilities</b>	<b>9,589,827</b>	<b>4,048,249</b>	<b>874,310</b>	<b>7,677,151</b>	<b>1,545</b>	<b>22,191,082</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflow - lease	837,169	0	0	0	0	837,169
Deferred tax revenues	1,361,020	0	0	0	0	1,361,020
<b>Total Deferred Inflows of Resources</b>	<b>2,198,189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,198,189</b>
<b>FUND BALANCE</b>						
Nonspendable						
Reserved for inventory	0	0	6,699	0	0	6,699
Restricted						
Reserve for liability and property loss	540,735	0	0	0	0	540,735
Reserve for tax certiorari	401,740	0	0	0	0	401,740
Reserve for debt service	597,641	0	0	0	0	597,641
Reserve for capital projects - 2020	583,459	0	0	0	0	583,459
Reserve for capital projects - 2022	43,865	0	0	0	0	43,865
Reserve for capital projects - 2023	21,215	0	0	0	0	21,215
Reserve for capital projects - 2024	7,482,767	0	0	0	0	7,482,767
Reserve for capital projects - buses	23,643	0	0	0	0	23,643
Reserve for workers' compensation	2,592,145	0	0	0	0	2,592,145
Reserve for employee benefit accrued liability	182,071	0	0	0	0	182,071
Unemployment insurance reserve	390,345	0	0	0	0	390,345
Reserve for retirement contribution - TRS	300,503	0	0	0	0	300,503
Reserve for retirement contribution - ERS	2,680,329	0	0	0	0	2,680,329
Assigned	4,089,755	0	259,235	5,861,563	122,793	10,333,346
Unassigned	3,488,046	(1,400)	0	0	0	3,486,646
<b>Total Fund Balance</b>	<b>23,418,259</b>	<b>(1,400)</b>	<b>265,934</b>	<b>5,861,563</b>	<b>122,793</b>	<b>29,667,149</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 35,206,275</b>	<b>\$ 4,046,849</b>	<b>\$ 1,140,244</b>	<b>\$ 13,538,714</b>	<b>\$ 124,338</b>	<b>\$ 54,056,420</b>

See notes to basic financial statements.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO STATEMENT OF NET POSITION**

**JUNE 30, 2024**

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Total balance - governmental funds balance sheet (page 16)	\$ 29,667,149
Add:	
Capital assets and right to use assets, net of accumulated depreciation and amortization	52,035,126
Pensions	3,031,621
Deferred tax revenues	<u>1,361,020</u>
Total	56,427,767
Deduct:	
Compensated absences	182,071
Other post-employment benefits	44,989,004
Bonds payable	<u>26,645,000</u>
Total	<u>71,816,075</u>
<b>NET POSITION, GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 14,278,841</u></u>

See notes to basic financial statements.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2024**

	General	Special Aid	School Lunch	Capital	CM Misc. Special Revenue	Total Governmental Funds
<b>REVENUES</b>						
Real property taxes	\$ 10,509,006	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,509,006
Other tax items	2,334,101	0	0	0	0	2,334,101
Charges for services	179,780	0	0	0	0	179,780
Use of money and property	1,086,409	0	7	0	1,795	1,088,211
Sale of property and compensation for loss	731,500	0	0	0	0	731,500
Miscellaneous	1,593,478	0	21,086	0	40,439	1,655,003
State sources	26,296,410	1,066,346	462,119	94,703	0	27,919,578
Federal sources	130,020	3,272,982	623,164	0	0	4,026,166
Surplus food	0	0	32,291	0	0	32,291
Sales - school lunch	0	0	26,319	0	0	26,319
<b>Total Revenues</b>	<b>42,860,704</b>	<b>4,339,328</b>	<b>1,164,986</b>	<b>94,703</b>	<b>42,234</b>	<b>48,501,955</b>
<b>EXPENDITURES</b>						
General support	4,833,872	0	0	0	41,626	4,875,498
Instruction	18,977,966	3,393,068	0	0	0	22,371,034
Pupil transportation	2,444,604	0	0	0	0	2,444,604
Community service	60	0	0	0	0	60
Employee benefits	7,469,520	970,257	27,273	0	0	8,467,050
Debt service						
Principal	3,184,757	0	0	0	0	3,184,757
Interest	1,063,465	0	0	0	0	1,063,465
Cost of sales	0	0	1,113,387	0	0	1,113,387
Capital outlay	0	0	0	2,594,067	0	2,594,067
<b>Total Expenditures</b>	<b>37,974,244</b>	<b>4,363,325</b>	<b>1,140,660</b>	<b>2,594,067</b>	<b>41,626</b>	<b>46,113,922</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>4,886,460</b>	<b>(23,997)</b>	<b>24,326</b>	<b>(2,499,364)</b>	<b>608</b>	<b>2,388,033</b>
<b>OTHER FINANCING SOURCES AND USES</b>						
BANs redeemed from appropriations	0	0	0	230,000	0	230,000
Operating transfers in	0	24,000	100,000	5,100,000	0	5,224,000
Operating transfers (out)	(5,224,000)	0	0	0	0	(5,224,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,224,000)</b>	<b>24,000</b>	<b>100,000</b>	<b>5,330,000</b>	<b>0</b>	<b>230,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND USES</b>	<b>(337,540)</b>	<b>3</b>	<b>124,326</b>	<b>2,830,636</b>	<b>608</b>	<b>2,618,033</b>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<b>23,755,799</b>	<b>(1,403)</b>	<b>141,608</b>	<b>3,030,927</b>	<b>122,185</b>	<b>27,049,116</b>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<b>\$ 23,418,259</b>	<b>\$ (1,400)</b>	<b>\$ 265,934</b>	<b>\$ 5,861,563</b>	<b>\$ 122,793</b>	<b>\$ 29,667,149</b>

See notes to basic financial statements.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**REVENUES**

Governmental funds \$ 48,501,955

Add:

Current year deferred tax revenue 1,361,020

Deduct:

Prior year deferred tax revenue 845,228

**REVENUES - STATEMENT OF ACTIVITIES**

49,017,747

**EXPENDITURES - GOVERNMENTAL FUNDS**

46,113,922

Add:

Depreciation and amortization 857,636

Pensions 987,813

Increase in other post-employment benefits 2,371,719

Increase in compensated absences 7,213

4,224,381

Deduct:

Principal payments of long-term debt 3,184,757

Change in fixed assets 2,010,749

5,195,506

**EXPENDITURES - STATEMENT OF ACTIVITIES**

45,142,797

**CHANGE IN NET POSITION**

\$ 3,874,950

See notes to basic financial statements.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2024**

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	<b>Custodial Funds</b>	<b>Private Purpose Trust Funds</b>
<b>ASSETS</b>		
Cash	\$ 181,704	\$ 0
Investment - restricted	0	256,197
<b>Total Assets</b>	<b>181,704</b>	<b>256,197</b>
<b>NET POSITION</b>	<b>\$ 181,704</b>	<b>\$ 256,197</b>

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**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**FOR THE YEAR ENDED JUNE 30, 2024**

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	<b>Custodial Funds</b>	<b>Private Purpose Trust Funds</b>
<b>ADDITIONS</b>		
Investment earnings	\$ 0	\$ 21,674
Extraclassroom receipts	284,882	0
<b>Total Additions</b>	<b>284,882</b>	<b>21,674</b>
<b>DEDUCTIONS</b>		
Extraclassroom disbursements	246,802	0
<b>Total Deductions</b>	<b>246,802</b>	<b>0</b>
<b>Changes in Net Position</b>	<b>38,080</b>	<b>21,674</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>143,624</b>	<b>234,523</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 181,704</b>	<b>\$ 256,197</b>

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See notes to basic financial statements.

# GREATER JOHNSTOWN SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Greater Johnstown School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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.

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

#### **A. Reporting Entity**

The Greater Johnstown School 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 nine 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*. 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 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.

##### **i) 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 with these financial statements. The District accounts for assets held as the custodian for various student organizations in the custodial fund.

#### **B. Joint Venture**

The District is one of 15 component districts in the Hamilton, Fulton and Montgomery Counties 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.

# GREATER JOHNSTOWN SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

#### **B. Joint Venture – (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 \$9,332,390 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued \$-0- of serial bonds on behalf of BOCES. As of year-end, the District had outstanding BOCES debt of \$-0-.

The District's share of BOCES aid amounted to \$2,750,757.

Financial statements for the BOCES are available from the BOCES administrative office.

#### **C. Basis of Presentation**

##### **1. 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 nonexchange 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 Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between program expenses and 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. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. 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.

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**C. Basis of Presentation – (Continued)**

**2. Fund Statements**

The fund financial 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, each displayed in a separate column.

The District reports the following major governmental funds:

**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.

**School Lunch Fund** – This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted for expenditures of the school breakfast and lunch programs.

**Miscellaneous Special Revenue Fund** – Miscellaneous Special Revenue Fund is used to account for those revenues that are legally restricted to expenditures for a specific purpose.

**Special Aid Funds** – These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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

The District reports the following fiduciary funds:

**Custodial Fund** – Fiduciary activities are those in which the District acts as custodian 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.

**Private Purpose and Non-Expendable Trust Funds** – These funds are used to account for trust arrangements in which the assets are (a) administered through a trust in which the government itself is not a beneficiary, (b) dedicated to providing benefits to recipients in accordance with the benefit terms, and (c) legally protected from the creditors of the government.

**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.

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**D. Measurement Focus and Basis of Accounting – (Continued)**

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. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, state aid, 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 state aid is recognized in the fiscal year it is appropriated by the state. 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 one year after the end of the fiscal year as it matches the liquidation of related obligations.

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, pensions and other post-employment benefits, 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. Property Taxes**

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on September 1. Taxes are collected during the period September 1 to October 31.

The City and Counties in which the District is located enforce uncollected real property taxes. An amount representing all uncollected real property taxes must be transmitted by the City to the District within two years from the return of unpaid taxes to the City. Real property taxes 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, a deferred inflow of resources offset real property taxes receivable.

**F. Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position 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.

**G. 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 financing or other services.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**G. Interfund Transactions – (Continued)**

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.

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 10 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

**H. 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

**I. Cash (and Cash Equivalents)/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 deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

Investments are stated at fair value based on quoted market prices.

**J. Accounts Receivable**

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.

GREATER JOHNSTOWN SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**K. 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 amount is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A reserve for these nonliquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

**L. Capital Assets**

Capital assets are reported at actual cost when such data was available. For assets in which there was no data available, estimated historical costs, based on direct costing, standard costing or normal costing methods, were used. Donated assets are reported at estimated fair market value at the time received.

Land and construction in process are not depreciated. Capitalization thresholds (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:

	<b><u>Capitalization Threshold</u></b>	<b><u>Depreciation Method</u></b>	<b><u>Estimated Useful Life</u></b>
Buses	\$ 5,000	Straight-line	8
Land	5,000	N/A	N/A
Building and improvements	5,000	Straight-line	20-50
Machinery and equipment	5,000	Straight-line	5-30

**M. Right to Use Assets**

Right to use assets are reported at actual cost or estimated historical cost. Right to use assets are amortized using the straight-line method over the estimated useful life of the asset. All right to use assets are furniture and equipment which are amortized over a 3-5 year period.

# GREATER JOHNSTOWN SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

#### **N. 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. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first item is 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 is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the District-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or Balance Sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The first arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is 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 (ERS System) and net pension liability (TRS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reporting in the District-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

#### **Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2024, the District reported the following asset (liability) for its proportionate share of the net pension asset (liability) for each of the Systems. The net pension asset (liability) was measured as of March 31, 2024 for ERS and June 30, 2023 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 pension 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.

	<b><u>ERS</u></b>	<b><u>TRS</u></b>
Measurement date	March 31, 2024	June 30, 2023
District's proportionate share of the net pension asset (liability)	\$(1,076,724)	\$ (716,196)
District's portion of the Plan's total net pension asset (liability)	0.0073127%	0.062627%
Change in proportion since the prior measurement date	0.0003354%	0.001806%

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**N. Deferred Outflows and Inflows of Resources – (Continued)**

**Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – (Continued)**

For the year ended June 30, 2024, the District recognized its proportionate share of pension expense of \$463,995 for ERS and \$2,035,072 for TRS. At June 30, 2024, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

	<b>Deferred Outflows of Resources</b>		<b>Deferred Inflows of Resources</b>	
	<b>ERS</b>	<b>TRS</b>	<b>ERS</b>	<b>TRS</b>
Differences between expected and actual experience	\$ 346,812	\$ 1,736,586	\$ 29,359	\$ 4,292
Changes of assumptions	407,085	1,541,950	0	336,059
Net difference between projected and actual earnings on pension plan investments	0	366,105	525,974	0
Changes in proportion and differences between the District's contributions and proportionate share of contributions	64,206	239,044	68,854	261,747
District's contributions subsequent to the measurement date	111,618	1,237,420	0	0
<b>Total</b>	<b>\$ 929,721</b>	<b>\$ 5,121,105</b>	<b>\$ 624,187</b>	<b>\$ 602,098</b>

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset (liability) in the year ended March 31, 2025 for ERS and June 30, 2025 for TRS. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

	<b>ERS</b>	<b>TRS</b>
Year ended:		
2025	\$ (211,156)	\$ (334,255)
2026	202,348	2,893,650
2027	318,790	176,340
2028	(116,066)	140,910
2029	0	96,691
Thereafter	0	0

GREATER JOHNSTOWN SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**N. Deferred Outflows and Inflows of Resources – (Continued)**

**Actuarial Assumptions**

The total pension asset (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 asset (liability) to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<b><u>ERS</u></b>	<b><u>TRS</u></b>
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Interest rate	5.9%	6.95%
Salary scale	4.4%	1.95 – 5.18%
Decrement tables	April 1, 2015 - March 31, 2020	July 1, 2015 - June 30, 2020
	Systems experience	Systems experience
Inflation rate	2.9%	2.4%
Projected cost of living adjustments	1.5%	1.3%

For ERS, annuitant mortality rates are based on April 1, 2015 through March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021. For TRS, annuitant mortality rates are based on July 1, 2015 through June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

For ERS, the actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 through March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected 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 target asset allocation percentage 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:

GREATER JOHNSTOWN SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**N. Deferred Outflows and Inflows of Resources – (Continued)**

**Actuarial Assumptions – (Continued)**

	<b><u>ERS</u></b>	<b><u>TRS</u></b>
Measurement date	March 31, 2024	June 30, 2023
<b><u>Asset type</u></b>		
Domestic equity	4.00%	6.80%
International equity	6.65	7.60
Global equities	0	7.20
Real estate	4.60	6.30
Domestic fixed income securities	1.50	2.20
Global bonds	0	1.60
High-yield bonds	0	4.40
Real estate debt	0	3.20
Private debt	0	6.00
Credit	5.40	0
Private equity/alternative investments	7.25	10.10
Opportunistic/ARS portfolio	5.25	0
Cash	0.25	0.30
Real assets	5.79	0

**Discount Rate**

The discount rate used to calculate the total pension asset (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 asset (liability).

**Sensitivity of the Proportionate Share of the Net Pension Asset (Liability) to the Discount Rate Assumption**

The following presents the District's proportionate share of the net pension asset (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:

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**N. Deferred Outflows and Inflows of Resources – (Continued)**

**Sensitivity of the Proportionate Share of the Net Pension Asset (Liability) to the Discount Rate Assumption – (Continued)**

	<b>1% Decrease (4.9%)</b>	<b>Current Assumption (5.9%)</b>	<b>1% Increase (6.9%)</b>
<b><u>ERS</u></b>			
District's proportionate share of the net pension asset (liability)	\$(3,385,331)	\$(1,076,724)	\$ 851,441
	<b>1% Decrease (5.95%)</b>	<b>Current Assumption (6.95%)</b>	<b>1% Increase (7.95%)</b>
<b><u>TRS</u></b>			
District's proportionate share of the net pension asset (liability)	\$(10,908,034)	\$ (716,196)	\$ 7,855,580

**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:

	<b>(Dollars in thousands)</b>		
	<b><u>ERS</u></b>	<b><u>TRS</u></b>	<b><u>Total</u></b>
Measurement date	March 31, 2024	June 30, 2023	
Employers' total pension asset (liability)	\$(240,696,851)	\$(138,365,122)	\$(379,061,973)
Plan fiduciary net position asset (liability)	225,972,801	137,221,537	363,194,338
Employers' net pension asset (liability)	(14,724,050)	(1,143,585)	(15,867,635)
Ratio of plan fiduciary net position to the employers' total pension asset (liability)	93.88%	99.20%	95.81%

**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$111,618.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November, 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the 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, 2024 amount to \$1,325,198.

Additional pension information can be found in Note 11.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**O. Unearned Revenue**

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized. The District had \$370 in unearned grant revenue at June 30, 2024.

**P. Vested Employee Benefits**

**Compensated Absences**

Compensated absences consist of unpaid accumulated annual sick leave and vacation.

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

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.

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

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

**Q. 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 post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement.

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**R. Short-Term Debt**

The District may issue Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive 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 there is an insufficient or no provision made in the annual budget. The budget note must be repaid no 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 (BANs), 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. Claims and judgments, other post-employment benefits payable, 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. Health Insurance Plan**

The School District provides health insurance benefits primarily through participation in the Fulmont Health Trust, (the Plan). The Plan was self-insured for the year ended June 30, 2024. 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 charged or credited to expense in the periods in which they are made. The District pays an estimate of its actual claims and expenses monthly based on its experience in the Plan. The Plan has a stop loss policy to protect the School District from unusually high claims. Excess funds, if any, at the close of the Plan's year (December 31), would be used to pay subsequent assessments/premiums. If the Plan were to be discontinued and after exhausting its assets, each member would be responsible for its own liabilities.

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**U. Equity Classifications**

**District-Wide Statements**

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

**i) 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, constructions or improvements of those assets.

**ii) Restricted Net Position**

Reports net position when constraints placed on the assets or deferred outflows of resources 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.

**iii) Unrestricted Net Position**

Reports the balance of 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.

**Funds Statements**

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

**1. Nonspendable**

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Lunch Fund of \$6,699.

**2. 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 restricted fund balance.

The District has established the following restricted fund balances:

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**U. Equity Classifications – (Continued)**

**Funds Statements – (Continued)**

**2. Restricted – (Continued)**

**Currently Utilized by the District:**

**Capital**

According to Education Law §3651, 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. 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.

**Liability Claims and Property Loss**

According to Education Law §1709(8) (c)), 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 with a population under 125,000. This reserve is accounted for in the General Fund under Restricted Fund Balance.

**Workers' Compensation**

According to General Municipal Law §6-j, 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 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. This reserve is accounted for in the General Fund under Restricted Fund Balance.

**Retirement Contributions**

According to General Municipal Law §6-r, 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 operation and condition of the fund must be provided to the Board. 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 the 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. This reserve is accounted for in the General Fund under Restricted Fund Balance.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**U. Equity Classifications – (Continued)**

**Funds Statements – (Continued)**

**2. Restricted – (Continued)**

**Currently Utilized by the District: – (Continued)**

**Debt Service**

According to General Municipal Law §6-1, 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. The reserve is accounted for in the General Fund under Restricted Fund Balance.

**Tax Certiorari**

According to Education Law §3651.1-a, 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. This reserve is accounted for in the General Fund under Restricted Fund Balance.

**Employee Benefit Accrued Liability**

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit 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. The reserve is accounted for in the General Fund under Restricted Fund Balance.

**Unemployment Insurance**

According to General Municipal Law §6-m, 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 School 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. This reserve is accounted for in the General Fund under Restricted Fund Balance.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**U. Equity Classifications – (Continued)**

**Funds Statements – (Continued)**

**3. Committed**

Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the School Districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2024.

**4. Assigned**

Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

**5. Unassigned**

Includes all other General Fund amounts that do not meet the definitions of the above four classifications and are deemed to be available for general use by the District. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the School 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.

**Order of Use of Fund Balance**

The District's policy is to annually determine the appropriate use of fund balance upon recommendation of the Superintendent and Board of Education.

**V. New Accounting Standards**

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2024, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, effective for the year ending June 30, 2024. This Statement amends GASB Statement No. 62 in order to enhance accounting and financial reporting requirements for accounting changes and error corrections.

GREATER JOHNSTOWN SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**W. Future Changes in Accounting Standards**

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025. This Statement amends the existing requirements related to Compensated Absences by updating the recognition and measurement guidance.

GASB has issued Statement No. 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025. This Statement's objective is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026. This Statement's objective is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assisting a government's accountability. Additionally, the statements also addresses certain application issues.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

**NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the 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 District-wide statements, compared with the current financial resources focus of the governmental funds.

**A. Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities**

Total fund balance of the District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

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

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

**i) Long-Term Revenue and Expense Differences**

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenue 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.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS – (CONTINUED)**

**B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities - (Continued)**

**ii) Capital Related Differences**

Capital related differences include the difference between proceeds for the sale of capital assets reported on 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 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 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets**

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:

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) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These 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.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – (CONTINUED)**

**Budgets – (Continued)**

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

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

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

**Excess Fund Balance – Real Property Tax Limit**

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeds the amount allowable, which is 4% of the District's budget for the upcoming school year.

**Fund Balance Deficit**

**Special Aid Fund:**

Total fund balance deficit for special aid was \$1,400. The District's future plans are to eliminate the deficit through funding provided by the general fund.

**NOTE 4 – CASH (AND CASH EQUIVALENTS) – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS**

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.

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$ 0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	18,279,139

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 \$15,900,682 within the governmental funds and \$181,704 in fiduciary funds.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 5 – INVESTMENTS**

The District has few investments (primarily donated scholarship funds) and chooses to disclose its investments by specifically identifying each. The District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value and are categorized as either:

- a. Insured or registered, or investments held by the District or by the District's agent in the District's name, or
- b. Uninsured and unregistered, with the investments held by the financial institution's trust department in the District's name, or
- c. Uninsured and unregistered, with investments held by the financial institution or its trust department, but not in the District's name.

**Investment**

<b><u>Fund</u></b>	<b><u>Private Purpose Trust</u></b>	<b><u>Private Purpose Trust</u></b>	<b><u>Private Purpose Trust</u></b>
Carrying amount (fair value)	\$ 19,996	\$ 160,850	\$ 75,351
Unrealized investment gain/loss	0	67,298	(5,527)
Type of investment	Money Market	Equities	Fixed Income
Category of investment	C	C	C

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk.

**NOTE 6 – LEASE RECEIVABLE**

The District began leasing the former Glebe Street Elementary School to HFM BOCES on July 1, 2020. The lease has a ten year term and HFM BOCES pays annual fixed rent of \$142,893 for the term of the lease. The District has recognized a lease receivable of \$837,169 as of June 30, 2024, as well as deferred inflows of \$837,169, which represent the payments yet to be made over the course of the lease term.

The District recognized \$136,224 of deferred inflows of resources in the current year.

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 7 – CAPITAL ASSETS**

Capital asset balances and activity for the year ended June 30, 2024, were as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements/ Reclassifications</b>	<b>Ending Balance</b>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 261,396	\$ 0	\$ 0	\$ 261,396
Construction in process	40,225,234	2,594,067	0	42,819,301
Total nondepreciable historical cost	40,486,630	2,594,067	0	43,080,697
Capital assets that are depreciated:				
Land improvements	2,405,124	0	0	2,405,124
Buildings	27,047,969	0	0	27,047,969
Furniture and equipment	5,811,167	86,423	1,807,305	4,090,285
Total depreciable historical cost	35,264,260	86,423	1,807,305	33,543,378
Less accumulated depreciation:				
Buildings, furniture and equipment	25,122,498	759,377	1,032,325	24,849,550
Total accumulated depreciation	25,122,498	759,377	1,032,325	24,849,550
Net depreciable historical cost	10,141,762	(672,954)	774,980	8,693,828
Right to use assets that are amortized:				
Equipment	1,025,574	105,239	0	1,130,813
Less accumulated amortization:				
Equipment	771,953	98,259	0	870,212
Net amortizable historical cost	253,621	6,980	0	260,601
<b>GRAND TOTAL</b>	<b>\$ 50,882,013</b>	<b>\$ 1,928,093</b>	<b>\$ 774,980</b>	<b>\$ 52,035,126</b>

Depreciation and amortization were allocated to the following programs as follows:

General support	\$ 134,644
Instruction	623,127
Pupil transportation	68,093
School lunch program	31,772
<b>TOTAL</b>	<b>\$ 857,636</b>

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 8 – SHORT-TERM DEBT**

Interest paid on short-term debt for the year was \$153,572.

Transactions in short-term debt for the year are summarized below:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
BAN	6/28/2024	3.85%	\$ 4,000,000	\$ 0	\$ 4,000,000	\$ 0
BAN	6/27/2025	3.78%	0	5,000,000	0	5,000,000
<b>TOTALS</b>			<u>\$ 4,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 5,000,000</u>

**NOTE 9 – LONG-TERM DEBT**

Interest paid on long-term debt for the year was \$909,893.

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Bonds and notes payable					
General obligation debt	\$ 29,590,000	\$ 0	\$ 2,945,000	\$ 26,645,000	\$ 3,040,000
Lease liability	9,757	0	9,757	0	0
Total bonds and notes payable	29,599,757	0	2,954,757	26,645,000	3,040,000
Other liabilities:					
Other post-employment benefits	41,435,799	1,802,529	0	43,238,328	0
Compensated absences, net	174,858	7,213	0	182,071	0
Total other liabilities	41,610,657	1,809,742	0	43,420,399	0
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>\$ 71,210,414</u>	<u>\$ 1,809,742</u>	<u>\$ 2,954,757</u>	<u>\$ 70,065,399</u>	<u>\$ 3,040,000</u>

The current portion (amount due within one year) of other liabilities as of June 30, 2024, was not determinable.

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 9 – LONG-TERM DEBT – (CONTINUED)**

The following is a summary of maturity of indebtedness:

<u>Description of Issue</u>	<u>Serial Bond</u>	<u>Serial Bond</u>	
Issue date	2016	2019	
Final maturity	2028	2033	
Interest rate	2.00-4.00%	3.000%	
Outstanding at year end	\$ 1,760,000	\$ 24,885,000	
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30:			
2025	\$ 3,040,000	\$ 746,550	\$ 3,786,550
2026	3,135,000	669,300	3,804,300
2027	3,235,000	589,650	3,824,650
2028	3,130,000	507,600	3,637,600
2029	2,735,000	423,150	3,158,150
2030 - 2033	11,370,000	847,500	12,217,500
<b>TOTALS</b>	<u>\$ 26,645,000</u>	<u>\$ 3,783,750</u>	<u>\$ 30,428,750</u>

In the prior year, the District defeased certain general obligations by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

**NOTE 10 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS**

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 8,210,465	\$ 7,570,535	\$ 0	\$ 5,224,000
Special Aid Fund	1,873,574	3,642,955	24,000	0
School Lunch Fund	790,623	850,568	100,000	0
CM Miscellaneous Special Revenue Fund	0	1,545	0	0
Capital Projects Fund	3,772,752	2,581,811	5,100,000	0
Total Governmental Activities	14,647,414	14,647,414	5,224,000	5,224,000
Fiduciary Fund	0	0	0	0
<b>TOTALS</b>	<u>\$ 14,647,414</u>	<u>\$ 14,647,414</u>	<u>\$ 5,224,000</u>	<u>\$ 5,224,000</u>

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

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

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

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 11 – PENSION PLANS**

**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.

**Plan Descriptions and Benefits Provided:**

**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 issues a publicly available financial report that contains financial statements and required supplementary information. The report 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 TRS Comprehensive Annual Financial report, which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

**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. The New York State Retirement and Social Security Law (NYSRSSL) govern obligations of employers and employees to contribute, and benefits to employees. 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 issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Employees' Retirement System, Office of the State Comptroller, 110 State Street, Albany, NY 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php).

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 11 – PENSION PLANS – (CONTINUED)**

**Plan Descriptions and Benefits Provided: - (Continued)**

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten 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.

The District is required to contribute at a rate determined actuarially by the Systems. The District contributions made to the Systems were equal to 100% of the contributions required for each year. Required contributions for the current and two preceding years were:

	<u><b>NYSTRS</b></u>	<u><b>NYSERS</b></u>
2024	\$ 1,237,420	\$ 285,823
2023	1,189,917	203,756
2022	1,058,059	302,393

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

Additional pension information can be found in Note 1 N.

**NOTE 12 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS**

**General Information About the OPEB Plan:**

**Plan Description**

The District administers a defined benefit OPEB plan that provides OPEB for all permanent full-time general employees of the District. The plan is a single-employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State Compiled Statutes, which grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Funding Policy**

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 12 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)**

**General Information About the OPEB Plan: - (Continued)**

**Benefits Provided**

The District provides healthcare and life insurance benefits 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, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	164
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>216</u>
Total	<u>380</u>

**Net OPEB Liability:**

The District's total OPEB liability of \$43,238,328 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2022.

**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:

Inflation	2.7%
Salary Increases	Varied by years of service and retirement system
Discount Rate	4.21%
Healthcare Cost Trend Rates - Medical	6.5% in 2024, decreasing to an ultimate rate of 4.14% by 2076

The discount rate was based on the Bond Buyer 20-Bond GO Index.

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

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 12 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)**

**Changes in the Total OPEB Liability:**

Balance at June 30, 2023	\$ 41,435,799
Changes for the year:	
Service cost	1,701,462
Interest	1,741,352
Changes in benefit terms	0
Differences between expected and actual experience	852,609
Changes in assumptions or other inputs	(525,421)
Benefit payments	<u>(1,967,473)</u>
Net changes	<u>1,802,529</u>
Balance at June 30, 2024	<u>\$ 43,238,328</u>

The plan had the following changes since the last valuation:

- Discount rate increased from 4.13% to 4.21%.

**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 (3.21%) or 1 percentage point higher (5.21%) than the current discount rate:

	<b><u>1% Decrease</u></b>	<b><u>Discount Rate</u></b>	<b><u>1% Increase</u></b>
Total OPEB Liability	\$ 50,545,467	\$ 43,238,328	\$ 37,392,665

**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 (5.5% decreasing to 3.14%) or 1 percentage point higher (7.5% decreasing to 5.14%) than the current healthcare cost trend rate:

	<b><u>1% Decrease</u></b> <b><u>(5.5%</u></b> <b><u>Decreasing</u></b> <b><u>to 3.14%)</u></b>	<b><u>Healthcare</u></b> <b><u>Cost Trend Rates</u></b> <b><u>(6.5%</u></b> <b><u>Decreasing</u></b> <b><u>to 4.14%)</u></b>	<b><u>1% Increase</u></b> <b><u>(7.5%</u></b> <b><u>Decreasing</u></b> <b><u>to 5.14%)</u></b>
Total OPEB Liability	\$ 35,923,535	\$ 43,238,328	\$ 52,787,218

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 12 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the District recognized OPEB expense of \$2,371,719. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 5,155,993	\$ 8,211,915
Changes of assumptions or other inputs	<u>9,744,378</u>	<u>8,439,132</u>
Total	<u>\$ 14,900,371</u>	<u>\$ 16,651,047</u>

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

<b><u>Fiscal Year Ending June 30:</u></b>	
2025	\$ 896,378
2026	1,029,107
2027	(1,563,733)
2028	(2,205,911)
2029	46,741
Thereafter	<u>46,742</u>
Total	<u>\$ (1,750,676)</u>

**NOTE 13 – RISK MANAGEMENT**

**General**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, injuries to employees, errors and omissions and natural disasters, etc. The risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage.

**Consortiums and Self Insured Plans**

The District participates in Fulmont Workers Compensation Plan, a risk-sharing pool to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to workers' compensation claims. The District's share of liability for unbilled and open claims is \$318,721.

For its employee health and accident insurance coverage, the District is a participant in the Fulmont Health Trust, a public entity risk pool operated for the benefit of seven individual school districts located within Montgomery and Fulton Counties.

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

The District has received grants which are subject to audit by agencies of the federal and state governments. Such audits may result in disallowances and a request for a return of funds to the federal and state governments. The District's administration believes that disallowances, if any, would be immaterial.

**NOTE 15 – TAX ABATEMENTS**

The County of Fulton enters into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. The School District's property tax revenue was reduced \$99,234. The District received Payment in Lieu of Tax (PILOT) payment totaling \$499,004.

**NOTE 16 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the issuance date of the audit report. There were no issues to report that would have a material effect on the financial statements.

**GREATER JOHNSTOWN 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, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Revenues</u>	<u>Final Budget Variance with Budgetary Actual Over (Under)</u>
<b>REVENUES:</b>				
<b>Local Sources</b>				
Real property taxes	\$ 11,764,841	\$ 10,569,608	\$10,509,006	\$ (60,602)
Real property tax items	700,518	1,895,751	2,334,101	438,350
Charges for services	137,350	137,350	179,780	42,430
Use of money and property	223,700	223,700	1,086,409	862,709
Sale of property and compensation for loss	0	0	731,500	731,500
Miscellaneous	708,000	708,000	1,593,478	885,478
<b>Total Local Sources</b>	<u>13,534,409</u>	<u>13,534,409</u>	<u>16,434,274</u>	<u>2,899,865</u>
<b>State Sources</b>	<u>25,294,689</u>	<u>25,294,689</u>	<u>26,296,410</u>	<u>1,001,721</u>
<b>Federal Sources</b>	<u>140,000</u>	<u>140,000</u>	<u>130,020</u>	<u>(9,980)</u>
<b>Total Revenues</b>	<u>38,969,098</u>	<u>38,969,098</u>	<u>42,860,704</u>	<u>3,891,606</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>61,403</u>	<u>61,403</u>	<u>0</u>	<u>(61,403)</u>
<b>Total Revenues</b>	<u>39,030,501</u>	<u>39,030,501</u>	<u>42,860,704</u>	<u>\$ 3,830,203</u>

See paragraph on supplementary schedules included in independent auditors' report.

**GREATER JOHNSTOWN 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, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Expenditures</b>	<b>Year End Encumbrances</b>	<b>Final Budget Variance With Budgetary Actual and Encumbrances (Over) Under</b>
<b>EXPENDITURES</b>					
<b>General Support</b>					
Board of Education	72,423	62,304	56,558	\$ 0	\$ 5,746
Central administration	238,274	239,094	237,969	0	1,125
Finance	443,423	474,296	438,314	16,998	18,984
Staff	191,043	262,699	223,276	0	39,423
Central services	3,359,619	3,508,118	3,265,948	0	242,170
Special items	637,599	626,279	611,807	319	14,153
<b>Instructional</b>					
Instruction, administration and improvements	1,008,676	1,108,802	1,061,269	2,614	44,919
Teaching – regular school	10,550,071	10,235,220	9,036,126	69,001	1,130,093
Programs for children with handicapping conditions	4,958,586	4,787,395	4,700,082	150	87,163
Occupational education	1,173,711	1,335,812	1,302,950	0	32,862
Teaching - special school	125,000	125,000	125,000	0	0
Instructional media	1,335,764	1,351,386	1,088,346	33,450	229,590
Pupil services	1,582,234	1,779,284	1,664,193	16,565	98,526
<b>Pupil Transportation</b>	2,708,167	3,795,732	2,444,604	0	1,351,128
<b>Community Services</b>	7,000	3,827	60	0	3,767
<b>Employee Benefits</b>	9,410,916	8,419,935	7,469,520	0	950,415
<b>Debt Service</b>	4,199,800	4,248,222	4,248,222	0	0
<b>Total Expenditures</b>	42,002,306	42,363,405	37,974,244	139,097	4,250,064
<b>Other Financing Uses</b>					
Transfers to other funds	220,000	5,224,001	5,224,000	0	1
<b>Total Expenditures and Other Uses</b>	42,222,306	47,587,406	43,198,244	\$ 139,097	\$ 4,250,065
<b>NET CHANGE IN FUND BALANCE</b>	(3,191,805)	(8,556,905)	(337,540)		
<b>FUND BALANCE – BEGINNING</b>	23,755,799	23,755,799	23,755,799		
<b>FUND BALANCE – ENDING</b>	<u>\$ 20,563,994</u>	<u>\$ 15,198,894</u>	<u>\$ 23,418,259</u>		

See paragraph on supplementary schedules included in independent auditors' report.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS – CHANGES IN TOTAL OTHER POST-EMPLOYMENT  
BENEFITS LIABILITY AND RELATED RATIOS**

**FOR THE YEARS ENDED JUNE 30, 2024, 2023, 2022, 2021, 2020, 2019 AND 2018**

<b>Measurement Date</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>
<b>Total OPEB Liability</b>							
Service cost	\$ 1,701,462	\$ 1,688,616	\$ 2,420,862	\$ 4,799,743	\$ 3,134,563	\$ 1,521,254	\$ 1,586,592
Interest	1,741,352	1,910,375	1,420,303	2,100,842	2,456,264	2,045,968	1,873,939
Change of benefit terms	0	(68,851)	0	(41,412,707)	0	0	0
Differences between expected and actual experience	852,609	(12,282,648)	230,281	3,496,511	(82,198)	8,434,615	0
Change of assumptions or other inputs	(525,421)	(1,233,254)	(13,353,986)	5,815,823	19,481,127	5,057,540	(2,667,769)
Benefit payments	(1,967,473)	(1,695,703)	(1,858,244)	(1,597,548)	(1,544,364)	(1,576,067)	(2,021,465)
<b>Net change in total OPEB liability</b>	<b>1,802,529</b>	<b>(11,681,465)</b>	<b>(11,140,784)</b>	<b>(26,797,336)</b>	<b>23,445,392</b>	<b>15,483,310</b>	<b>(1,228,703)</b>
<b>Total OPEB Liability - beginning</b>	<b>41,435,799</b>	<b>53,117,264</b>	<b>64,258,048</b>	<b>91,055,384</b>	<b>67,609,992</b>	<b>52,126,682</b>	<b>53,355,385</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 43,238,328</b>	<b>\$ 41,435,799</b>	<b>\$ 53,117,264</b>	<b>\$ 64,258,048</b>	<b>\$ 91,055,384</b>	<b>\$ 67,609,992</b>	<b>\$ 52,126,682</b>
<b>Covered-employee payroll</b>	<b>\$ 12,437,610</b>	<b>\$ 11,801,322</b>	<b>\$ 12,808,222</b>	<b>\$ 9,741,379</b>	<b>\$ 10,808,216</b>	<b>\$ 12,073,210</b>	<b>\$ 13,956,493</b>
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>347.64%</b>	<b>351.11%</b>	<b>414.71%</b>	<b>659.64%</b>	<b>842.46%</b>	<b>560.00%</b>	<b>373.49%</b>
<b>Plan's fiduciary net position</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net OPEB Liability</b>	<b>\$ 43,238,328</b>	<b>\$ 41,435,799</b>	<b>\$ 53,117,264</b>	<b>\$ 64,258,048</b>	<b>\$ 91,055,384</b>	<b>\$ 67,609,992</b>	<b>\$ 52,126,682</b>

See paragraph on supplementary schedules included in independent auditors' report.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**FOR THE YEARS ENDED JUNE 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 AND 2015**

**NYS Employees' Retirement System**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0073127%	0.0069773%	0.0060573%	0.0067375%	0.0073005%	0.0079615%	0.0083463%	0.0092817%	0.0087954%	0.0090443%
District's proportionate share of the net pension liability (asset)	\$ 1,076,724	\$ 1,496,219	\$ (495,158)	\$ 6,709	\$ 1,933,212	\$ 564,099	\$ 269,373	\$ 872,132	\$ 1,411,681	\$ 305,537
District's covered-employee payroll	2,285,724	2,107,359	1,868,489	2,081,382	2,321,451	2,554,101	2,656,066	2,524,787	2,384,703	2,598,697
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	47.1%	71.0%	26.5%	0.3%	83.3%	22.1%	10.1%	34.5%	59.2%	11.8%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.2%	94.7%	90.7%	97.9%

**NYS Teachers' Retirement System**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.062627%	0.060821%	0.058056%	0.056381%	0.063476%	0.066171%	0.064136%	0.066097%	0.064083%	0.060506%
District's proportionate share of the net pension liability (asset)	\$ 716,196	\$ 1,167,080	\$ (10,060,624)	\$ 1,557,957	\$ (1,649,098)	\$ (1,196,549)	\$ (487,497)	\$ 707,926	\$ (6,656,189)	\$ (6,929,334)
District's covered-employee payroll	12,708,975	11,566,715	10,774,520	9,846,957	9,569,628	10,595,094	10,694,561	10,163,439	10,503,591	10,037,407
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	5.6%	10.1%	93.4%	15.8%	17.2%	11.3%	4.6%	7.0%	63.4%	69.0%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.70%	99.00%	110.50%	111.48%

See paragraph on supplementary schedules included in independent auditors' report.

# GREATER JOHNSTOWN SCHOOL DISTRICT

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS

FOR THE YEARS ENDED JUNE 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 AND 2015

#### NYS Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 285,823	\$ 203,756	\$ 302,393	\$ 289,945	\$ 334,453	\$ 364,321	\$ 386,052	\$ 380,417	\$ 444,137	\$ 508,777
Contributions in relation to the contractually required contribution	285,823	203,756	302,393	289,945	334,453	364,321	386,052	380,417	444,137	508,777
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District's covered-employee payroll	\$ 2,285,724	\$ 2,107,359	\$ 1,868,489	\$ 2,081,382	\$ 2,321,451	\$ 2,554,101	\$ 2,656,066	\$ 2,524,787	\$ 2,384,703	\$ 2,598,697
Contribution as a percentage of covered-employee payroll	12.50%	9.67%	16.18%	13.93%	14.41%	14.26%	14.53%	15.07%	18.62%	19.58%

#### NYS Teachers' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,240,396	\$ 1,190,215	\$ 1,055,903	\$ 938,415	\$ 847,869	\$ 1,125,199	\$ 1,048,067	\$ 1,191,155	\$ 1,392,710	\$ 1,687,464
Contributions in relation to the contractually required contribution	1,240,396	1,190,215	1,055,903	938,415	847,869	1,125,199	1,048,067	1,191,155	1,392,710	1,687,464
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District's covered-employee payroll	\$ 12,708,975	\$ 11,566,715	\$ 10,774,520	\$ 9,846,957	\$ 9,569,628	\$ 10,595,094	\$ 10,694,561	\$ 10,163,439	\$ 10,503,591	\$ 10,037,407
Contribution as a percentage of covered-employee payroll	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	16.81%

See paragraph on supplementary schedules included in independent auditors' report.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET – GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET**

<b>ADOPTED BUDGET</b>	\$ 42,222,306
<b>ADDITIONS:</b>	
Prior year's encumbrances	151,402
Appropriated reserves	5,206,830
Donations	<u>6,868</u>
<b>FINAL BUDGET</b>	<u><u>\$ 47,587,406</u></u>

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**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

**FOR THE YEAR ENDED JUNE 30, 2024**

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2024-2025 voter-approved expenditure budget	\$ 43,488,975
Maximum allowed (4% of 2024-2025 budget)	1,739,559
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	4,089,755
Unassigned fund balance	<u>3,488,046</u>
Total unrestricted fund balance	7,577,801
Less:	
Appropriated fund balance and encumbrances	<u>4,089,755</u>
Total utilized	<u>4,089,755</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 3,488,046</u></u>
Actual percentage	8.0%

See paragraph on supplementary schedules included in independent auditors' report.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES**

**FOR THE YEAR ENDED JUNE 30, 2024**

<b><u>Project Title</u></b>	<b><u>Expenditures</u></b>					<b><u>Unexpended Balance</u></b>	<b><u>Methods of Financing</u></b>			<b><u>Fund Balances</u></b>
	<b><u>Original Appropriation</u></b>	<b><u>Revised Appropriation</u></b>	<b><u>Prior Year</u></b>	<b><u>Current Year</u></b>	<b><u>Total</u></b>		<b><u>Local Sources</u></b>	<b><u>State Aid</u></b>	<b><u>Proceeds of Obligations</u></b>	
District Wide Capital Project	\$ 39,600,000	\$ 39,600,000	\$ 37,687,707	\$ 0	\$ 37,687,707	\$ 1,912,293	\$ 3,267,010	\$ 48,346	\$ 37,539,520	\$ 3,167,169
\$15,000,000 District Wide Project	15,000,000	15,000,000	551,858	795,776	1,347,634	13,652,366	1,230,000	0	0	(117,634)
2022-23 Capital Outlay Project	100,000	100,000	43,268	0	43,268	56,732	100,000	0	0	56,732
2023-24 Capital Outlay Project	100,000	100,000	0	85,110	85,110	14,890	100,000	0	0	14,890
Small Project (24-25)	5,000,000	5,000,000	0	64,262	64,262	4,935,738	5,000,000	0	0	4,935,738
Knox Turf	2,000,000	2,000,000	557,986	1,442,014	2,000,000	0	0	0	0	(2,000,000)
Energy Performance Contract	2,339,959	2,339,959	83,130	112,202	195,332	2,144,627	0	0	0	(195,332)
Smart Schools Bond Act	1,755,889	1,755,889	1,647,242	94,703	1,741,945	13,944	0	1,741,945	0	0
<b>TOTALS</b>	<b>\$ 65,895,848</b>	<b>\$ 65,895,848</b>	<b>\$ 40,571,191</b>	<b>\$ 2,594,067</b>	<b>\$ 43,165,258</b>	<b>\$ 22,730,590</b>	<b>\$ 9,697,010</b>	<b>\$ 1,790,291</b>	<b>\$ 37,539,520</b>	<b>\$ 5,861,563</b>

See paragraph on supplementary schedules included in independent auditors' report.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**SUPPLEMENTARY INFORMATION**

**NET INVESTMENT IN CAPITAL ASSETS**

**JUNE 30, 2024**

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<b>CAPITAL ASSETS, NET</b>		<b>\$ 52,035,126</b>
<b>DEDUCT:</b>		
Bond anticipation notes payable	<b>\$ 5,000,000</b>	
Less: Unspent bond anticipation note proceeds	<b>(5,000,000)</b>	
Short-term portion of bonds payable	<b>3,040,000</b>	
Long-term portion of bonds payable	<b>23,605,000</b>	
		<b>26,645,000</b>
<b>NET INVESTMENT IN CAPITAL ASSETS</b>		<b>\$ 25,390,126</b>

See paragraph on supplementary schedules included in independent auditors' report.

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**FEDERAL AWARD PROGRAM INFORMATION**  
**(SINGLE AUDIT)**  
**(UNIFORM GUIDANCE)**

**JUNE 30, 2024**



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

To the President and the Other Members  
of the Board of Education of the  
Greater Johnstown School District  
Johnstown, 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 Greater Johnstown School District as of and for the year ended June 30, 2024, 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 9, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

## Report on Compliance and Other Matters

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

## Purpose of this Report

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

*WEST & COMPANY CPAs PC*

Gloversville, New York  
October 9, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the President and the Other Members  
of the Board of Education of the  
Greater Johnstown School District  
Johnstown, New York

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*WEST & COMPANY CPAs PC*

Gloversville, New York  
October 9, 2024

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED JUNE 30, 2024**

<b>Federal Grantor/Pass-Through Grantor/Program</b>	<b>Assistance Listing</b>	<b>Pass-through Grantor's Number</b>	<b>Passed Through to Subrecipients</b>	<b>Federal Expenditures</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
Passed Through NYS Education Department:				
Special Education Cluster:				
Special Education Grants to States	84.027	0032240269	\$ 23,180	\$ 474,054
Special Education Preschool Grants	84.173	0033240269	4,137	16,394
Total Special Education Cluster			27,317	490,448
Covid-19 Education Stabilization Funds				
ARP, ESSER	84.425U	5880210965	0	1,558,011
ARP, ESSER, Summer Enrichment	84.425U	5882210965	0	43,224
ARP, ESSER, Comprehensive	84.425U	5883210965	0	49,186
ARP, ESSER, Learning Loss	84.425U	5884210965	0	360,730
ARP, ESSER, Universal Pre-Kindergarten	84.425U	5875240018	0	179,949
Total Covid-19 Education Stabilization Funds			0	2,191,100
Title I Grants to Local Educational Agencies	84.010	0021230965	0	32,537
Title I Grants to Local Educational Agencies	84.010	0021240965	0	431,429
Title I Grants to Local Educational Agencies	84.010	0011233076	0	9,240
Total Title I Grants to Local Educational Agencies			0	473,206
Supporting Effective Instruction State Grants	84.367	0147230965	0	12,934
Supporting Effective Instruction State Grants	84.367	0147240965	0	56,297
Total Supporting Effective Instruction State Grants			0	69,231
Student Support and Academic Enrichment Program	84.424	0204230965	0	10,065
Student Support and Academic Enrichment Program	84.424	0204240965	0	38,932
Total Student Support and Academic Enrichment Program			0	48,997
Total U.S. Department of Education			27,317	3,272,982
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
Passed Through NYS Education Department:				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution)				
National School Lunch Program	10.555	Not Applicable	0	32,291
Cash Assistance				
School Breakfast Program	10.553	Not Applicable	0	117,292
National School Lunch Program	10.555	Not Applicable	0	451,487
Covid-19 National School Lunch Program, Supply Chain Assistance	10.555	Not Applicable	0	46,291
Summer Food Service Program for Children	10.559	Not Applicable	0	8,094
Total Child Nutrition Cluster			0	655,455
Total U.S. Department of Agriculture			0	655,455
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			<b>\$ 27,317</b>	<b>\$ 3,928,437</b>

See notes to schedule of expenditures of federal awards.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon an established rate applied to overall expenditures. There is no other indirect cost allocation plan in effect.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

**NOTE 2 – FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed. At June 30, 2024, the District had food commodities totaling \$2,937 in inventory.

**NOTE 3 – INDIRECT COST RATE**

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon a 16.4% indirect cost rate calculated by the New York State Education Department. There is no other indirect cost allocation plan in effect.

**NOTE 4 – CLUSTERS**

The Special Education Cluster consists of Special Education – Grants to States and Special Education - Preschool Grants. The Child Nutrition Cluster consists of Food Distribution, Summer Food Service Program for Children, School Breakfast Program, Covid-19 National School Lunch Program, Supply Chain Assistance and National School Lunch Program.

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2024**

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**A. SUMMARY OF AUDITORS' RESULTS**

Financial Statements

1. Type of auditors' report issued: unmodified
2. Internal control over financial reporting:
  - a. Material weakness(es) identified? \_\_\_ Yes X No
  - b. Significant deficiency(ies) identified? \_\_\_ Yes X No
3. Noncompliance material to financial statements noted? \_\_\_ Yes X No

Federal Awards

1. Internal control over major programs:
  - a. Material weakness(es) identified? \_\_\_ Yes X No
  - b. Significant deficiency(ies) identified? \_\_\_ Yes X No
2. Type of auditors' report issued on compliance for major programs: unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516? \_\_\_ Yes X No
4. Identification of major programs:

**Assistance Listing**

**Name of Federal Program**

84.425

Covid-19 Education Stabilization Funds

5. Dollar threshold used to distinguish between type A and B programs: \$750,000.
6. Auditee qualified as low-risk auditee? X Yes \_\_\_ No

**B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT**

None.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None.

**GREATER JOHNSTOWN SCHOOL DISTRICT**  
**AUDITED FINANCIAL STATEMENTS**  
**EXTRACLASSROOM ACTIVITY FUNDS**  
**JUNE 30, 2024**



## **INDEPENDENT AUDITORS' REPORT**

To the President and the Other Members  
of the Board of Education of the  
Greater Johnstown School District  
Johnstown, New York

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

#### ***Opinion***

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Extraclassroom Activity Funds of Greater Johnstown School District (the District) as of June 30, 2024, and the related statement of revenues collected and expenses paid for the year then ended, and the related notes to the financial statements.

#### ***Qualified Opinion***

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances of the Extraclassroom Activity Funds of the District as of June 30, 2024, and the revenues collected and expenses paid for the year then ended, on the basis of accounting described in Note 1.

#### ***Basis for Qualified Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Insufficient accounting controls are exercised over cash receipts at the point of collections to the time of submission to the Central Treasurer. Accordingly, it was impracticable to extend our audit of such receipts beyond the amounts recorded.

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

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

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

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

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

In performing an audit in accordance with GAAS, 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.

### ***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*WEST & COMPANY CPAs PC*

Gloversville, New York  
October 9, 2024

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS**

**JUNE 30, 2024**

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<b>ASSETS</b>	
Cash	<u>\$     181,704</u>
<b>TOTAL ASSETS</b>	<u><u>\$     181,704</u></u>
<b>LIABILITIES AND CLUB BALANCES</b>	
Club balances	<u>\$     181,704</u>
<b>TOTAL LIABILITIES AND CLUB BALANCES</b>	<u><u>\$     181,704</u></u>

See notes to financial statements.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID**

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Balance</u> <u>July 1, 2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2024</u>
<b>Johnstown High School</b>				
Art	\$ 0	\$ 36	\$ 0	\$ 36
Baronet	5,163	5,077	390	9,850
Bugle	165	0	0	165
Cheerleading	59	0	59	0
Class of 2020	83	0	83	0
Class of 2021	112	0	112	0
Class of 2023	466	0	466	0
Class of 2024	18,786	26,374	44,210	950
Class of 2025	10,525	28,522	20,624	18,423
Class of 2026	9,736	21,345	16,382	14,699
Class of 2027	0	5,230	1,227	4,003
Gaming Club	94	20	0	114
Hiking Club	56	0	0	56
Interest on Account	24	24	41	7
International Club	1,850	16,465	16,603	1,712
Johnstown Equality Alliance	164	43	43	164
Key Club	211	598	598	211
Marching Band	4,407	0	0	4,407
Masterminds	2	0	0	2
National History Club	434	0	0	434
National Honor Society	2,682	939	1,426	2,195
Odyssey of the Mind	0	18,381	2,044	16,337
Photography Club	8	0	0	8
The Book Club	167	0	0	167
Drama Club	27,002	19,924	16,202	30,724
SADD - Post Prom	2,149	4,583	4,104	2,628
Science Club	4,083	485	566	4,002
Student Council	2,461	3,661	2,729	3,393
Winterguard	0	2,073	552	1,521
Tax Account	0	4,131	3,574	557
<b>Total Johnstown High School</b>	<u>90,889</u>	<u>157,911</u>	<u>132,035</u>	<u>116,765</u>
<b>Knox Junior High School</b>				
Art Club	118	0	0	118
Battle of the Books	0	848	817	31
Cooking Club	0	274	81	193
Foreign Language Club	751	0	25	726
Kids with Heart	0	1,934	1,934	0
Music Club	4,514	0	20	4,494
Student Council	2,551	3,624	3,236	2,939
Tax Account	0	377	377	0
Yearbook Club	2,071	0	0	2,071
<b>Total Knox Junior High School</b>	<u>10,005</u>	<u>7,057</u>	<u>6,490</u>	<u>10,572</u>

See notes to financial statements.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID – (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Balance</u> <u>July 1, 2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2024</u>
<b>Total Johnstown High School and Knox Junior High School</b> (from previous page)	\$ 100,894	\$ 164,968	\$ 138,525	\$ 127,337
<b>Athletic Clubs</b>				
Boys Soccer	1,804	2,676	3,740	740
Girls Soccer	806	362	746	422
Volleyball	694	2,169	1,993	870
Football	2,995	21,578	24,204	369
Cross Country	624	8,975	4,514	5,085
Field Hockey	275	2	17	260
Golf	390	2	17	375
Cheerleading	28	5,762	3,886	1,904
Girls Swimming	398	0	398	0
Girls Tennis	127	0	8	119
Nordic Ski	1,020	2	17	1,005
Alpine Ski	504	3,366	3,629	241
Wrestling	2,116	15,807	9,067	8,856
Girls Basketball	4,045	7,167	7,463	3,749
Boys Basketball	7,590	14,754	13,159	9,185
Bowling	2,582	2	767	1,817
Boys Swimming	642	976	17	1,601
Baseball	2,209	19,995	19,389	2,815
Softball	3,987	2	2,521	1,468
Boys Tennis	319	0	7	312
Boys Lacrosse	2,308	3,216	2,395	3,129
Girls Lacrosse	1,625	3,542	3,939	1,228
Track	5,642	9,559	6,384	8,817
<b>Total Athletic Clubs</b>	<u>42,730</u>	<u>119,914</u>	<u>108,277</u>	<u>54,367</u>
<b>TOTALS</b>	<u><u>\$ 143,624</u></u>	<u><u>\$ 284,882</u></u>	<u><u>\$ 246,802</u></u>	<u><u>\$ 181,704</u></u>

See notes to financial statements.

**GREATER JOHNSTOWN SCHOOL DISTRICT**

**EXTRAClassroom Activity Funds**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Greater Johnstown School District. The related year end cash balances are shown as part of the Custodial Fund with the offset being shown as agency liabilities. The Extraclassroom Activity Funds of the Greater Johnstown School District represent funds of the students of the District. The District's Board exercises general oversight on these funds. The Extraclassroom Activity Funds are independent of the District with respect to the financial transactions and the designation of student management.

The books and records of the Greater Johnstown School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received, and expenditures recognized when cash is disbursed.

**NOTE 2 – MANAGEMENT LETTER**

Management letter items associated with the Extraclassroom Activity Funds are included in the management letter associated with the District's basic financial statements.



October 9, 2024

To the President and the Other Members  
of the Board of Education of the  
Greater Johnstown School District  
Johnstown, New York

Re: Management Letter  
June 30, 2024

In planning and performing our audit of the basic financial statements of the Greater Johnstown School District for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control as a basis for designing our audit procedures for the purpose of expressing an opinion 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.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and improving operating efficiency. The memorandum that follows summarizes our comments and recommendations regarding those matters. We previously reported on the District's internal control in our report dated October 9, 2024. This report does not affect our report dated October 9, 2024, on the financial statements of the Greater Johnstown School District.

### **Prior-Year Comments**

#### **1) Extraclassroom Activity Funds**

**Prior Condition:** We noted the following items in regard to the District's Extraclassroom Activity Funds:

- a) There were several inactive clubs which should either become active to utilize the funds or the funds should be redistributed at the discretion of the Board of Education.
- b) Through testing of Extraclassroom Activity Funds, we noted several instances where sales tax was not paid or collected.
- c) Through testing of both the Junior High and Athletic Club activities, we noted that profit and loss statements and inventory control forms are not always being performed for fundraisers held.
- d) There were instances of extraclass transactions lacking the necessary signatures during our 2023 audit testing.

**Status:** These conditions remain unchanged as of June 30, 2024.

- a) For the 2023-2024 year there were 9 fiscally inactive clubs.
- b) We noted 6 instances where sales tax was not collected of the 58 tested receipts and 5 instances where sales tax was not paid of the 41 tested disbursements.
- c) We noted 14 fundraisers which did not prepare profit and loss statements.
- d) In 2024, there were 3 of 41 tested disbursements missing signatures and there were 16 out of 58 tested receipts missing signatures.

**Recommendation:** We recommend that the District and all the clubs review the NYS Pamphlet #2 and ensure all Extraclassroom Activity Funds are in compliance with these regulations.

## 2) **Confirming Purchase Orders**

**Prior Condition:** Through testing of disbursements for our 2023 audit, we noted several instances of confirming purchase orders.

**Status:** This condition remains unchanged as of June 30, 2024. Our 2024 testing of a sample of 40 purchase orders noted 3 confirming purchase orders.

**Recommendation:** We recommend that the District ensure all purchases are made from proper purchase orders approved in advance of the purchase occurring, rather than confirming purchase orders created after an invoice is received.

## 3) **Unassigned General Fund Balance**

**Prior Condition:** The District's unassigned General Fund balance at June 30, 2023, is in excess of the New York State Real Property Tax Law limit, which restricts the balance to an amount not greater than 4% of the District's appropriation budget for the upcoming year.

**Status:** This condition remains unchanged as of June 30, 2024.

**Recommendation:** We recommend that the Board review and modify its plan to reduce the District's unassigned General Fund balance to the statutory limit.

## 4) **Disbursement Testing**

**Prior Condition:** Our 2023 testing of District disbursements noted four disbursements which were missing signatures.

**Status:** Our 2024 testing of a sample of 40 District disbursements noted no missing signatures but noted 1 instance of sales tax being paid.

**Recommendation:** We recommend that the District ensure that all purchasing and disbursement procedures and approvals are being followed.

## 5) **Payroll Testing**

**Prior Condition:** Our 2023 testing of 40 District paychecks noted 14 employees who did not sign and return their salary notice.

**Status:** Our 2024 testing of 40 District paychecks noted 1 employee who did not sign and return their salary notice and 2 employees had incomplete I-9s.

**Recommendation:** We recommend that the District ensure that all employees sign and return their salary notice to indicate their agreement with their compensation and all employees have a complete I-9 on file.

**Current-Year Comments**

**1) Reserve Balances**

**Condition:** The District has several reserves with high balances which could be questioned by the New York State Comptroller if they were to review the District's finances. In particular, the workers' compensation reserve, unemployment reserve and tax certiorari reserve balances are higher than ideal.

**Recommendation:** We recommend that the District review their reserves to ensure that the balances are reasonable and necessary.

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We appreciate the assistance and courtesies extended to us by your staff during our fieldwork.

Please let us know if you would like to discuss our comments and recommendations.

Very truly yours,  
*WEST & COMPANY CPAs PC*  
WEST & COMPANY CPAs PC