PRELIMINARY OFFICIAL STATEMENT DATED JULY 3, 2025

NEW / RENEWAL ISSUE **BOND ANTICIPATION NOTES**

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

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

$13,147,776

HARPURSVILLE CENTRAL SCHOOL DISTRICT

BROOME AND CHENANGO COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$13,147,776 Bond Anticipation Notes, 2025 Series B

(Referred to herein as the "Notes")

Dated: July 22, 2025 **Due: July 22, 2026**

The Notes will constitute general obligations of the Harpursville Central School District, Broome and Chenango Counties, New York (the "District"). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be issued without the option of prior redemption.

At the option of the purchaser(s), the Notes will be issued in (i) registered certificated form registered in the name of the purchaser(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the District Clerk. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes $7,776. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser, or about July 22, 2025.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on July 8, 2025 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

July __, 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, 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 "CONTINUING DISCLOSURE" HEREIN.

HARPURSVILLE CENTRAL SCHOOL

BROOME AND CHENANGO COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

MICHELLE NOYES
President

KACIE HUSTON
Vice President

MICHAEL RHODES
NICOLE ROBERTSON
NICOLE WEIST
THOMAS FARGO
BERNARD SCOTT

* * * * * * *

HEATH GEORGIA
Superintendent of Schools

JOSEPH MCLAUGHLIN
School Business Administrator

LISA WASCALIS
School Business Treasurer

TABAITHA RHODES
School Business Clerk

Coughlin & Gerhart LLP
School District Attorney

FISCAL ADVISORS AND MARKETING, INC.
Municipal Advisor

orrick
ORRICK, HERRINGTON & SUTCLIFFE, LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

OF THE

HARPURSVILLE CENTRAL SCHOOL DISTRICT

BROOME AND CHENANGO COUNTIES, NEW YORK

RELATING TO

$13,147,776 Bond Anticipation Notes, 2025 Series B

This Official Statement, which includes the cover page, has been prepared by the Harpursville Central School District, Broome and Chenango Counties, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the School District of $13,147,776 principal amount of Bond Anticipation Notes, 2025 Series B (referred to herein as 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 THE 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, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

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

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

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

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 of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are dated July 22, 2025 and will mature, without the option of prior redemption, on July 22, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

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 March 8, 2023 authorizing (i) the issuance of $10,438,576 serial bonds and bond anticipation notes to finance the reconstruction and construction of improvements to District buildings and facilities, including athletic field and athletic facility improvements, together with construction of a new bus garage, parking lots, roadways and other site work, at a maximum estimated cost of not to exceed $13,746,232, including the expenditure of $3,307,656 from the District's Capital Project Reserve Fund (the "2023 Capital Project") and (ii) the issuance of $2,978,200 serial bonds and bond anticipation notes to finance the replacement of exterior doors at various District buildings, each with related improvements, and additional improvements to athletic facilities and fields, together with incidental improvements and expenses in connection therewith, at a maximum estimated cost of not to exceed $3,868,200, including the expenditure of $150,000 from the District's Capital Project Reserve Fund and $740,000 of available funds of the District (the "2023 Exterior Door Replacement Project").

The proceeds of the Notes together with $269,000 available funds of the District will redeem and renew, in part, $7,000,000 bond anticipation notes maturing July 23, 2025 and issued for the 2023 Capital Project, with the balance of proceeds in the amount of $3,438,576 providing additional new money for the 2023 Capital Project and $2,978,200 in new money for the 2023 Exterior Door Replacement Project.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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 principal and interest 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 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 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 a purchaser of the Notes elect to have the Notes issued in certificated form or if 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 certificated form in denominations of $5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes $7,776. Principal of and interest on the Notes will be payable at the option of the School District at the offices of the School 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 located in the central southern portion of upstate New York commonly referred to as the Southern Tier. The District lies in the north-east and south-west quadrants of Broome and Chenango Counties, respectively and is within 15 miles of the City of Binghamton. Major highways serving the District include Interstate 88, State Routes 79 and 7 with access to State Route 17 and Interstate 81.

Commercial banking services are provided by offices of NBT Bank, JPMorgan Chase Bank, Manufacturers & Traders Trust Company, KeyBank, N.A., and Tioga State Bank, USA.

Electric utility services are provided by the New York State Electric & Gas Corporation. Natural gas services are provided by Columbia Gas of New York. Police services are provided by State and municipal law enforcement agencies. Fire protection is provided by volunteer forces.

Source: District officials.

District Population

The 2023 estimated population of the District is 4,639. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year estimates.)

Note: U.S. Census Bureau, 2019-2023 American Community Survey estimates are not available as of the date of this Official Statement.

Five Larger Employers

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

Name	Type	Employees
SUNY Binghamton	University	5,943
United Health Services	Medical	5,428
County of Broome	Government	2,500
NYSEG	Utility	1,430
IBM Corporation	Technology	1,100

Source: District officials.

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
Towns of:						
Colesville	$ 18,938	$ 24,986	$ 29,597	$ 55,553	$ 75,938	$ 78,614
Fenton	24,705	26,744	35,797	60,648	71,635	93,137
Kirkwood	24,661	28,127	31,268	60,313	61,750	84,375
Sanford	20,007	27,965	38,983	43,542	66,680	89,643
Windsor	21,418	28,655	34,776	47,472	79,620	85,037
Afton	23,645	33,617	32,253	50,260	60,000	75,605
Coventry	18,525	28,596	34,547	51,667	65,928	78,798
Greene	22,941	29,061	35,648	55,086	78,374	92,209
Counties of:						
Broome	24,314	29,721	35,116	57,545	69,596	83,422
Chenango	22,036	28,780	32,986	52,229	65,537	76,894
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

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

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2019-2023 American Community Survey 5-Year estimates data.

Unemployment Rate Statistics

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

Annual Average

	2018	2019	2020	2021	2022	2023	2024
Broome County	4.7%	4.4%	8.1%	5.2%	3.8%	3.7%	4.0%
Chenango County	4.8	4.4	6.9	4.6	3.4	3.4	3.4
New York State	4.1	3.9	9.8	7.1	4.3	4.1	4.3

2025 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun
Broome County	4.8%	5.0%	4.4%	3.3%	3.3%	N/A
Chenango County	4.3	4.7	4.1	3.0	2.6	N/A
New York State	4.6	4.3	4.1	3.7	3.5	N/A

Note: Unemployment rates for the month of June 2025 are unavailable 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

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education of the District (the "Board" or "Board of Education"). The Board of Education consists of seven members with overlapping five-year terms. Each Board member must be a qualified voter of the District and no Board member may hold certain other District offices or positions while serving on the Board of Education. The President and Vice President are appointed by the Board of Education.

Investment Policy

Pursuant to the statutes of the State, the District is permitted to temporarily invest moneys which are not required for immediate expenditures with the exception of moneys the investment of which is otherwise provided for by law, 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; (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; (5) with the approval of the State Comptroller, tax anticipation notes and revenue anticipation notes issued by any State municipality, school district or district corporation, other than the District; (6) obligations of a State public benefit corporation which are made lawful investments for the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State; 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) special time deposit accounts; (2) certificates of deposit; (3) obligations of the United States of America; (4) 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; (5) obligations of the State; (6) obligations issued pursuant to Local Finance Law § 24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the District; (7) obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the State statutes governing such entities or whose specific enabling legislation authorizes such investments; (8) certificates of participation issued pursuant to General Municipal Law Section 109-b; and (9) obligations of the District, but only with any moneys in an established reserve fund.

The District does not invest in so-called "derivatives" including reverse purchase agreements, which are not authorized investments for municipalities and school districts in the State.

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares a detailed statement of estimated sums necessary for the various expenditures of the District for the ensuing fiscal year (tentative budget) and distributes that statement not less than seven days prior to the date on which the annual school election is conducted, at which the tentative budget is voted upon. Notice of the annual election is published as required by statute with a first publication not less than forty-five days prior to the day of election.

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

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

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

Recent Budget Vote Results

The budget for the 2024-25 fiscal year was approved by qualified voters on May 21, 2024 by a vote of 125 yes to 22 no. The adopted budget for the 2024-25 fiscal year included a tax levy increase of 3.04% which was equal to the District's maximum allowable tax levy increase of 3.04% for the 2024-25 fiscal year.

The budget for the 2025-26 fiscal year was approved by qualified voters on May 20, 2025 by a vote of 114 yes to 30 no. The adopted budget included a tax levy increase of 2.67%, which was equal to the District's maximum allowable tax levy increase of 2.67% for the 2025-26 fiscal year.

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 75.8% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in 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 91.2% 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 Enacted Budget included $29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

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

School district fiscal year (2023-2024): The State's 2023-24 Enacted Budget included $34.5 billion for school aid, an increase of $3.1 billion or 10%. The States 2023-24 Budget also provided a $2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided $134 million to increase access to free school meals. An additional $20 million in grant funding was included to establish 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 will be made to promote job readiness. An additional $150 million will be 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 provided $35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever at that time (assuming the State aid amount agreed to as described in the following paragraphs is the amount ultimately enacted). This represented an increase of $1.3 billion compared to the 2023-24 school year and included a $934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintained the "save harmless" provision, which ensured 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 authorized 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 Enacted Budget includes approximately $37.6 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. As part of the 2025–26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a hold harmless provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts are guaranteed at least a 2% year-over-year increase in Foundation Aid. The enacted budget also includes formula modifications intended to provide enhanced support for high-need and disadvantaged 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 ("CFE") 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 CFE decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as Foundation Aid. The stated purpose of Foundation Aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive $5.5 billion increase in Foundation Aid over a four fiscal year phase-in covering 2007 to 2011.

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

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

State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for the 2019-20 through 2023-24 fiscal years and the budgeted figures for the 2024-25 and 2025-26 fiscal years comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 19,672,470	$ 14,782,055	75.14%
2020-2021	19,502,657	14,583,200	74.78
2021-2022	21,633,588	15,834,618	73.19
2022-2023	22,137,405	16,502,399	74.55
2023-2024	22,796,745	17,293,400	75.86
2024-2025 (Budgeted)	22,634,273 (1)	17,228,502	76.12
2025-2026 (Budgeted)	23,716,368 (2)	17,985,307	75.83

(1) Does not include $750,000 of appropriated fund balance and $155,582 use of reserves.
(2) Does not include $750,000 of appropriated fund balance and $142,928 use of reserves.

Source: Audited financial statements for the 2019-20 through 2023-24 fiscal years and adopted budget (unaudited) for the 2024-25 and 2025-26 fiscal years. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built / Additions/Reconstruction
W. A. Olmsted Elementary School	K-5	546	1964, '80, '94, '15
Harpursville Junior/Senior High School	6-12	563	1935, '49, '55, '89, '02, '15

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2020-21	686	2025-26	630
2021-22	673	2026-27	630
2022-23	654	2027-28	630
2023-24	650	2028-29	630
2024-25	643	2029-30	630

Source: District officials.

Employees

The District currently employs 146 full-time employees, represented by the following collective bargaining agents. The dates of expiration of the various collective bargaining agreements are as follows:

Number of Employees	Bargaining Unit	Contract Expiration Date
67	Harpursville Teachers' Association	June 30, 2027
53	Harpursville Support Staff Association	June 30, 2027
18	Harpursville Transportation Association	June 30, 2025 (1)
3	Harpursville Instructional Administrators Association	June 30, 2027
2	Harpursville Directors Association	June 30. 2027
1	Superintendent of Schools	June 30, 2026
1	Assistant Superintendent of Schools	June 30, 2026
1	Business Administrators	June 30, 2026
2	Harpursville Confidential Employees (Board Policy)	No expiration date

(1) There is currently a tentative agreement through June 30, 2028.

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 had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. 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. 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 State's 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

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

Fiscal Year	ERS	TRS
2020-2021	$ 227,630	$ 439,593
2021-2022	225,001	443,231
2022-2023	196,510	442,824
2023-2024	220,245	454,141
2024-2025 (Actual)	271,795	528,941
2025-2026 (Budgeted)	351,960	520,015

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 is not currently offering any early retirement incentives.

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

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2020-21 to 2025-26) is shown below:

Fiscal Year	ERS	TRS
2020-21	14.6%	9.53%
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. Final contribution rate expected to be adopted at the July 31, 2025 TRS Retirement Board meeting.

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

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

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

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow 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 will be 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. As of June 30, 2019, the District established such reserve fund.

Retirement System Assumptions. The investment of monies and assumptions underlying same, of the Retirement Systems covering the School District's employees is not subject to the direction of the School 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 School 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. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

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

The District contracted with Armory Associates, LLC 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
	$ 54,684,479	$ 46,704,739
Changes for the year:		
Service cost	2,014,044	1,623,019
Interest on total OPEB liability	1,197,682	1,683,668
Changes in benefit terms	-	-
Differences between expected and actual experience	(5,716,691)	-
Changes in assumptions or other inputs	(4,010,563)	(823,348)
Benefit payments	(1,464,212)	(1,533,059)
Net Changes	$ (7,979,740)	$ 950,280
Balance ending at June 30:	**2023**	**2024**
	$ 46,704,739	**$ 47,655,019**

Source: Audited financial reports of the District. For additional information see "APPENDIX – C" attached hereto. The above table is not audited.

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

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

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.

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024 and has been filed with the Electronic Municipal Market Access ("EMMA") website. It is also attached hereto as "APPENDIX – E" to this Official Statement. Certain financial information of the School District can also be found attached as Appendices to the Official Statement.

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

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

The State Comptroller's Fiscal Stress Monitoring System

The New York State Office of the State Comptroller ("OSC") has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent information to school district officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's diverse school districts are operating.

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

The reports of the State Comptroller for the 2019-20 through 2023-24 fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	3.3
2023	No Designation	6.7
2022	No Designation	13.3
2021	No Designation	10.0
2020	No Designation	3.3

Note: The District's Fiscal Score for the 2023-24 fiscal year has not been calculated as of the date of this Official Statement

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

New York State Comptroller Reports 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 that have been published in the past five years. As of the date of this Official Statement, there are no other State Comptrollers audits of the District that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation herein by reference.

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 bonds and notes are to be issued is the Education Law and the Local Finance Law.

The District has complied with the procedure for validation of the Notes provided for in Title 6 of Article 2 of the Local Finance Law.

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

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

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

TAX INFORMATION

Taxable Valuations

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Afton	$ 6,258,837	$ 6,239,800	$ 6,292,427	$ 6,327,593	$ 6,334,858
Colesville	17,353,146	17,411,543	17,546,418	17,690,895	17,595,514
Coventry	16,561,755	16,772,842	16,638,046	16,922,025	17,188,769
Fenton	13,733,969	13,916,745	13,873,629	14,209,736	14,161,594
Greene	1,126,375	1,125,924	1,125,874	1,125,755	1,125,509
Kirkwood	5,949,690	6,070,091	6,546,123	6,577,722	6,575,863
Sanford	701,665	701,665	719,425	734,965	747,280
Windsor	41,180	41,180	41,180	41,180	41,180
Total Assessed Values	$ 61,726,617	$ 62,279,790	$ 62,783,122	$ 63,629,871	$ 63,770,567
State Equalization Rates					
Towns of:					
Afton	65.00%	65.00%	58.00%	50.00%	47.00%
Colesville	7.65%	7.60%	6.90%	6.00%	5.80%
Coventry	100.00%	100.00%	94.00%	85.00%	77.00%
Fenton	66.00%	62.00%	56.30%	52.90%	47.40%
Greene	87.00%	87.00%	80.00%	73.00%	65.00%
Kirkwood	66.25%	63.00%	60.50%	61.00%	58.50%
Sanford	56.00%	56.00%	52.00%	46.00%	44.90%
Windsor	67.30%	63.00%	59.00%	52.00%	48.90%
Total Taxable Full Valuation	$ 285,427,799	$ 290,165,716	$ 321,167,986	$ 368,275,429	$ 383,770,087

Source: District officials.

Tax Rates per $1,000 (Assessed)

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Afton	$ 23.48	$ 23.76	$ 24.63	$ 25.53	$ 26.85
Colesville	199.48	203.18	207.07	212.72	217.63
Coventry	15.26	15.44	15.20	15.02	16.39
Fenton	23.13	24.91	25.38	24.13	26.62
Greene	17.54	17.75	17.86	17.48	19.41
Kirkwood	23.04	24.51	23.62	20.92	21.57
Sanford	27.26	27.58	27.48	27.75	28.10
Windsor	22.68	24.52	24.21	24.55	25.80

Source: District officials.

Tax Collection Procedure

Tax payments are due September 3rd. There is no penalty charge during for the first 30 days, but a 2% penalty is charged for the next 30 days. After the collection period, uncollected taxes are returned to the Counties for collection. The District receives these amounts from the Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Total Tax Levy	$ 4,355,877	$ 4,480,868	$ 4,589,159	$ 4,700,324	$ 4,843,345
Amount Uncollected (1)	382,794	434,679	430,324	525,387	453,618
% Uncollected	8.8%	9.7%	9.4%	11.2%	9.4%

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

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the 2019-20 through 2023-24 fiscal years and budgeted figures for the 2024-25 and 2025-26 fiscal years comprised of Real Property Taxes and Tax Items.

Fiscal Year	Total Revenues	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Taxes
2019-2020	$ 19,672,470	$ 4,286,288	21.79%
2020-2021	19,502,657	4,370,054	22.41
2021-2022	21,633,588	4,505,915	20.83
2022-2023	22,137,405	4,615,634	20.85
2023-2024	22,796,745	4,721,255	20.71
2024-2025 (Budgeted)	22,634,273 (1)	4,843,345	21.40
2025-2026 (Budgeted)	23,716,368 (2)	4,972,659	20.97

(1) Does not include $750,000 of appropriated fund balance and $155,582 use of reserves.
(2) Does not include $750,000 of appropriated fund balance and $142,928 use of reserves.

Source: Audited financial statements for the 2019-20 through 2023-24 fiscal years and adopted budget (unaudited) for the 2024-25 and 2025-26 fiscal years. This table is not audited.

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

Name	Type	Taxable Full Valuation
NYSEG	Utility	$ 9,168,471
Norfolk Southern Corporation	Railroad	7,080,006
Winsor Acres Inc	Farm	5,043,879
Sunrise Communities	Senior Citizens Home	2,564,397
TDS Telecom	Utility	2,125,534
JP Country Prop. LLC	Real Estate	1,393,793
Klaar, Herb	Residence	1,334,224
State of New York	State	1,311,649
Joker's Wild Realty Group LLC	Realty	1,178,448
Belden Park	Mobile Home Park	1,135,862

The larger taxpayers listed have a total taxable full valuation of $32,336,263, which represents approximately 8.4% of the tax base of the District for the 2024-25 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 are within acceptable norms and are not anticipated to have a material impact on the District's finances.

Source: District officials.

STAR – School Tax Exemption

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

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $107,300 or less for the 2025-26 school year, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $86,100 for the 2025-26 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-16 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-16 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes were 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 of the STAR exemption remains the same each year, while the amount of the STAR credit can increase up to two percent annually.

The table below lists the basic and enhanced exemption amounts for the 2025-26 District tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Afton	$40,470	$14,100	4/10/2025
Colesville	4,990	1,740	4/10/2025
Coventry	66,300	23,100	4/10/2025
Fenton	40,810	14,220	4/10/2025
Greene	55,970	19,500	4/10/2025
Kirkwood	50,370	17,550	4/10/2025
Sanford	38,660	13,470	4/10/2025
Windsor	42,100	14,670	4/10/2025

$615,950 of the District's $4,843,345 school tax levy for the 2024-25 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in January 2025.

The District anticipates a similar amount of its tax levy to be exempted by the STAR program for 2025-26.

Additional Tax Information

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

Senior citizens' exemptions from District taxes are offered to those who qualify.

The assessment roll of the District is constituted approximately as follows: 20% commercial, 14% industrial, 60% residential and 6% agricultural.

The estimated total annual property tax bill of a $70,000 taxable value residential property located in the District is approximately $1,560 including County, Town, School District and Fire District Taxes.

TAX LEVY LIMITATION LAW

Chapter 97 of the Laws of 2011 was enacted on June 24, 2011 ("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. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "NATURE OF OBLIGATION," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness, however, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in such law. (See "TAX LEVY LIMITATION LAW" herein).

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in 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.

Statutory Law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes, in anticipation of the collection of a specific type of revenue, and budget or deficiency notes when necessary.

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

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 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.

Except on rare occasions the District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2021	2022	2023	2024	2025
Bonds	$ 10,600,000	$ 17,190,000	$ 15,815,000	$ 14,335,000	$ 12,840,000
Bond Anticipation Notes	9,030,000	710,000	861,289	1,051,700	8,263,629
Energy Performance Contract [1]	0	1,335,169	1,259,228	1,182,122	1,103,220
Total Debt Outstanding	$ 19,630,000	$ 19,235,169	$ 17,935,517	$ 16,568,822	$ 22,206,849

[1] This Energy performance contract is subject to appropriation but does not involve a pledge of faith and credit of the District, and therefore does not technically constitute indebtedness of the District. Such obligation does however count towards the debt limit of the District. See "Other Obligations" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of July 3, 2025.

Type of Indebtedness	Maturity	Amount
Bonds	2026-2036	$ 12,840,000
Bond Anticipation Notes		
Capital Project	July 23, 2025	7,000,000 [1]
Purchase of Buses	August 14, 2025	1,263,629
	Total Indebtedness	$ 21,103,629

[1] To be redeemed at maturity with proceeds of the Notes and $269,000 available funds of the District.

Debt Statement Summary

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

Full Valuation of Taxable Real Property			$ 383,770,087
Debt Limit 10% thereof			38,377,009
Inclusions:			
Bonds	$ 12,840,000		
Bond Anticipation Notes (BANs):	8,263,629		
Total Inclusions prior to issuance of the Notes	21,103,629		
Less: BANs being redeemed from appropriations	(269,000)		
Add: New money proceeds of the Notes	6,416,776		
Total Net Inclusions after issuance of the Notes		$ 27,251,405	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness after issuance of the Notes			$ 27,251,405
Net Debt-Contracting Margin			$ 11,125,604
The percent of debt contracting power exhausted is			71.00%

[1] Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on 2025-26 Building Aid Ratios, the School District anticipates State Building aid of 91.2% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its capital project indebtedness.

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

Note: The above debt statement summary does not include an energy performance contracts outstanding, which is subject to appropriation but does not involve a pledge of faith and credit of the District, and therefore does not technically constitute indebtedness of the District. Such obligation does however count towards the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligation. See “Other Obligations” herein.

Bonded Debt Service

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

Cash Flow Borrowing

The District has found it necessary to issue cash flow borrowings in the past, however, the District has not borrowed for cash flow purposes since the 2018-19 fiscal year and does not anticipate borrowing for cash flow purposes during the 2025-26 fiscal year or for the foreseeable future. The District has not issued budget notes or deficiency notes and does not reasonably expect to do so in the foreseeable future.

Other Obligations

On July 22, 2021, the District closed on an Energy Performance Contract (the "EPC") financing in the principal amount of $1,335,169 for the upgrade, replacement, purchase, and installation of energy management equipment and management and control systems. The following is a schedule of future lease purchase payments as of July 3, 2025:

Fiscal Year Ending	Principal	Interest
2026	$ 80,741	$ 25,705
2027	82,622	23,824
2028	84,547	21,899
2029	86,517	19,929
2030-2037	768,793	82,773
Total Payments	$ 1,103,220	$ 174,129

Note: This Energy performance contract is subject to appropriation but does not involve a pledge of faith and credit of the District, and therefore does not technically constitute indebtedness of the District. Such obligation does however count towards the debt limit of the District.

Capital Project Plans

On February 23, 2023, the qualified voters of the District approved two separate propositions authorizing (i) the reconstruction and construction of improvements to District buildings and facilities, including athletic field and athletic facility improvements, together with construction of a new bus garage, parking lots, roadways and other site work, at a maximum estimated cost of not to exceed $13,746,232, including the expenditure of $3,307,656 from the District's Capital Project Reserve Fund (the "2023 Capital Project"), and (ii) the replacement of exterior doors at various District buildings, each with related improvements, and additional improvements to athletic facilities and fields, together with incidental improvements and expenses in connection therewith, at a maximum estimated cost of not to exceed $3,868,200, including the expenditure of $150,000 from the District's Capital Project Reserve Fund and $740,000 of available funds of the District (the "2023 Exterior Door Replacement Project"). To date, the District has issued $7,000,000 bond anticipation notes for the 2023 Capital Project, of which $7,000,000 notes are currently outstanding and will mature on July 23, 2025. The proceeds of the Notes together with $269,000 available funds of the District will redeem and renew, in part, $7,000,000 bond anticipation notes maturing July 23, 2025 and issued for the 2023 Capital Project, with the balance of proceeds in the amount of $3,438,576 providing additional new money for the 2023 Capital Project and $2,978,200 in new money for the 2023 Exterior Door Replacement Project.

On January 28, 2025 the qualified voters of the District approved a proposition authorizing the use of $525,000 of capital reserve funds for a multi-purpose court.

The District annually issues bond anticipation notes to finance the acquisition of buses. Currently $1,263,629 bond anticipation notes are outstanding for such purpose and will mature on August 14, 2025. The District anticipates issuing $1,361,214 bond anticipation notes on August 13, 2025, which together with available funds of the District, will redeem, in part, the notes currently outstanding and provide $460,000 in new money for the purchase of buses.

The Board of Cooperative Educational Services ("BOCES") for the Sole Supervisory District of Broome and Tioga Counties, of which the District is a component school district, received voter approval on November 29, 2023 for a project consisting of the acquisition of land and various capital improvements. The project has a maximum estimated cost of $46,000,000, with $6,000,000 available funds of the BOCES to be utilized, and the remaining $40,000,000 anticipated to be financed through the Dormitory Authority of the State of New York. The District's share of the project is anticipated to be approximately $885,000.

The District typically completes $100,000 or under capital outlay projects on an annual basis.

The District does not currently have any other capital projects authorized, nor are any others contemplated at this time.

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 (consisting of bonds and bond anticipation notes) of the respective municipalities is outlined in the table below:

Municipality	Status of Debt as of	Gross Indebtedness [1]		Exclusions		Net Indebtedness	District Share	Applicable Indebtedness
County of:								
Broome	4/1/2025	$ 179,616,581	(3)	$ 9,915,000	(2)	$ 169,701,581	2.52%	$ 4,276,480
Chenango	12/31/2023	-	(4)	-		-	1.01%	-
Town of:								
Afton	12/31/2023	-	(4)	-		-	6.03%	-
Colesville	12/31/2023	-	(4)	-		-	83.33%	-
Coventry	12/31/2021	-	(4)	-		-	17.55%	-
Fenton	12/31/2023	948,381	(4)	N/A	(5)	948,381	6.75%	64,016
Greene	12/31/2023	112,375	(4)	-		112,375	0.37%	416
Kirkwood	12/31/2023	1,490,000	(4)	N/A	(5)	1,490,000	2.22%	33,078
Sanford	12/31/2023	580,000	(4)	N/A	(5)	580,000	0.41%	2,378
Windsor	12/31/2023	6,843,569	(4)	N/A	(5)	6,843,569	0.01%	684
							Total:	$ 4,377,052

(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 July 3, 2025:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 27,251,405	$ 5,874.41	7.10%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	31,628,457	6,817.95	8.24

(a) The 2023 estimated population of the District is 4,639. (See "THE SCHOOL DISTRICT – District Population" herein.)
(b) The District's full value of taxable real estate for the 2024-25 tax roll is $383,770,087. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
(d) Estimated net overlapping indebtedness is $4,377,052. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

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

There are a number of general factors which could have a detrimental effect on the ability of the District to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the District. Unforeseen developments could also result in substantial increases in District expenditures, thus placing strain on the District's financial condition. These factors may have an effect on the market price of the Notes.

The District's credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. Accordingly, a decline in the District's credit rating could adversely affect the market value of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

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

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

Cybersecurity

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

TAX MATTERS

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

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

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

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

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

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

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

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

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

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver such opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – D" hereto.

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.

A notice of claim alleging serious injury to a student due to an accident within the elementary school play area was recently filed. A 50-h hearing has not yet been held, and it is otherwise too early to determine whether or not the matter has a likelihood of causing a material adverse effect on the District's financial condition. The District expects insurance to cover any damages as a result of this incident.

There is no controversy or litigation of any nature pending or threatened, to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes and there is no controversy or litigation of any nature now pending or threatened by or against the District wherein an adverse judgment or ruling could adversely affect the power of the District to levy, collect and enforce the collection of taxes or other revenues for the payment of the Notes, which has not been disclosed in this Official Statement.

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 certain Material Events, the description of which is attached hereto as "APPENDIX – C".

Continuing Disclosure Compliance History

The District is, in all material respects, in compliance with all prior undertakings pursuant to Rule 15c2-12 for the past five years.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

The Municipal Advisor intends to provide the purchaser of the issue with CUSIP identification numbers, in compliance with MSRB Rule G-34, (a)(i) (A)-(H). As is further discussed in Rule G-34 the purchaser, as the "dealer who acquires" the issue, is responsible for the registration fee to the CUSIP Bureau for this service. 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 have a rating completed after the sale at the expense of the purchaser(s) pending the approval of the District, including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA and possible supplementation of the Final Official Statement which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX – C", attached hereto).

The District does not have an issuer rating or underlying bond rating with any rating agency at this time.

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 the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Harpursville Central School District management's beliefs as well as assumptions made by, and information currently available to, the Harpursville Central School 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 Harpursville Central School District's files with EMMA. When used in Harpursville Central School District documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

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

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

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

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

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

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

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

The District contact information is as follows: Joseph J. McLaughlin, Business Official, Harpursville Central School District, 54 Main Street, PO Box 147, Harpursville, New York 13787, Phone: (607) 693-8120, Email: jjmclaughlin@hcs.stier.org.

This Official Statement has been duly executed and delivered by the President of the Board of Education of the Harpursville Central School District.

HARPURSVILLE CENTRAL SCHOOL DISTRICT

Dated: July 3, 2025

MICHELLE NOYES
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Unrestricted Cash	$ 1,276,926	$ 985,278	$ 797,908	$ 1,229,440	$ 1,318,670
Restricted Cash	3,391,734	4,719,307	6,452,816	3,562,031	4,635,892
Due from Other Funds	571,892	717,551	192,736	404,324	709,652
Due from Fiduciary Funds	74,536	-	-	-	-
State and Federal Aid Receivable	309,851	267,547	1,053,583	355,559	514,980
Due from Other Governments	589,499	776,734	586,378	849,858	788,389
Other Receivables	28,784	25,902	23,900	17,832	10,630
Deferred Expenditures	40,412	-	-	-	95
TOTAL ASSETS	$ 6,283,634	$ 7,492,319	$ 9,107,321	$ 6,419,044	$ 7,978,308
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 436,935	$ 477,490	$ 461,543	$ 558,644	$ 626,577
Accrued Liabilities	20,635	74,880	68,628	98,407	53,374
Due to Other Funds	9,427	78,871	453	1,326	40,625
Due to Teachers' Retirement System	463,747	503,296	550,397	572,035	576,169
Due to Employees' Retirement System	58,222	67,416	46,478	60,883	73,387
Overpayments and Collections	-	1,936	808	1,849	1,213
Deferred Revenue	-	90,268	41,813	41,813	41,813
TOTAL LIABILITIES	$ 988,966	$ 1,294,157	$ 1,170,120	$ 1,334,957	$ 1,413,158
FUND EQUITY					
Nonspendable	$ 40,412	$ -	$ -	$ -	$ 95
Restricted:	3,391,735	4,719,307	6,452,816	3,562,031	4,635,892
Assigned	748,435	648,159	651,168	619,930	1,003,122
Unassigned	1,114,086	830,696	833,217	902,126	926,041
TOTAL FUND EQUITY	$ 5,294,668	$ 6,198,162	$ 7,937,201	$ 5,084,087	$ 6,565,150
TOTAL LIABILITIES & FUND EQUITY	$ 6,283,634	$ 7,492,319	$ 9,107,321	$ 6,419,044	$ 7,978,308

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
REVENUES					
Real Property Taxes	$ 3,533,515	$ 3,642,804	$ 3,792,775	$ 3,902,868	$ 4,045,521
Other Tax Items	752,773	727,250	713,140	712,766	675,734
Charges for Services	46,984	50,764	53,942	67,775	36,844
Use of Money & Property	127,646	108,450	113,116	272,969	318,335
Sale of Property and Compensation for Loss	10,595	5,673	6,182	2,679	678
Miscellaneous	343,582	312,963	478,154	424,826	340,515
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	14,782,055	14,583,200	15,834,618	16,502,399	17,293,400
Revenues from Federal Sources	75,320	71,553	545,281	66,771	73,780
Total Revenues	$ 19,672,470	$ 19,502,657	$ 21,537,208	$ 21,953,053	$ 22,784,807
Other Sources:					
Interfund Transfers	-	-	96,380	184,352	11,938
Total Revenues and Other Sources	$ 19,672,470	$ 19,502,657	$ 21,633,588	$ 22,137,405	$ 22,796,745
EXPENDITURES					
General Support	$ 1,670,468	$ 1,724,381	$ 1,981,860	$ 1,979,155	$ 2,127,967
Instruction	9,883,870	9,367,625	9,646,116	10,174,149	10,557,668
Pupil Transportation	823,593	794,183	909,310	1,137,776	1,146,029
Employee Benefits	4,472,146	4,562,822	4,645,301	4,603,893	4,611,418
Debt Service	1,763,423	1,826,763	2,586,889	2,770,857	2,741,099
Total Expenditures	$ 18,613,500	$ 18,275,774	$ 19,769,476	$ 20,665,830	$ 21,184,181
Other Uses:					
Interfund Transfers	38,841	323,388	125,073	4,324,688	131,501
Total Expenditures and Other Uses	$ 18,652,341	$ 18,599,162	$ 19,894,549	$ 24,990,518	$ 21,315,682
Excess (Deficit) Revenues Over Expenditures	1,020,129	903,495	1,739,039	(2,853,113)	1,481,063
FUND BALANCE					
Fund Balance - Beginning of Year	4,274,539	5,294,668	6,198,162	7,937,200	5,084,087
Prior Period Adjustments (net)	-	(1)	-	-	
Fund Balance - End of Year	$ 5,294,668	$ 6,198,162	$ 7,937,201	$ 5,084,087	$ 6,565,150

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:	2024 Original Budget	2024 Final Budget	2024 Audited Actual	2025 Adopted Budget	2026 Adopted Budget
REVENUES					
Real Property Taxes	$ 4,700,324	$ 4,054,013	$ 4,045,521	$ 4,843,345	$ 4,972,659
Other Tax Items	25,504	671,815	675,734	-	-
Charges for Services	30,000	30,000	36,844	-	-
Use of Money & Property	113,900	113,900	318,335	-	-
Sale of Property and Compensation for Loss	100	100	678	-	-
Miscellaneous	459,150	459,150	340,515	562,426	758,402
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	17,114,460	17,114,460	17,293,400	17,228,502	17,985,307
Revenues from Federal Sources	75,000	75,000	73,780	-	-
Total Revenues	$ 22,518,438	$ 22,518,438	$ 22,784,807	$ 22,634,273	$ 23,716,368
Other Sources:					
Interfund Transfers	-	-	11,938	-	-
Total Revenues and Other Sources	$ 22,518,438	$ 22,518,438	$ 22,796,745	$ 22,634,273	$ 23,716,368
EXPENDITURES					
General Support	$ 2,280,123	$ 2,464,166	$ 2,127,967	$ 2,255,904	$ 2,381,845
Instruction	11,377,692	11,463,215	10,557,668	11,594,127	11,725,264
Pupil Transportation	1,282,863	1,303,305	1,146,029	1,255,249	1,347,086
Employee Benefits	5,339,882	5,033,259	4,611,418	5,610,735	5,965,903
Debt Service	2,712,808	2,741,100	2,741,099	2,688,740	3,054,098
Total Expenditures	$ 22,993,368	$ 23,005,045	$ 21,184,181	$ 23,404,755	$ 24,474,196
Other Uses:					
Interfund Transfers	145,000	138,900	131,501	135,100	135,100
Total Expenditures and Other Uses	$ 23,138,368	$ 23,143,945	$ 21,315,682	$ 23,539,855	$ 24,609,296
Excess (Deficit) Revenues Over Expenditures	(619,930)	(625,507)	1,481,063	(905,582)	(892,928)
FUND BALANCE					
Fund Balance - Beginning of Year	619,930	625,507	5,084,087	905,582	892,928
Prior Period Adjustments (net)	-	-		-	-
Fund Balance - End of Year	$ -	$ -	$ 6,565,150	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	$ 1,490,000	$ 642,000	$ 2,132,000
2027	1,555,000	555,750	2,110,750
2028	1,635,000	489,750	2,124,750
2029	1,720,000	408,000	2,128,000
2030	1,800,000	322,000	2,122,000
2031	1,305,000	232,000	1,537,000
2032	605,000	166,750	771,750
2033	635,000	136,500	771,500
2034	665,000	104,750	769,750
2035	700,000	71,500	771,500
2036	730,000	36,500	766,500
TOTALS	$ 12,840,000	$ 3,165,500	$ 16,005,500

Note: 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.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2018A DASNY - Capital Project			2022A DASNY - Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2026	$ 1,040,000	$ 322,500	$ 1,362,500	$ 450,000	$ 319,500	$ 769,500
2027	1,085,000	270,500	1,355,500	470,000	285,250	755,250
2028	1,140,000	216,250	1,356,250	495,000	273,500	768,500
2029	1,200,000	159,250	1,359,250	520,000	248,750	768,750
2030	1,255,000	99,250	1,354,250	545,000	222,750	767,750
2031	730,000	36,500	766,500	575,000	195,500	770,500
2032	-	-	-	605,000	166,750	771,750
2033	-	-	-	635,000	136,500	771,500
2034	-	-	-	665,000	104,750	769,750
2035	-	-	-	700,000	71,500	771,500
2036	-	-	-	730,000	36,500	766,500
TOTALS	$ 6,450,000	$ 1,104,250	$ 7,554,250	$ 6,390,000	$ 2,061,250	$ 8,451,250

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, the District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the 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" (as defined in the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Note 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 Note.

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.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the 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 Note; 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 aforedescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Note 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 Note (including holders of beneficial interests in the Note). The right of holders of the Note to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the 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 Note nor entitle any holder of the Note 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 at closing.

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FORM OF BOND COUNSEL'S OPINION

July 22, 2025

Harpursville Central School District,
Counties of Broome and Chenango
State of New York

Re: Harpursville Central School District, Broome and Chenango Counties, New York
$13,147,776 Bond Anticipation Notes, 2025 Series B

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of $13,147,776 Bond Anticipation Notes, 2025 Series B (the "Obligation"), of the Harpursville Central School District, Broome and Chenango Counties, New York (the "Obligor"), dated July 22, 2025, and issued in the denomination of $_______, bearing interest at the rate of ____% per annum, payable at maturity, and maturing July 22, 2026.

We have examined:

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

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

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

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

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

In our opinion:

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

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

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

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

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

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

HARPURSVILLE CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2024

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

The District's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The District's independent auditor also has not performed any procedures relating to this Official Statement.

HARPURSVILLE CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2024

WITH COMPARATIVE TOTALS FOR 2023

HARPURSVILLE CENTRAL SCHOOL DISTRICT

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VIEIRA & ASSOCIATES
CPAs, P.C.

John B. Burtis, CPA*
Scott M. Hotalen, CPA
Nicole R. Mayers, CPA
*Also Licensed in Pennsylvania

Cheryl DiStefano, CPA

In Memory of
Patrick J. Price, CPA (1967-2024)

INDEPENDENT AUDITORS' REPORT

Board of Education
Harpursville Central School District
54 Main Street
Harpursville, NY 13787

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Harpursville Central School 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Harpursville Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matters

As discussed in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100 – *Accounting Changes and Error Corrections*, during the year ended June 30, 2024. Our opinions are not modified with respect to this matter.

111 Grant Ave., Suite 106, Endicott, NY 13760
Tel: 607-723-1272 Fax 607-239-6735
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Website: www.vapc.us

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Harpursville Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Harpursville Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Harpursville Central School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that that *the management's discussion and analysis, schedule of changes in total OPEB liability, schedule of District's contributions-NYSLRS pension plan, schedule of proportionate share of the net pension liability -*

NYSLRS pension plan, schedule of District's contributions – NYSTRS pension plan, schedule of proportionate share of net pension liability/(asset) – NYSTRS pension plan, and schedule of revenues, expenditures and changes in fund balance - budget (non-GAAP Basis) and actual – General Fund on pages 7 through 17, and 59 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Harpursville Central School District's basic financial statements. The change from original budget to revised budget and the §1318 of real property tax limit calculation, schedule of project expenditures capital projects funds, combined balance sheet-non-major governmental funds, combined statement of revenues, expenditures and changes in fund balances non-major governmental funds, net investment in capital assets, and the Schedule of Expenditures of Federal Awards, required by the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The change from original budget to revised budget and the section 1318 real property tax law limit calculation, project expenditures-capital projects fund, combined balance sheet - non-major governmental funds, combined statement of revenues, expenditures and changes in fund balances - non-major governmental funds, net investment in capital assets, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the change from original budget to revised budget and the section 1318 real property tax law limit calculation, project expenditures-capital projects fund, combined balance sheet-non-major governmental funds, combined statement of revenues, expenditures and changes in fund balances - non-major governmental funds, net investment in capital assets, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Prior Year Comparative information

We have previously audited the District's June 30, 2023 , financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated October 10, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards and Uniform Guidance

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2024, on our consideration of Harpursville Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Harpursville Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harpursville Central School District's internal control over financial reporting and compliance.

We have also issued our report dated October 9, 2024, on compliance for each major federal program, internal control over compliance, and the schedule of federal awards required by the Uniform Guidance. The purpose of that report is to describe the scope of our testing of internal control and compliance for each major program and the results of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Title 2 U.S. CFR* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* in considering Harpursville Central School District's internal control over each major program and compliance.

Vieira & Associates CPAs, P.C.

October 9, 2024
Endicott, New York

HARPURSVILLE CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

The following is a discussion and analysis of the Harpursville Central School District's (the School District) financial performance for the fiscal year ended June 30, 2024. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. The Management's Discussion and Analysis (MD&A) 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

- Total General Fund revenues exceeded expenditures by $1,481,063 in 2023-2024 compared to expenditures exceeding revenues in the amount of $2,853,113 in 2022-2023.

- The General Fund adjusted budgeted expenditures and other financing uses were underspent by $1,575,141 while actual revenues and other financing sources came in under the adjusted budget by $347,200.

- Capital asset equipment and building additions during 2023-2024 amounted to $1,160,815. Net depreciation expense totaled $1,439,794.

- Indebtedness of the School District at June 30, 2024, in the amount of $64,817,437 decreased $1,003,134 from June 30, 2023 primarily due to a decrease in bonds payable.

- Total fund balance in the General Fund, including reserves, was $6,565,150 at June 30, 2024. Restricted fund balance of $4,635,892 consisted of General Fund restricted reserves and assigned fund balance of $1,003,122 which consisted of encumbrances of $253,122 and appropriations to support the 2024-2025 budget of $750,000. Unassigned fund balance was $926,041 which is below the maximum limit (4% of 2024-2025 appropriations) permitted under New York State Real Property Tax.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements and supplementary information, both required and not required. 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 Governmental Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in greater detail than the District-wide financial statements. The Governmental Fund financial statements concentrate on the School District's most significant funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year and a Schedule of Changes in the School District's Total OPEB Liability and Related ratios related to the School District's unfunded actuarial liability for postemployment benefits and information related to the School District's pension obligations.

District-wide Financial Statements

The District-wide financial 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 and liabilities. 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 financial statements report the School District's net position and how it has changed. Net Position – the difference between the School District's assets and liabilities – is one way to measure the School District's financial heath 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.

To assess the School District's overall health, one needs to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of the school buildings and other facilities.

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

Governmental Fund Financial Statements

The Governmental 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. The School 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 that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the Governmental Funds statements provide a detailed short-term view that helps one 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 financial statements, additional information following the Governmental Funds statements explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Our analysis below focuses on the net position (Figure 1) and changes in net position (Figure 2) of the School District's governmental Activities.

Figure 1

Condensed Statement of Net Position	Governmental Activities & Total School District		Total Dollar Change
	2022-2023	2023-2024	2023-2024
Current assets and other assets	$ 13,039,645	$ 13,840,480	$ 800,835
Net capital assets	33,441,562	33,162,583	(278,979)
Total assets	**46,481,207**	**47,003,063**	**521,856**
Pensions	3,951,554	3,015,194	**(936,360)**
OPEB	7,449,159	5,267,637	**(2,181,522)**
Total deferred cash outflows	**11,400,713**	**8,282,831**	**(3,117,882)**
Current liabilities	2,555,218	2,501,436	(53,782)
Noncurrent liabilities	65,820,571	64,817,437	(1,003,134)
Total liabilities	**68,375,789**	**67,318,873**	**(1,056,916)**
Pensions	365,139	623,588	258,449
OPEB	14,681,977	10,244,241	(4,437,736)
Revenues	41,813	41,813	0
Total deferred inflows of resources	**15,088,929**	**10,909,642**	**(4,179,287)**
Invested in capital assets, net of debt	23,996,519	21,830,172	(2,166,347)
Restricted	3,893,561	5,108,794	1,215,233
Unrestricted (deficit)	(53,472,878)	(49,881,587)	3,591,291
Total net position	**$ (25,582,798)**	**$ (22,942,621)**	**$ 2,640,177**

Total assets increased 1.1% in 2023-2024.

Deferred cash outflows decreased 27.3% and deferred cash inflows decreased 27.7%. These are a result of changes in actuarial assumptions related to NYSTRS and NYSLRS pension plans, as well as changes in actuarial assumptions for the other postemployment benefits (OPEB) plan.

Total liabilities decreased by 1.5%. This change stems from decreases in the School District's OPEB liability.

Our analysis in Figure 2 considers the operations of the School District's activities.

Figure 2

Changes in Net Position	***Governmental Activities & Total School District***		***Total Dollar Change***
	2022-2023	***2023-2024***	***2023-2024***
REVENUES			
Program revenues:			
Charges for service	$ 103,185	$ 73,860	$ (29,325)
Operating grants and contributions	5,079,638	2,725,858	(2,353,780)
General revenues:			
Real property taxes	4,615,634	4,721,255	105,621
State and federal sources	16,566,801	17,367,180	800,379
Use of money and property	298,127	451,758	153,631
Other general revenues	382,238	341,393	(40,845)
Total revenues	**27,045,623**	**25,681,304**	**(1,364,319)**
PROGRAM EXPENSES			
General support	2,042,266	2,238,658	196,392
Instruction	11,923,846	12,048,408	124,562
Pupil transportation	1,113,723	1,169,960	56,237
Employee benefits	2,951,041	4,522,426	1,571,385
Debt service	1,042,687	853,168	(189,519)
Depreciation & Amortization	1,377,261	1,481,316	104,055
Scholarships and awards	66,152	7,295	(58,857)
Other expenditures	66,725	108,264	41,539
School lunch program	544,329	611,632	67,303
Total expenses	**21,128,030**	**23,041,127**	**1,913,097**
CHANGE IN NET POSITION	$ **5,917,593**	**$ 2,640,177**	**$ (3,277,416)**

Total revenues for the School District's Governmental Activities decreased by $1,364,319 while total expenditures increased $1,913,097. The decrease in revenue is mostly due to decreases in grants. The increase in program expense is primarily due to benefits.

Figures 3 and 4 show the percentage of sources of revenue for 2023-2024 and 2022-2023.

Figure 3

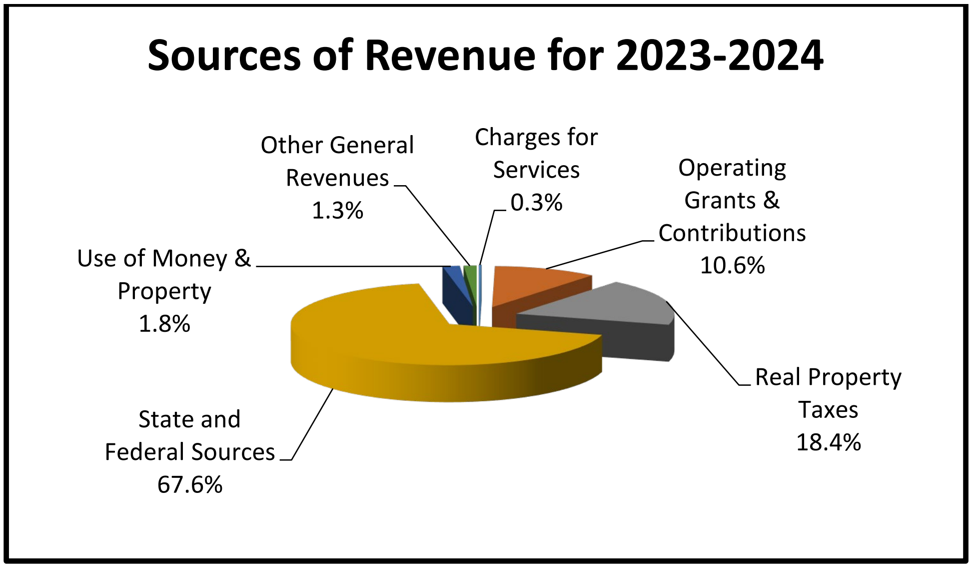
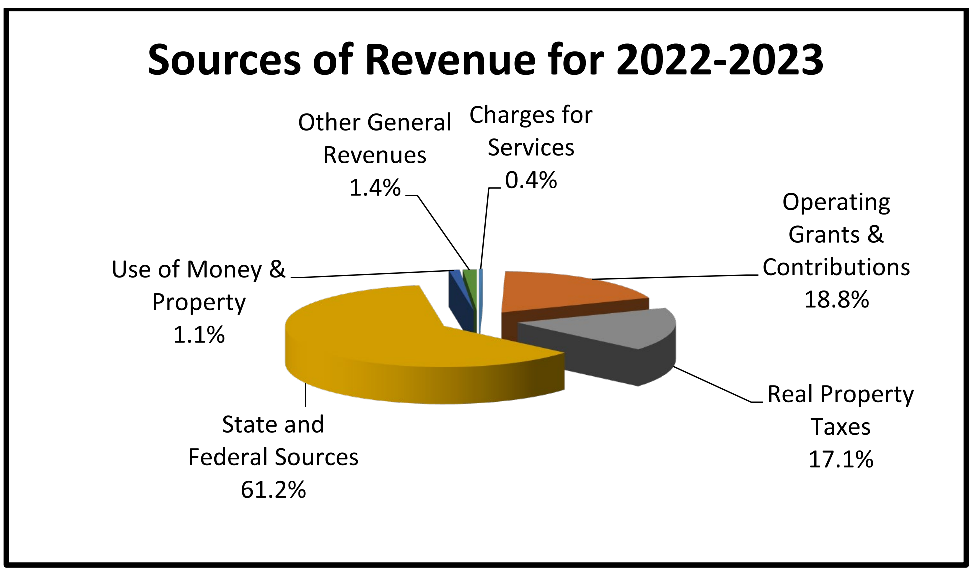


Figure 4



Figures 5 and 6 present the cost for each of the School District's programs for 2023-2024 and 2022-2023.

Figure 5

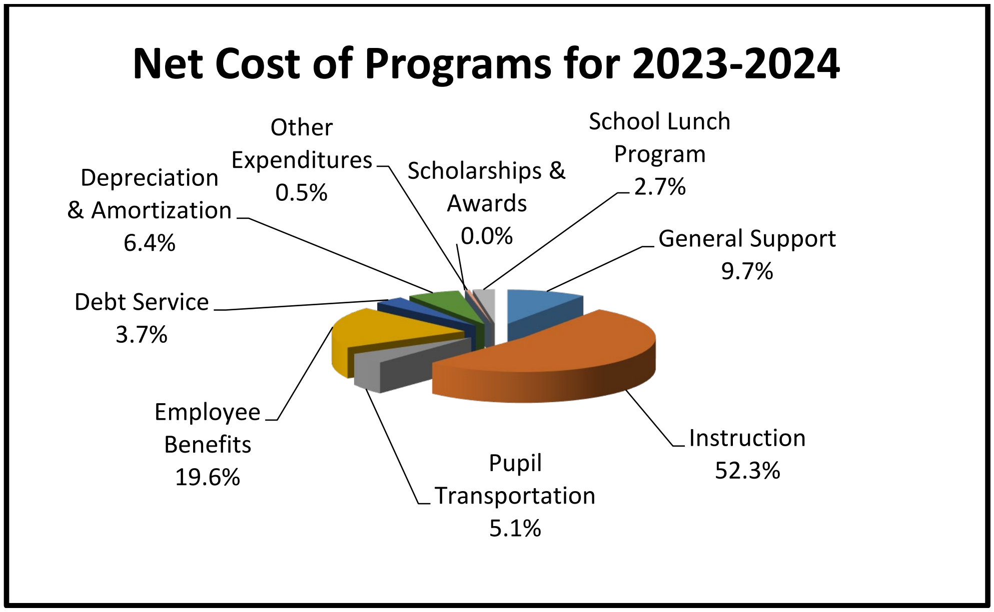
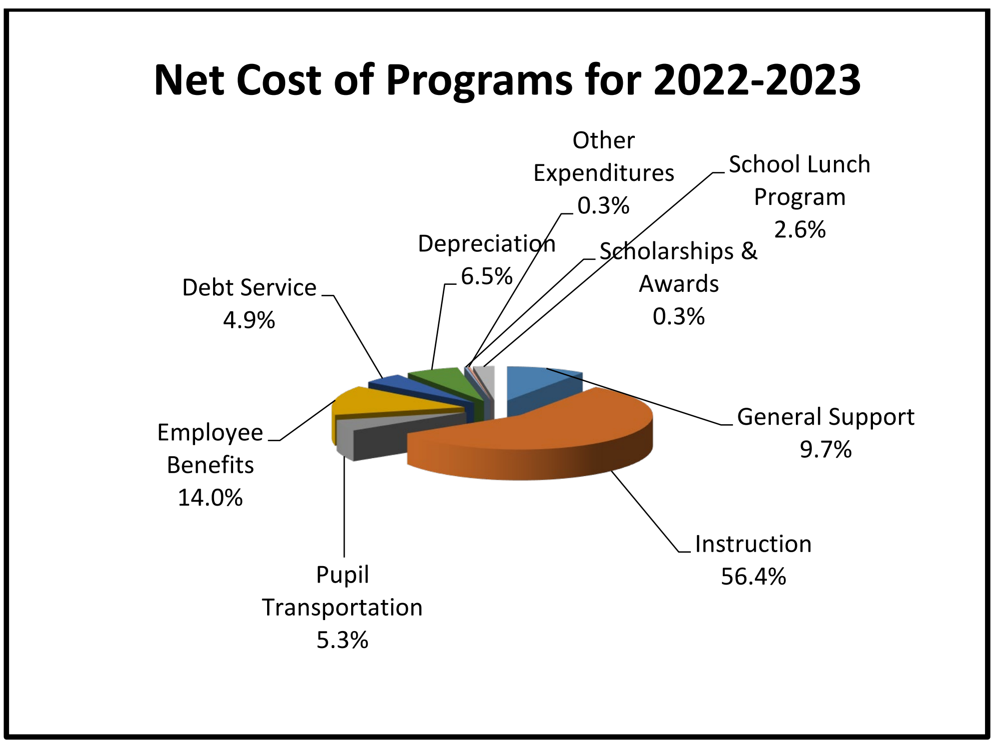


Figure 6



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Figure 7 shows the changes in fund balances for the year for the School District's funds. As the School District completed the year, its Governmental Funds, as presented on the Balance Sheet, reported a combined total fund balance of $11,273,486, compared to last year's total of $10,398,903.

Figure 7

Governmental Fund Balances	***2022-2023***	***2023-2024***	***Total Dollar Change 2023-2024***
General Fund	$ 5,084,087	$ 6,565,150	$ 1,481,063
Special Aid	0	0	0
School Lunch	205,393	151,256	(54,137)
Debt Service	256,645	389,946	133,301
Other Capital Projects	5,639,182	4,638,148	(1,001,034)
Buses	(861,289)	(553,970)	307,319
Misc. Special Revenue	74,885	82,956	8,071
Total Fund Balance	10,398,903	11,273,486	874,583

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was $125,506.66 or 0.5% of total general fund expenditures and may be summarized as follows:

119,929.99	June 30, 2023 Encumbrance Carryover
5,576.67	Use of EBALR for Bucci Settlement- BOE approved 092023
125,506.66	

The District's policy for amending the original budget is as follows:

- Since Section 70.2(k), Commissioner's Regulations, requires the Board to keep the incurred obligations within the amount of the total annual approved appropriations voted or authorized, and since no function or object should be either over-encumbered or over-spent, the Board will authorize the chief school officer each year at the reorganizational meeting to make necessary budget transfers within the monetary limits as established by the Board of Education in accordance with Section 170.2 Commissioner's Regulations.

- Each time the chief school officer approves a transfer of funds, such transfer will be reflected on the budget status report presented to the Board at least on a quarterly basis.

Figure 8 summarizes the original and final budgets, the actual expenditures (including encumbrances), and variances for the year ending June 30, 2024.

Figure 8

Condensed Budgetary Comparison General Fund - 2023-2024	***Original Budget***	***Revised Budget***	***Actual w/ Encumbrances***	***Total Dollar Variance***
REVENUES				
Real property taxes	$ 4,700,324	$ 4,054,013	$ 4,045,521	$ (8,492)
Real property tax items	25,504	671,815	675,734	3,919
State/Federal sources	17,189,460	17,189,460	17,367,180	177,720
All other - other financing sources	603,150	603,150	696,372	93,222
Total Revenues and Other Financing Sources	22,518,438	22,518,438	22,784,807	266,369
Transfer from other funds	0	0	11,938	11,938
Appropriated fund Balance	500,000	500,000	0	(500,000)
Appropriated reserves	119,930	125,507	0	(125,507)
Budget Grand Total	$ 23,138,368	$ 23,143,945	$ 22,796,745	$ (347,200)
EXPENDITURES				
General Support	$ 2,209,856	$ 2,464,166	$ 2,269,988	$ 194,178
Instruction	11,345,254	11,463,215	10,636,805	826,410
Pupil transportation	1,266,688	1,303,305	1,170,118	133,187
Employee benefits	5,338,832	5,033,259	4,619,293	413,966
Debt service	2,712,808	2,741,100	2,741,099	1
Transfers to other funds	145,000	138,900	131,501	7,399
Total Expenditures, and Other Financing Uses	$ 23,018,438	$ 23,143,945	$ 21,568,804	$ 1,575,141

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2024, the School District had invested in a broad range of capital assets. Capital assets showed a net decrease of $278,979 from last year as shown in *Figure 9* below.

Figure 9

Capital Assets (Net of Deprec.)	***Government Activities & Total School District***				
	Beg. Balance 6/30/2023	***Additions***	***Retirements***	***Reclass.***	***End. Balance 6/30/2024***
Land	$ 71,891	$ 0	$ 0	$ 0	$ 71,891
CIP	851,423	1,089,096	0	(94,739)	1,845,780
Buildings	30,593,735	(1,135,246)	0	94,739	29,553,228
Equipment	1,924,513	(232,829)	0		1,691,684
Totals	**$ 33,441,562**	**$ (278,979)**	**$ 0**	**$ 0**	**$ 33,162,583**

Capital asset activity for the year ended June 30, 2024 included the following:

Year to year decrease is attributed to depreciation greater than assets added.

$ 33,162,583	Ending Balance 6/30/2024
33,441,562	Beginning Balance 7/1/2023
$ (278,979)	Year to Year

$ -	Buses
65,491	Tractors (2)
0	
6,228	Misc Additions
$ 71,719	Equipment Additions
1,089,096	Construction Additions, net
$ 1,160,815	**Total Additions**
0	Retirements, net
0	Reclassifications, net
(1,439,794)	Depreciation
$ (278,979)	

Debt Administration

Debt, both short and long-term, considered a liability of Governmental Activities, decreased $1,366,695 in 2023-2024, as shown in *Figure 10.* Total capital indebtedness represented 45% of the constitutional debt limit exclusive of building aid estimates.

Figure 10

Outstanding Debt	**Governmental Activities & Total School District**		**Total Dollar Change**
	2022-2023	**2023-2024**	**2022-2023**
Bond anticipation notes	$ 861,289	$ 1,051,700	$ 190,411
Serial bonds	15,815,000	14,335,000	(1,480,000)
EPC	1,259,228	1,182,122	(77,106)
Totals	**$ 17,935,517**	**$ 16,568,822**	**$ (1,366,695)**

Additional information on the maturities and terms of the School District's outstanding debt can be found in the notes to these financial statements.

The School District's bond rating is A, which remains unchanged from prior year.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

- Harpursville Central School District is pleased with the passage of the 2024-2025 budget of $23,539,855. 147 voters came to the polls and passed the budget with an 85% approval. The budget increased by 2.27% from the previous year. The largest cost drivers to this increase were salary increases per the contracts, benefits, and some significant BOCES increase. The majority of the impact on the BOCES side are related to the special education needs of the district.

- Health Insurance Plan costs continue to be a significant cause for concern. The standard health insurance family plan will be increasing from $34,960 to 37,319. This is an increase of 6.75%. The district is continuing to work with the bargaining units to address this concern for the long-term.

- The school district had worked to lessen the reliance on fund balance and reserves. However, due to shortfalls in projected revenue for the 2024-25 school year, we increased appropriated fund balance to $750,000 from $500,000 and we plan to use an additional $155,000 in other reserves.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Harpursville Central 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, contact the District Office of the Harpursville Central School District, P.O. Box 147, Harpursville, New York 13787.

HARPURSVILLE CENTRAL SCHOOL DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash		
Unrestricted	$ 6,622,551	$ 7,180,398
Restricted	5,098,842	3,889,194
Receivables		
State and Federal aid	1,212,609	982,966
Due from other governments	788,389	849,858
Other	15,214	20,740
Inventories	24,137	24,616
Deferred expenditures	95	-
Capital assets, net	33,162,583	33,441,562
Intangible assets, net	78,643	91,873
Total Assets	$ 47,003,063	$ 46,481,207
Deferred outflows of resources		
Pensions	$ 3,015,194	$ 3,951,554
Other post employment benefits	5,267,637	7,449,159
Total Deferred Outflows of Resources	$ 8,282,831	$ 11,400,713
LIABILITIES		
Payables		
Accounts payable	$ 626,828	$ 827,741
Accrued liabilities	150,378	188,382
Due to other governments	37	35
Due to Teachers' Retirement System	576,169	572,035
Due to Employees' Retirement System	73,387	60,883
Notes payable		
Bond anticipation	1,051,700	861,289
Deferred credits		
Overpayments and collections in advance	1,213	1,849
Unearned revenues	21,724	43,004
Long-term liabilities		
Due and payable within one year		
Bonds payable	1,495,000	1,480,000
Energy performance contracts	78,902	77,106
Compensated absences payable	494,795	295,679
Proportionate share of net pension liability - TRS & ERS	1,150,501	1,745,925
Due and payable after one year		
Other post employment benefits	47,655,019	46,704,739
Bonds payable	12,840,000	14,335,000
Energy performance contracts	1,103,220	1,182,122
Total Liabilities	$ 67,318,873	$ 68,375,789
Deferred inflows of resources		
Pensions	$ 623,588	$ 365,139
Other post employment benefits	10,244,241	14,681,977
State aid	41,813	41,813
Total Deferred Inflows of Resources	$ 10,909,642	$ 15,088,929
NET POSITION		
Investment in capital assets and Investment in intangible assets, net of related debt	$ 21,830,172	$ 23,996,519
Restricted	5,108,794	3,893,561
Unrestricted (deficit)	(49,881,587)	(53,472,878)
Total Net Position	$ (22,942,621)	$ (25,582,798)

See independent auditors' report and notes to financial statements

HARPURSVILLE CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
WITH COMPARATIVE TOTALS FOR 2023

			Program Revenues		Net (Expense) Revenue and Changes in Net Position	
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants	2024	2023
FUNCTIONS/PROGRAMS						
General support	$ (2,238,658)	$ (442,891)	$ -	$ -	$ (2,681,549)	$ (2,349,635)
Instruction	(12,048,408)	(4,937,804)	36,844	1,927,451	(15,021,917)	(11,036,107)
Pupil transportation	(1,169,960)	(506,101)	-	-	(1,676,061)	(1,543,209)
Employee benefits	(4,522,426)	4,522,426	-	-	-	-
Debt service	(853,168)	-	-	-	(853,168)	(1,042,687)
Other expenses	(108,264)	-	-	-	(108,264)	(66,725)
Depreciation	(1,439,794)	1,439,794	-	-	-	-
Amortization	(41,522)	41,522	-	-	-	-
Scholarships and awards	(7,295)	-	-	123,508	116,213	59,043
School food service	(611,632)	(116,946)	37,016	674,899	(16,663)	34,113
Total Functions and Programs	$ (23,041,127)	$ -	$ 73,860	$ 2,725,858	$ (20,241,409)	(15,945,207)
GENERAL REVENUES						
Real property taxes	$ 4,045,521	$ -	$ -	$ -	$ 4,045,521	$ 3,902,868
Other tax items	675,734	-	-	-	675,734	712,766
Use of money and property	451,758	-	-	-	451,758	298,127
Sale of property and compensation for loss	678	-	-	-	678	(45,117)
Miscellaneous	340,715	-	-	-	340,715	427,355
State sources	17,679,373	-	-	(385,973)	17,293,400	16,502,399
Federal sources	2,126,373	-	-	(2,126,373)	-	-
Local sources	213,512	-	-	(213,512)	-	-
Medicaid reimbursement	73,780	-	-	-	73,780	64,402
Total General Revenues	$ 25,607,444	$ -	$ -	$ (2,725,858)	22,881,586	21,862,800
Change in Net Position					2,640,177	5,917,593
Total Net Position (deficit) - Beginning of year, as previously stated					$ (25,582,798)	$ (30,212,720)
Prior period adjustments (note 19)					-	(1,287,671)
Total Net Position (deficit) - Beginning of year, as restated					(25,582,798)	(31,500,391)
Total Net Position (deficit) - End of Year					$ (22,942,621)	$ (25,582,798)

See independent auditors' report and notes to financial statements

HARPURSVILLE CENTRAL SCHOOL DISTRICT
BALANCE SHEETS - GOVERNMENTAL FUNDS
JUNE 30, 2024 WITH COMPARATIVE TOTALS FOR 2023

	Major Funds						Total Governmental Funds	
	General	Buses	Pre Ref Arch & Engineer	ARP Project	Special Aid	Non-Major Funds	2024	2023
ASSETS								
Cash								
Unrestricted	$ 1,318,670	$ 497,730	$ 3,252,202	$ 1,395,898	$ 44,211	$ 113,840	$ 6,622,551	1,376,194
Restricted	4,635,892	-	-	-	-	462,950	5,098,842	9,693,398
Receivables								
Due from other funds	709,652	-	-	-	2,500	9,952	722,104	408,691
State and Federal aid	514,980	-	-	-	622,488	33,328	1,170,796	941,153
Due From other Governments	788,389	-	-	-	-	-	788,389	849,858
Other	10,630	-	-	-	-	4,584	15,214	20,740
Inventories	-	-	-	-	-	24,137	24,137	24,616
Deferred Expenditures	95	-	-	-	-	-	95	-
Total Assets	$ 7,978,308	$ 497,730	$ 3,252,202	$ 1,395,898	$ 669,199	$ 648,791	$ 14,442,128	$ 13,314,650
LIABILITIES								
Payables								
Accounts payable	$ 626,577	$ -	$ -	$ -	$ 163	$ 88	$ 626,828	$ 827,741
Accrued liabilities	53,374	-	-	-	-	293	53,667	98,407
Due to other funds	40,625	-	9,952	-	649,195	22,332	722,104	408,691
Due to other governments	-	-	-	-	-	37	37	35
Due to Teachers' Retirement System	576,169	-	-	-	-	-	576,169	572,035
Due to Employees' Retirement System	73,387	-	-	-	-	-	73,387	60,883
Notes payable								
Bond anticipation	-	1,051,700	-	-	-	-	1,051,700	861,289
Deferred credits							-	-
Overpayments and collections in advance	1,213	-	-	-	-	-	1,213	1,849
Unearned revenue	-	-	-	-	19,841	1,883	21,724	43,004
Total Liabilities	1,371,345	1,051,700	9,952	-	669,199	24,633	3,126,829	2,873,934
Deferred inflows of resources	41,813	-	-		-	-	41,813	41,813
FUND BALANCES								
Non-spendable	95	-	-	-	-	24,137	24,232	24,616
Restricted	4,635,892	-	-	-	-	472,902	5,108,794	3,893,561
Assigned	1,003,122	-	3,242,250	1,395,898	215,394	127,119	5,983,783	6,655,283
Unassigned	926,041	(553,970)	-	-	(215,394)	-	156,677	(174,557)
Total Fund Balances	6,565,150	(553,970)	3,242,250	1,395,898	-	624,158	11,273,486	10,398,903
Total Liabilities and Fund Balances	$ 7,978,308	$ 497,730	$ 3,252,202	$ 1,395,898	$ 669,199	$ 648,791	$ 14,442,128	$ 13,314,650

See independent auditors' report and notes to financial statements

HARPURSVILLE CENTRAL SCHOOL DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND EQUITY - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024
WITH COMPARATIVE TOTALS FOR 2023

	Major						Total Governmental Funds	
	General	Buses	Pre Ref Arch & Engineer	ARP Project	Special Aid	Non-Major Funds	2024	2023
REVENUES								
Real property taxes	$ 4,045,521	$ -	$ -	$ -	$ -	$ -	$ 4,045,521	$ 3,902,868
Other tax items	675,734	-	-	-	-	-	675,734	712,766
Charges for services	36,844	-	-	-	-	-	36,844	67,775
Use of money and property	318,335	-	-	-	-	133,423	451,758	298,127
Sale of property and compensation for loss	678	-	-	-	-	-	678	2,679
Miscellaneous	340,515	-	-	-	-	200	340,715	427,355
State sources	17,293,400	-	-	-	295,367	90,606	17,679,373	16,821,213
Medicaid reimbursement	73,780	-	-	-	-	-	73,780	64,402
Federal sources		-	-	-	1,582,618	511,159	2,093,777	4,547,099
Local sources	-	-	-	-	49,466	164,046	213,512	176,817
Surplus food	-	-	-	-	-	32,596	32,596	36,908
Sales - school lunch	-	-	-	-	-	37,016	37,016	35,410
Total Revenues	22,784,807	-	-	-	1,927,451	969,046	25,681,304	27,093,419
EXPENDITURES								
General support	2,127,967	-	-	-	174,232	-	2,302,199	2,159,011
Instruction	10,557,668	-	-	-	1,496,968	-	12,054,636	12,001,625
Pupil transportation	1,146,029	-	-	-	23,931	-	1,169,960	1,163,091
Employee benefits	4,611,418	-	-	-	263,811	154,630	5,029,859	4,966,121
Debt service								
Principal	1,894,667	-	-	-	-	-	1,894,667	1,767,271
Interest	846,432	-	-	-	-	-	846,432	1,003,586
Cost of sales	-	-	-	-	-	611,632	611,632	549,404
Other expenditures	-	-	-	-	-	108,264	108,264	66,725
Scholarships and awards	-	-	-	-	-	7,295	7,295	66,152
Capital outlay	-	1,950	523,172	477,862	-	88,062	1,091,046	1,423,570
Total Expenditures	21,184,181	1,950	523,172	477,862	1,958,942	969,883	25,115,990	25,166,556
Excess (Deficiency) of Revenues Over Expenditures	1,600,626	(1,950)	(523,172)	(477,862)	(31,491)	(837)	565,314	1,926,863
OTHER FINANCING SOURCES AND USES								
Proceeds from debt	-	309,269	-		-	-	309,269	270,000
Operating transfers in	11,938	-	-	-	31,491	100,010	143,439	6,647,052
Operating transfers (out)	(131,501)	-	-	-	-	(11,938)	(143,439)	(6,647,052)
Total Other Sources (Uses)	(119,563)	309,269	-	-	31,491	88,072	309,269	270,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	1,481,063	307,319	(523,172)	(477,862)	-	87,235	874,583	2,196,863
Fund Balances - Beginning of year	5,084,087	(861,289)	3,765,422	1,873,760	-	536,923	10,398,903	8,202,040
Fund Balances - End of Year	$ 6,565,150	$ (553,970)	$ 3,242,250	$ 1,395,898	$ -	$ 624,158	$ 11,273,486	$ 10,398,903

See independent auditors' report and notes to financial statements

HARPURSVILLE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEETS
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	Total Governmental Funds	Long-Term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash				
Unrestricted	$ 6,622,551	$ -	$ -	$ 6,622,551
Restricted	5,098,842	-	-	5,098,842
Receivables				
Due from other funds	722,104	-	(722,104)	-
State and Federal aid	1,170,796	41,813	-	1,212,609
Due from other governments	788,389	-	-	788,389
Other	15,214	-	-	15,214
Inventories	24,137	-	-	24,137
Deferred expenditures	95	-	-	95
Capital assets, net	-	33,162,583	-	33,162,583
Intangible assets, net	-	78,643	-	78,643
Total Assets	$ 14,442,128	$ 33,283,039	$ (722,104)	$ 47,003,063
Deferred Outflows of Resources				
Pensions	$ -	$ 3,015,194	$ -	$ 3,015,194
OPEB	-	5,267,637	-	5,267,637
Total Deferred Outflows of Resources	-	8,282,831	-	8,282,831
LIABILITIES				
Payables				
Accounts payable	626,828	-	-	626,828
Accrued liabilities	53,667	96,711	-	150,378
Due to other funds	722,104	-	(722,104)	-
Due to other governments	37	-	-	37
Due to Teachers' Retirement System	576,169	-	-	576,169
Due to Employees' Retirement System	73,387	-	-	73,387
Due and payable within one year				
Bonds Payable	-	1,495,000	-	1,495,000
Energy performance contracts	-	78,902	-	78,902
Notes payable				
Bond anticipation	1,051,700	-	-	1,051,700
Deferred credits				
Overpayments and collections in advance	1,213	-	-	1,213
Unearned revenues	21,724	-	-	21,724
Long-term liabilities				
Due and payable after one year				
Proportionate share of net pension liability - TRS & ERS	-	1,150,501	-	1,150,501
Bonds payable	-	12,840,000	-	12,840,000
Energy performance contracts	-	1,103,220	-	1,103,220
Other post employment benefits	-	47,655,019	-	47,655,019
Compensated absences payable	-	494,795	-	494,795
Total Liabilities	3,126,829	64,914,148	(722,104)	67,318,873
Deferred Inflows of Resources				
Pensions	$ -	$ 623,588	$ -	$ 623,588
OPEB	-	10,244,241	-	10,244,241
State aid	41,813	-	-	41,813
Total Deferred Inflows of Resources	41,813	10,867,829	-	10,909,642
FUND EQUITY\NET POSITION				
Investment in capital assets, net of related debt	-	17,724,104	-	17,724,104
FUND BALANCES				
Non-spendable	24,232	-	-	24,232
Restricted	5,108,794	-	-	5,108,794
Assigned	5,983,783	-	-	5,983,783
Unassigned	156,677	(51,940,211)	-	(51,783,534)
Total Net Position	$ 11,273,486	$ (34,216,107)	$ -	$ (22,942,621)

See independent auditors' report and notes to financial statements

HARPURSVILLE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY TO THE STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-Term Debt Transactions	Statement of Activities Totals
REVENUES					
Real property taxes	$ 4,045,521	$ -	$ -	$ -	$ 4,045,521
Other tax items	675,734	-	-	-	675,734
Charges for services	36,844	-	-	-	36,844
Use of money and property	451,758	-	-	-	451,758
Sale of property and compensation for loss	678	-	-	-	678
Miscellaneous	340,715	-	-	-	340,715
State sources	17,679,373	-	-	-	17,679,373
Medicaid reimbursement	73,780	-	-	-	73,780
Federal sources	2,093,777	-	-	-	2,093,777
Local sources	213,512	-	-	-	213,512
Surplus food	32,596	-	-	-	32,596
Sales - school lunch	37,016	-	-	-	37,016
Total Revenues	25,681,304	-	-	-	25,681,304
EXPENDITURES\EXPENSES					
General support	2,302,199	-	(63,541)	-	2,238,658
Instruction	12,054,636	-	(6,228)	-	12,048,408
Pupil transportation	1,169,960	-	-	-	1,169,960
Employee benefits	5,029,859	(507,433)	-	-	4,522,426
Debt service					
Principal	1,894,667	-	-	(1,894,667)	-
Interest	846,432	-	-	6,736	853,168
Cost of sales	611,632	-	-	-	611,632
Other expenditures	108,264	-	-	-	108,264
Scholarships and awards	7,295	-	-	-	7,295
Depreciation	-	-	1,439,794	-	1,439,794
Amortization	-	-	41,522	-	41,522
Capital outlay	1,091,046	-	(1,091,046)	-	-
Total Expenditures	25,115,990	(507,433)	320,501	(1,887,931)	23,041,127
Excess (Deficiency) of Revenues Over Expenditures	565,314	507,433	(320,501)	1,887,931	2,640,177
OTHER SOURCES AND USES					
Proceeds from debt	309,269	-	-	(309,269)	-
Operating transfers in	143,439	-	-	-	143,439
Operating transfers (out)	(143,439)	-	-	-	(143,439)
Total Other Sources (Uses)	309,269	-	-	(309,269)	-
Net Change for the Year	$ 874,583	$ 507,433	$ (320,501)	$ 1,578,662	$ 2,640,177

NOTE 1: SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*, GASB 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB No. 14 and No. 39*, *GASB Statement 80 - Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14, GASB No. 84 Fiduciary Activities*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and its component unit. 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 applications of these criteria, the following is a brief description of certain entities included in the District's reporting entity.

i) The Extraclassroom Activity Funds

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

B) Joint venture:

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

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 $4,945,114 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $2,093,645.

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

C) Basis of presentation:

i) District-wide statements:

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

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

ii) Fund financial statements:

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

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.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

Special Revenue 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, child nutrition and school store operations or 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. The Special Revenue Funds classified as major are:

- Special Aid Funds: Used to account for special operating projects or programs supported in whole, or in part, with federal funds or state or Local grants.

The District reports the following non-major governmental funds:

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

Special Revenue Funds:

- School Food Service Fund: Used to account for transactions of the lunch, breakfast and milk programs.

- Miscellaneous Special Revenue Fund: Food Service Fund: Used to account for and report those revenues that are restricted or committed to expenditures for specified purposes. Extraclassroom Activities are included in this fund. Extraclassroom funds are operated by and for the students of the District. The Board 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. Scholarships are also included in the miscellaneous special revenue fund. Scholarship funds are collected that benefit annual third-party awards and scholarships for students.

Capital Projects Fund: Remaining capital projects not classified as a major governmental fund.

D) Measurement focus and basis of accounting:

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

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, 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 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 ninety (90) days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for the 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, 2023 through March 31, 2024.

Uncollected real property taxes are subsequently enforced by the Counties in which the District is located. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1.

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 expenditures and revenues to provide financing or other services.

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures 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 capital assets, intangible lease assets and intangible subscription 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.

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.

K) Inventories and prepaid items:

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

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

A reserve for those non-liquid assets (inventory and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

L) Other assets/restricted assets:

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

In the district-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

M) Capital assets:

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2005. For assets acquired prior to June 30, 2005 estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 5,000	SL	40
Building improvements	5,000	SL	25
Site improvements	5,000	SL	25
Furniture and equipment	5,000	SL	5-15

N) Intangible lease and subscription assets:

Intangible lease and subscription assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease or subscription agreement, or if not readily determinable, the District's estimated incremental borrowing rate. The intangible lease and subscription assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Capitalization thresholds (the dollar value above which intangible lease and subscription asset acquisitions are added to the intangible lease and subscription asset accounts), amortization methods, and estimated useful lives of intangible lease and subscription assets reported in the District-wide Financial Statements follow the same thresholds as noted for capital assets. See Note 7 for further detail.

O) Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be reciprocated as an outflow of resources (expense/expenditures) until then. If applicable, the government has four items that qualify for reporting in this category.

First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on funding and its reacquisition price, results from the difference in the carrying value of refunded or refunding debt. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. 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 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 third is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The fourth 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 will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and 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. 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 position liability (ERS System) and difference during the measurement periods between the District's contributions and its proportional 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 reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

P) Pension Obligations:

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS) (the Systems).

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 Statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). 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. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent 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 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

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

	ERS	TRS
2023-2024	$231,531	$526,463
2022-2023	204,364	501,420
2021-2022	246,854	505,375

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

Pension 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, 2023 for ERS and June 30, 2022 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.

	ERS	TRS
Actuarial valuation date	4-1-23	6-30-22
Net pension (asset)/liability	$833,709	$316,792
District's portion of the Plan's total net pension (asset)/liability	0.0056622%	0.027702%

For the year ended June 30, 2024, the District recognized its proportionate share of pension expense of $370,134 for ERS and the actuarial value $1,001,594 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:

	Deferred outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 268,537	$ 768,137	$ 22,733	$ 1,898
Changes of assumptions	315,207	682,044	-	148,648
Net difference between projected and actual earnings on pension plan investments	-	161,938	407,262	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	67,760	161,800	28,093	14,954
District's contributions subsequent to the measurement date	73,387	516,384	-	-
Total	$ 724,891	$ 2,290,303	$ 458,088	$ 165,500

District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset)/liability in the year ended March 31, 2025 for ERS and June 30, 2024 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:

	NYSERS	**NYSTRS**
Year ended:		
2024	-	$ 197,205
2025	$(147,742)	(126,845)
2026	170,516	1,289,234
2027	256,510	107,638
2028	(85,869)	87,080
2029	-	-
Thereafter	-	54,107

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 valuation used the following actuarial assumptions:

	ERS	TRS
Measurement date	03-31-24	06-30-23
Actuarial valuation date	04-01-23	06-30-22
Interest rate	5.9%	6.95%
Salary Scale	4.4%	2.40%
Decrement tables	Based on FY 2016-2020 experience	Based on 2015-2020 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 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on July 1, 2015 - June 30, 2020, System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-21.

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

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected 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 the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

ERS	Target Allocation 2024	Long-term expected Real rate of return* 2024
Asset Class:		
Domestic equities	32.00%	4.00%
International equities	15.00%	6.65%
Private Equity	10.00%	7.25%
Real estate	9.00%	4.60%
Opportunistic/Absolute return strategies	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	3.00%	5.79%
Fixed income	23.00%	1.50%
Cash	1.00%	0.25%
Total	100.00%	

* Real rate of return are net of the long-term inflation assumption of 2.9% for 2024

TRS	Target Allocation 2023	Long-term expected Real rate of return** 2023
Asset Class:		
Domestic equities	33.00%	6.80%
International equities	15.00%	7.60%
Global equities	4.00%	7.20%
Real estate	11.00%	6.30%
Private equities	9.00%	10.10%
Domestic fixed income	16.00%	2.20%
Global bonds	2.00%	1.60%
Private debt	2.00%	6.00%
Real estate debt	6.00%	3.20%
High-yield bonds	1.00%	4.40%
Cash equivalents	1.00%	0.30%
Total	100.00%	

** Real rates of return are net of pension plan investment expenses and long-term

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 determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (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 as of June 30, 2023 calculated using the discount rate of 5.90% 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 (4.90% for ERS and 5.95% for TRS) or 1-percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension (asset)/liability	$ 2,621,266	$ 833,709	$ (659,272)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension (asset)/liability	$ 4,824,906	$ 316,792	$ (3,474,727)

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension (asset)/liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2024, is $370,134 for ERS and $1,001,594 for TRS.

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024, represent the projected employer contribution for the period of April 1, 2023, 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 $73,387.

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 amounted to $576,169.

Q) Unearned credits:

The District reports unearned credits on its statement of net position and its balance sheet. On the statement of net position, unearned credits arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

Statute provides the authority for the District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year, rather than when measurable and available. Many unearned revenues recorded in governmental funds are not recorded in the District-wide statements.

R) Vested employee benefits:

Compensated absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time:

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, certain 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.

S) Other benefits:

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code §403(b) and 457.

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 District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

T) Short-term debt:

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually 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 (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

U) 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 full, in a timely manner, from current financial resources. Claims and judgments, other post-employment benefits 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.

V) Equity classifications:

District-wide statements:

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

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) and intangible lease and subscription assets (present value of future payments remaining on the term less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, constructions, or improvements of those assets.

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.

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:

Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balances include deferred expenditures in the General Fund of $0 and the inventory recorded in the School Food Service Fund of $24,137.

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. The District has established the following restricted fund balances:

Debt Service Reserve Fund

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

Capital Reserve Fund

Capital Reserve (Education Law §3651) is 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.

Unemployment Insurance Payment Reserve Fund

According to General Municipal Law §6-m, all expenditures made from the unemployment insurance payment reserve fund must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability Reserve Fund

According to General Municipal Law §6-p, expenditures made form the employee benefit accrued liability reserve fund 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. This reserve is accounted for in the General Fund.

Insurance Reserve Fund

According to General Municipal Law §6-n, all expenditures made from the insurance reserve fund must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the General Fund.

Repair Reserve Fund

According to General Municipal Law §6-d, expenditures made from the repair reserve fund must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

Retirement Contributions Reserve Fund

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

Encumbrances

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

Restricted fund balance includes the following:

General Fund	
Capital Reserve	$ 1,166,481
Employee Benefits and Accrued Liabilities	1,060,315
Retirement Contributions	1,394,889
Unemployment Insurance	225,460
Retirement Contribution – Sub Fund	511,441
Reserve for Repairs	221,845
Insurance Reserve	55,461
Total General Fund	4,635,892
Capital Fund*	$ -
Debt Service Fund*	389,946
Miscellaneous Special Revenue Funds	82,956
School Food Service Fund*	-
Total restricted funds	$ 5,108,794

*includes remaining fund balance in these funds not otherwise classified as nonspendable, committed or assigned.

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

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.

All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to $253,122. Appropriated fund balance in the General Fund amounted to $1,003,122. Any remaining fund balance in other funds is considered assigned. As of June 30, 2024, the District's General Fund encumbrances were classified as follows:

General support	$ 142,021
Instruction	79,137
Pupil Transportation	24,089
Employee Benefits	7,875
Total	$ 253,122

Unassigned – Includes all other General Fund net assets that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District and could report a surplus or deficit. In funds other than 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 a school district can retain to no more than 4% of the School District's budget for the ensuing fiscal year. Non-spendable 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.

Net Position/Fund Balance

Net Position Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Balance Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

Order of Use of Fund Balance:

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

W) Implementation of New Accounting Standards

The District has adopted and implemented the following (all) current Statements of the Governmental Accounting Standards Board (GASB) that are applicable.

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections*. This statement provides clarification and guidance for accounting and financial reporting related to accounting changes and error corrections ("ACEC"). GASB 100 also addresses disclosure requirements for ACEC, and how these items should be presented in Required Supplementary Information and Supplementary Information. The requirements of this statement are effective for ACECs made for fiscal year ending June 30, 2024.

For the fiscal year ended June 30, 2024, the District adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*; however, there were not accounting changes nor error corrections during the year ended. The District will continue to assess the requirements under this pronouncement and apply to accounting and reporting requirements going forward.

X) Future Changes in Accounting Standards

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025. This Statement requires that a liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave – not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

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.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement then 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 governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

A) Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, 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 governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. The amounts shown below represent:

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 revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

ii) Capital related differences:

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

iii) Long-term debt transaction differences:

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

iv) Pension differences:

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

v) OPEB differences:

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

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

Budgets

The District administration prepares a 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) that 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. The following supplemental appropriations occurred during the year:

Carryover Encumbrances	$119,930
Use of Reserves	5,577

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

General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2024.

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 reservations 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.

NOTE 4: CASH (AND CASH EQUIVALENTS) - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE:

Cash

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statues 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	$ -
Collateralized with securities held by the financial Institution, or its trust department or agent, but not in the District's name	$7,238,877

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 $4,635,892 restricted for various fund balance reserves in the General Fund, $379,994 for debt service, $68,772 restricted for Extraclassroom, $4,175 for miscellaneous special revenue funds, and $10,009 restricted for scholarships in the miscellaneous special revenue funds.

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2024 all deposits were fully insured and collateralized by the District's agent in the District's name.

Investment and Deposit Policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, State and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the District.

Credit Risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting Harpursville Central School District may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

NOTE 5: RECEIVABLES:

Receivables at year-end for individual major funds and non-major funds.

	Governmental Activities			
Description	General	Special Aid	Non-Major	Total
Accounts Receivable	$ 10,630	$ -	$ 4,584	$ 15,214
Taxes Receivable	-	-	-	-
Due from State and Federal	514,980	622,488	33,328	1,170,796
Due from Other Governments	788,389	-	-	788,389
Total	$ 1,313,999	$ 622,488	$ 37,912	$ 1,974,399

District Management has deemed the amounts to be fully collectible.

NOTE 6: CAPITAL ASSETS:

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

	Beginning Balance	Additions	Retirements	Reclass	Ending Balance
Governmental Activities:					
Capital assets that are not depreciated:					
Land	$ 71,891	$ -	$ -	$ -	$ 71,891
Construction in progress	851,423	1,089,096	-	(94,739)	1,845,780
Total non-depreciable historical cost	923,314	1,089,096	-	(94,739)	1,917,671
Capital assets that are depreciated:					
Buildings	45,920,433	-	-	94,739	46,015,172
Furniture and equipment	3,729,921	71,719	-	-	3,801,640
Total depreciable historical cost	49,650,354	71,719	-	94,739	49,816,812
Total non-depreciable and depreciable costs	50,573,668	1,160,815	-	-	51,734,483
Less accumulated depreciation:					
Buildings	(15,326,698)	(1,135,246)	-	-	(16,461,944)
Furniture and equipment	(1,805,408)	(304,548)	-	-	(2,109,956)
Total accumulated depreciation	(17,132,106)	(1,439,794)	-	-	(18,571,900)
Total capital assets	$ 33,441,562	$ (278,979)	$ -	$ -	$ 33,162,583

Depreciation expense was charged to governmental functions as follows:

General Support	$ (39,195)
Instruction	(1,153,818)
Pupil Transportation	(230,568)
Cost of Goods Sold	(16,213)
	$ (1,439,794)

NOTE 7: RIGHT TO USE ASSETS/INTANGIBLE ASSETS:

The District records right to use lease assets/intangible assets as a result of GASB Statement No. 87, *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease. As of June 30, 2024, the District did not have any arrangements that meet the definition of a lease. If there were any related lease liabilities, the would be described in the Long-Term Obligations section at Note 9.

The District only has one-time arrangements referred to as BOCES leases. These "one-time BOCES" arrangements, are contacts to use multiple pieces of equipment over a 5 year period. These equipment items revert back to BOCES after the term ends. The District makes one purchase per year and amortizes the equipment over 5 years. There are no additional payments over term. The equipment is recognized as an intangible asset and amortized on a straight-line basis over 5 years.

Intangible assets for the District for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Adjustments	Ending Balance
Intangible assets:				
BOCES equipment	$ 215,785	$ 28,292	$ -	$ 244,077
Total intangible assets	215,785	28,292	-	244,077
Less accumulated amortization:				
BOCES equipment	$ (123,912)	$ (41,522)	$ -	$ (165,434)
Total accumulated amortizatic	(123,912)	(41,522)	-	(165,434)
Intangible assets, net	$ 91,873	$ (13,230)	$ -	$ 78,643

NOTE 8: SHORT-TERM DEBT:

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

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	8/15/2024	4.00%	$ -	$ 1,051,700	$ -	$ 1,051,700
BAN	8/17/2023	3.25%	861,289	-	861,289	-
			$ 861,289	$ 1,051,700	$ 861,289	$ 1,051,700

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

Interest paid	$ 27,992
Less interest accrued in prior year	(24,311)
Plus interest accrued in current year	36,766
	$ 40,447

The following is a summary of changes in short-term debt for the year ended June 30, 2024

Balance, July 1	$ 861,289
Increases	1,051,700
Decreases	(861,289)
Balance June 30	$ 1,051,700

NOTE 9: LONG-TERM OBLIGATIONS:

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

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.

These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Funds' future budgets for capital indebtedness.

Energy Performance Contract (EPC)

An agreement was executed on July 22, 2021, to acquire various equipment related to energy conservation and requires 15 annual payments of $106,446. There are no variable payment components of the agreement. The contract liability is measured at a discount rate of 2.33%, which is the stated rate in the agreement. The liability balance was $1,182,122 as of June 30, 2024.

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds payable	$ 15,815,000	$ -	$ (1,480,000)	$ 14,335,000	$ 1,495,000
Total bonds payable	15,815,000	-	(1,480,000)	14,335,000	1,495,000
Other liabilities:					
Energy performance contracts	$ 1,259,228	$ -	$ (77,106)	$ 1,182,122	$ 78,902
Compensated absences	295,679	199,116	-	494,795	-
Other postemployment benefits payable	46,704,739	950,280	-	47,655,019	-
Net pension liability - TRS & ERS	1,745,925	-	(595,424)	1,150,501	-
Total other liabilities	50,005,571	1,149,396	(672,530)	50,482,437	78,902
Total long-term liabilities	$ 65,820,571	$ 1,149,396	$ (2,152,530)	$ 64,817,437	$ 1,573,902

The following is a summary of outstanding bonds as of June 30, 2024:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at year end
Serial Bonds	2011	2025	2.00-4.25%	$ 80,000
Serial Bonds	2018	2031	5.00%	7,435,000
Serial Bonds	2022	2036	5.00%	6,820,000
				$ 14,335,000

The following is a summary of debt service requirements for bonds payable:

Fiscal year ended: June 30,	Principal	Interest	Total
2025	$ 1,495,000	$ 716,150	$ 2,211,150
2026	1,490,000	642,000	2,132,000
2027	1,555,000	555,750	2,110,750
2028	1,635,000	489,750	2,124,750
2029	1,720,000	408,000	2,128,000
2030-2034	5,010,000	962,000	5,972,000
2035-2036	1,430,000	108,000	1,538,000
	$ 14,335,000	$ 3,881,650	$ 18,216,650

Interest on long-term debt for the year consisted of:

Interest paid	$	818,440
Less: interest accrued in the prior year		(65,664)
Plus interest accrued in the current year		59,945
Total interest expense	$	812,721

The following is a summary of outstanding contracts as of June 30, 2024:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at year end
Energy performance contract	2021	2036	2.33%	$ 1,182,122

The following is a summary of debt service requirements for energy performance contracts:

Fiscal year ended: June 30,	Principal	Interest	Total
2025	$ 78,902	$ 27,543	$ 106,445
2026	80,741	25,705	106,446
2027	82,622	23,834	106,456
2028	84,547	21,899	106,446
2029	86,517	19,929	106,446
2030-2034	463,780	68,450	532,230
2035-2037	305,013	14,323	319,336
	$ 1,182,122	$ 201,683	$ 1,383,805

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

NOTE 10: INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

Interfund transactions and balances are as follows:

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.

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
Governmental Funds				
General	$ 709,652	$ 40,625	$ 11,938	$ 131,501
Special Aid	2,500	649,195	31,491	-
School Food Service	-	3,099	10	-
Miscellaneous Special Revenue	-	7,295	-	-
Capital Projects	-	21,890	100,000	11,938
Debt Service	9,952	-	-	-
Total Governmental Funds	$ 722,104	$ 722,104	$ 143,439	$ 143,439

During the year ended June 30, 2024, the General Fund transferred $100,000 to the Capital Projects Fund for various capital projects. The General Fund also made a transfer of $31,491 to the Special Aid Fund for the District's share of the special education summer school programs its students attended and to fund the local share of the Section 4408, Summer School Handicapped Program. Further the General Fund transferred to the School Food Service fund a transfer of $10 to support operations for the 2023-2024. Lastly, there was a transfer from the Capital Projects Fund to the General Fund of $11,938.

NOTE 11: PENSION PLANS:

General information:

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). 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. See Note 1(O) – Summary of Significant Accounting Policies for further plan details.

NOTE 12: UNRESTRICTED NET POSITION:

Unrestricted net position in the general fund consists of the following at June 30, 2024:

Designated for subsequent year's expenditures	$ 750,000
Reserve for encumbrances	253,122
Unreserved	926,041
Total unrestricted net position general fund	$1,929,163

NOTE 13: POST-EMPLOYMENT BENEFITS OBLIGATION PAYABLE:

Plan description

The District administers a defined benefit OPEB plan that provides OPEB for permanent full-time general and public safety 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. During the year ended June 30, 2024 approximately $1,533,059 was paid on behalf of 118 retirees.

Benefits Provided

The District provides for continuation of healthcare and life insurance benefits for certain retirees, their spouses, 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	118
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	131
Total	249

Net OPEB Liability

The District's total OPEB liability of $47,655,019 was measured as of July 1, 2023; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability at June 30, 2024 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.25 percent, average, including inflation
Discount rate	3.65 percent
Healthcare cost trend rates	7.8 percent to 3.94 percent over 69 years

The discount rate was based on the 20-year high -quality tax-exempt municipal bond index as of the measurement date.

Mortality rates were based on the PUB-2010 Mortality Table for employees and healthy retirees: sex distinct, job-category specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

Retirement participation rate assumed that 100% of eligible Teachers and Instructional Administrators and 100% of participants other than Teachers and Instructional Administrators will elect medical coverage at retirement age, and 85% of active member's spouses will elect medical coverage. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System (TRS) and the New York State and Local Retirement System (ERS). The rates for TRS rates are tiered based on the experience study released by the Office of the Actuary and published in their October 19, 2021 report. The rates for ERS are based on the experience study released by the Retirement Systems Actuary and published in their August 2020 report.

Changes in the total OPEB Liability

Balance at July 1, 2022	$46,704,739
Changes for the Year-	
Service cost	1,623,019
Interest cost	1,683,668
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(823,348)
Benefit payments	(1,533,059)
Net changes	950,280
Balance at July 1, 2023	$47,655,019

Changes of assumptions and other inputs reflects a change in the discount rate from 3.54 percent on July 1, 2022 to 3.65 percent on July 1, 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	$55,974,687	$47,655,019	$41,036,441

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$40,043,116	$47,655,019	$57,526,986

OPEB Expense (Credit) 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 (credit) of $320,078. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$6,975,723
Changes of assumptions or other inputs	3,641,625	3,268,518
Employer Contributions subsequent to the measurement date	1,626,012	-
Total	$ 5,267,637	$ 10,244,241

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

Fiscal Year Ending June 30,	Amount
2025	$(1,651,673)
2026	(1,799,935)
2027	(1,791,496)
2028	(1,264,789)
2029	(94,723)
2030 and thereafter	-

NOTE 14: RISK MANAGEMENT:

General

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

Health Insurance

The District participates in the Broome-Tioga, Delaware Health Insurance, a non-consortium-risk-retained public Harpursville Central School District risk pools for its employee health and accident insurance coverage. The pool is operated for the benefit of seventeen individual governmental units located within the pool's geographic area and is considered a self-sustaining risk pool that will provide coverage for its members up to $1,000,000 per insured event. The pool obtains independent coverage for insured events in excess of the $1,000,000 limit, and the District has essentially transferred all related risk to the pool.

Portions of fund balances are reserved and not available for current expenses or expenditures, as reported in the Governmental Funds Balance Sheet.

NOTE 15: FUND BALANCES:

Portions of fund balances are reserved and not available for current expenses or expenditures, as reported in the Governmental Funds Balance Sheet.

NOTE 16: CONTINGENCIES AND COMMITMENTS:

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

Several tax certiorari actions are pending against the District for reductions in the assessment value of various properties. Management believes that the likelihood of a reduction is probable. Provisions for losses for those cases are recorded as long-term liabilities. The District plans on funding any settlements from the Tax Certiorari Reserve, and/or future appropriations.

NOTE 17: DONOR-RESTRICTED FUNDS:

The District administers funds, which are restricted by the donor for the purposes of scholarships. The value of donor-restricted funds that are available for authorization for expenditure by the District is $10,009.

The District authorizes expenditures from donor-restricted funds in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

NOTE 18: TAX ABATEMENTS:

The County of Broome entered into a property tax abatement program for the purpose of economic development. The School District property tax revenue was reduced by $9,049. The District received payment in lieu of tax (PILOT) payments totaling $12,655.

NOTE 19: PRIOR PERIOD ADJUSTMENT:

The District previously classified an Energy Performance Contract as a Right to Use Asset under *GASB 87*. Upon further examination, the District felt that is was not a Right to Use asset as the assets acquired under this contract became an integral part of the buildings, and therefore, could not be returned at the end of the contract. The District did not account for a lease of equipment acquired on July 1, 2021 in the prior year's Right to Use Assets. The combination of these two changes resulted in a prior period adjustment of $1,287,671 during the year ended June 30, 2023.

NOTE 20: SUBSEQUENT EVENTS:

The District has evaluated events through October 9, 2024, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. No significant matters were noted during the above period.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN OPEB LIABILITY,
SCHEDULE OF DISTRICT'S CONTRIBUTIONS-NYSLRS,
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/ (ASSET)–NYSLRS PENSION PLAN,
SCHEDULE OF DISTRICT'S CONTRIBUTIONS-NYSTRS,
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)-NYSTRS PENSION PLAN,
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND

AND

SUPPLEMENTARY INFORMATION

HARPURSVILLE CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
LAST SEVEN FISCAL YEARS
JUNE 30, 2024

	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	$ 2,722,875	$ 2,090,295	$ 1,578,320	$ 1,560,967	$ 2,054,383	$ 2,014,044	$ 1,623,019
Interest	1,783,588	2,059,236	1,880,365	1,813,130	1,183,118	1,197,682	1,683,668
Changes of benefit terms	-	(2,401,551)	(27,846)	(203,921)	-	-	-
Difference between expected and actual experience	-	(1,520,645)	-	(11,192,620)	-	(5,716,691)	-
Changes of assumptions	(7,932,195)	(6,854,802)	1,442,944	10,785,047	650,622	(4,010,563)	(823,348)
Benefit payments	(1,298,781)	(1,346,648)	(1,600,005)	(1,681,909)	(1,368,035)	(1,464,212)	(1,533,059)
Net change in total OPEB liability	(4,724,513)	(7,974,115)	3,273,778	1,080,694	2,520,088	(7,979,740)	950,280
Total OPEB liability - beginning	60,508,547	55,784,034	47,809,919	51,083,697	52,164,391	54,684,479	46,704,739
Total OPEB liability - ending	$ 55,784,034	$ 47,809,919	$ 51,083,697	$ 52,164,391	$ 54,684,479	$ 46,704,739	$ 47,655,019
Covered payroll	$ 6,391,007	$ 7,074,347	$ 7,233,967	$ 6,935,923	$ 7,535,240	$ 7,535,240	$ 7,886,062
Total OPEB liability as a % of covered payroll	872.85%	675.82%	706.16%	752.09%	725.72%	619.82%	604.29%

See paragraph on supplementary schedules included in independent auditors' report

HARPURSVILLE CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
NYSLRS PENSION PLAN
LAST TEN FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 227,867	$ 230,809	$ 241,927	$ 224,295	$ 205,911	$ 220,154	$ 235,732	$ 246,854	$ 204,298	$ 231,531
Contributions in relation to the contractually required contributions	227,867	230,809	241,927	224,295	205,911	220,154	235,732	246,854	204,298	231,531
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered - employee payroll	1,503,094	1,448,495	1,518,423	1,636,271	1,646,718	1,579,460	1,586,220	1,721,329	1,925,829	2,039,370
Contributions as a percentage of covered-employee payroll	15.73%	15.20%	14.69%	13.73%	13.04%	13.84%	14.86%	14.34%	10.61%	11.35%

HARPURSVILLE CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
NYSLRS PENSION PLAN
LAST TEN FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension (asset)/ liability	0.0100000%	0.0059731%	0.0061781%	0.0056277%	0.0053478%	0.0057388%	0.0053084%	0.0048257%	0.0055573%	0.0056622%
District's proportionate share of the net pension (asset)/ liability	$ 172,174	$ 958,704	$ 580,512	$ 181,631	$ 378,907	$ 1,519,678	$ 5,286	$ (394,484)	$ 1,191,710	$ 833,709
District's covered - employee payroll	1503094	1,448,495	1,518,423	1,636,271	1,646,718	1,579,460	1,586,220	1,721,329	1,925,829	2,039,370
District's proportionate share of the net pension (asset)/ liability as a percentage of its covered - employee payroll	11.45%	66.19%	38.23%	11.10%	23.01%	96.22%	0.33%	-22.92%	61.88%	40.88%
Plan fiduciary net position as a percentage of the total pension (asset)/ liability	111.60%	92.90%	94.70%	98.24%	96.27%	86.39%	99.95%	103.65%	90.78%	93.88%

HARPURSVILLE CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
NYSTRS PENSION PLAN
LAST TEN FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	$ 890,572	$ 1,112,189	$ 802,284	$ 647,721	$ 484,467	$ 514,503	$ 433,326	$ 472,028	$ 501,421	$ 526,463
Contributions in relation to the contractually required contribution	890,572	1,112,189	802,284	647,721	484,467	514,503	433,326	472,028	501,421	526,463
Contribution deficiency (excess)	-	-	-	-	-	-	-			
District's covered - employee payroll	6,738,571	6,306,043	5,623,034	5,317,647	5,133,224	4,891,101	4,953,205	5,121,627	5,050,199	5,290,819
Contributions as a percentage of covered -employee payroll	13.22%	17.64%	14.27%	12.18%	9.44%	10.52%	8.75%	9.22%	9.93%	9.95%

See paragraph on supplementary schedules included in independent auditors' report

HARPURSVILLE CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
NYSTRS PENSION PLAN
LAST TEN FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension (asset)/ liability	0.037101%	0.042236%	0.039209%	0.034876%	0.030976%	0.029024%	0.028815%	0.029182%	0.028882%	0.027702%
District's proportionate share of the net pension (asset)/ liability	$ (4,132,858)	$ (4,387,021)	$ 419,949	$ (265,089)	$ (560,121)	$ (754,058)	$ 796,236	$ (5,056,914)	554,215	316,792
District's covered - employee payroll	6,738,571	6,306,043	5,623,034	5,317,647	5,133,224	4,891,101	4,953,205	5,121,627	5,050,199	5,290,819
District's proportionate share of the net pension (asset)/ liability as a percentage of its covered - employee payroll	-61.33%	-69.57%	7.47%	-4.99%	-10.91%	-15.42%	16.08%	-98.74%	10.97%	5.99%
Plan fiduciary net position as a percentage of the total pension (asset)/ liability	111.60%	110.46%	99.01%	100.66%	101.53%	102.20%	97.80%	113.20%	98.60%	99.20%

See paragraph on supplementary schedules included in independent auditors' report

HARPURSVILLE CENTRAL 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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	$ 4,700,324	$ 4,054,013	$ 4,045,521	$ (8,492)
Other tax items	25,504	671,815	675,734	3,919
Charges for services	30,000	30,000	36,844	6,844
Use of money and property	113,900	113,900	318,335	204,435
Sale of property and compensation for loss	100	100	678	578
Miscellaneous	459,150	459,150	340,515	(118,635)
Total Local Sources	5,328,978	5,328,978	5,417,627	88,649
State sources	17,114,460	17,114,460	17,293,400	178,940
Federal sources	75,000	75,000	73,780	(1,220)
Total Revenues	22,518,438	22,518,438	22,784,807	266,369
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	11,938	11,938
Appropriated fund balance	500,000	500,000	-	(500,000)
Appropriated reserves	119,930	125,507	-	(125,507)
Total Revenues and Other Financing Sources	$ 23,138,368	$ 23,143,945	$ 22,796,745	$ (347,200)

Budget basis of accounting:
Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Continued on next page

HARPURSVILLE CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual And Encumbrances
EXPENDITURES					
General Support					
Board of education	$ 38,074	$ 40,824	$ 38,660	$ 714	$ 1,450
Central administration	231,635	229,060	211,104	1,477	16,479
Finance	312,691	332,391	319,870	887	11,634
Staff	155,997	201,997	167,741	17,082	17,174
Central services	1,327,402	1,431,731	1,162,978	121,861	146,892
Special items	214,324	228,163	227,614	-	549
Total General Support	2,280,123	2,464,166	2,127,967	142,021	194,178
Instruction					
Instruction, administration and improvement	558,963	648,698	600,936	330	47,432
Teaching - regular school	4,346,409	4,481,505	4,125,212	67,181	289,112
Programs for children with handicapping conditions	3,907,354	3,760,723	3,526,458	7,353	226,912
Occupational education	648,012	655,012	652,614	-	2,398
Teaching - special school	185,000	201,000	159,801	-	41,199
Instructional media	851,640	837,998	809,103	2,904	25,991
Pupil services	880,314	878,279	683,544	1,369	193,366
Total Instruction	11,377,692	11,463,215	10,557,668	79,137	826,410
Pupil transportation	1,282,863	1,303,305	1,146,029	24,089	133,187
Employee benefits	5,339,882	5,033,259	4,611,418	7,875	413,966
Debt service	2,712,808	2,741,100	2,741,099	-	1
Total Expenditures	22,993,368	23,005,045	21,184,181	253,122	1,567,742
OTHER FINANCING USES					
Transfers (to) other funds	145,000	138,900	131,501	-	7,399
Total Expenditures and Other Uses	$ 23,138,368	$ 23,143,945	21,315,682	$ 253,122	$ 1,575,141
Net Change in Fund Balances			1,481,063		
Fund balance - Beginning			5,084,087		
Fund balance - Ending			$ 6,565,150		

See paragraph on supplementary schedules included in independent auditors' report

HARPURSVILLE CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET
SECTION 1318 OF REAL PROPERTY TAX LIMIT CALCULATION
FOR THE YEAR ENDED JUNE 30, 2024

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	$	23,018,438
Add: Prior year's encumbrances		119,930
Original budget		23,138,368
Budget revision:		
Use of EBLAR Reserve		5,577
Final budget	$	23,143,945

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-2025 voter-approved expenditure budget	$	23,539,855		
Maximum allowed (4% of 2024-2025 budget)		941,594		
General Fund Balance Subject to Section 1318 of Real Property Tax Law:				
Unrestricted fund balance:				
Committed fund balance		-		
Assigned fund balance		1,003,122		
Unassigned fund balance		926,041		
Total unrestricted fund balance	$	1,929,163		
Less:				
Appropriated fund balance		750,000		
Encumbrances included in committed and assigned fund balance		253,122		
Total adjustments	$	1,003,122		
General Fund Fund Balance Subject to Section 1318 of of Real Property Tax Law			$	926,041
Actual percentage				3.93%

See paragraph on supplementary schedules included in independent auditors' report

HARPURSVILLE CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2024

			Expenditures				Methods of Financing				Transfer	
	Original Budget	Revised Budget	Prior Years	Current Year	Total	Unexpended Balance	Local Sources	Proceeds of Obligations	State Aid	Total	to Debt Service Fund	Balance June 30, 2024
Major capital projects												
Buses	$ 2,357,388	$ 3,076,304	$ 2,379,040	$ 1,950	$ 2,380,990	$ 695,314	$ 1,723,536	$ -	$ 146,114	$ 1,869,650	$ 42,630	$ (553,970)
ARP Project												
03-05-01-09-0001-023 MS/HS	975,000	975,000	68,466	238,081	306,547	668,453	975,000		-	975,000	-	668,453
03-05-01-09-0006-010 Elementary	1,035,000	1,035,000	67,774	239,781	307,555	727,445	1,035,000	-	-	1,035,000	-	727,445
	2,010,000	2,010,000	136,240	477,862	614,102	1,395,898	2,010,000	-	-	2,010,000	-	1,395,898
Pre Ref A&E												
03-05-01-09-9999-999	20,000	465,000	432,234	523,172	955,406	(490,406)	4,197,656	-	-	4,197,656	-	3,242,250
	2,030,000	2,475,000	568,474	1,001,034	1,569,508	905,492	6,207,656	-	-	6,207,656	-	4,638,148
Total Major Capital Projects	4,387,388	5,551,304	2,947,514	1,002,984	3,950,498	1,600,806	$ 7,931,192	-	146,114	8,077,306	42,630	4,084,178
Non-Major Capital Projects												
$100K Project 23-24												
03-05-01-09-0001-022	100,000	100,000	-	100,000	100,000	-	100,000	-	-	100,000	-	-
Leases	-	-	-	28,292	28,292	(28,292)	28,292	-	-	28,292	-	-
Total Non-Major Capital Projects	100,000	100,000	-	128,292	128,292	(28,292)	128,292	-	-	128,292	-	-
Total Major and Non-Major Capital Projects	$ 4,487,388	$ 5,651,304	$ 2,947,514	$ 1,131,276	$ 4,078,790	$ 1,572,514	$ 8,059,484	$ -	$ 146,114	$ 8,205,598	$ 42,630	$ 4,084,178

HARPURSVILLE CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
COMBINED BALANCE SHEETS - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	School Food Service	Debt Service	Miscellaneous Special Revenue	Non-Major Capital Projects	Total Non-Major Funds
ASSETS					
Cash					
Unrestricted	$ 94,607	$ -	$ 7,295	$ 11,938	$ 113,840
Restricted	-	379,994	82,956	-	462,950
Receivables					
Due from other funds	-	9,952	-	-	9,952
Due from fiduciary funds	-	-	-	-	-
State and Federal aid	33,328	-	-	-	33,328
Due From other Governments	-	-	-	-	-
Other	4,584	-	-	-	4,584
Inventories	24,137	-	-	-	24,137
Total Assets	$ 156,656	$ 389,946	$ 90,251	$ 11,938	$ 648,791
LIABILITIES					
Payables					
Accounts payable	$ 88	$ -	$ -	$ -	$ 88
Accrued liabilities	293	-	-	-	293
Due to other funds	3,099	-	7,295	11,938	22,332
Due to other governments	37	-	-	-	37
Deferred credits					
Unearned revenues	1,883	-	-	-	1,883
Total Liabilities	5,400	-	7,295	11,938	24,633
FUND BALANCES					
Nonspendable	24,137	-	-	-	24,137
Restricted	-	389,946	82,956	-	472,902
Assigned	127,119	-	-	-	127,119
Total Fund Balances	151,256	389,946	82,956	-	624,158
Total Liabilities and Fund Balances	$ 156,656	$ 389,946	$ 90,251	$ 11,938	$ 648,791

See paragraph on supplementary schedules included in independent auditors' report

HARPURSVILLE CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
COMBINED STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	School Food Service	Debt Service	Miscellaneous Special Revenue	Non-Major Capital projects	Total Non-Major Funds
REVENUES					
Use of money and property	$ -	$ 133,301	$ 122	$ -	$ 133,423
Miscellaneous	200	-	-	-	200
State sources	90,606	-	-	-	90,606
Federal sources	511,159	-	-	-	511,159
Local sources	40,538	-	123,508	-	164,046
Surplus food	32,596	-	-	-	32,596
Sales - school lunch	37,016	-	-	-	37,016
Total Revenues	712,115	133,301	123,630	-	969,046
EXPENDITURES					
General support	-	-	-	-	-
Instruction	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Community service	-	-	-	-	-
Employee benefits	154,630	-	-	-	154,630
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Cost of sales	611,632	-	-	-	611,632
Other expenditures	-	-	108,264	-	108,264
Scholarships and awards	-	-	7,295	-	7,295
Capital outlay	-	-	-	88,062	88,062
Total Expenditures	766,262	-	115,559	88,062	969,883
Excess (Deficiency) of Revenues Over Expenditures	(54,147)	133,301	8,071	(88,062)	(837)
OTHER FINANCING SOURCES AND USES					
Proceeds from debt	-	-	-	-	-
Operating transfers in	10	-	-	100,000	100,010
Operating transfers (out)	-	-	-	$ (11,938)	(11,938)
Total Other Sources (Uses)	10	-	-	88,062	88,072
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	(54,137)	133,301	8,071	-	87,235
Fund Balances - Beginning of year	205,393	256,645	74,885	-	536,923
Fund Balances - End of Year	$ 151,256	$ 389,946	$ 82,956	$ -	$ 624,158

See paragraph on supplementary schedules included in independent auditors' report

HARPURSVILLE CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

Capital Assets, net	$	33,162,583
Deduct:		
Bond anticipation notes payable		(1,051,700)
Short-term portion of energy performance contract		(78,902)
Long-term portion of energy performance contract		(1,103,220)
Short-term portion of bonds payable		(1,495,000)
Long-term portion of bonds payable		(12,840,000)
		(16,568,822)
Less: Unspent bond proceeds		5,157,768
		(11,411,054)
Intangible Assets, net	$	78,643
Deduct:		
Short-term portion of lease liabilities		-
Long-term portion of lease liabilities		-
Investment in capital assets and intangible assets, net of related debt	$	21,830,172

See paragraph on supplementary schedules included in independent auditors' report

HARPURSVILLE CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	***Assistance Listing/ CFDA Number***	***Agency or Pass-through Number***	***Total Federal Expenditures($)***
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through NYS Education Department:			
Child Nutrition Cluster			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555		$ 32,596
Cash Assistance			
School Breakfast Program	10.553		145,859
National School Lunch Program	10.555		302,786
Summer Food Service Program for Children	10.559		14,287
Fresh Fruit and Vegetable Program	10.582		21,992
Total Child Nutrition Cluster			517,520
Local Food for Schools Cooperative Agreement	10.185		7,232
Child and Adult Care Food Program (CACFP)	10.558		19,003
Total Passed Through NYS Education Department			543,755
Total U.S. Department of Agriculture			543,755
U.S. DEPARTMENT OF EDUCATION			
Passed Through NYS Education Department:			
Special Education (IDEA) Cluster			
Special Education - Grants to States (IDEA Part B)	84.027A	0032-23-0051	63
Special Education - Grants to States (IDEA Part B)	84.027A	0032-24-0051	215,699
Special Education - Preschool Grants (IDEA Preschool)	84.173A	0033-24-0051	10,737
Total Special Education (IDEA) Cluster			226,499
Title I, Part A			
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010A	0021-23-0155	19,563
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010A	0021-24-0155	318,168
Title I Grants to Local Educational Agencies (School Improvement)	84.010A	0011-23-2090	1,193
Total Title I, Part A			338,924
Other Programs			
Supporting Effective Instruction State Grants	84.367A	0147-23-0155	29,573
Student Support and Academic Enrichment Program	84.424A	0204-23-0155	8,200
Student Support and Academic Enrichment Program	84.424A	0204-24-0155	6,000
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	5891-21-0155	174,232
American Rescue Plan–Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880-21-0155	383,427
American Rescue Plan–Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880-21-0155	72,441
American Rescue Plan–Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5882-21-0155	98,653
American Rescue Plan–Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5883-21-0155	244,619
American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth	84.425W	5218-21-0155	50
Total Other Programs			1,017,195
Total U.S. Department of Education			1,582,618
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through NYS Division of Homeland Security and Emergency Services:			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	4480-DR-NY	29,856
Total U.S. Department of Homeland Security			29,856
Total Federal Awards Expended			$ 2,156,229

See notes to Schedule of Expenditures of Federal Awards

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: BASIS OF PRESENTATION:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all 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. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District's financial statements. 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 presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Acquisitions Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE 2: SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. 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. The Federal expenditures are recognized under the Uniform Guidance.

NOTE 3: SCOPE OF AUDIT:

The District is an independent municipal corporation. All Federal grant operations of the District are included in the scope of the single audit.

NOTE 4: NON-CASH ASSISTANCE:

Nonmonetary assistance is reported in the Schedule at fair market value of the commodities received and disbursed. For the year ended June 30, 2024, the District received food commodities totaling $32,596.

NOTE 5: 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 an established rate applied to overall expenditures. There is no other indirect cost allocation plan in effect.

NOTE 6: OTHER DISCLOSURES:

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

No amounts were provided to subrecipients.

HARPURSVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

Section I - Summary of Independent Auditors' Results

Financial Statements
Type of auditors' report issued: unmodified

	Yes	No	
Internal Control over Financial Reporting			
Material weakness identified?	____	X	
Significant deficiencies identified that are not considered to be material weaknesses?	____	X	none reported
Noncompliance material to financial statements noted?	____	X	
Federal Awards			
Internal control over major programs:			
Material weakness identified?	____	X	
Significant deficiencies identified that are not considered to be material weaknesses?	____	X	none reported

Type of auditors' report issued on compliance for major programs: unmodified

	Yes	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____	X

Identification of major programs:

Assistance listing/ CFDA Numbers	Name of Federal Program or Cluster
	Child Nutrition Cluster
10.553/10.555	School Breakfast Program/National School Lunch Program/
10.559/10.582	Summer Food Service Program for Children/Fresh Fruit and Vegetable Program

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

	Yes	No
Auditee qualified as low risk auditee?	X	____

Section II - Financial Statement Findings: No matters were reported.

Section III - Federal Award Findings and Questioned Costs: No matters were reported.

VIEIRA & ASSOCIATES
CPAs, P.C.

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Scott M. Hotalen, CPA
Nicole R. Mayers, CPA
*Also Licensed in Pennsylvania

Cheryl DiStefano, CPA

In Memory of
Patrick J. Price, CPA (1967-2024)

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

INDEPENDENT AUDITORS' REPORT

Board of Education
Harpursville Central School District
54 Main Street
Harpursville, NY 13787

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 Harpursville Central School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Harpursville Central School 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 Harpursville Central 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 Harpursville Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Harpursville Central 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 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.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harpursville Central School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 Harpursville Central School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Harpursville Central School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vieira & Associates CPAs, P.C.

October 9, 2024
Endicott, New York

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CPAs, P.C.

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

Board of Education
Harpursville Central School District
54 Main Street
Harpursville, NY 13787

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Harpursville Central School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Harpursville Central School District's major federal programs for the year ended June 30, 2024. Harpursville Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Harpursville Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 Acquisitions 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 Harpursville Central School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Harpursville Central School District's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Harpursville Central School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of Harpursville Central School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Harpursville Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 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**.**

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We audited the financial statements of Harpursville Central School District as of and for the year ended June 30, 2024, and have issued our report thereon dated October 9, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Vieira & Associates CPAs, P.C.

October 9, 2024
Endicott, New York