PRELIMINARY OFFICIAL STATEMENT

NEW & RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Trespasz Law Offices, LLP, Bond Counsel to the School District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, 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"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. (See "TAX MATTERS" herein.)

The School District will designate the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265 (b)(3) of the Code.

$4,772,368

HAMMOND CENTRAL SCHOOL DISTRICT

ST. LAWRENCE COUNTY, NEW YORK

$4,772,368 Bond Anticipation Notes, 2025

(the "Notes")

Dated: July 23, 2025 **Due: July 23, 2026**

The Notes will be general obligations of the Hammond Central School District, St. Lawrence County, New York (the "District" or "School District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation as to rate or amount. See "NATURE OF OBLIGATION" herein.

The Notes are not subject to redemption prior to maturity.

At the option of the purchaser(s), the Note will be issued as book-entry only or registered in the name of the purchaser(s). If such Note is issued as registered in the name of the purchaser(s), principal of and interest on the Note will be payable in Federal Funds. In such case, a single note certificate will be issued for those Notes of an issue bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

Alternatively, if the Note is issued as book-entry only, the Note will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Note. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser(s) elects to register the Note. Such Note will be issued in denominations of $5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes $7,368 as may be determined by such successful bidder(s). If the Note is issued as registered notes, payment of the principal of and interest on the Note to the Beneficial Owner(s) of the Note will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "DESCRIPTION OF BOOK-ENTRY-ONLY SYSTEM" herein.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on July 9, 2025 until 10:30 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June 25, 2025

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

HAMMOND CENTRAL SCHOOL DISTRICT
ST. LAWRENCE COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

JENNIFER GARDNER
President

VIVIANA WILMOT
Vice President

DON CERESOLI JR.
ALLEN HOWIE
DANIEL PEASE
SARAH PERRETTA
KATHLEEN ROGERS

* * * * * * * * *

LAUREN MORLEY
Superintendent of Schools

SARAH WHITCOMBE
School Business Manager

C. LAUREN MORLEY
District Treasurer

FERRARA FIORENZA PC
School District Attorney

TRESPASZ LAW OFFICES, LLP
BOND COUNSEL

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

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

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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Syracuse, New York 13202
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PRELIMINARY OFFICIAL STATEMENT

OF THE

HAMMOND CENTRAL SCHOOL DISTRICT
ST. LAWRENCE COUNTY, NEW YORK

RELATING TO

$4,772,368 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page, has been prepared by the Hammond Central School District, St. Lawrence County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $4,772,368 principal amount of Bond Anticipation Notes, 2025 (the "Notes").

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

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

NATURE OF OBLIGATION

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

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

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, subject to applicable statutory limitations.

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

The Notes are dated July 23, 2025 and mature, without option of prior redemption, on July 23, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The District will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s).

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.

Authority for and Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law, and a bond resolution duly adopted by the Board of Education on April 18, 2023 authorizing the issuance of up to $4,847,368 serial bonds for the reconstruction and energy efficiency improvements to District facilities.

The District currently has $2,500,000 bond anticipation notes outstanding and maturing July 24, 2025 for the aforementioned project. The proceeds of the Notes, along with $75,000 available funds of the District will partially redeem and renew the bond anticipation notes maturing July 24, 2025 and provide $2,347,368 of new money financing for the abovementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes $7,368 as may be determined by such successful bidder(s). Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State 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 northern portion of Upstate New York. The City of Watertown is approximately 30 miles south of the District and the City of Ogdensburg 20 miles northeast. The northwest section of the District is bounded by the St. Lawrence River.

With a land area of approximately 140 square miles and an estimated population of 1,805, the District is residential and agricultural in character. Dairy farming is the primary industry within the District. The incorporated Village of Hammond is located within the District and has available all the usual commercial services.

Major highways serving the District include New York State Routes #37 and #12, as well as, Interstate 81 which is located to the west of the District. Commercial air and ground transportation is available at the Cities of Watertown and Ogdensburg.

Electric is provided by Niagara Mohawk Power Corporation. Telephone service is provided by Citizens Telephone Company. Police protection is afforded the residents by County and State agencies. Fire protection is available through various volunteer units.

Source: District officials.

District Population

The 2023 estimated population of the District is 2,000. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates).

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 County listed below. The figures set below with respect to such information are included for information only. It should not be inferred from the inclusion of such data in this Official Statement that the Towns or the County or State 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:						
Hammond	$ 24,271	$ 29,583	$ 35,949	$ 57,054	$ 65,813	$ 78,289
Macomb	21,689	25,128	28,134	51,875	51,818	64,167
Morristown	21,866	24,299	18,760	52,721	53,625	68,634
Rossie	17,773	21,348	31,074	37,917	53,958	77,813
Alexandria	22,122	45,316	60,240	53,269	67,091	85,833
County of:						
St. Lawrence	20,143	26,676	31,574	50,384	66,843	80,918
Jefferson	21,823	28,120	34,603	51,834	66,711	80,333
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

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

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

Unemployment Rate Statistics

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

Annual Average

	2018	2019	2020	2021	2022	2023	2024
St. Lawrence County	5.6%	5.3%	7.9%	5.2%	4.2%	4.4%	4.6%
Jefferson County	5.5	5.3	8.4	5.1	4.1	4.4	4.4
New York State	4.1	3.9	9.8	7.1	4.3	4.2	4.3

2025 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun
St. Lawrence County	5.7%	5.6%	5.2%	4.2%	N/A	N/A
Jefferson County	5.8	6.0	5.2	3.8	N/A	N/A
New York State	4.6	4.3	4.1	3.6	N/A	N/A

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

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

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Business Manager/Treasurer.

District Organization

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. On the third Tuesday in May each year, an election is held within the District boundaries to elect members to the Board of Education. They are elected for a term of five years. Board Members may serve an unlimited number of terms.

During the first seven days of July of each year, the Board of Education meets for the purpose of reorganization. At that time an election is held within the Board to elect a President and Vice President, as well as to appoint a District Clerk and District Treasurer.

Budgetary Procedures and Recent Budget Votes

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

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

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

If the proposed budget is not approved by the required margin, the Board 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 the qualified voters on May 21, 2024. The District's approved budget for the 2024-25 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 4.34%, which is equal to the District tax levy limit of 4.34%.

The budget for the 2025-26 fiscal year was approved by the qualified voters on May 20, 2025 by a vote of 58 to 51. The District's approved budget for the 2025-26 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.65%, which is equal to the District tax levy limit of 3.65%.

See APPENDIX – A2 for a summary of the 2024-25 and 2025-26 budgets.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the District is generally permitted to deposit moneys in banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District; (5) certificates of participation issued in connection with installment purchase contracts entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District, pursuant to law, in obligations of the District.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments or investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in the custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

The Board of Education of the District has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy.

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 48.64% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

State aid, including building aid appropriated and apportioned to the District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. With the exception of the State's fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, twenty-eight (28) days after the April 1 deadline, the State's fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State's fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal Aid Received by the State

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

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District State Building aid of approximately 75.3% for debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State Aid History

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

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

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

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

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

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

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments.

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

A breakdown of currently anticipated Foundation Aid funding is available below

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

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

State Aid Revenues

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

Fiscal Year	Total Revenues[(1)]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 7,777,001	$ 3,943,324	50.70%
2020-2021	8,015,795	3,947,165	49.24
2021-2022	8,186,840	4,133,109	50.48
2022-2023	8,691,383	4,269,581	49.12
2023-2024	8,691,815	4,078,697	46.93
2024-2025 (Budgeted)	8,624,240	4,159,492	48.23
2025-2026 (Budgeted)	8,841,672	4,300,582	48.64

(1) Does not include interfund transfers or use of reserve funds.

Source: 2019-20 through and including the 2023-24 audited financial statements, and the adopted budgets of the District for the 2024-25 and 2025-26 fiscal years. This table is not audited.

District Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Year(s) Built/Additions
Hammond Central School	K-12	410	1952

Source: District officials.

Enrollment Trends

School Year	Enrollment	School Year	Projected Enrollment
2020-21	247	2025-26	235
2021-22	248	2026-27	232
2022-23	241	2027-28	240
2023-24	232	2028-29	238
2024-25	224	2029-30	230

Source: District officials.

Employees

The District employs approximately 49 full-time and 1 part-time employee. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates are as follows:

Number of Employees	Bargaining Unit	Contract Expiration Date
28	Hammond Teachers' Association (NYSUT Affiliate)	June 30, 2025 [(1)]
21	Hammond Central School Related Personnel	June 30, 2029

[(1)] Currently under negotiations.

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and the budgeted figures for the 2024-2025 and 2025-2026 fiscal years are as follows:

Fiscal Year	ERS	TRS
2020-2021	110,843	194,406
2021-2022	115,365	206,392
2022-2023	85,044	235,124
2023-2024	102,345	251,113
2024-2025 (Unaudited Actual)	112,048	247,494
2025-2026 (Budgeted)	200,000	300,000

Source: District officials.

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

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

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

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

*Estimated.

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

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

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

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

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that 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. The School District has established such a reserve fund.

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 District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

Summary of Changes from the Last Valuation. The District contracted with an actuarial firm to calculate its first actuarial valuation under GASB 75. The table on the following page outlines the changes to the Total OPEB Liability during the fiscal years ending June 30, 2023 and June 30, 2024, by source.

Balance beginning at July 1:	2022	2023
	$ 28,461,842	$ 27,066,244
Changes for the year:		
Service cost	1,004,178	706,834
Interest on total OPEB liability	624,000	970,047
Changes in benefit terms	-	(294,928)
Differences between expected and actual experience	-	(4,048,486)
Changes in assumptions or other inputs	(2,409,540)	704,943
Benefit payments	(614,236)	(741,264)
Net Changes	$ (1,395,598)	$ (2,702,854)
Balance ending at June 30:	2023	2024
	$ 27,066,244	$ 24,363,390

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability for fiscal year ended June 30, 2024, see "APPENDIX – C" attached hereto.

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ended June 30, 2024 and is attached hereto as "APPENDIX – C". In addition, the State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. Certain financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for 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).

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.

The State Comptroller's office released an audit report of the District on October 11, 2024. The purpose of the audit was to determine whether the District Board of Education (Board) and District officials properly managed fund balance and reserve funds for the period July 1, 2020 through December 11, 2023.

Key Findings:

The Board and District officials did not properly manage the District's fund balance and reserve funds. As a result, they levied more taxes than needed to fund operations and were not transparent with taxpayers. The Board and District officials:

- Overestimated budgetary appropriations by an annual average of $1.5 million from 2020-21 through 2022-23. This made it appear that the District needed to increase real property taxes and use appropriated fund balance to close projected budget gaps, when the District's actual annual revenues were sufficient to cover annual expenditures.
- Reported surplus fund balance that exceeded the statutory limit by $624,000. This amount increased to $1.6 million when adding back the unused appropriated fund balance that was not needed.
- Did not follow legal requirements when they used reserves funds totaling $1.6 million. In addition, they exceeded the voter-approved funding level for the capital reserve fund by $900,000.
- Accumulated excessive balances totaling about $600,000 in three reserves.
- Did not budget to fund reserves. From July 1, 2020 through June 30, 2023, more than $1.5 million in fiscal year-end unbudgeted transfers were made to increase various reserve funds. Among these was a $350,000 transfer to increase the employee benefit accrued liability reserve (EBALR) that was already significantly overfunded.

Recommendations:

The audit report includes nine recommendations which, if implemented, would improve the Board and District officials' financial management practices.

The District provided a complete response to the State Comptroller's office on October 2, 2024. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

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.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the past three fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	0.0

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

Other Information

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

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

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

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

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

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TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Hammond	$ 198,189,409	$ 200,849,899	$ 202,294,405	$ 204,376,296	$ 205,162,063
Morristown	25,040,874	25,297,148	25,844,167	26,531,826	27,247,680
Rossie	26,812,318	26,410,748	26,287,563	26,268,399	26,402,064
Macomb	2,779,617	2,919,953	2,949,784	3,068,589	3,081,428
Alexandria	7,293,819	7,240,282	7,321,222	8,719,437	8,038,049
Total Assessed Values	$ 260,116,037	$ 262,718,030	$ 264,697,141	$ 268,964,547	$ 269,931,284
State Equalization Rates					
Towns of:					
Hammond	96.00%	96.00%	87.00%	80.00%	77.00%
Morristown	100.00%	100.00%	93.00%	86.00%	82.00%
Rossie	100.00%	100.00%	94.00%	88.00%	84.00%
Macomb	49.00%	48.50%	45.00%	42.00%	40.00%
Alexandria	92.00%	91.00%	83.00%	70.00%	65.00%
Total Taxable Full Valuation	$ 271,901,245	$ 274,903,416	$ 303,653,049	$ 335,934,287	$ 351,173,944

Source: District officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Hammond	$ 14.28	$ 14.57	$ 15.02	$ 15.28	15.85
Morristown	13.71	13.99	14.05	14.21	14.88
Rossie	13.71	13.99	13.90	13.89	14.53
Macomb	27.97	28.84	29.04	29.10	30.50
Alexandria	11.85	15.37	15.74	17.46	18.77

Source: District officials.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Total Tax Levy (1)	$ 3,725,700	$ 3,844,694	$ 3,967,470	$ 4,106,331	$ 4,284,748
Amount Uncollected (2)	N/A	N/A	N/A	N/A	N/A
% Uncollected	N/A	N/A	N/A	N/A	N/A

(1) Levy as originally adopted per tax warrant. However, annual tax levies may be subject to reduction as a result of tax certiorari claims settlements.
(2) The District receives 100% of its tax levy each year. See "Tax Collection Procedures" herein.

Source: District officials.

Tax Collection Procedure

Property taxes for the District are collected by a school employee on premise. Such taxes are due and payable on September 1, but may be paid without penalty by September 30. Penalties on unpaid taxes are 2% from October 1 through November 15.

On or about November 15, the tax receiver files a report of any uncollected school taxes with the Counties. The Counties thereafter on or before April 30 pays to the District the amount of its uncollected taxes. Thus, the District receives its full levy prior to the end of its fiscal year.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years, and budgeted figures for 2024-2025 and 2025-2026 budgeted figures comprised of real property taxes and tax items.

Fiscal Year	Total Revenues [(1)]	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2019-2020	$ 7,777,001	$ 3,384,401	43.52%
2020-2021	8,015,795	3,472,777	43.32
2021-2022	8,186,840	3,614,857	44.15
2022-2023	8,691,383	3,746,946	43.11
2023-2024	8,691,815	3,904,958	44.93
2024-2025 (Budgeted)	8,624,240	4,284,748	49.68
2025-2026 (Budgeted)	8,841,672	4,441,090	50.23

(1) Does not include interfund transfers or use of reserve funds.

Source: 2019-2020 through and including the 2023-2024 audited financial statements, and the adopted budgets of the District for the 2024-2025 and 2025-2026 fiscal years. This table is not audited.

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

Name	Type	Assessed Valuation
National Grid	Utility	$ 5,415,338
Dark Island Tours Inc.	Entertainment	3,500,000
KMJD Enterprises, LLC	Real Estate	1,853,700
White, Jason M.	Residential	1,850,000
DF Realty, LLC	Real Estate	1,574,500
Citizens Telephone Co.	Utility	1,539,232
Ponemah Island, LLC	Private	1,150,000
Hadlock, William	Private	1,086,674
Sampson, Robert	Residential	955,000
Schermerhorn Landing Corp.	Marina/Cottages	880,000

The larger taxpayers listed above have a total assessed valuation of $19,804,444 that represents 7.34% of the tax base of the District.

As of the date of this Official Statement, the District currently does not reasonably believe that there are any pending or outstanding tax certioraris that, if decided adversely to the District, would have a material adverse impact on the District.

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. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $107,300 or less in the 2025-2026 school year, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $86,100 of the full value of a home for the 2025-2026 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

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

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Hammond	$ 66,300	$ 23,100	4/10/2025
Morristown	70,600	24,600	4/10/2025
Rossie	72,320	25,200	4/10/2025
Macomb	34,440	12,000	4/10/2025
Alexandria	55,970	19,720	4/10/2025

$190,832 of the District's $4,284,748 school tax levy for 2024-2025 was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2025.

Approximately $198,000 of the District's $4,441,090 school tax levy for 2025-2026 is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in January, 2026.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-59%, Commercial-3%, Agricultural-6%, Other - 32%

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $1,883 including County, City or Town, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

The 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 one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness is contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been initially contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. 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, bond anticipation notes and capital 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 the anticipation of the bonds. No down payment is required in connection with the issuance of District obligations. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the commissioner of Education of the State.

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

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, or summary thereof, together with a statutory form of notice which, in effect, estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Except in certain circumstances, the District complies with such procedure. It is a procedure that is generally recommended by Bond Counsel, but it is not an absolute legal requirement.

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

(1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,

(3) Such obligations are authorized in violation of the provisions of the Constitution.

The School District has complied with this estoppel procedure in connection with the Notes.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any 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 consists of 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.

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Bonds	$ 0	$ 0	$ 0	$ 0	$ 0
Bond Anticipation Notes	0	0	0	0	2,500,000
Total Debt Outstanding	$ 0	$ 0	$ 0	$ 0	$ 2,500,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the School District evidenced by bonds and notes as of June 25, 2025.

Type of Indebtedness	Maturity		Amount
Bonds	-		$ 0
Bond Anticipation Notes			
Capital project	July 24, 2025		2,500,000 [1]
		Total Indebtedness	$ 2,500,000

[1] To be partially redeemed and renewed at maturity with the proceeds of the Notes and $75,000 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 25, 2025:

Full Valuation of Taxable Real Property			$ 351,173,944
Debt Limit 10% thereof			35,117,394
Inclusions:			
Bonds	$ 0		
Bond Anticipation Notes (BANs):	2,500,000		
Total Inclusions prior to issuance of the Notes	2,500,000		
Less: BANs being redeemed from appropriations	(75,000)		
Add: New money proceeds of the Notes	2,347,368		
Total Net Inclusions after issuance of the Notes		$ 4,772,368	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 4,772,368
Net Debt-Contracting Margin			$ 30,345,026
The percent of debt contracting power exhausted is			13.59%

[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 preliminary 2025-26 Building Aid Ratios, the School District anticipates State Building aid of 75.3% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its capital project indebtedness.

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

Bonded Debt Service

The District has no Bonds currently outstanding.

Cash Flow Borrowing

The District has not issued any revenue or tax anticipation notes, and does not expect to issue any such notes in the current fiscal year

Capital Project Plans

On March 14, 2023, District voters authorized the issuance of $4,847,368 serial bonds for the reconstruction and energy efficiency improvements to District facilities (the "Project"). The Notes will provide $4,772,368 new money as the initial borrowing for the aforementioned purpose. The District currently has $2,500,000 bond anticipation notes outstanding and maturing July 24, 2025 for the aforementioned project. The proceeds of the Notes, along with $75,000 available funds of the District will partially redeem and renew the bond anticipation notes maturing July 24, 2025 and provide $2,347,368 of new money financing for the abovementioned purpose.

The District has no other capital projects authorized or contemplated at this time.

Estimated Overlapping Indebtedness

In addition to the School District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the School District. The estimated outstanding indebtedness of such political subdivisions is as follows:

Municipality	Status of Debt as of	Gross Indebtedness [(1)]	Exclusions [(2)]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Jefferson	6/28/2024	$ 13,900,000 [(3)]	$ 610,000	$ 13,290,000	4.30%	$ 571,470
St. Lawrence	6/28/2024	21,750,000 [(3)]	455,000	21,295,000	0.09%	19,166
Town of:						
Hammond	12/31/2023	749,000 [(4)]	- [(5)]	749,000	92.20%	690,578
Morristown	12/31/2023	1,032,222 [(4)]	- [(5)]	1,032,222	10.99%	113,441
Rossie	12/31/2023	- [(4)]	- [(5)]	-	47.25%	-
Macomb	12/31/2023	- [(4)]	- [(5)]	-	5.83%	-
Alexandria	12/31/2023	3,810,523 [(4)]	- [(5)]	3,810,523	1.07%	40,773
Village of:						
Hammond	5/31/2023	- [(4)]	- [(5)]	-	100.00%	-
					Total:	$ 1,435,427

[(1)] Notes: 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.

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Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 25, 2025:

	Amount	Per Capita [(a)]	Percentage of Full Value [(b)]
Net Indebtedness [(c)]	$ 4,772,368	$ 2,386.18	1.36%
Net Indebtedness Plus Net Overlapping Indebtedness [(d)]............	6,207,795	3,103.90	1.77

(a) The 2023 estimated population of the District is 2,000. (See "*THE SCHOOL DISTRICT – District Population*" herein.)
(b) The District's full value of taxable real estate for the 2024-25 tax roll is $351,173,944. (See "T*AX INFORMATION – Taxable Assessed Valuations*" herein.)
(c) See "Debt Statement Summary" herein.
(d) Estimated net overlapping indebtedness is $1,435,427. (See "*Estimated Overlapping Indebtedness*" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

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

No Past Due Debt. No principal of or interest on School District indebtedness is past due.

MARKET AND RISK FACTORS

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

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

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

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

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 Trespasz Law Offices, LLP Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, 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 accrual of interest on the Notes. The proposed form of opinion of Bond Counsel is set forth in "APPENDIX – D."

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 School District has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, 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 the 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 excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the 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.

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 beneficial owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been advanced that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, 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, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Trespasz Law Offices, LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the forms attached hereto as "APPENDIX – D".

LITIGATION

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

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

CONTINUING DISCLOSURE

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

Continuing Disclosure Compliance History

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

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent 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

If the Notes are issued in book-entry-only format, 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 with the approval of the School District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX – B – UNDERTAKING TO PROVIDE NOTICES OF EVENTS" herein.)

The District does not currently have an underlying rating on its long-term indebtedness.

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

MISCELLANEOUS

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

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

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

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

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

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

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

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

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

The District will act as Paying Agent for the Notes. The District's contact information is as follows: Lauren Morely, Superintendent, 51 South Main Street, Hammond, New York 13646, (315) 324-5931 x26140, e-mail: lmorley@hammondk12.org.

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

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

HAMMOND CENTRAL SCHOOL DISTRICT

Dated: June 25, 2025

PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Unrestricted Cash	$ 1,276,417	$ 1,302,610	$ 951,709	$ 1,810,322	$ 2,242,547
Restricted Cash	2,505,199	2,984,735	3,437,725	2,178,303	2,230,724
Accounts Receivable	-	-	-	15,646	-
Due From Other Funds	272,406	262,424	756,386	328,789	179,128
State and Federal Aid Receivable	180,173	412,337	492,369	116,608	73,909
Due From Other Governments	136,386	159,341	176,257	215,625	159,563
Due from fiduciary funds	11,052	-	450	-	-
Inventories	-	-	-	-	-
Deferred Expenditures	-	97	92,439	-	-
TOTAL ASSETS	$ 4,381,633	$ 5,121,544	$ 5,907,335	$ 4,665,293	$ 4,885,871
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 8,538	$ 44,853	$ -	$ 18,874	$ 43,393
Accrued Liabilities	-	22,827	145,901	5,466	551
Due to other funds	6,100	-	-	-	97,443
Due to Teachers' Retirement System	203,624	229,589	240,898	278,527	272,073
Due to Employees' Retirement System	31,293	27,303	22,137	27,336	39,067
Notes Payable	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-
TOTAL LIABILITIES	249,555	324,572	408,936	330,203	452,527
FUND EQUITY					
Reserved	$ 2,505,199	$ 2,984,832	$ 3,530,164	$ 2,178,303	$ 2,230,724
Unreserved:					
Appropriated	892,781	1,049,685	1,284,900	1,151,743	1,302,252
Unappropriated	734,098	762,455	683,290	1,005,044	900,368
TOTAL FUND EQUITY	4,132,078	4,796,972	5,498,354	4,335,090	4,433,344
TOTAL LIABILITIES and FUND EQUITY	$ 4,381,633	$ 5,121,544	$ 5,907,290	$ 4,665,293	$ 4,885,871

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
REVENUES					
Real Property Taxes	$ 3,275,182	$ 3,384,401	$ 3,472,777	$ 3,614,857	$ 3,746,946
Other Tax Items	275,432	266,674	248,723	242,747	228,822
Charges for Services	5,899	4,622	538	500	74
Use of Money & Property	15,818	39,682	15,377	9,526	46,314
Sale of Property and Compensation for Loss	-	-	-	-	113,666
Miscellaneous	74,730	96,247	168,413	150,329	285,980
Revenues from State Sources	3,768,198	3,943,324	3,947,165	4,133,109	4,269,581
Revenues from Federal Sources	35,982	42,051	162,802	35,772	-
Total Revenues	$ 7,451,241	$ 7,777,001	$ 8,015,795	$ 8,186,840	$ 8,691,383
Other Sources:					
Interfund Transfers	-	-	-	-	29,135
Total Revenues and Other Sources	7,451,241	7,777,001	8,015,795	8,186,840	8,720,518
EXPENDITURES					
General Support	$ 885,391	$ 942,812	$ 1,058,695	$ 1,116,444	$ 1,086,613
Instruction	3,304,136	3,487,447	3,629,865	3,906,495	4,183,831
Pupil Transportation	577,071	618,659	434,562	342,955	603,632
Community Services	1,196	-	1,280	1,320	-
Employee Benefits	2,056,199	2,113,858	2,094,665	2,015,676	2,007,366
Debt Service	460,533	-	-	6,871	-
Total Expenditures	$ 7,284,526	$ 7,162,776	$ 7,219,067	$ 7,389,761	$ 7,881,442
Other Uses:					
Interfund Transfers	93,836	148,242	131,834	95,697	2,002,340
Total Expenditures and Other Uses	7,378,362	7,311,018	7,350,901	7,485,458	9,883,782
Excess (Deficit) Revenues Over Expenditures	72,879	465,983	664,894	701,382	(1,163,264)
FUND BALANCE					
Fund Balance - Beginning of Year	3,723,210	3,796,089	4,262,072	4,926,966	5,498,354
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 3,796,089	$ 4,262,072	$ 4,926,966	$ 5,628,348	$ 4,335,090

Source: Audited financial report 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 Adopted Budget	2024 Modified Budget	2024 Actual	2025 Adopted Budget	2026 Adopted Budget
REVENUES					
Real Property Taxes	$ 4,106,331	$ 3,904,958	$ 3,904,958	$ 4,284,748	$ 4,441,090
Other Tax Items	-	201,373	212,100	-	-
Charges for Services	-	-	85	-	-
Use of Money & Property	-	-	126,967	80,000	100,000
Sale of Property and Compensation for Loss	-	-	6,978	-	-
Miscellaneous	-	-	362,030	100,000	-
Revenues from State Sources	4,276,190	4,276,190	4,078,697	4,159,492	4,300,582
Revenues from Federal Sources	-	-		-	-
Total Revenues	$ 8,382,521	$ 8,382,521	$ 8,691,815	$ 8,624,240	$ 8,841,672
Other Sources:					
Interfund Transfers	-	-	-	-	-
Appropriated Fund Balance	1,140,726	1,140,726	-	1,153,713	1,426,292
Total Revenues and Other Sources	9,523,247	9,523,247	8,691,815	9,777,953	10,267,964
EXPENDITURES					
General Support	$ 1,279,115	$ 1,559,285	$ 1,331,094	$ 1,502,738	$ 1,584,514
Instruction	4,962,444	4,584,703	4,283,219	4,494,693	4,628,548
Pupil Transportation	787,043	845,568	525,011	897,241	762,608
Community Services	-	-	2,338,475	-	-
Employee Benefits	2,309,645	2,414,373	-	2,698,281	2,921,044
Debt Service	-	-	-	-	181,250
Total Expenditures	$ 9,338,247	$ 9,403,929	$ 8,477,799	$ 9,592,953	$ 10,077,964
Other Uses:					
Interfund Transfers	185,000	119,318	115,762	185,000	190,000
Total Expenditures and Other Uses	9,523,247	9,523,247	8,593,561	9,777,953	10,267,964
Excess (Deficit) Revenues Over Expenditures	-	-	98,254	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	4,335,090	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 4,433,344	$ -	$ -

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

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Commission pursuant to the Securities Exchange Act of 1934, the District 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 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 School District, any of which affect bondholders, 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 School District, any of which reflect financial difficulties.

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

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

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

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

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

The District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the material event notices described above, if any, on or before the date specified.

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 Notes within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District’s obligations under its material event notices undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

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

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

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HAMMOND CENTRAL SCHOOL DISTRICT
ST. LAWRENCE COUNTY, NEW YORK

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.

Hammond Central School District
Financial Statements with
Independent Auditors' Report
June 30, 2024

Hammond Central School District
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June 30, 2024

STACKEL & NAVARRA, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

COMMUNITY BANK BUILDING – 216 WASHINGTON STREET
WATERTOWN, NY 13601-3336
TELEPHONE 315/782-1220
FAX 315/782-0118

Robert F. Stackel, C.P.A.
Jacob Navarra, C.P.A.
Mark B. Hills, C.P.A.

Independent Auditors' Report

Board of Education
Hammond Central School District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Hammond 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hammond 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hammond 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hammond 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 Hammond 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 the management's discussion and analysis, the schedule of funding progress - other post-employment benefits plan – last 7 fiscal years, the schedule of revenue, expenditures and changes in fund balance – budget and actual – general fund, the schedules of District contributions – NYSTRS & NYSERS pension plans – last 10 fiscal years, and the schedules of District's proportionate share of the net pension liability – NYSTRS & NYSERS pension plans – last 10 fiscal years on pages 5-15 and 55-58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hammond Central School District's basic financial statements. The accompanying schedule of change from adopted budget to final budget and the real property tax limit – general fund, schedule of project expenditures – capital projects fund, and net investment in capital assets are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of change from adopted budget to final budget and the real property tax limit – general fund, schedule of project expenditures – capital projects fund and net investment in capital assets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 17, 2024, on our consideration of Hammond 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 Hammond 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 Hammond Central School's internal control over financial reporting and compliance.

STACKEL & NAVARRA, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Stackel + Navarra, CPA, PC

Watertown, NY
October 17, 2024

Hammond Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

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

Financial Highlights

At the close of the fiscal year, the total liabilities plus deferred inflow of resources (what the District owes) exceeded its total assets plus deferred outflow of resources (what the Districts owns) by $15,802,229 (net position).

As of the close of the fiscal year, the District's governmental funds reported combined fund balances of $5,765,993, a decrease of $542,765 in comparison with the prior year.

At the close of the fiscal year, the total enrollment was 238 students, a decrease of 3 students (1.25%) with the prior year.

During the fiscal year, the District had begun and completed a capital outlay project.

Overview of the Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information.

The Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements.

The basic financial statements include two kinds of statements that present different views of the District:

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

- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds consolidated in one column. The District considers each fund as a significant fund.

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

The major features of the District's financial statements, including the portion of the District's activities they cover and types of information they contain are shown below. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide Statements	**Fund Financial Statements**	
		Governmental Funds	**Fiduciary Funds**
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs.
Required Financial Statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset / Deferred Outflows of Resources / Liability / Deferred Inflows of Resources Information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term debt	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/ Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Government-Wide Statements

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

The two government-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively. Additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and facilities must also be considered to assess the District's overall health.

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

Fund Financial Statements

A fund is a grouping of related accounts and is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

All of the 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.

The funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.
The governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

This information does not encompass the additional long-term focus of the government-wide statements; therefore, additional information at the bottom of the governmental funds statements explains the relationship or differences between them.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund *Balance Sheet* and the governmental fund *Statement of Revenues, Expenses,* *and Changes in Fund Balance* for the General Fund, Special Aid Fund, Food Services Fund, Debt Service Fund, Miscellaneous Special Revenues, and Capital Projects Fund.

Financial Analysis of the District as a Whole

Net Position

The District's combined net position on June 30, 2024 changed by ($526,660) to ($15,802,229) as shown in the table below:

Changes in Net Position from Operating Results

	Governmental Activities and Total School District			
	2023	**2024**	**Increase / (Decrease)**	**Percentag Change**
Current and Other Assets	$ 6,663,795	$ 6,577,698	$ (86,097)	-1.29%
Capital Assets, Net	4,428,355	4,809,049	380,694	8.60%
Total Assets	11,092,150	11,386,747	294,597	2.66%
Deferred Outflows of Resources	5,780,276	4,885,126	(895,150)	-15.49%
Total Assets and Deferred Outflows of Resources	16,872,426	16,271,873	(600,553)	-3.56%
Long-term Liabilities	27,881,133	24,954,384	(2,926,749)	-10.50%
Other Liabilities	360,792	815,281	454,489	125.97%
Total Liabilities	28,241,925	25,769,665	(2,472,260)	-8.75%
Deferred Inflows of Resources	3,906,070	6,304,437	2,398,367	61.40%
Total Liabilities and Deferred Inflows of Resources	32,147,995	32,074,102	(73,893)	-0.23%
Net Position				
Net Investment in Capital Assets	4,428,355	4,804,258	375,903	8.49%
Restricted	2,178,303	2,332,538	154,235	7.08%
Unrestricted (Restated)	(21,882,227)	(22,939,025)	(1,056,798)	4.83%
Total Net Position	$ (15,275,569)	$ (15,802,229)	$ (526,660)	3.45%

The District's financial position is the product of many factors, including funding reserves.

A substantial portion of the District's net position reflects its investment in capital assets consisting of land, buildings and improvements, equipment, and vehicles, less any related debt used to acquire those assets still outstanding. The District uses these assets to provide services to the students and consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's net position includes resources that are subject to external restrictions on how they may be used, which includes reserves set aside for specific purposes governed by statutory law and regulations. These include the debt service reserve, which is set aside for the repayment of bonds issued to finance capital projects; the capital reserve, which is dedicated for future renovations as approved by the District's voters; the employee benefit accrued liability reserve, which must be used to pay future accumulated sick and vacation time; the retirement contribution reserve, which is restricted to fund contributions paid by the District for both of the State's retirement systems; and the unemployment reserve, which is restricted to pay the cost of reimbursement to the State Unemployment Insurance Fund.

Changes in deferred outflows and deferred inflows of resources include changes in pension and postemployment benefits activity at the State level which is required to be reflected on the District's financial statements. Deferred outflows of resources include contributions required to be paid by the District to the State pension systems and healthcare premiums after the measurement date, and as such are not included in the current net pension position. Deferred outflows and deferred inflows of resources also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions. The District has no control or authority over these transactions.

Changes in Net Position from Operating Results

	Governmental Activities and Total School District			
	2023	2024	Increase / (Decrease)	Percentage Change
Revenues				
Charges for Services	$ 46,107	$ 27,827	$ (18,280)	-39.65%
Operating Grants and Contributions	1,004,586	836,346	(168,240)	-16.75%
General Revenues				
Property Taxes	3,975,768	4,117,058	141,290	3.55%
State Formula Aid	4,269,581	4,078,697	(190,884)	-4.47%
Interest Earnings	66,028	176,339	110,311	167.07%
Other	440,549	423,721	(16,828)	-3.82%
Total Revenues	9,802,619	9,659,988	(142,631)	-1.46%
Expenses				
General Support	1,546,342	2,035,735	489,393	31.65%
Instruction	5,921,389	7,017,491	1,096,102	18.51%
Pupil Transportation	679,351	893,068	213,717	31.46%
School Food Service Program	220,072	240,354	20,282	9.22%
Total Expenses	8,367,154	10,186,648	1,819,494	21.75%
Increase/(Decrease) in Net Position	$ 1,435,465	$ (526,660)	$ (1,962,125)	-136.69%

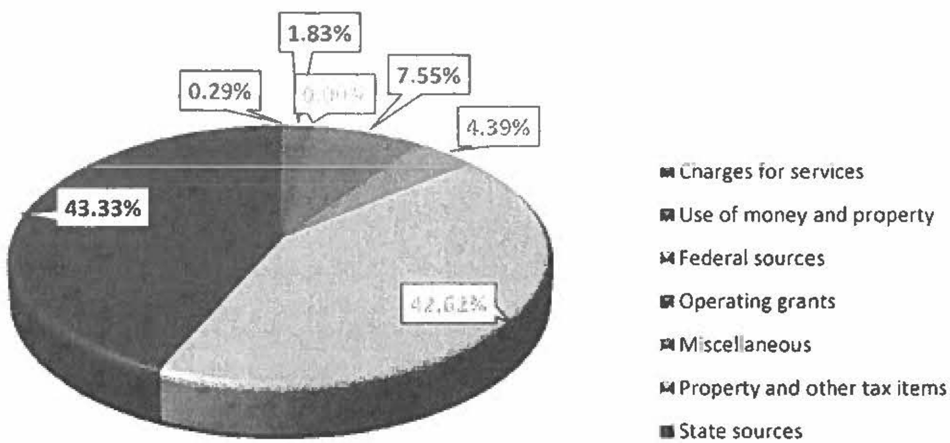
Governmental Activities

This section discusses the cost of five major District activities: general support, instruction, pupil transportation, school lunch, and interest on long-term debt.

The District's total revenue decreased by 1.46%, to $9,659,988. State and federal aid (43%) and property taxes (43%) accounted for most of the District's revenue. The remaining (14%) of the revenue comes from operating grants, charges for services, investment earnings, compensation for loss, and miscellaneous revenues. The federal and state governments subsidized certain programs with grants and contributions of $836,346. Grants and contributions decreased by 16.75% over prior year due to the reduced funding received.

Most of the District's costs, however, were financed by District taxpayers and taxpayers of New York State. There was $4,078,697 in state aid based on a statewide education aid formula, and $4,117,058 received in property taxes.

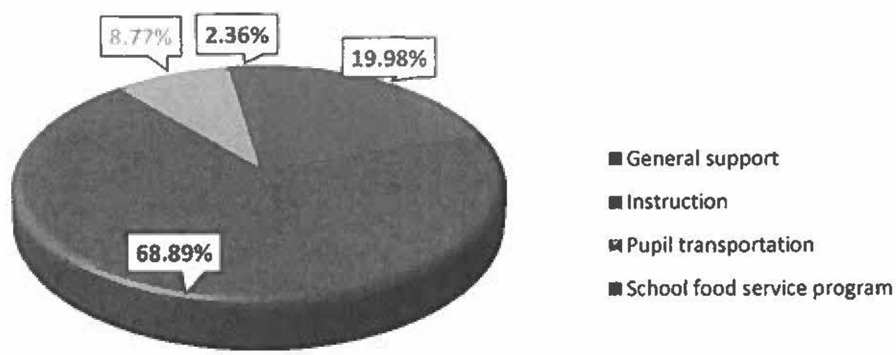
2023-2024 REVENUES



The total cost of all the programs and services increased to $10,186,648. During the 2023-24 fiscal year, Hammond Central School District's predominate expenses were related to the direct and indirect instructional programs and caring of our students which accounted for $7,017,491, or 68.9% of the total costs. General support, which included expenses associated with the operation, maintenance, and administration of the District accounted for 19.9% of the total costs.

The year-over-year increase in expenses totaled $1,819,494, or 21.75 %. This increase in expenses were a result of actuary adjustments to the pension plans and OPEB.

2023-2024 EXPENSES



Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. At the end of the fiscal year, the District's governmental funds reported combined fund balances of $5,765,993, a decrease of $542,765 from last year's ending fund balance of $6,308,758. The fund balances represent the availability of governmental fund resources for future use.

Nonspendable fund balance is the portion of fund balance which is not available for appropriation because the funds are in nonspendable form, such as inventory, prepaid items, and/or long-term receivables.

A reserved or restricted fund balance indicates that it is not available due to the fact that it is either legally restricted to liquidate current contracts or restricted for other purposes. The additional reserve and the increases in the amounts in various reserves demonstrate the continuing growth in the District's financial strength.

Hammond Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

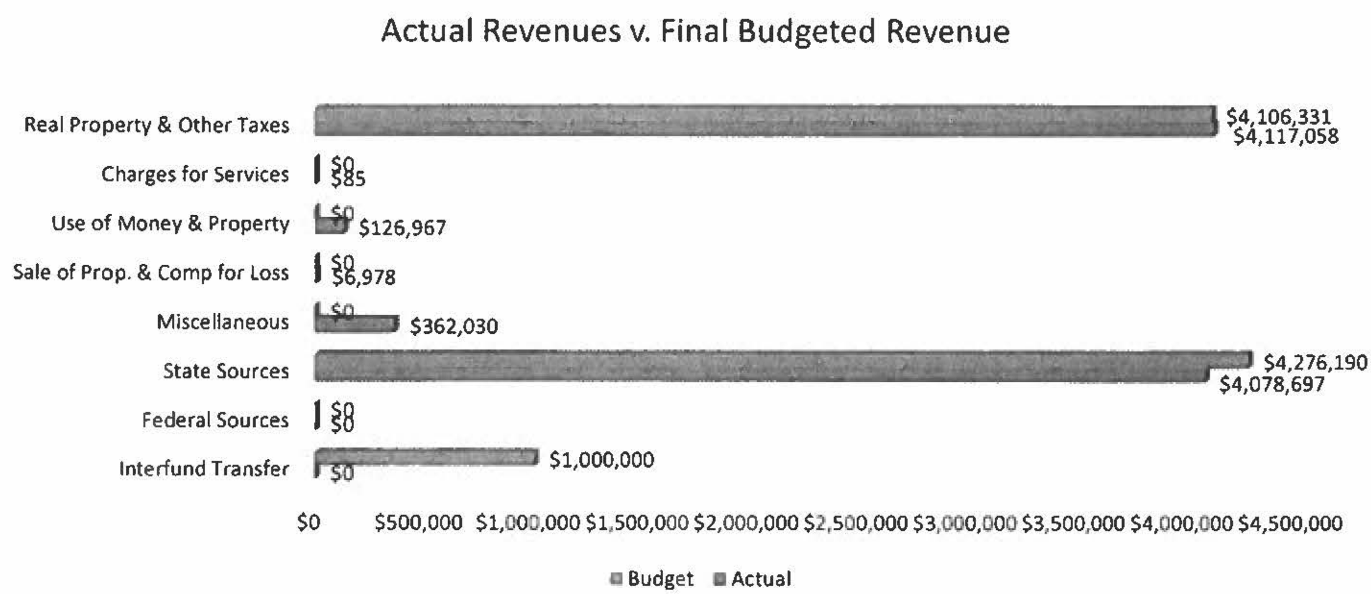
The assigned fund balance is generally comprised of appropriated for taxes for the next fiscal year and/or encumbrances which represent purchase commitments made by the District's Purchasing Agent through their authorization of a purchase order prior to year-end.

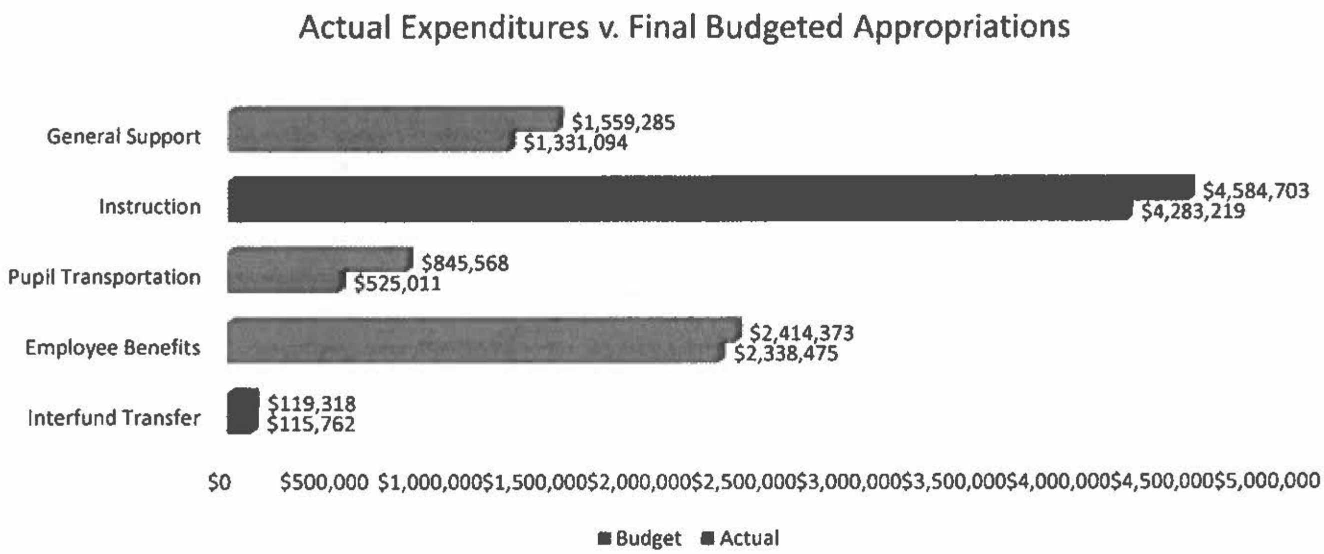
One of the most important pieces of information reported in the governmental fund financial statements is unassigned fund balance. The unassigned portion is not specifically designated and will assist the District in cash flow needs.

The fund balance available in the General Fund represents $4,433,344 of the governmental total fund balance. At the end of this year, the total fund balance in the General Fund was divided between $2,230,724 in restricted fund balance, $1,302,252 in assigned fund balance, and $900,368 in unassigned fund balance.

The District funded the following restricted funds in the 2023-24 fiscal year, see table below:

General Fund Restricted Balances:	2023	2024	Total Variance
Reserve for Workers' Compensation	$ 257,571	$ 257,830	$ 259
Reserve for Unemployment Insurance	343,946	344,291	345
Retirement Contribution Reserve - ERS	251,750	544,436	292,686
Retirement Contribution Reserve - TRS	513,049	264,843	(248,206)
Reserve for Insurance	330,892	331,197	305
Reserve for Employee Benefit Accrued Liability	481,095	488,127	7,032
Total General Fund Restricted Balance	**$ 2,178,303**	**$ 2,230,724**	**$ 52,421**





Over the course of the year, the District did not revise the annual operating budget.

Actual revenues were $8,691,815, a difference of $309,294 or 5.05% higher than the final amended budget. Interest income and miscellaneous revenues were all higher than anticipated. This was mostly due to higher interest rates than expected during the year.

Actual expenditures and carryover encumbrances were $929,686 or 9.8% less than the final amended budget due, in part, to conservative budgeting and expenditure controls.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2023-24 fiscal year, the District has invested $4,809,049 in a broad range of net capital assets, including land, school buildings, furniture, equipment, and vehicles. These amounts are represented as follows:

	2023	2024 Additions	2024 Retirements	2024
Land	$ 1,465	$ -	$ -	$ 1,465
Construction in Progress	59,708	695,905	-	755,613
Buildings and improvements	9,880,735	97,443	-	9,978,178
Furniture and equipment	1,402,244	6,100	-	1,408,344
Vehicles	982,558	-	(51,877)	930,681
Intangible lease asset - equipment	24,502	-	-	24,502
Less:				
Accumulated depreciation and amortization	(7,922,857)	(418,754)	51,877	(8,289,734)
Net Capital Assets	**$ 4,428,355**	**$ 380,694**	**$ -**	**$ 4,809,049**

Notable additions during the fiscal year included upgrades to the lighting and heating systems, and preliminary work on the 2024-2025 capital project approved by voters.

Short-Term Debt

There were no short-term debt transactions for the fiscal year ended June 30, 2024.

Long-Term Debt

At year-end, the District had $24,957,960 in general obligation bonds and other long-term debt outstanding, a $2,928,928 decrease from last year as follows:

	2023	2024 Additions	2024 Retirements	2024
Lease liability	$ 10,546	$ -	$ (5,755)	$ 4,791
Compensated absenses payable	124,082	1,743	-	125,825
Other postemployment benefits obligation	27,066,244	-	(2,702,854)	24,363,390
Net pension liability - proportionate share	686,016	-	(222,062)	463,954
Total Long-Term Obligations	**$ 27,886,888**	**$ 1,743**	**$ (2,930,671)**	**$ 24,957,960**

School Food Service Fund

The District did qualify for CEP funding beginning in 2023-24. During the 2023-24 fiscal year, the District had a loss of $14,697, which was offset with a transfer from the general fund.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the School District was not aware of any existing circumstances which could significantly affect its financial position in the future.

Contacting the District's Financial Management

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

Sarah Whitcombe
School Business Administrator
Hammond Central School District
51 S. Main Street
Hammond, NY 13646

Hammond Central School District
Statement of Net Position
Governmental Activities
June 30, 2024

Statement #1

Assets		
Cash		
Unrestricted	$ 3,831,601	
Restricted	2,343,064	
Receivables		
State and federal aid	227,903	
Due from other governments	159,563	
Prepaid Expenses	6,739	
Inventories	8,828	
Capital assets (net)	4,809,049	
Total Assets		$ 11,386,747
Deferred Outflows of Resources		
Pensions	1,650,729	
Other postemployment benefits	3,234,397	
Total Deferred Outflows of Resources		$ 4,885,126
Liabilities		
Payables		
Accounts payable	$ 495,692	
Accrued liabilities	2,214	
Due to other governments	127	
Due to teachers' retirement system	272,073	
Due to employees' retirement system	41,599	
Long-term liabilities		
Due and payable within one year		
Lease liability	3,576	
Due and payable after one year		
Lease liability	1,215	
Compensated absences	125,825	
Other postemployment benefits payable	24,363,390	
Net pension liability	463,954	
Total Liabilities		$ 25,769,665
Deferred Inflows of Resources		
Pensions	$ 316,227	
Other postemployment benefits	5,988,210	
Total Deferred Inflows of Resources		$ 6,304,437

See Notes to Financial Statements.

Hammond Central School District
Statement of Net Position
Governmental Activities
June 30, 2024

Statement #1

Net Position		
Net investment in capital assets	$ 4,804,258	
Restricted for:		
Other legal restrictions	2,332,538	
Unrestricted (deficit)	(22,939,025)	
Total Net Position		$ (15,802,229)

Hammond Central School District
Statement of Activities and Changes in Net Position
Governmental Activities
For the Year Ended June 30, 2024

		Program Revenues		
	Expenses	Charges for Services	Operating Grants	Net (Expense) Revenues and Changes in Net Position
Functions/Programs				
General support	$ 2,035,735	$ -	$ -	$ (2,035,735)
Instruction	7,017,491	85	644,346	(6,373,060)
Pupil transportation	893,068	-	-	(893,068)
School lunch program	240,354	27,742	192,000	(20,612)
Total Functions and Programs	$ 10,186,648	$ 27,827	$ 836,346	(9,322,475)
General Revenues				
Real property taxes				3,904,958
Other tax items				212,100
Use of money and property				176,339
Sale of property and compensation for loss				6,978
Miscellaneous				416,743
State sources				4,078,697
Total General Revenues				8,795,815
Change in Net Position				(526,660)
Total Net Position - Beginning of year				(15,275,569)
Total Net Position - End of year				$ (15,802,229)

See Notes to Financial Statements.

Hammond Central School District
Balance Sheet
Governmental Funds
June 30, 2024

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	Total Governmental Funds
Assets							
Cash							
Unrestricted	$ 2,242,547	$ -	$ 22,451	$ -	$ 1,566,603	$ -	$ 3,831,601
Restricted	2,230,724	-	-	-	-	112,340	2,343,064
Receivables							
State and federal aid	73,909	141,335	12,659	-	-	-	227,903
Due from other funds	179,128	-	-	49,257	97,443	-	325,828
Due from other governments	159,563	-	-	-	-	-	159,563
Prepaids	-	-	-	-	6,739	-	6,739
Inventories	-	-	8,828	-	-	-	8,828
Total Assets	$ 4,885,871	$ 141,335	$ 43,938	$ 49,257	$ 1,670,785	$ 112,340	$ 6,903,526
Liabilities							
Payables							
Accounts payable	$ 43,393	$ -	$ 341	$ -	$ 451,958	$ -	$ 495,692
Accrued liabilities	551	-	1,663	-	-	-	2,214
Due to other funds	97,443	141,274	27,328	-	49,257	10,526	325,828
Due to other governments	-	61	66	-	-	-	127
Due to teachers' retirement system	272,073	-	-	-	-	-	272,073
Due to employees' retirement system	39,067	-	2,532	-	-	-	41,599
Total Liabilities	452,527	141,335	31,930	-	501,215	10,526	1,137,533
Fund Balances							
Nonspendable	-	-	8,828	-	-	-	8,828
Restricted	2,230,724	-	-	-	-	101,814	2,332,538
Assigned	1,302,252	-	3,180	49,257	1,169,570	-	2,524,259
Unassigned	900,368	-	-	-	-	-	900,368
Total Fund Balances	4,433,344	-	12,008	49,257	1,169,570	101,814	5,765,993
Total Liabilities and Fund Balances	$ 4,885,871	$ 141,335	$ 43,938	$ 49,257	$ 1,670,785	$ 112,340	$ 6,903,526

See Notes to Financial Statements.

Hammond Central School District
Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2024

Statement #3A

	Total Governmental Funds	Long-Term Assets & Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
Assets				
Cash				
Unrestricted	$ 3,831,601	$ -	$ -	$ 3,831,601
Restricted	2,343,064	-	-	2,343,064
Receivables				
State and federal aid	227,903	-	-	227,903
Due from other funds	325,828	-	(325,828)	-
Due from other governments	159,563	-	-	159,563
Prepaids	6,739			6,739
Inventories	8,828	-	-	8,828
Capital assets (net)	-	4,809,049	-	4,809,049
Total Assets	$ 6,903,526	$ 4,809,049	$ (325,828)	$ 11,386,747
Deferred Outflows of Resources				
Pensions	-	1,650,729	-	1,650,729
Other postemployment benefits	-	3,234,397	-	3,234,397
Total Deferred Outflows of Resources	-	4,885,126	-	4,885,126
Total Assets and Deferred Outflows of Resources	$ 6,903,526	$ 9,694,175	$ (325,828)	$ 16,271,873
Liabilities				
Payables				
Accounts payable	$ 495,692	$ -	$ -	$ 495,692
Accrued liabilities	2,214	-	-	2,214
Due to other funds	325,828	-	(325,828)	-
Due to other governments	127	-	-	127
Due to teachers' retirement system	272,073	-	-	272,073
Due to employees' retirement system	41,599	-	-	41,599
Lease liability	-	4,791	-	4,791
Compensated absences payable	-	125,825	-	125,825
Other postemployment benefits payable	-	24,363,390	-	24,363,390
Net pension liability - proportionate share	-	463,954	-	463,954
Total Liabilities	$ 1,137,533	$ 24,957,960	$ (325,828)	$ 25,769,665
Deferred Inflows of Resources				
Pensions	$ -	$ 316,227	$ -	$ 316,227
OPEB	-	5,988,210	-	5,988,210
Total Deferred Inflows of Resources	$ -	$ 6,304,437	$ -	$ 6,304,437
Total Fund Balance/Net Position				
Total Fund Balances / Net Position	$ 5,765,993	$ (21,568,222)	$ -	$ (15,802,229)
Total Liabilities, Deferred Inflows of Resources and Fund Balances / Net Position	$ 6,903,526	$ 9,694,175	$ (325,828)	$ 16,271,873

See Notes to Financial Statements.

Hammond Central School District
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2024

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	Total Governmental Funds
Revenues							
Real property taxes	$ 3,904,958	$ -	$ -	$ -	$ -	$ -	$ 3,904,958
Other tax items	212,100	-	-	-	-	-	212,100
Charges for services	85	-	-	-	-	-	85
Use of money and property	126,967	-	26	49,257	-	89	176,339
Sale of property and compensation for loss	6,978	-	-	-	-	-	6,978
Miscellaneous	362,030	-	3,224	-	-	51,489	416,743
State sources	4,078,697	87,093	20,295	-	-	-	4,186,085
Federal sources	-	557,253	166,590	-	-	-	723,843
Surplus food	-	-	5,115	-	-	-	5,115
Sales - school lunch	-	-	27,742	-	-	-	27,742
Total Revenues	$ 8,691,815	$ 644,346	$ 222,992	$ 49,257	$ -	$ 51,578	$ 9,659,988
Expenditures							
General support	$ 1,331,094	$ -	$ 48,561	$ -	$ -	$ 45,949	$ 1,425,604
Instruction	4,283,219	555,074	-	-	-	-	4,838,293
Pupil transportation	525,011	-	-	-	-	-	525,011
Employee benefits	2,338,475	92,894	40,403	-	-	-	2,471,772
Cost of sales	-	-	148,725	-	-	-	148,725
Capital outlay	-	-	-	-	793,348	-	793,348
Total Expenditures	$ 8,477,799	$ 647,968	$ 237,689	$ -	$ 793,348	$ 45,949	$ 10,202,753
Excess (Deficiency) of Revenues Over Expenditures	$ 214,016	$ (3,622)	$ (14,697)	$ 49,257	$ (793,348)	$ 5,629	$ (542,765)
Other Financing Sources and Uses							
Operating transfers in	$ -	$ 3,622	$ 14,697	$ -	$ 97,443	$ -	$ 115,762
Operating transfers (out)	(115,762)	-	-	-	-	-	(115,762)
Total Other Financing Sources (Uses)	$ (115,762)	$ 3,622	$ 14,697	$ -	$ 97,443	$ -	$ -
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Sources (Uses)	$ 98,254	$ -	$ -	$ 49,257	$ (695,905)	$ 5,629	$ (542,765)
Fund Balance - Beginning of year	4,335,090	-	12,008	-	1,865,475	96,185	6,308,758
Fund Balance - End of year	$ 4,433,344	$ -	$ 12,008	$ 49,257	$ 1,169,570	$ 101,814	$ 5,765,993

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

Statement #4A

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds		$ (542,765)
Capital Related Items		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets with an initial, individual cost of more than $5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, net of related losses on disposal of capital assets.		
Capital outlays	$ 793,348	
Depreciation expense	(418,754)	
Gain (loss) on disposal	-	
Additions to assets	6,100	380,694
Long-Term Debt Transactions		
Repayment of lease liability is reported as an expense in the governmental activities and as a reduction of the lease liability in the GASB 34 statements.		5,755
(Increases) decreases in accrued compensated absences reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.		(1,743)
On the Statement of Activities, the actual and projected long term expenditures for benefits are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefits.		(178,453)
(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Teachers' Retirement System	(147,738)	
Employees' Retirement System	(42,410)	(190,148)
Changes in Net Position of Governmental Activities		$ (526,660)

See Notes to Financial Statements.

1 – Summary of Significant Accounting Policies

The financial statements of Hammond 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 used by the District are described below:

A. Reporting Entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 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 No. 14, GASB No. 84 Fiduciary Activities and GASB No. 97 Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.* The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

i. Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found 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 St Lawrence-Lewis Counties 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 that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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 $1,669,906 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $519,153. This represents state aid distributions of $355,185 and 2023 fund balance returned to schools of $163,968.

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 that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ii. Funds Statements:

The fund statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

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

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 Fund: Used to account for special operating projects or programs supported in whole, or in part, with Federal Funds or State of Local grants.

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

Miscellaneous Special Revenue Funds: Used to account for transactions of activities for which the District has administrative control, but the activities are not part of the District's operations. Included in the miscellaneous special revenue funds are the extraclassroom activity funds and the scholarship funds.

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.

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 assets 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.

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 state aid is recognized in the fiscal year it is apportioned by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year except for property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year as it matches the liquidation of related obligations.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, 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, 2023 and become a lien on August 8, 2023. Taxes are collected during the period September 1, 2023 to October 31, 2023.

Uncollected real property taxes are subsequently enforced by Jefferson and St. Lawrence Counties. 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). Eliminations have been made for all interfund receivables and payables between the 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 11 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H. Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/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 long-lived assets.

I. Cash (and Cash Equivalents):

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.

J. Accounts Receivable:

Accounts receivable are shown net of an allowance for uncollectible accounts, when applicable. 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 that approximates market. Purchases of inventory 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 receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

L. Other 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 or estimated historical cost. Donated assets are reported at estimated fair market value at the time received.

Land and construction in process are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 5,000	SL	40-50 years
Building improvements	5,000	SL	20-50 years
Furniture and equipment	5,000	SL	5-15 years
Vehicles	5,000	SL	5-15 years

The School District does not possess any infrastructure.

N. Deferred Outflows and Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. 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 recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is the District contributions to the pension systems (TRS and ERS Systems) and other postemployment benefits (OPEB) subsequent to the measurement date. The third item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualifies for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second 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.

O. Unearned Credits:

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

P. Vested Employee Benefits:

Compensated Absences

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

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

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

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

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

Q. Other Benefits:

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

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

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

R. Short-Term Debt:

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN) in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually 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.

S. Accrued Liabilities and Long-Term Obligations:

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in full, in a timely manner, from current financial resources. Claims and judgments, other postemployment benefits payable and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

T. Equity Classifications:

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) reduced by outstanding balances of related debt obligations from the acquisition, construction 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 balance includes inventory recorded in the School Food Service Fund of $8,828.

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:

<u>Employee Benefit Accrued Liability Reserve Fund</u>
According to General Municipal Law §6-p, expenditures made from 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.

<u>Retirement Contributions Reserve Fund</u>
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 reserve and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. 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.

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.

Workers' Compensation Reserve Fund
According to General Municipal Law §6-j, all expenditures made from the workers' compensation reserve fund must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

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.

Insurance Reserve
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). This 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 $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.

Restricted fund balance includes the following:

General Fund:	
Unemployment insurance	$ 344,291
Retirement contributions - NYSERS	544,436
Retirement contributions - NYSTRS	264,843
Employment benefit accrued liability	488,127
Insurance	331,197
Workers' Compensation	257,830
	$ 2,230,724
Miscellaneous Special Revenue Fund:	
Scholarships	$ 70,285
Extraclassroom	31,529
	$ 101,814

Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 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 $302,252. Appropriated fund balance in the General Fund amounted to $1,000,000. Any remaining fund balance in other funds is considered assigned. The School Lunch Fund, Debt Service Fund and Capital Fund also report assigned fund balance of $3,180, $49,257 and $1,169,570, respectively. As of June 30, 2024, the District's General Fund encumbrances were classified as follows:

Pupil transportation	$ 302,252
Total	$ 302,252

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

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the District's budget for the General Fund 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, encumbrances and amounts reserved for insurance recoveries 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 of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

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 assigned or restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

U. Implementation of New Accounting Standards:

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

GASB has issued Statement No. 99, *Omnibus 2022*. This statement addresses a variety of topics, including derivative instruments, leases, public-private partnership arrangements ("PPPs"), subscription-based information technology arrangements ("SBITAs"), London interbank offered rate ("LIBOR"), and pledges of future revenues. Many of the requirements are effective immediately. The requirements related to leases, PPPs, and SBITAs are effective for years beginning after June 15, 2022. The requirements related to financial guarantees and derivative instruments are effective for fiscal years ending June 30, 2024.

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.

V. 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 statement 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.

2 – Explanation of Certain Differences Between 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 district-wide statements, 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 balance of the District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employments benefits.

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

Differences between the funds' Statement of Revenues, Expenditures and Changes in Fund Balances 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 for the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii. Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the 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.

3 – Stewardship, Compliance and Accountability

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental fund 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. No supplemental appropriations occurred during the year.

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

The General Fund is the only fund with a legally adopted 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 restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time as the liability is incurred or the commitment is paid.

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year. Actions the District plans to pursue to address this issue include funding appropriate reserves and appropriating fund balance for tax reduction.

4 – Cash (and Cash Equivalents) – Custodial Credit, Concentration of Credit, Interest Rate, and Foreign Currency Risks

Cash

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 pledging financial institution, or its trust department or agent, but not in the District's name	$ 3,972,724

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 $2,896,014 restricted for various fund balance reserves in the General Fund and scholarship and extraclassroom funds in the Miscellaneous Revenue Fund.

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 but not 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.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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 Stated 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 entity 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 insurance 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.

Investment Pool

The District participates in the Cooperative Liquid Assets Security System – New York (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 3-A and 5-G, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS investment and collateral policies are in accordance with General Municipal Law, Sections 10 and 11.

Total investments of the cooperative at June 30, 2024 are $11,722,084,338, which consisted of $1,924,766,248 in repurchase agreements, $8,031,972,188 in U.S. Treasury Securities, and $1,765,345,902 in collateralized bank deposits, with various interest rate and due dates.

The amount of $2,239,134 on deposit with NYCLASS is included as cash in the financial statements.

The above amounts represent the fair value of the investment pool shares. The Lead Participant of NYCLASS is the Village of Potsdam. Additional information concerning NYCLASS, including the annual report, can be found on its website at www.newyorkclass.org.

The following amounts are included as unrestricted and restricted cash:

Fund	Balance
General	$ 2,172,758
Capital	66,376
Total	$ 2,239,134

5 – Capital Assets

Capital asset balances for the year ended June 30 are as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	$ 1,465	$ -	$ -	$ 1,465
Construction in progress	59,708	695,905	-	755,613
Total nondepreciable	61,173	695,905	-	757,078
Capital assets being depreciated:				
Buildings and improvements	9,880,735	97,443	-	9,978,178
Furniture and equipment	1,402,244	6,100	-	1,408,344
Vehicles	982,558	-	(51,877)	930,681
Intangible lease asset - equipment	24,502	-	-	24,502
Total depreciated assets	12,290,039	103,543	(51,877)	12,341,705
Less accumulated depreciation:				
Buildings and improvements	(6,052,766)	(262,251)	-	(6,315,017)
Furniture and equipment	(1,271,180)	(17,646)	-	(1,288,826)
Vehicles	(584,955)	(133,102)	51,877	(666,180)
Less accumulated amortization:				
Intangible lease asset - equipment	(13,956)	(5,755)	-	(19,711)
Total accumulated depreciation	(7,922,857)	(418,754)	51,877	(8,289,734)
Total depreciated assets, net	4,367,182	(315,211)	-	4,051,971
Total capital assets balances, net	$ 4,428,355	$ 380,694	$ -	$ 4,809,049

Depreciation and amortization expense was charged to governmental functions as follows:

Pupil transportation	$ 133,103
General support	272,838
Instruction	10,148
School food service program	2,665
	$418,754

7 – Short-Term Debt

There were no short-term debt transactions for the fiscal year ended June 30, 2024.

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

Lease Liabilities

The District enters into agreements to lease office equipment. Leases with a lease term greater than twelve months are recorded at the present value of the future minimum lease payments as of the date of their inception.

Noncurrent liability balances and activity are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Long-Term Liabilities:					
Serial bonds	$ -	$ -	$ -	$ -	$ -
Total Long-Term Liabilities	-	-	-	-	-
Other Long-Term Liabilities:					
Compensated absences	124,082	1,743	-	125,825	-
Other postemployment benefits obligation	27,066,244	-	(2,702,854)	24,363,390	-
Net pension liability - proportionate share	686,016	-	(222,062)	463,954	-
Lease liability	10,546	-	(5,755)	4,791	3,576
	$ 27,886,888	$ 1,743	$ (2,930,671)	$ 24,957,960	$ 3,576

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

9 – 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.

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 New York State Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The 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, New York 12211-2395 or by referring to the NYTRS 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, New York 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% 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 ended 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 and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	TRS	ERS
2023-2024	$ 288,532	$ 94,122
2022-2023	235,124	85,044
2021-2022	206,392	115,365

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

Pension Assets, Liabilities, Pension Expense (Credit), 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 June 30, 2023 for TRS and March 31, 2024 for ERS. 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 TRS and ERS Systems in reports provided to the District.

	TRS	ERS
Actuarial valuation date	June 30, 2022	April 1, 2023
Net pension asset/(liability)	$ (162,601)	$ (301,353)
District's portion of the Plan's total net pension asset/(liability)	0.014219%	0.0020467%

For the year ended June 30, 2024, the District recognized its proportionate share of pension expense (credit) of $462,030 for TRS and $129,863 for ERS. At June 30, 2024 the District 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	
	TRS	ERS	TRS	ERS
Differences between expected and actual experience	$ 394,264	$ 97,066	$ 974	$ 8,217
Changes of assumptions	350,075	113,935	76,297	-
Net difference between projected and actual earnings on pension plan investments	83,118	-	-	147,210
Changes in proportion and differences between the District's contributions and proportionate share of contributions	8,083	46,167	76,430	7,099
District's contributions subsequent to the measurement date	516,423	41,598	-	-
Total	$ 1,351,963	$ 298,766	$ 153,701	$ 162,526

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	TRS	ERS
2024	$ 54,805	$ -
2025	(95,373)	(40,331)
2026	640,846	69,596
2027	37,955	95,110
2028	27,161	(29,733)
Thereafter	16,446	-

Actuarial Assumptions:

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

	TRS	ERS
Measurement date	June 30, 2023	March 31, 2024
Actuarial valuation date	June 30, 2022	April 1, 2023
Interest rate	6.95%	5.90%
Salary scale	1.95 - 5.18%	4.40%
Decrement tables	July 1, 2015 - June 30, 2020 System's Experience	April 1, 2015 - March 31, 2020 System's Experience
Inflation rate	2.40%	2.90%
Cost of living adjustments	1.30%	1.50%

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

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

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

TRS	Target Allocation 2023	Long-term expected Real rate of return* 2023
Asset Type		
Domestic equity	33%	6.80%
International equity	15%	7.60%
Global equity	4%	7.20%
Real estate equity	11%	6.30%
Private equity	9%	10.10%
Domestic fixed income	16%	2.20%
High-yield bonds	1%	4.40%
Global bonds	2%	1.60%
Real estate debt	6%	3.20%
Private debt	2%	6.00%
Cash equivalents	1%	0.30%
Total	100%	

*Real rates of returns are net of the long-term inflation assumption of 2.4% for 2023.

ERS	Target Allocation 2024	Long-term expected Real rate of return* 2024
Asset Type		
Domestic equity	32%	4.00%
International equity	15%	6.65%
Private equity	10%	7.25%
Real estate	9%	4.60%
Opportunistic/absolute return strateg	3%	5.25%
Credit	4%	5.40%
Real assets	3%	5.79%
Fixed income	23%	1.50%
Cash	1%	0.25%
Total	100%	

* Real rates of returns are net of the long-term inflation assumption of 2.9% for 2024.

Discount Rate:

The discount rate used to calculate the total pension liability was 6.95% for TRS and 5.9% for ERS. 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 Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset (liability).

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

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2024 was calculated using the discount rate of 6.95% for TRS and 5.9% for ERS, 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 (5.95% for TRS and 4.9% for ERS) or 1 percentage point higher (7.95% for TRS and 6.9% for ERS) than the current rate:

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employers' proportionate share of the net pension asset (liability)	$ (2,476,493)	$ (162,601)	$ 1,783,483

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employers' proportionate share of the net pension asset (liability)	$ (947,486)	$ (301,353)	$ 238,301

Pension Plan Fiduciary Net Position:

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

	TRS	ERS
Valuation date	June 30, 2022	April 1, 2023
	(Dollars in Thousands)	
Employers' total pension liability	$ 138,365,122	$ 240,696,851
Plan fiduciary net position	137,221,537	225,972,801
Employers' net pension asset/(liability)	$ (1,143,585)	$ (14,724,050)
Ratio of plan fiduciary neet position to the employers' total pension liability	99.2%	93.88%

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 benefits.

Payables to the Pension Plan:

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 covered 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 $272,073.

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, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to $41,599.

10 – Unrestricted Net Position

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

Designated for subsequent years' expenditures	$ 1,000,000
Reserve for encumbrances	302,252
Unreserved	900,368
Total unrestricted net position general fund	$ 2,202,620

11 – Interfund Transactions – Governmental Funds

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

Interfund transactions and balances are as follows:

	Interfund			
	Receivable	Payable	Revenues	Expenditures
General	$ 179,128	$ 97,443	$ -	$ 115,762
School food service	-	27,328	14,697	-
Special aid	-	141,274	3,622	-
Debt service	49,257	-	-	-
Miscellaneous Special Revenue	-	10,526	-	-
Capital projects	97,443	49,257	97,443	-
Total Governmental Funds	$ 325,828	$ 325,828	$ 115,762	$ 115,762

During 2023-2024, the General Fund transferred $3,622 to the Special Aid Fund for the District's share of the special education summer school programs its students attended, $14,697 to the School Lunch Fund to support operations for the 2023-2024 operating year and $97,443 to the Capital Fund for costs related to the 2023-2024 capital outlay project.

12 – 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 coverage for the past two years.

Self-insured Plans

Workers' Compensation Insurance

The District participates in the St. Lawrence-Lewis Counties School District Employees Workers' Compensation Plan, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to Workers' Compensation claims. The District's share of the liability for unbilled and open claims is $0.

Other Insurance Coverage

The District participates in the St. Lawrence-Lewis Counties School District's Healthcare Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 18 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.

13 – Commitments and Contingencies

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.

14 – Postemployment Benefit Obligation Payable

Plan Description

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

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment contracts. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employers are required to reach age 55 and have 10 to 15 years of service to qualify for other post-employment benefits. 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 $741,264 was paid on behalf of 38 retirees.

Benefits Provided

The District provides for continuation of medical and/or Medicare Part B benefits for certain retirees and their spouses. The benefit terms are dependent on which contract each employee falls under. Retirees and their spouses receive benefits for the lifetime of the retired employee. 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/beneficiaries currently receiving benefit payments	38
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	56
Total plan members	94

Net OPEB Liability

The District's total OPEB liability measured as of June 30, 2023; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions and Other Inputs

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

Inflation	2.70%
Salary increase	3.00%
Discount rate	3.65%
Healthcare Cost Trend Rates:	
Medical	7.80% for 2025 decrease to an ultimate rate of 4.14% by 2094

Mortality rates were based on the sex-distinct RPH-2010 Mortality Tables for employees and healthy annuitants, adjusted for mortality improvements with scale MP-2021.

Changes in the Total OPEB Liability

Balance at June 30, 2023	$ 27,066,244
Changes for the year:	
Service cost	706,834
Interest	970,047
Changes in benefit terms	(294,928)
Difference between expected and actual experience	(4,048,486)
Changes in assumptions	704,943
Benefit payments	(741,264)
Net changes	(2,702,854)
Balance at June 30, 2024	$ 24,363,390

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 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%) or 1 percentage point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	$ 28,514,977	$ 24,363,390	$ 21,025,201

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 trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	$ 20,730,087	$ 24,363,390	$ 28,994,100

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

For the year ended June 30, 2024, the District recognized OPEB expense (credit) of $846,078. 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	$ 184,332	$ 4,306,059
Changes of assumptions or other inputs	2,382,441	1,682,151
Benefit payments subsequent to measurement period	667,624	-
Total	$ 3,234,397	$ 5,988,210

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	$ (269,293)
2026	(505,384)
2027	(1,237,320)
2028	(762,307)
2029	(539,282)
Thereafter	(107,851)
	$ (3,421,437)

17 – Subsequent events

The District has evaluated events and transactions that occurred between June 30, 2024 and October 17, 2024, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. Nothing of significance was noted.

Hammond Central School District
Required Supplementary Information
Schedule of Funding Progress- Other Postemployment Benefits
Last 7 Fiscal Years
For the Year Ended June 30, 2024

SS #1

	2024	2023	2022	2021	2020	2019	2018
Measurement Date	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17
Total OPEB Liability							
Service Cost	$ 706,834	$ 1,004,178	$ 998,258	$ 696,155	$ 603,207	$ 690,668	$ 1,153,396
Interest	970,047	624,000	668,327	822,260	841,480	789,041	975,557
Changes in benefit terms	(294,928)	-	-	-	-	-	(3,427,243)
Differences between expected and actual experience in the measurement of the total OPEB liability	(4,048,486)	-	(1,918,552)	-	1,231,672	-	(2,866,302)
Changes of assumptions or other inputs	704,943	(2,409,540)	(178,348)	5,602,254	(396,143)	(988,963)	(7,768,204)
Benefit payments	(741,264)	(614,236)	(701,169)	(648,716)	(598,645)	(556,163)	722,697
Net change in total OPEB liability	(2,702,854)	(1,395,598)	(1,131,484)	6,471,953	1,681,571	(65,417)	(11,210,099)
Total OPEB liability - beginning	27,066,244	28,461,842	29,593,326	23,121,373	21,439,802	21,505,219	32,715,318
Total OPEB liability - ending	$ 24,363,390	$ 27,066,244	$ 28,461,842	$ 29,593,326	$ 23,121,373	$ 21,439,802	$ 21,505,219
Covered payroll	$ 3,466,120	$ 2,901,699	$ 2,902,926	$ 3,023,769	$ 2,990,339	$ 2,897,153	$ 2,897,109
Total OPEB liability as a percentage of covered payroll	702.90%	932.77%	980.45%	978.69%	773.20%	740.03%	742.30%

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

Note: The District does not have net assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension,* to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

Hammond Central School District
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget 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	$ 4,106,331	$ 3,904,958	$ 3,904,958	$ -
Other tax items	-	201,373	212,100	10,727
Charges for services	-	-	85	85
Use of money and property	-	-	126,967	126,967
Sale of Property and Compensation for Loss	-	-	6,978	6,978
Miscellaneous	-	-	362,030	362,030
Total Local Sources	4,106,331	4,106,331	4,613,118	506,787
State sources	4,276,190	4,276,190	4,078,697	(197,493)
Operating Transfers In	-	-	-	-
Total Revenues	8,382,521	8,382,521	8,691,815	$ 309,294
Appropriated Fund Balance				
Prior years' surplus	1,000,000	1,000,000		
Prior year's encumbrances	140,726	140,726		
Appropriated reserves	-	-		
Total Appropriated Fund Balance	1,140,726	1,140,726		
Total Revenues and Appropriated Fund Balance	$ 9,523,247	$ 9,523,247		

Expenditures	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual & Encumbrances
General Support					
Board of Education	$ 61,870	$ 57,015	$ 51,583	$ -	$ 5,432
Central Administration	189,156	218,091	216,072	-	2,019
Finance	117,759	133,836	131,583	-	2,253
Staff	32,200	31,910	28,864	-	3,046
Central Services	587,354	827,657	630,853	-	196,804
Special Items	290,776	290,776	272,139	-	18,637
Total General Support	1,279,115	1,559,285	1,331,094	-	228,191
Instruction					
Administration and Improvement	140,011	207,270	197,357	-	9,913
Teaching - Regular School	2,091,926	1,771,268	1,728,931	-	42,337
Programs for Students with Disabilities	2,044,658	1,926,992	1,767,611	-	159,381
Instructional Media	315,677	332,635	314,115	-	18,520
Pupil Services	370,172	346,538	275,205	-	71,333
Total Instruction	4,962,444	4,584,703	4,283,219	-	301,484
Pupil Transportation	787,043	845,568	525,011	302,252	18,305
Employee Benefits	2,309,645	2,414,373	2,338,475	-	75,898
Total Expenditures	9,338,247	9,403,929	8,477,799	302,252	623,878
Other Financing Uses					
Transfers to other funds	185,000	119,318	115,762	-	3,556
Total Expenditures and Other Financing Uses	$ 9,523,247	$ 9,523,247	8,593,561	$ 302,252	$ 627,434
Net Change in Fund Balance			98,254		
Fund Balance - Beginning of Year			4,335,090		
Fund Balance - End of Year			$ 4,433,344		

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

Hammond Central School District
Required Supplementary Information
Schedule of District Contributions
NYSTRS Pension Plan - Last 10 Fiscal Years
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 288,532	$ 235,124	$ 206,392	$ 194,406	$ 223,473	$ 204,384	$ 213,045	$ 237,251	$ 257,164	$ 332,895
Contributions in Relation to the Contractually Required Contribution	288,532	235,124	206,392	194,406	223,473	204,384	213,045	237,251	257,164	332,895
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered-Employee Payroll	$ 2,651,476	$ 2,334,784	$ 2,348,739	$ 2,201,656	$ 2,137,864	$ 2,085,625	$ 2,173,929	$ 2,024,330	$ 1,939,394	$ 2,062,008
Contributions as a Percentage of Covered-Employee Payroll	10.88%	10.07%	8.79%	8.83%	10.45%	9.80%	9.80%	11.72%	13.26%	16.50%

Hammond Central School District
Schedule of District Contributions
NYSERS Pension Plan - Last 10 Fiscal Years
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 94,122	$ 85,044	$ 115,365	$ 110,843	$ 105,973	$ 112,359	$ 105,323	$ 102,195	$ 94,622	$ 115,067
Contributions in Relation to the Contractually Required Contribution	94,122	85,044	115,365	110,843	105,973	112,359	105,323	102,195	94,622	115,067
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered-Employee Payroll	$ 767,813	$ 770,583	$ 727,671	$ 757,549	$ 741,366	$ 728,555	$ 710,923	$ 682,860	$ 604,753	$ 609,772
Contributions as a Percentage of Covered-Employee Payroll	12.26%	11.04%	15.85%	14.63%	14.29%	15.42%	14.81%	14.97%	15.65%	18.87%

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

Hammond Central School District
Required Supplementary Information
Schedule of District's Proportionate Share
of the Net Pension Liability
NYSTRS Pension Plan - Last 10 Fiscal Years
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension (Liability) Asset	0.014219%	0.012847%	0.012760%	0.012928%	0.012607%	0.012804%	0.012774%	0.012507%	0.013515%	0.013868%
District's Proportionate Share of the Net Pension (Liability) Asset	$ (162,601)	$ (246,520)	$ 2,211,116	$ (357,221)	$ 327,523	$ 231,522	$ 97,099	$ (133,957)	$ 1,403,785	$ 1,544,857
District's Covered-Employee Payroll	$ 2,651,476	$ 2,334,784	$ 2,348,739	$ 2,201,656	$ 2,137,864	$ 2,085,625	$ 2,173,929	$ 2,024,330	$ 1,939,394	$ 2,062,008
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	-6.13%	-10.56%	94.14%	-16.23%	15.32%	11.10%	4.47%	-6.62%	72.38%	-74.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	99.20%	98.60%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

Hammond Central School District
Schedule of District's Proportionate Share
of the Net Pension Liability
NYSERS Pension Plan - Last 10 Fiscal Years
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension (Liability) Asset	0.0020467%	0.0020495%	0.0018672%	0.0019653%	0.0021048%	0.0022866%	0.0022851%	0.0022341%	0.0023554%	0.0021841%
District's Proportionate Share of the Net Pension (Liability) Asset	$ (301,353)	$ (439,496)	$ 152,636	$ (1,957)	$ (557,362)	$ (162,014)	$ (73,751)	$ (209,919)	$ (378,054)	$ (73,784)
District's Covered-Employee Payroll	$ 767,813	$ 770,583	$ 727,671	$ 757,549	$ 741,366	$ 728,555	$ 710,923	$ 682,860	$ 604,753	$ 609,772
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	-39.25%	-57.03%	20.98%	-0.26%	-75.18%	-22.24%	-10.37%	-30.74%	-62.51%	-12.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

Hammond Central School District
Supplementary Information
Schedule of Change from Adopted Budget to Final Budget
And the Real Property Tax Limit - General Fund
For the Year Ended June 30, 2024

Change From Adopted Budget to Final Budget

Adopted Budget	$ 9,382,521
Add: Prior year's encumbrances	140,726
Original Budget	9,523,247
Budget revisions - appropriated reserves	-
Final Budget	$ 9,523,247

Section 1318 of Real Property Tax Law Limit Calculation

2024-25 voter-approved expenditure budget		$ 9,777,953
Maximum allowed (4% of 2024-25 budget)		391,118
General Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Assigned fund balance	1,302,252	
Unassigned fund balance	900,368	
Total unrestricted fund balance		$ 2,202,620
Less:		
Appropriated fund balance	$ 1,000,000	
Encumbrances included in assigned fund balance	302,252	
Total adjustments		$ 1,302,252
General Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 900,368
Actual percentage		9.21%

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

Hammond Central School District
Supplementary Information
Schedule of Project Expenditures
Capital Projects Fund
For the Year Ended June 30, 2024

	Original Appropriation	Revised Appropriation	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Unexpended Balance	Methods of Financing Proceeds of Obligations	Methods of Financing State Aid	Methods of Financing Local Sources	Methods of Financing Total	Fund Balance June 30, 2024
Project Title											
2023-24 Capital Outlay											
Building control upgrades	$ 100,000	$ 97,443	$ -	$ 97,443	$ 97,443	$ -	$ -	$ -	$ 97,443	$ 97,443	$ -
Construction Project	6,747,368	6,747,368	59,708	695,905	755,613	5,991,755	-	-	1,925,183	1,925,183	1,169,570
Totals	$ 6,847,368	$ 6,844,811	$ 59,708	$ 793,348	$ 853,056	$ 5,991,755	$ -	$ -	$ 2,022,626	$ 2,022,626	$ 1,169,570

Capital assets, net		$ 4,809,049
Deduct:		
Short-term portion of lease payable	$ 3,576	
Long-term portion of lease payable	1,215	4,791
Net Investment in Capital Assets		$ 4,804,258

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

Board of Education
Hammond Central School District

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 Hammond Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Hammond Central School District's basic financial statements, and have issued our report thereon dated October 17, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hammond Central School District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hammond Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Hammond 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 that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hammond Central School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2024-1.

Purpose of this Report

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

Stackel + Navarra, CPA, PC

Watertown, NY
October 17, 2024

Hammond Central School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Financial Statements Findings

2024-1:

Condition and criteria: Undesignated General Fund balance exceeds the 4% allowed by Section 1318 of the Real Property Tax Law.

Cause: The School District's budget overestimated expenditures.

Effect: The School District is in violation of Section 1318 of the Real Property Tax Law. At June 30, 2024, the School District appropriated $1,000,000 of fund balance for the 2023-2024 fiscal year leaving a balance of $900,368 unassigned. The amount left unappropriated is in excess of four percent of the ensuing fiscal year balance by $509,250.

Auditors' recommendation: We recommend the School District implement procedures to ensure that the budget is accurate and allows the School District to comply with the fund balance limit.

Corrective Action Planned: Effective July 1, 2024, the District will continue to use excessive fund balance to fund various reserve funds, and to alleviate future tax increases on taxpayers.

FORM OF BOND COUNSEL'S OPINION

July 23, 2025

Hammond Central School District
51 South Main Street
Hammond, New York 13646

Re: Hammond Central School District
$4,772,368 Bond Anticipation Notes, 2025 CUSIP No: 408529

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $4,772,368 Bond Anticipation Notes, 2025 (the "Notes") of Hammond Central School District, Counties of St, Lawrence and Jefferson, State of New York (the "District"). The Notes are dated July 23, 2025 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a bond resolution adopted on April 18, 2023 of the District and a Certificate of Determination dated on or before July 23, 2025 of the President of the Board of Education relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation of rate or amount. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

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. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes 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 and Use of Proceeds 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 Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds 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 New York municipal corporations such as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information, which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School District, in connection with the sale of the Notes, 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 light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

TRESPASZ LAW OFFICES, LLP