PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Bond, Schoeneck & King, PLLC, Syracuse, New York, Bond Counsel, assuming continuing compliance by the School District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes under existing statutes and court decisions. Moreover, interest on the Notes is not an "item of tax preference" for purposes of the alternative minimum tax imposed on individuals by the Code. Interest on the Notes that is included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax imposed under the Code. So long as interest on the Notes is excluded from gross income for Federal income tax purposes, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision therein (including the City of New York). See "TAX MATTERS" herein for discussion of certain Federal taxes applicable to corporate owners of the Notes.

The Notes will not be designated as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

$12,000,000
CITY SCHOOL DISTRICT OF THE CITY OF UTICA
ONEIDA COUNTY, NEW YORK

GENERAL OBLIGATIONS
$12,000,000 Bond Anticipation Notes, 2024
(referred to herein as the "Notes")

Dated: July 25, 2024 **Due: July 25, 2025**

The Notes are general obligations of the City School District of the City of Utica, Oneida County, New York (the "District"), all of 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, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "TAX INFORMATION – Tax Cap Law."

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued as registered notes registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at maturity at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by the successful bidder(s). In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or multiples thereof, as may be determined by such successful bidder(s).

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the unqualified legal opinion as to the validity of the Notes of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon by the purchaser(s), on or about July 25, 2024.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on July 11, 2024 by no later than 10:30 A.M. EDT. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

July 3, 2024

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12, 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 "APPENDIX – C, MATERIAL EVENT NOTICES" HEREIN.

CITY SCHOOL DISTRICT OF THE CITY OF UTICA
ONEIDA COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD of EDUCATION

JOSEPH HOBIKA JR.
President

DA NIELLE N. PADULA
Vice President

JASON COOPER
DONALD DAWES
TENNILLE KNOOP
BRAEDON NANNA
JAMES PAUL

* * * * * * * * * * *

DR. KATHLEEN DAVIS
Interim Superintendent of Schools

KIMBERLY VILE
Assistant Superintendent of Business, Finance and Operations

HEATHER MOWAT
School Business Executive

IAIN CONLEY
District Treasurer

KATHY HUGHES
District Clerk

FERRARA FIORENZA PC
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisors

BOND SCHOENECK & KING PLLC
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
http://www.fiscaladvisors.com

OFFICIAL STATEMENT

of the

CITY SCHOOL DISTRICT OF THE CITY OF UTICA
ONEIDA COUNTY, NEW YORK

Relating To

$12,000,000 Bond Anticipation Notes, 2024

This Official Statement, which includes the cover page and appendices, has been prepared by the City School District of the City of Utica, Oneida County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the School District of $12,000,000 principal amount of Bond Anticipation Notes, 2024 (referred to herein as the "Notes").

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

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

NATURE OF OBLIGATION

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

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

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

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

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

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

> "A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean. . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power

> to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. . . While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

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

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

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

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

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

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the 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 "TAX LEVY LIMITATION LAW" and "Nature of the Obligation" herein.

The Notes will be dated July 25, 2024 and will mature July 25, 2025. The Notes are not subject to redemption prior to maturity. 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.

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 of the District dated October 19, 2021 authorizing the issuance of $17,995,000 of serial bonds to finance the construction of a building addition and related renovations and improvements to Proctor High School.

The Notes will provide $12,000,000 of new monies as the first borrowing for the aforementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

If this option is chosen, DTC, will act as securities depository for the Notes. 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 bearing the same rate of interest and CUSIP number, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.2 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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"). DTC has Standard & Poor's highest rating: AAA. 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.

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.

Principal and interest 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 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 or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment, principal and interest to 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.

THE DISTRICT CANNOT AND DO 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.

Source: The Depository Trust Company.

Certificated Notes

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

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office to be named by the District. The Notes are not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The City of Utica (the "City"), the boundaries of which are coterminous with the boundaries of the District, is located in the central part of the State with a land area of 17 square miles.

The City's principal industries are light manufacturing, electronics, data processing and service industries. Locally owned firms are supplemented by divisions of such nationally known corporations as Special Metals of Allegheny Ludlum Corporation and West End Brewery, maker of Utica Club and Matts beer. Recent economic developments within the City include the construction of a downtown hospital and the construction of the Utica Nexus Center for recreation and sport events.

Some of the largest employers include Wynn Hospital, Mohawk Valley Health Systems, Mohawk Valley Community College, Utica University and Utica City School District (employing approximately 2,000 people).

Major highways serving the City are New York State Routes #5, #8, #12 and #49 as well as the New York State Thruway (I-#90). Interstate Routes #81 and #87 provide limited access north-south with connections via Syracuse and Albany short distances away. The City is also served by the Conrail system with switching facilities.

Source: District officials.

Population Trends

The current estimated population of the District is 64,728. (Source: U.S. Census Bureau, 2022 estimates.)

Year	City of Utica	Oneida County	New York State
1960	100,410	264,401	16,782,304
1970	91,611	273,070	18,236,882
1980	75,632	253,466	17,558,072
1990	68,637	250,836	17,990,455
2000	60,651	235,469	18,976,457
2010	62,241	234,860	19,378,144
2020	65,286	232,113	20,202,320
2023 (Estimated)	63,607	227,555	19,571,216

Source: U.S. Census Bureau.

Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2018-2022	2006-2010	2016-2020	2018-2022
City of:						
Utica	$ 17,754	$ 23,292	$ 25,622	$ 40,817	$ 50,770	$ 56,924
County of:						
Oneida	23,458	30,687	35,284	58,017	74,796	84,410
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

Source: U.S. Census Bureau, 2006-2010 census, 2016-2020 and 2018-2022 American Community Survey data.

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Major Employers

Name of Employer	Approximate Number of Employees	Type of Business
Wynn Hospital	5,400	Tourism
Oneida Indian Nation	4,500	Tourism
Mohawk Valley Health System	4,300	Healthcare
Bassett Healthcare	4,267	Healthcare
County of Oneida	1,700	Government
Upstate Caring Partners	1,670	Social Services
Utica City School District	1,522	Education
Metlife Inc.	1,300	Insurance/Finance
Resource Center for Independent Living	1,250	Social Services
Air Force Research Lab	1,164	Research & Development
Utica National Insurance Group	1,149	Insurance/Finance
BNY Mellon	1,140	Insurance/Finance
Defense Finance and Accounting Service	1,100	Insurance/Finance
Colgate University	1,045	Education
Rome City School District	1,035	Education
Indium Corporation	971	Manufacturing
Utica University	806	Education
City of Rome	814	Government
Wal-Mart Stores Distribution Center Warehousing/Transportation	775	
The Masonic Care Community of NY	740	Healthcare
Hamilton College	725	Education
Bank of America	700	Insurance/Finance
Rome Memorial Hospital, Inc.	688	Healthcare
NYS Dept of Corrections	672	Government
Mohawk Valley Community College	650	Education
Briggs & Stratton	647	Manufacturing
The Arc, Oneida-Lewis Chapter	637	Social Services
Tractor Supply Co.	615	Distribution
City of Utica	550	Government
Charles T. Sitrin Health Care Center	514	Healthcare
ConMed	500	Manufacturing
Whitesboro Central School District	487	Education
Excellus BCBS	467	Insurance/Finance
Fiber Instrument Sales	425	Manufacturing
SUNY Polytechnic Institute	409	Education
LutheranCare	400	Healthcare
Slocum-Dickson Medical Group	400	Healthcare
Wolfspeed Inc.	400	Manufacturing
Central Valley Central School District	395	Education
Camden Central School District	391	Education
Family Dollar Warehousing/Transportation	379	
Herkimer ARC	375	Social Services
New Hartford Central School District	361	Education
Human Technologies	330	Social Services
Revere Copper	350	Manufacturing
AmeriCU	345	Financial Services
Valley Health Services	310	Healthcare

In addition to the above, the Federal, State, and County governments and school districts in the Utica-Rome Metropolitan Statistical Area employ approximately 22,700 people.

Barton and Loguidice recently opened a new office in the City of Utica in the heart of Bagg's Square. The 7,700 square foot office space, located in the historic and renovated Utica Travelers Insurance Building, accommodates an initial staff of 12 with expanded capacity for up to 30 employees on two levels.

Source: Mohawk Valley Economic Development Growth Enterprises Corporation (EDGE).

Unemployment Rate Statistics

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

Annual Average

	2016	2017	2018	2019	2020	2021	2022	2023
City of Utica	5.8%	6.0%	5.2%	4.9%	10.4%	7.0%	4.8%	4.8%
Oneida County	4.9	5.0	4.4	4.1	7.8	5.1	3.5	3.7
New York State	4.9	4.6	4.1	3.9	9.8	7.1	4.3	4.2

2024 Monthly Figures

	Jan	Feb	Mar	Apr	May	June	Jul
City of Utica	5.0%	5.0%	4.8%	4.5%	5.3%	N/A	N/A
Oneida County	4.4	4.5	4.3	3.8	3.9	N/A	N/A
New York State	4.3	4.5	4.2	3.9	4.2	N/A	N/A

Note: Unemployment rates for June and July 2024 are unavailable as of the date of this Official Statement.

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

ECONOMIC DEVELOPMENT EFFORTS

Northeast UAS Airspace Integration Research Alliance

In December 2014, Northeast UAS Airspace Integration Research Alliance (NUAIR Alliance) and Griffiss International Airport announced they were awarded $4 million in grant funding through the fourth round of Governor Cuomo's competitive Regional Economic Development Council (REDC) process. The grant will support the installation of state-of-the-art instrumentation for tracking of unmanned aircraft systems (UAS) operations at Griffiss International Airport and at approved locations in Central and Northern New York, and the Mohawk Valley.

This investment will allow NUAIR and its alliance partners to deploy state-of-the-art range instrumentation which can track UAS in the air and provide safety-enhancing sense and avoid capabilities. This testing capability is the first of its kind at any UAS test site in the country, making Griffiss International Airport a strategic location for the emerging UAS industry.

A recent development is the adoption of a plan for Gryphon Sensors to move forward with phase one of the UAS Flight Environment Capital Project. In September 2017 NUAIR Alliance announced the launch of the first part of the 50 mile Central New York Drone Air Corridor as the first air corridor in the nation where unmanned aerial vehicles can safely fly beyond line of sight for testing and development.

Griffiss International Airport is a national leader in drone test flights, with nearly 3,000 such flights already completed. The Airport's Skydome, which is currently under development, will repurpose a former Air Force hangar and is expected to become the largest indoor airspace for drones.

In October 2022, the Federal Aviation Authority granted NY Unmanned Aircraft Systems to fly drones beyond the line of sight allowing NUAIR to fly civilian drones from Syracuse International Airport to Griffiss International Airport in Rome without the need of visual observers. NUAIR will receive $21 million in grant funding to further develop the corridor and continue flying drones outside the line of sight. With the FAA approval NUAIR plans unlock the full potential and economic advantage of commercial drones and advanced air mobility operations such as cargo and passenger transport via uncrewed aircraft.

SUNY Polytechnic Institute

The Quad-C building on the campus of SUNY Polytechnic Institute is the new home of Danfoss Silicon Power. The manufacturer of power modules currently employs approximately 30 people, which is expected to increase to about 300 as more production lines are installed and become operational.

Adjacent to the SUNY Polytechnic Institute campus at the Marcy Nanocenter, more than $500 million has been appropriated by New York State as part of its commitment to attract advanced electronics manufacturing firms to the 400+ acre Marcy Nanocenter site. To date, more than $78 million has been spent on infrastructure improvements, including natural gas main installation, electrical substation expansion, 115kV transmission line construction, sewer extension and upgrades, water main construction, ring road construction, and site preparation and permitting. Several business leads for this site are being pursued. North Carolina-based company Cree announced in September 2019 its plan to build a $1 billion chip fabrication plant at the Marcy site. The project was completed in 2022, and is anticipated to create approximately 600 jobs over eight years.

Turning Stone Resort Casino

In June of 2015, a $20 million Yellow Brick Road casino was opened in Chittenango, and in March of 2018, the Oneida Indian Nation opened the Point Place Casino in Bridgeport, NY, investing $40 million into the project. These two facilities have created a total of approximately 300 jobs.

On August, 1, 2019, the Oneida Indian Nation opened The Lounge with Caesars Sports, a sports book venue at Turning Stone and Point Place Casino, in development with Caesars Entertainment.

The Turning Stone Resort Casino announced in September 2022 an expansion project that will double the convention and meeting space, add amenities and a new hotel of 250 rooms, and new dining and outdoor spaces and meet the demands of hosting events and conferences. In anticipation of the expansion, the Turning Stone is increasing their workforce by hiring cooks, dealers, beverage servers, hotel workers, etc. The project is expected to take multiple years to complete with groundbreaking taken place in place in 2023. Expansion plans are set to double conference space in 2024 including 8 new meeting rooms, many outdoor patios, 2 new ballrooms, and an outdoor courtyard with 3 new event spaces. Existing facilities and partnerships of the resort plan to expand the facility and the region's marketing reach with this project.

The resort is also building a new hotel referred to as "The Crescent," and a new restaurant. The new hotel is planning to have 258 rooms, lobby, café, and VIP lounge. The restaurant will serve salt seafood and raw bar with five private dining rooms and will feature outdoor patios. The nation is partnering with Rome Health to build an onsite medical center offering urgent, primary, convenience and cardiology care.

ConMed

ConMed is a leading orthopedic products company that distributes products to hospitals, surgical centers and physicians' offices. The business is headquartered in Utica, with facilities nationwide, and is certified to sell products in European markets. ConMed employs 500 people in Central New York and has annual revenues in excess of $300 million.

Griffiss Business & Technology Park

Griffiss Business and Technology Park ("Griffiss Park") is a 3,500-acre multi-use business, technology and industrial park on the grounds of the former Griffiss Air Force Base in nearby Rome. There are approximately 75 employers at Griffiss Park, and total employment of approximately 6,000. Major employers include the Air Force Research Laboratory, Defense Finance and Accounting Service, Eastern Air Defense Sector, Goodrich Corporation, BAE Systems, Cathedral Corporation, ITT Technology, Premier Aviation, MGS Manufacturing, Birnie Bus Services and the Rome City School District.

More than $625 million in public and private funding has been invested in the development of Griffiss Park over the last 20 years. These capital projects included demolition of more than 2.5 million square feet of obsolete former military buildings and housing to make way for new development; construction of a new parkway and other roads to improve the transportation system; construction of a new public high school; a project to consolidate and improve space occupied by the Air Force Research Lab; construction of a new distribution center for Family Dollar, a research and development facility for Renmatix Inc., a cellulosic fuel research company, and new manufacturing plants for UTC Aerospace, MGS Manufacturing, Sovena USA, and Kris-Tech Wire; construction of new office buildings for various private sector uses; capital improvements to numerous facilities for industrial use; and infrastructure improvements to make various parcels shovel ready for development.

- Griffiss Park employees commute from 30 different counties, including Oneida County.
- The Griffiss Institute ("GI") facilitates the cooperation of private industry, academia, and government in developing solutions to critical cyber security problems. Their services include 300 students using the Prometric test center for IT testing services, and tenants include BAE Systems, CUBRC, EVERIS, Quanterion, and Cyber-Defense Institute & GI Malware Lab. STEM outreach programming by SUNY Polytechnic Institute has trained 50 teachers, 20 schools, and has had 4,800 students participate, has hosted 35 summer interns, created 12 new jobs in the business incubator, facilitated 70 technology exchange meetings and 5 STEM competitions for students, and has facilitated 2 summer camps. Additionally, the GI's Commercialization Academy has resulted in the creation of more than 30 tech-based startups that are utilizing the technologies from the Air Force Research Lab to enable their growth. This program was recently awarded a grant from New York State to accelerate the growth of this program.

- Griffiss International Airport completed the rehabilitation of all of its five Nose Docks on grounds and also completed a construction project for new tail doors for an Aviation Hangar, Building 100. The airport recently completed its new $7.1 million airport terminal, which includes a Customs Inspection Building.
- New office space is being constructed to accommodate the growth of two tech companies serving the Air Force Research Lab, as well as other companies in the local cyber and tech ecosystem. This new building is necessitated by the fact that all other office space on the business park is either occupied or committed.

Additional Information

- Twenty-four pieces of public art have been leased or purchased to create Griffiss International Sculpture Garden. These sculptures are located along walking paths and heavily developed sections of Griffiss Park.
- Griffiss Land Development Corporation (GLDC) demolished the shop on March Street and AFRL demolished building 102 and 104.
- Griffiss Utilities Services Corporation (GUSC) recently completed an $18 million project for a 15 megawatt biomass combined heat power plant.

It is important to note that a large number of workers at the Griffiss Business and Technology Park travel from the City of Utica to work in the City of Rome.

RECENT URBAN & ECONOMIC DEVELOPMENT EFFORTS

The City of Utica has engaged with a number of local, regional, national and global companies that are developing or expanding their facilities within the borders of Utica. A listing of those companies and project descriptions are below:

Utica Property Development

Utica University, along with Utica Municipal Housing Authority, are constructing dormitory-style housing for upper level students on the campus. The project budget is over $13M and while not many direct employees will be employed, it provides taxable housing on a school campus where otherwise no real property taxes would be generated.

DePaul Utica, LP

DePaul is constructing 60 units of supportive housing that will be available to individuals with mobility and vision/hearing impairments along with other handicaps. At a cost of nearly $20M, the project will hire six employees. The project will be located in a section of the City that has no comparable housing. Access to needed services for the residents will be an important component of the overall package of living at this complex. Due to the success of that project, DePaul is currently considering various sites for its next project in Utica and has focused on the west Utica neighborhood.

Utica Sunset Associates

Utica Sunset Associates, under the umbrella of the Kelberman Center, has demolished the former Sunset School and has constructed a 60-unit housing facility specifically geared toward individuals with autism. Many amenities will be offered to the residents along with educated staff on site. The $20M project resulted in the creation of 12 jobs.

131-135 North Genesee Street, LLC

Sal Borruso, a long-time restauranteur in the Utica area, has purchased and created a unique brick oven pizzeria-style Italian restaurant adjacent to Harbor Point. 20 full-time employee positions are expected to be created with the assistance of a $70,000 loan from the City.

The City, through its Community Development Block Grant allotment from the US Department of Housing and Urban Development, has and continues to make low-interest loans to qualifying companies for equipment and working capital needs. The City's Department of Urban & Economic Development also provides façade funding for identified neighborhoods in the central urban core.

Through New York State's Consolidated Funding Application process, the City has secured funding for a number of infrastructure projects, and funding has also been provided for a number of private secure business concerns.

Several years ago, the City completed improvements in and around the Gateway Urban Industrial Park, which is the City's largest development parcel at nearly 13 acres. Work to the Park was funded by nearly $4 million in combined Federal, State and local funds. The site has been heavily marketed, and portions have been subdivided and sold for private development. A nearly 5 acre site within the Park that is owned by the City was recently leased to the operators of the Utica Memorial Auditorium and the Nexus Center for surface parking to support both facilities.

After many years and millions of dollars spent to make the Chip Fab site north of SUNY Polytechnic Institute shovel-ready, Governor Cuomo announced in September 2019 that Cree will construct a $1.05 billion factory in Marcy, a neighboring Utica suburb. Now complete it is the world's largest silicon carbide fabrication facility. It is estimated that the manufacturing center will create over 600 jobs over eight years with average salaries of $75,000. Cree is a Durham, North Carolina-based publicly traded company known for its LED lighting products. In March 2017, it was announced that Danfoss Silicon Power of Denmark would also move into the Quad C building. Danfoss, one of the world's leading suppliers of power electronics, HVAC and mobile hydraulic solutions, has established packaging operations in the building, investing $100 million to complete portions of the building and purchase tools and equipment, and anticipates employing at least 300 people at the facility over the next 15 years.

Plans for Harbor Point have progressed rapidly with the creation of a Local Development Corporation ("LDC") who will be directly responsible for oversight of development. With seed funding of $250,000 from the State of New York, the LDC hired a consultant team responsible for creating a master plan for the entire Harbor area, transforming the land into the City's premier development area with a mix of residential, recreational and retail uses. The plan is based on a market study and incorporates considerable public input. With further funding from the State, the consultant team has completed a Generic Environmental Impact Statement for the project which was approved by the Common Council and constructed a more appropriate, aesthetically pleasing entrance to the Harbor last fall A complete reconstruction of the bulkhead walls and the closure of a dredge spoils area, both of which are necessary to induce private investment, were recently completed. To date, nearly $15 million of State assistance has been awarded to the City and LDC for improvements to the Harbor.

The LDC is currently in negotiations with two private developers regarding the possible sale of land around the Harbor. One local developer is interested in the existing 1933 building which will be renovated for an event space. The developer is proposing to construct an 8,000 square foot addition to the building to house a privately owned restaurant and kitchen space to serve both the event space and the restaurant simultaneously. The second developer is interested in the nearly 15 acres of land known as DSA-1 (dredge spoils area) to construct over 150 units of upscale, waterfront apartments.

In November 2019, Governor Cuomo announced an award of a $10 million grant to the City through the State's Downtown Revitalization Initiative (DRI) program. In its application for the funding, the City focused on public and private improvements targeted at Genesee Street from NYS Route 5S (Oriskany Boulevard) to Oneida Square and Broad Street between John Street and NYS Route 5S. The City's application included nearly $20 million worth of projects. Public projects put forth by the City that received State funding included: Needed improvements to the Washington parking garage, façade screening for the Utica Place parking garage, upgrades/improvements to various City-owned parks throughout the DRI project area, and the introduction of public art into downtown. The City is moving expeditiously to complete many of those projects during the 2023 construction season.

As part of the American Rescue Plan Act (ARPA) approved by Congress in March 2021, the City of Utica was awarded just over $60 million to address impacts from COVID-19 throughout the community. In order to gather public input on how those funds and others anticipated to be received by the City should be spent, the City established the Utica Prosperity Initiative. As part of that Initiative, the City opened a public portal through its website whereby the public was able to submit ideas and comments on priorities for the City administration to consider; nearly 200 submissions were made by the public. Over the latter half of 2021, the City administration developed a plan and announced three rounds of allocations. Much of the funding was spent on assisting residents that had been disproportionately impacted by the pandemic, through such programs as rent and mortgage relief, housing repairs assistance, enhanced educational assistance, etc. Additionally, funding was allocated to assist the City in fighting gun violence throughout the community, to create affordable housing and to assist various community organizations whose capital projects had been delayed by the pandemic.

Kennedy Garage

The City is in the process of selling the Kennedy Garage to a developer.

Source: City of Utica Official Statement dated January 10, 2024.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board is the chief fiscal officer of the District. However, certain of the financial management functions of the District are the responsibility of the Superintendent of Schools, Assistant Superintendent of Business, Finance and Operations, and the Business Executive.

Budgetary Procedures

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 INFORMATION – Tax Cap Law" herein.

Recent Budget Vote Results

The budget for the 2023-24 was approved by the qualified voters on May 16, 2023 by a vote of 2,142 to 515. The District's adopted budget for 2023-24 fiscal year remained within the Tax Cap imposed by Chapter 97. The budget for the 2023-24 fiscal year called for no tax increase, which was within the maximum allowable Tax Cap.

The budget for the 2024-25 was approved by the qualified voters on May 21, 2024 by a vote of 1,309 to 422. The District's adopted budget for 2024-25 fiscal year remained within the Tax Cap imposed by Chapter 97. The budget for the 2024-25 fiscal year called for no tax increase, which is within the maximum allowable Tax Cap.

Investment Policy

Pursuant to the statutes of the State, the District is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts or certificates of deposits issued by a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit as those terms are defined in law; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State; (5) with the approval of the State Comptroller, Bond Anticipation Notes or revenue anticipation notes issued by any New York municipality, school district or district corporation, other than the District; (6) obligations of New York public benefit corporations which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State as those terms are defined in law; or (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) savings accounts, negotiable order of withdrawal (NOW) accounts or money market accounts of designated banks; (2) certificates of deposits issued by a bank or trust company located and authorized to do business in the State; (3) demand deposit accounts in a bank or trust company authorized to do business in the State; (4) obligations of the State; (5) obligations of the United States Government (U.S. Treasury Bills and Notes); and (6) repurchase agreements involving the purchase and sale of direct obligations of the United States.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2024-2025 fiscal year, approximately 85.58% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 and 2021 to 2023 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 adoption of the State budget, which is due at the start of the State's fiscal year of April 1. Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017, the 2023-24 State Budget which was not adopted until May 3, 2023 and the 2025-26 State Budget which was not adopted until April 20, 2024. 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.

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 2024-2025 preliminary building aid ratios, the District expects to receive State building aid of approximately 98.0% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

School district fiscal year (2020-2021): Due to significant State revenue loss as a result of the impact of the COVID-19 pandemic, State aid in the State's 2020-21 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget, which was approximately $27.9 billion. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding though the Coronavirus Aid, Relief, and Economic Security Act (CARES). With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4 percent from the 2019-2020 Enacted Budget. The State's 2020-21 Enacted Budget also authorized the State's Budget Director to make periodic adjustments to State aid in the event that actual State revenues came in below 99% of estimates or if actual disbursements exceeded 101% of estimates. Pursuant to that provision, in October 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. In December 2020, a second federal stimulus bill was enacted and provided additional funding for schools in the State. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received, with the State releasing the withheld funds on or about June 30, 2021.

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

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

School District fiscal year (2023-2024): The State's 2023-24 Enacted Budget included $34.5 billion for school aid, an increase of $3.1 billion or 10%, which is the highest level of State aid to date. The States 2023-24 Budget also provides 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 will establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of $10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional $150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State's 2024-25 Enacted Budget 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.

State Aid Litigation

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

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

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

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

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State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted new figures comprised of State aid.

Fiscal Year	Total Revenues [1]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2018-2019	$ 179,613,736	$ 142,872,443	79.54%
2019-2020	185,046,275	148,668,291	80.34
2020-2021	182,798,485	144,040,509	78.80
2021-2022	195,468,013	158,068,873	80.87
2022-2023	219,319,239	183,609,944	93.72
2023-2024 (Budgeted)	243,340,050	207,282,963	85.18
2023-2024 (Unaudited)	253,557,357	214,623,618	84.64
2024-2025 (Budgeted)	252,968,264	216,483,397	85.58

(1) General Fund only.

Source: Audited financial statements for the 2018-2019 fiscal year through and including the 2022-2023 fiscal year, adopted budgets of the District for the 2023-2024 and 2024-2025 fiscal years, and the unaudited figures for 2023-2024. This table is not audited.

District Facilities

The District presently operates ten elementary schools, two middle schools, and one high school.

Name	Grades	Capacity	Year Originally Built
Albany	K-6	669	1896, 1909, '59, '90, '03, 2010
Columbus	K-6	829	1957, '68, '90, '03, 2009
Conkling	K-6	642	1924
Donovan	7-8	1,131	1958, '60, '90, 2009
General Herkimer	K-6	654	1960, '70, '91, 2003
Hughes	K-6	786	1925, '03, 2009
Jefferson	K-6	639	1958, '91, 2003, ‘10
John F. Kennedy	7-8	1,170	1965, '78, '90, 2010
Jones	K-6	654	1936, '53, '57, '70, '90, 2003, ‘09
Kernan	K-6	918	1916, '53, '55, 2003
M.L. King	K-6	456	1955, '60, 2003
Proctor Senior High	9-12	2,298	1936, '90, 2003, ‘11
Watson Williams	K-6	669	1992, 2009
Administration	N/A	N/A	N/A

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2019-2020	10,651	2025-2026	10,500
2020-2021	10,263	2026-2027	10,500
2021-2022	10,538	2027-2028	10,500
2022-2023	10,121	2028-2029	10,500
2023-2024	10,050	2029-2030	10,500

Source: District officials.

Employees

The District currently employs approximately 1,428 full-time persons. The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

Number of Employees	Bargaining Unit	Contract Expiration Date
900	Utica Teachers' Association	June 30, 2025
620	Service Employees International	June 30, 2028
110	Teamsters Local 182 (Custodial)	June 30, 2025
100	Teamsters Local 182 (Secretarial)	June 30, 2026
26	Teamsters Local 182 (Registered Nurses/LPN)	June 30, 2026
28	Utica Administrators' Association	June 30, 2026
12	Mohawk Valley Building & Construction Trades Council	June 30, 2025

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 State's 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

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The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2023-2024 and 2024-2025 fiscal years and 2023-2024 unaudited figures are as follows:

Year	ERS	TRS
2018-2019	$ 1,728,348	$ 6,917,004
2019-2020	1,653,657	5,617,581
2020-2021	1,823,757	5,891,203
2021-2022	1,779,011	5,107,005
2022-2023	1,654,857	6,480,850
2023-2024 (Budgeted)	3,474,856	7,751,000
2023-2024 (Unaudited estimates)	1,908,856	7,751,000
2024-2025 (Budgeted)	2,878,894	8,401,089

Source: District official.

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 for its employees.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' 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 (2020-21 to 2024-25) is shown below:

Year	ERS	TRS
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.02 (1)

(1) Estimated. Final contribution rate expected to be adopted at the July 31, 2024 TRS Retirement Board meeting.

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by 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 District established a TRS reserve fund on June 30, 2019.

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

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

Summary of Changes from the Last Valuation. The District contracted with Armory Associates LLC, an actuarial firm, to calculate its actuarial valuation under GASB 75. The table on the following page outlines the changes to the Total OPEB Liability during the fiscal years 2022 and 2023, by source.

Balance beginning at:	June 30, 2021	June 30, 2022
	$ 427,238,395	$ 450,726,412
Changes for the year:		
Service cost	16,692,486	16,652,248
Interest	9,716,168	9,904,154
Changes in benefit terms	-	-
Differences between expected and actual experience	-	(27,535,091)
Changes in assumptions or other inputs	5,649,914	(65,321,787)
Benefit payments	(8,570,551)	(9,135,452)
Net Changes	$ 23,488,017	$ (75,435,928)
Balance ending at:	June 30, 2022	June 30, 2023
	$ 450,726,412	**$ 375,290,484**

Note: The above table is not audited. For additional information see "APPENDIX – D" 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.

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. (See also "Recent Late Payment of Interest" herein).

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

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

Financial Statements

The District retains independent certified public accountants. The last audit report covers the period ending June 30, 2023 and is attached hereto as "APPENDIX – D". 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 school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

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

Unaudited Results of Operations for the Fiscal Year Ending June 30, 2024

Summary unaudited projected information for the General Fund for the period ending June 30, 2024 is as follows:

Projected Revenues:	$	253,557,357
Projected Expenditures:		217,854,453
Projected Excess (Deficit) Revenues Over Expenditures:	$	35,702,904
Total General Fund Balance at June 30, 2023:	$	80,368,295
Total Projected General Fund Balance at June 30, 2024:	$	116,071,199

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

Source: District officials.

New York State Comptroller Report of Examination

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

The State Comptroller’s office released an audit report of the District on January 18, 2019. The purpose of the audit was to determine whether the Board of Education and District officials ensure that compensation payments for employees are accurate, properly approved and supported for the period July 1, 2016 through August 4, 2017. The audit period was extended backward to 2002 and forward to January 2018 to review certain payroll transactions.

Key Findings:

- The State Comptroller’s office reviewed payroll payments totaling $4.7 million to 151 employees and found almost $418,000 in payments (9 percent) were not accurate, supported or paid in accordance with contracts or Board resolutions. For example, the Board did not authorize salaries paid to six individuals totaling $347,368 and paid $11,690 to an employee who worked offsite without certainty as to the work performed.
- Manual adjustments for fingerprint time clock system entries were not adequately supported or approved by supervisors.

Key Recommendations:

- Establish procedures to ensure that payroll-related payments are accurate, supported and in accordance with written collective bargaining agreements (CBAs) individual employment contracts or Board resolutions.
- Ensure all salaries, wages and additional pay items are authorized by the Board before being paid.
- Ensure manual adjustments for missed punches into the fingerprint time clock system are documented and approved by supervisors.

The District provided a complete response to the State Comptroller’s office on December 4, 2018. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

As of the date of this Official Statement, there are no State Comptroller’s audits of the District that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein., and the website is not incorporated 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 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
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	0.0

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

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

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
City of Utica	$ 1,122,726,309	$ 1,129,209,366	$ 1,133,385,270	$ 1,110,838,241	$ 1,132,304,415
Total Assessed Valuation	$ 1,122,726,309	$ 1,129,209,366	$ 1,133,385,270	$ 1,110,838,241	$ 1,132,304,415
State Equalization Rates					
Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
City of Utica	67.50%	63.03%	59.50%	54.50%	48.00%
Taxable Full Valuation	$ 1,663,298,236	$ 1,791,542,703	$ 1,904,849,193	$ 2,038,235,305	$ 2,358,967,531

Tax Rates Per M (Assessed)

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
City of Utica	$ 27.04	$ 27.04	$ 27.04	$ 26.37	$ 26.50

Tax Collection Procedure

Tax payments are due September 1st. Taxes are collected in two installments; the first due no later than October 31st and the second due no later than the first Tuesday in December. Uncollected real property taxes are subsequently enforced by the City and Utica. An amount representing uncollected real property taxes transmitted to the City for enforcement is paid by the City to the District no later than June 30th, 18 months after the period for the payment of the 2nd installment ends.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Total Tax Levy (1)	$ 30,005,865	$ 30,005,865	$ 30,005,865	$ 30,005,865	$ 30,005,865
Amount Uncollected	2,004,392	1,844,057	1,768,528	1,518,007	5,071,276
% Uncollected	6.68%	6.15%	5.89%	5.06%	16.90%

(1) Gross tax levy prior to adjustments (tax roll additions, shortages, cancellations and refunds). See "Tax Collection Procedure" herein.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted figures comprised of Real Property Taxes.

Fiscal Year	Total Revenues	Total Real Property Taxes & Tax Items [(1)]	Percentage of Total Revenues Consisting of Real Property Tax
2018-2019	$ 179,613,736	$ 30,879,688	17.19%
2019-2020	185,046,275	30,627,358	16.55
2020-2021	182,798,485	30,849,143	16.88
2021-2022	195,468,013	30,465,034	15.59
2022-2023	219,319,239	30,326,038	13.83
2023-2024 (Budgeted)	243,340,050	30,605,865	12.58
2023-2024 (Unaudited)	253,557,357	30,615,637	12.07
2024-2025 (Budgeted)	252,968,264	30,005,865	11.86

(1) Includes STAR Payments.

Source: Audited financial statements for the 2018-2019 fiscal year through and including the 2022-2023 fiscal year, adopted budgets of the District for the 2023-2024 and 2024-2025 fiscal years, and the unaudited figures for 2023-2024. This table is not audited.

Larger Taxpayers 2023 for the 2023-2024 Tax Roll

Name	Type	Taxable Assessed Valuation
National Grid	Utility	$ 43,177,000
Riverside Enterprises, LLC	Shopping Mall	27,430,000
AFP 101 Corp	Hotel/Hospitality	6,600,000
AMA Properties, LLC	Shopping Center	4,600,000
Eton Centers Co.	Shopping Center	3,990,000
Utica MZL, LLC	Shopping Center	3,800,000
CSX Transportation Inc.	Transportation	2,900,000
Center Green Corp.	Professional Building	2,885,000
Verizon	Utility	2,407,000
HHM Hotels	Hotel/Hospitality	2,180,000

Note: The Hotel Utica was a previous larger taxpayer assessed at $3,600,000. In February 2016, the new owners of the Hotel, entered into a 20 year Payment in lieu of taxes ("PILOT") agreement with the City of Utica Industrial Corporation, expiring in June 2037. PILOT payments will be phased in starting in the 3rd year of the agreement. In May 2016, an agreement was reached between the City of Utica and the Hotel for the settlement of delinquent back taxes.

The ten larger taxpayers listed above have a total taxable assessed valuation of $99,969,000 which represents 8.83% of the tax base of the District for the 2023-2024 fiscal year.

As of the date of this Official Statement, the District currently does not have any pending or outstanding tax certioraris that are known or believed to have a material impact on the District.

Source: City of Utica tax rolls.

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STAR – School Tax Exemption

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

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $93,200 or less in 2023-2024 and $98,700 or less in 2024-2025, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $81,400 of the full value of a home for the 2023-2024 school year and the first $84,000 of the full value of a home for the 2024-2025 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 2022-23 Enacted State Budget provided $2.2 billion in State funding for a new property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.

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

City of:	Enhanced Exemption	Basic Exemption	Date Certified
Utica	$ 36,120	$ 14,140	4/9/2024

$4,546,916 of the District's $30,005,865 school tax levy for the 2023-2024 fiscal year was exempt by the STAR Program. The District anticipates receiving all of such exempt taxes from the State by January, 2024.

Approximately $4,546,916 of the District's $30,005,865 school tax levy for the 2024-2025 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving all of such exempt taxes from the State by January, 2025.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-65%; Commercial-25%; Utilities-5%; and Manufacturing-5%.

The estimated total annual property tax bill of an $80,000 market value residential property located in the District is approximately $2,320 including City, County and School District taxes.

Tax Cap Law

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

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

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

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

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

Statutory Procedure

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

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

Debt Limit. 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 five per centum (5%) of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

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

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

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

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

The Board of Education, as the finance board of the 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 District, pursuant to the Local Finance Law.

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

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Bonds	$ 116,810,000	$ 111,475,000	$ 110,510,000	$ 96,660,000	$ 81,855,000
Bond Anticipation Notes	22,950,000	14,975,000	0	0	0
Tax Anticipation Notes	0	0	0	0	0
Revenue Anticipation Notes	10,000,000	10,000,000	10,000,000	0	0
Total Debt Outstanding	$ 149,760,000	$ 136,450,000	$ 120,510,000	$ 96,660,000	$ 81,855,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of July 3, 2024:

Type of Indebtedness	Maturity		Amount
Bonds	2024-2041		$ 75,070,000
Bond Anticipation Notes	-		0
		Total Indebtedness	$ 75,070,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin prepared and shown as of July 3, 2024:

Full Valuation of Taxable Real Property			$ 2,358,967,531
Debt Limit 10% thereof			235,896,753
Inclusions:			
Bonds	$ 75,070,000		
Bond Anticipation Notes (BANs):	0		
Total Inclusions prior to issuance of the Notes	75,070,000		
Less: BANs being redeemed from appropriations	0		
Add: New money proceeds of the Notes	12,000,000		
Total Net Inclusions after issuance of the Notes		$ 87,070,000	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 87,070,000
Net Debt-Contracting Margin			$ 148,826,753
The percent of debt contracting power exhausted is			36.91%

[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 2024-2025 Building Aid Ratios, the School District anticipates State building aid of 98.0% 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 constitutional debt limit of the District.

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

Bonded Debt Service

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

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Cash Flow Borrowings

The District has utilized the issuance of Revenue Anticipation Notes ("RAN") in anticipation of State aid in recent years. The following is a history of TAN and RAN borrowings for the last five years. The District did not issued a RAN in the 2023-24 fiscal year and does not plan to issue one in the 2024-25 fiscal year.

Fiscal Year	Amount	Type	Issue Date	Due Date
2015-2016	$ 10,000,000	RAN	6/23/2015	6/23/2016
	2,000,000	TAN	12/10/2015	12/9/2016
2016-2017	10,000,000	RAN	6/23/2016	6/23/2017
	1,400,000	TAN	12/8/2016	12/7/2017
2017-2018	10,000,000	RAN	6/26/2017	6/26/2018
2018-2019	10,000,000	RAN	6/25/2018	6/25/2019
2019-2020	10,000,000	RAN	6/25/2019	6/25/2020
2020-2021	10,000,000	RAN	6/24/2020	6/24/2021
2021-2022	10,000,000	RAN	6/23/2021	6/23/2022
2022-2023	10,000,000	RAN	6/23/2022	6/23/2023

The District has not found it necessary to issue Tax Anticipation Notes ("TAN") since the 2016-2017 fiscal year and does not anticipates doing so for the 2024-2025 fiscal year.

Source: District officials.

Capital Project Plans

On October 19, 2021 the District adopted a bond resolution to undertake the construction of a building addition and related renovations and improvements to Proctor High School to house new career and technical education programs, including site work and the acquisition of original furnishings, equipment, machinery and apparatus, at a total maximum estimated cost not to exceed $17,995,000. The proposition was approved by the voters on December 7, 2021. The Notes are being issued to provide $12,000,000 of new monies and be the first borrowing against this authorization for the aforementioned purpose. The remainder of the project is expected to be paid for with federal funds.

On March 26, 2024 the District adopted a bond resolution to undertake the renovation, improvement, rehabilitation, repair, furnishing and equipping of District buildings and facilities, including improvement or embellishment of athletic fields and athletic facilities, playground improvements, grading or improvement of the sites, and the acquisition of original furnishings, equipment, machinery and apparatus required for the purposes of which such buildings and improvements are to be used, at a total estimated maximum cost not to exceed $65,000,000. The proposition was approved by the voters on May 21, 2024. Borrowings for the project will be pursuant to State approval and construction cash flow needs, expected to commence in summer 2025.

On May 21, 2024 the District voters approved the establishment of a capital reserve fund up to $15,000,000 with a probable term of fifteen years. The District will utilize such funds to defray the cost of capital improvements to District buildings and facilities.

The District is in the preliminary stages of planning its next capital project for voter approval in May 2025. It is anticipated the project will be approximately $120 million and completed in phases to coincide with projects falling off and ensuring no tax increase for such project.

Other than as stated above, the District has no other capital project plans authorized, nor are any contemplated at the present time.

Federal Sequestration

In March 2012, the District issued its $5,000,000 Qualified School Construction (Serial) Bonds, 2012 (Federally Taxable – Direct Payment Bonds) ("QSCBs") with a final maturity of June 15, 2027. At the time of issue, the District expected from the Federal Government a 100% interest subsidy related to the QSCBs.

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments to certain state and local government filers claiming refundable credits under section 6431 of the Internal Revenue Code applicable to certain qualified bonds, including QSCBs, are subject to sequestration. This means that refund payments processed will be reduced by the sequestration rate of 6.2% for refund payments processed on or after October 1, 2018 and on or before September 30, 2019, irrespective of when the amounts claimed by an issuer on any Form 8038-CP was filed with the IRS. The sequestration reduction rate is subject to change annually and will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester.

In addition, any future government shutdown may delay the processing of federal government payments to the District. If this were to occur, the District would be required to make payment of the full amount of interest due on its QSCBs at that time. These payments would be expected to be reimbursed to the District when the government shutdown ends.

The District budgets annually for the full interest payment due on the QSCBs to cover for possible delays or shortfalls in the expected tax credit subsidy.

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [1]		Exclusions [2]	Net Indebtedness	District Share	Net Overlapping Indebtedness
County of:							
Oneida	6/28/2024	$ 455,413,397	[3]	$ 293,223,397	$ 162,190,000	14.66%	$ 23,777,054
City of:							
Utica	01/04/2024	78,209,564	[3]	15,752,373	62,457,191	100.00%	62,457,191
						Total:	$ 86,234,245

[1] Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.

[2] Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

[3] Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.

Debt Ratios

The following table sets forth certain ratios relating to the District's Net Indebtedness as of July 3, 2024:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 87,070,000	$ 1,345.17	3.69%
Net Indebtedness Plus Net Overlapping Indebtedness [3]...........	173,304,245	2,677.42	7.35

[a] The current population of the District is estimated to be 64,728. (See "THE SCHOOL DISTRICT – Population" herein.)

[b] The District's full value of taxable real estate for 2023-2024 fiscal year is $2,358,967,531 . (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

[c] See "Debt Statement Summary" for the calculation of Net Indebtedness herein.

[d] The District's applicable share of Net Overlapping Indebtedness is estimated to be $86,234,245. (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

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 excludable from gross income for federal income tax purposes. These requirements include provisions which prescribe yield and other limits relative to the investment and expenditures of the proceeds of the Notes and other amounts and require that certain earnings be rebated to the federal government. The District will agree to comply with certain provisions and procedures, pursuant to which such requirements can be satisfied. Non-compliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to the date of issuance thereof, irrespective of the date on which non-compliance is ascertained.

The Code imposes a 30% branch profits tax on the earnings and profits of a United States branch of certain foreign corporations attributable to its income effectively connected (or treated as effectively connected) with a United States trade or business. Included in the earnings and profits of the United States branch of a foreign corporation is income that would be effectively connected with the United States trade or business if such income were taxable, such as the interest on the Notes. Existing United States income tax treaties may modify, reduce, or eliminate the branch profits tax, except in cases of treaty shopping.

The Code further provides that interest on the Notes is included in the calculation of modified adjusted gross income in determining whether a portion of Social Security or railroad retirement benefits is to be included in taxable income of individuals. In addition, certain S Corporations may have a tax imposed on passive income, including tax-exempt interest, such as interest on the Notes.

Prospective purchasers should consult their tax advisors with respect to the calculations of the alternative minimum tax or foreign branch profits tax liability, and the tax on passive income of S Corporations or the inclusion of Social Security or other retirement payments in taxable income.

In the opinion of Bond Counsel, assuming compliance with certain requirements of the Code, under existing laws, interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed by the Code. However, interest on the Notes that is included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax imposed under the Code. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

The opinion of Bond Counsel described herein with respect to the federal income tax treatment of interest paid on the Notes is based upon the current provisions of the Code. There can be no assurance that the Code will not be amended in the future so as to reduce or eliminate such favorable federal income tax treatment on the Notes. Any such future legislation would have an adverse effect on the market value of the Notes.

In addition, in the opinion of Bond Counsel, under existing laws, so long as interest is excluded from gross income for Federal income tax purposes, interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City of New York.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District, all the taxable 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 amounts (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City of New York; and (iii) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed under the Code; however, interest on the Notes that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. The opinions of Bond Counsel set forth in (iii) above are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes to be retroactive to the date of issuance of the Notes. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes. It is to be understood that the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be also subject to exercise of judicial discretion in appropriate cases.

Bond Counsel has not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement (except to the extent, if any, stated in the Official Statement) or any other offering material relating to the Notes, and Bond Counsel expresses no opinion relating thereto (excepting only matters set forth as Bond Counsel’s opinion in the Official Statement).

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LITIGATION

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

The District has four outstanding claims filed under the New York Child Victims Act. The District has reserved an amount for these cases and it is not anticipated, however that the claims will have a material impact on the District's financial status at this time.

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

CONTINUING DISCLOSURE

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

Historical Compliance

The District is, in all material respects, in compliance with all prior continuing disclosure undertakings pursuant to the Rule for the past five years, except as follows:

- The District failed to timely file its Audited Financial Statements ("Audit") and Annual Financial Information and Operating Data ("AFIOD") for fiscal year ending June 30, 2020 within 180 days of the close of the succeeding fiscal year. The Audit and AFIOD for the fiscal year ending June 30, 2020 was posted to EMMA December 28, 2020.
- The District failed to timely file its Annual Financial Information and Operating Data ("AFIOD") for fiscal year ending June 30, 2022, within 180 days of the close of the succeeding fiscal year. The AFIOD for the fiscal year ending June 30, 2022 was posted to EMMA January 4, 2023.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

The Municipal Advisor intends to provide the purchaser of the issue with CUSIP identification numbers, in compliance with MSRB Rule G-34, (a)(i) (A)-(H). As is further discussed in Rule G-34 the purchaser, as the "dealer who acquires" the issue, is responsible for the registration fee to the CUSIP Bureau for this service. It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District; provided, however, the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATING

The Notes are NOT rated. Pending the approval of the District, the purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action may result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX – C", attached hereto).

Moody's Investors Service ("Moody's") has assigned its underlying rating of "A3" with a stable outlook to the District's outstanding bonds. A rating reflects only the view of the rating agency assigning such rating and any desired explanation of the significance of such rating should be obtained from Moody's, 7 World Trade Center, 250 Greenwich St., New York, New York 10007. Phone: (212) 553-0038, Fax: (212) 553-1390.

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 or the Notes.

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 that 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.

Bond, Schoeneck & King, PLLC, 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 contact information is as follows: Kimberly Vile, Assistant Superintendent of Business, Finance and Operations 929 York Street, Utica, New York 13502, Phone: (315) 368-6960, Fax: (315) 792-2299, email address: kvile@uticaschools.org.

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

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

CITY SCHOOL DISTRICT OF THE CITY OF UTICA

Dated: July 3, 2024

JOSEPH HOBIKA JR.
PRESIDENT OF THE BOARD OF EDUCATION

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
ASSETS					
Unrestricted Cash	$ 20,526,075	$ 30,880,797	$ 33,900,725	$ 39,966,208	$ 36,958,542
Restricted Cash	25,200,000	26,480,959	27,856,523	29,166,562	29,598,586
Due from Other Funds	12,943,778	5,432,758	9,199,310	11,683,724	21,096,568
Due from Other Governments	1,692,446	2,057,735	8,628,752	-	-
State and Federal Aid Receivable	7,438,164	6,598,720	2,327,305	10,646,773	14,218,255
Due from Fiduciary Funds	-	-	-	-	-
Other Receivables	2,640,774	234,240	-	2,674,069	2,546,703
Prepaid Expenditures	-	-	-	-	36,967
TOTAL ASSETS	$ 70,441,237	$ 71,685,209	$ 81,912,615	$ 94,137,336	$ 104,455,621
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 6,228,362	$ 4,811,930	$ 6,418,818	$ 4,491,248	$ 5,033,965
Accrued Liabilities	4,175,021	4,748,927	6,502,131	9,464,852	6,665,073
Revenue Anticipation Notes	10,000,000	10,000,000	10,000,000	10,000,000	-
Tax Anticipation Notes	-	-	-	-	-
Due to Other Funds	9,100,088	-	-	-	-
Due to Other Governments	62,329	71,430	72,996	75,591	82,826
Due to Teachers' Retirement System	6,917,004	5,852,192	6,256,524	6,389,513	8,156,823
Due to Employees' Retirement System	459,417	461,954	509,854	416,940	624,546
Deferred Revenues	-	-	1,958	1,958	1,958
Health and Workers' Compensation Payable	-	-	-	-	1,594,343
Deferred Taxes	1,494,350	1,795,545	1,906,436	2,014,563	1,927,792
TOTAL LIABILITIES	38,436,571	27,741,978	31,668,717	32,854,665	24,087,326
FUND EQUITY					
Reserved:	$ 25,200,000	$ 26,480,959	$ 27,856,523	$ 29,166,562	$ 35,063,349
Nonspendable	-	-	-	-	36,967
Unreserved:					
Assigned	715,238	2,133,131	4,847,977	3,215,897	2,235,272
Unassigned	6,089,428	15,329,141	17,539,398	28,900,212	43,032,707
TOTAL FUND EQUITY	32,004,666	43,943,231	50,243,898	61,282,671	80,368,295
TOTAL LIABILITIES and FUND EQUITY	$ 70,441,237	$ 71,685,209	$ 81,912,615	$ 94,137,336	$ 104,455,621

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2018	2019	2020	2021	2022
REVENUES					
Real Property Taxes	$ 22,981,694	$ 23,536,175	$ 23,697,710	$ 24,608,444	$ 24,720,274
Other Real Property Tax Items	7,419,183	7,343,513	6,929,648	6,240,699	5,744,760
Nonproperty Taxes	1,730,776	1,675,839	1,769,097	2,007,313	2,211,808
Charges for Services	45,650	87,153	90,700	12,906	31,049
Use of Money & Property	259,683	663,665	569,236	65,800	81,603
Sale of Property and Compensation for Loss	137,290	265,611	121,670	152,479	275,926
Miscellaneous	1,772,523	1,782,237	2,587,039	3,381,451	3,481,971
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	140,587,543	142,872,443	148,668,291	144,040,509	158,068,873
Revenues from Federal Sources	1,243,781	1,387,100	612,884	2,288,884	851,749
Total Revenues	$ 176,178,123	$ 179,613,736	$ 185,046,275	$ 182,798,485	$ 195,468,013
Other Sources:					
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	176,178,123	179,613,736	185,046,275	182,798,485	195,468,013
EXPENDITURES					
General Support	$ 15,573,699	$ 16,150,712	$ 16,748,234	$ 19,439,123	$ 17,032,170
Instruction	89,271,893	96,087,735	103,064,847	104,513,836	108,241,669
Pupil Transportation	7,820,907	8,490,431	7,929,477	3,851,862	8,869,351
Community Services	-	-	-	-	-
Employee Benefits	29,942,979	28,736,303	28,832,108	30,075,630	31,922,483
Debt Service	233,158	239,600	250,000	175,000	714,867
Capital Outlay	-	-	-	-	-
Total Expenditures	$ 142,842,636	$ 149,704,781	$ 156,824,666	$ 158,055,451	$ 166,780,540
Other Uses:					
Interfund Transfers	18,768,609	18,410,485	16,283,044	18,442,367	17,648,700
Total Expenditures and Other Uses	161,611,245	168,115,266	173,107,710	176,497,818	184,429,240
Excess (Deficit) Revenues Over Expenditures	14,566,878	11,498,470	11,938,565	6,300,667	11,038,773
FUND BALANCE					
Fund Balance - Beginning of Year	5,939,318	20,506,196	32,004,666	43,943,231	50,243,898
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 20,506,196	$ 32,004,666	$ 43,943,231	$ 50,243,898	$ 61,282,671

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2023			2024	2025
	Adopted Budget	Amended Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 24,604,692	$ 25,170,410	$ 24,774,963	$ 25,170,410	$ 24,548,949
Other Real Property Tax Items	6,001,173	5,435,455	5,551,075	5,435,455	5,456,916
Nonproperty Taxes	1,400,000	1,400,000	2,362,837	1,400,000	-
Charges for Services	45,500	45,500	20,040	70,500	-
Use of Money & Property	115,000	115,000	592,280	116,500	-
Sale of Property and Compensation for Loss	1,101,500	101,500	182,811	1,000,000	-
Miscellaneous	332,700	1,332,700	1,564,693	2,264,222	6,479,002
Interfund Revenues	-				
Revenues from State Sources	179,111,997	179,111,997	183,609,944	207,282,963	216,483,397
Revenues from Federal Sources	800,000	800,000	660,596	600,000	-
Total Revenues	$ 213,512,562	$ 213,512,562	$ 219,319,239	$ 243,340,050	$ 252,968,264
Other Sources:					
Interfund Transfers	-	-	1,020,689	-	600,000
Allocated Fund Balance	-	-	-	-	12,886,000
Proceeds from leases	-	-	2,579,467	-	-
Total Revenues and Other Sources	213,512,562	213,512,562	222,919,395	243,340,050	266,454,264
EXPENDITURES					
General Support	$ 17,650,932	$ 20,851,561	$ 20,033,196	$ 21,107,076	$ 23,642,351
Instruction	121,159,392	124,088,269	112,749,630	136,951,808	149,643,313
Pupil Transportation	12,215,993	12,352,522	11,662,633	14,719,788	18,686,307
Community Services	-	-	-	-	-
Employee Benefits	42,978,552	38,819,316	36,856,194	46,714,356	50,009,411
Debt Service	19,307,693	954,363	3,533,830	19,847,021	18,926,882
Capital Outlay	-	-	-	3,800,000	5,346,000
Total Expenditures	$ 213,312,562	$ 197,066,031	$ 184,835,483	$ 243,140,049	$ 266,254,264
Other Uses:					
Interfund Transfers	200,000	19,416,985	18,998,286	200,000	200,000
Total Expenditures and Other Uses	213,512,562	216,483,016	203,833,769	243,340,050	266,454,264
Excess (Deficit) Revenues Over Expenditures	-	(2,970,454)	19,085,626	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	2,970,454	61,282,669	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 80,368,295	$ -	$ -

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget

Fiscal Years Ending June 30:	2021 Adopted Budget	2022 Adopted Budget	2023 Adopted Budget	2024 Adopted Budget	2025 Adopted Budget
REVENUES					
Real Property Taxes	$ 23,514,060	$ 24,817,721	$ 24,604,692	$ 25,170,410	$ 24,548,949
Real Property Tax Items	7,441,804	5,788,144	6,001,173	5,435,455	5,456,916
Non-Property Tax Items	1,500,000	1,400,000	1,400,000	1,400,000	-
Charges for Services	55,500	45,500	45,500	70,500	-
Use of Money & Property	255,000	115,000	115,000	116,500	-
Sale of Property and	-	-			
Compensation for Loss	1,311,500	1,101,500	1,101,500	1,000,000	-
Miscellaneous	404,741	332,700	332,700	2,264,222	6,479,002
Revenues from State Sources	151,160,429	159,962,392	179,111,997		
Revenues from Federal Sources	1,000,000	600,000	800,000	207,282,963	216,483,397
Interfund Transfers	-	-	-	600,000	-
Total Revenues	$ 186,643,034	$ 194,162,957	$ 213,512,562	$ 243,340,050	$ 252,968,264
EXPENDITURES					
Administration					
General Support	$ 6,408,500	$ 6,342,056	$ 6,516,792	$ 6,906,500	$ 7,510,991
Instruction	-	4,325,090	4,880,814	6,432,289	7,230,083
Employee Benefits	-	4,448,490	4,754,134	5,167,375	5,400,266
Program					
General Support	$ -	$ -	$ 847,499	$ 967,455	$ 1,002,883
Instruction	103,781,900	102,338,402	115,933,893	130,519,519	142,413,230
Student Transportation	11,371,939	11,695,516	12,215,993	14,719,788	18,686,307
Interfund Transfers	200,000	200,000	200,000	200,000	200,000
Employee Benefits	34,156,118	32,777,894	34,150,677	37,119,140	39,786,669
Capital					
General Support	9,393,543	10,194,509	10,631,326	13,233,121	15,128,477
Debt Service	17,670,700	17,907,684	19,307,693	19,847,021	18,926,882
Interfund Transfers	-	-	-	-	5,346,000
Employee Benefits	3,660,334	3,933,316	4,073,741	4,427,841	4,822,476
Capital Outlay	-	-	-	3,800,000	
Total Expenditures	$ 186,643,034	$ 194,162,957	$ 213,512,562	$ 243,340,050	$ 266,454,264
Excess (Deficit) Revenues Over Expenditures	-	-	-	-	(13,486,000)
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	-	-	13,486,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -	$ -	$ -

Source: Budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ 15,370,000	$ 3,356,882.52	$ 18,726,882.52
2026	15,995,000	2,726,151.26	18,721,151.26
2027	10,210,000	2,059,535.63	12,269,535.63
2028	10,185,000	1,626,106.25	11,811,106.25
2029	8,300,000	1,191,203.13	9,491,203.13
2030	4,455,000	886,750.00	5,341,750.00
2031	2,100,000	725,675.00	2,825,675.00
2032	2,205,000	620,875.00	2,825,875.00
2033	2,315,000	510,775.00	2,825,775.00
2034	2,430,000	394,300.00	2,824,300.00
2035	2,550,000	277,525.00	2,827,525.00
2036	1,965,000	181,300.00	2,146,300.00
2037	830,000	125,600.00	955,600.00
2038	865,000	91,900.00	956,900.00
2039	895,000	60,075.00	955,075.00
2040	925,000	30,525.00	955,525.00
2041	260,000	10,400.00	270,400.00
TOTALS	$ 81,855,000	$14,875,578.78	$ 96,730,578.78

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2012 Qualified School Construction Bond Principal	Interest	Total	2012D DASNY Bonds Principal	Interest	Total	2013E DASNY Bonds Principal	Interest	Total
2025	$ 400,000	$ 59,870.00	$ 459,870.00	$ 3,145,000	$ 316,012.52	$ 3,461,012.52	$ 705,000	$ 135,850.00	$ 840,850.00
2026	420,000	41,070.00	461,070.00	3,245,000	217,731.26	3,462,731.26	740,000	100,600.00	840,600.00
2027	440,000	21,120.00	461,120.00	155,000	116,325.00	271,325.00	780,000	63,600.00	843,600.00
2028	-	-	-	160,000	110,900.00	270,900.00	810,000	32,400.00	842,400.00
2029	-	-	-	165,000	105,300.00	270,300.00	-	-	-
2030	-	-	-	170,000	99,525.00	269,525.00	-	-	-
2031	-	-	-	180,000	93,575.00	273,575.00	-	-	-
2032	-	-	-	185,000	87,275.00	272,275.00	-	-	-
2033	-	-	-	190,000	80,800.00	270,800.00	-	-	-
2034	-	-	-	200,000	73,200.00	273,200.00	-	-	-
2035	-	-	-	205,000	65,200.00	270,200.00	-	-	-
2036	-	-	-	215,000	57,000.00	272,000.00	-	-	-
2037	-	-	-	225,000	48,400.00	273,400.00	-	-	-
2038	-	-	-	235,000	39,400.00	274,400.00	-	-	-
2039	-	-	-	240,000	30,000.00	270,000.00	-	-	-
2040	-	-	-	250,000	20,400.00	270,400.00	-	-	-
2041	-	-	-	260,000	10,400.00	270,400.00	-	-	-
TOTALS	$ 1,260,000	$ 5,643,056.40	$ 31,763,056.40	$ 9,425,000	$ 1,571,443.78	$ 31,763,056.40	$ 3,035,000	$ 332,450.00	$ 31,763,056.40

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2013E DASNY Bonds			2015F DASNY Bonds			2016J DASNY Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	$ 2,955,000	$ 303,000.00	$ 3,258,000.00	$ 2,560,000	$ 400,425.00	$ 2,960,425.00	$ 1,575,000	$ 469,950.00	$ 2,044,950.00
2026	3,105,000	155,250.00	3,260,250.00	2,665,000	295,400.00	2,960,400.00	1,605,000	400,425.00	2,005,425.00
2027	-	-	-	2,775,000	185,415.63	2,960,415.63	1,635,000	295,400.00	1,930,400.00
2028	-	-	-	2,860,000	95,581.26	2,955,581.26	1,695,000	185,415.63	1,880,415.63
2029	-	-	-	1,455,000	24,553.13	1,479,553.13	1,785,000	95,581.26	1,880,581.26
2030	-	-	-	-	-	-	910,000	24,553.13	934,553.13
TOTALS	$ 6,060,000	$ 458,250.00	$ 6,518,250.00	$ 12,315,000	$ 1,001,375.02	$ 13,316,375.02	$ 9,205,000	$ 1,471,325.02	$ 10,676,325.02

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2017E DASNY Bonds Principal	2017E DASNY Bonds Interest	2017E DASNY Bonds Total	2018E DASNY Bonds Principal	2018E DASNY Bonds Interest	2018E DASNY Bonds Total	2019E DASNY Bonds Principal	2019E DASNY Bonds Interest	2019E DASNY Bonds Total
2025	$ 1,610,000	$ 454,250.00	$ 2,064,250.00	$ 980,000	$ 273,750.00	$ 1,253,750.00	$ 345,000	$ 339,575.00	$ 684,575.00
2026	1,690,000	371,750.00	2,061,750.00	1,025,000	223,625.00	1,248,625.00	355,000	327,300.00	682,300.00
2027	1,775,000	285,125.00	2,060,125.00	1,075,000	171,125.00	1,246,125.00	375,000	310,825.00	685,825.00
2028	1,870,000	194,000.00	2,064,000.00	1,130,000	116,000.00	1,246,000.00	395,000	291,575.00	686,575.00
2029	1,965,000	98,125.00	2,063,125.00	1,190,000	58,000.00	1,248,000.00	415,000	271,325.00	686,325.00
2030	980,000	24,500.00	1,004,500.00	565,000	14,125.00	579,125.00	435,000	250,075.00	685,075.00
2031	-	-	-	-	-	-	455,000	227,825.00	682,825.00
2032	-	-	-	-	-	-	480,000	204,450.00	684,450.00
2033	-	-	-	-	-	-	505,000	179,825.00	684,825.00
2034	-	-	-	-	-	-	530,000	153,950.00	683,950.00
2035	-	-	-	-	-	-	560,000	126,700.00	686,700.00
2036	-	-	-	-	-	-	585,000	101,000.00	686,000.00
2037	-	-	-	-	-	-	605,000	77,200.00	682,200.00
2038	-	-	-	-	-	-	630,000	52,500.00	682,500.00
2039	-	-	-	-	-	-	655,000	30,075.00	685,075.00
2040	-	-	-	-	-	-	675,000	10,125.00	685,125.00
TOTALS	$ 9,890,000	$ 1,427,750.00	$ 11,317,750.00	$ 5,965,000	$ 856,625.00	$ 6,821,625.00	$ 8,000,000	$ 2,954,325.00	$ 10,954,325.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2020 DASNY Bonds Principal	2020 DASNY Bonds Interest	2020 DASNY Bonds Total	2021 DASNY Bonds Principal	2021 DASNY Bonds Interest	2021 DASNY Bonds Total
2025	$ 400,000	$ 277,750.00	$ 677,750.00	$ 695,000	$ 496,350.00	$ 1,191,350.00
2026	425,000	257,125.00	682,125.00	720,000	468,050.00	1,188,050.00
2027	445,000	235,375.00	680,375.00	755,000	434,775.00	1,189,775.00
2028	470,000	212,500.00	682,500.00	795,000	396,025.00	1,191,025.00
2029	490,000	188,500.00	678,500.00	835,000	355,275.00	1,190,275.00
2030	515,000	163,375.00	678,375.00	880,000	312,400.00	1,192,400.00
2031	545,000	136,875.00	681,875.00	920,000	267,400.00	1,187,400.00
2032	570,000	109,000.00	679,000.00	970,000	220,150.00	1,190,150.00
2033	600,000	79,750.00	679,750.00	1,020,000	170,400.00	1,190,400.00
2034	630,000	49,000.00	679,000.00	1,070,000	118,150.00	1,188,150.00
2035	665,000	16,625.00	681,625.00	1,120,000	69,000.00	1,189,000.00
2036				1,165,000	23,300.00	1,188,300.00
TOTALS	$ 5,755,000	$ 1,725,875	$ 7,480,875	$ 10,945,000	$ 3,331,275	$ 14,276,275

UNDERTAKING TO PROVIDE 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) unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes

(g) modifications to rights of Note holders, if material

(h) note calls, if material and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the Note

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the District

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

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material

(o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

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

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

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

The District reserves the right to terminate its obligation to provide the 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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CITY SCHOOL DISTRICT OF THE CITY OF UTICA

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDING

JUNE 30, 2023

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

UTICA CITY SCHOOL DISTRICT

Financial Statements and Independent Auditor’s Reports
as of and for the Year Ended
June 30, 2023

Bonadio & Co., LLP
Certified Public Accountants

C O N T E N T S

C O N T E N T S (Continued)

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

November 9, 2023

To the Board of Education of
Utica City 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 Utica City School District (School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the 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 Utica City School District, as of June 30, 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Correction of Errors
As described in Note 15 to the financial statements, the School District restated net position of the governmental activities at July 1, 2022 to reflect corrections of errors. Our opinions are not modified with respect to this matter.

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

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

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(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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, budgetary comparison information, schedules of proportionate share of net pension (asset) liability and contributions – pension plans, and schedule of changes in total OPEB liability and related ratios 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the schedules required by the New York State Education Department but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2023, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2023. The section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide* financial statements that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the government-wide statements. The fund financial statements concentrate on the School District's most significant funds with all other non-major funds listed in total in one column.
- The *governmental funds statements* tell how basic services, such as regular and special education, were financed in the *short-term,* as well as what remains for future spending.
- *Fiduciary funds statements* provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A-1

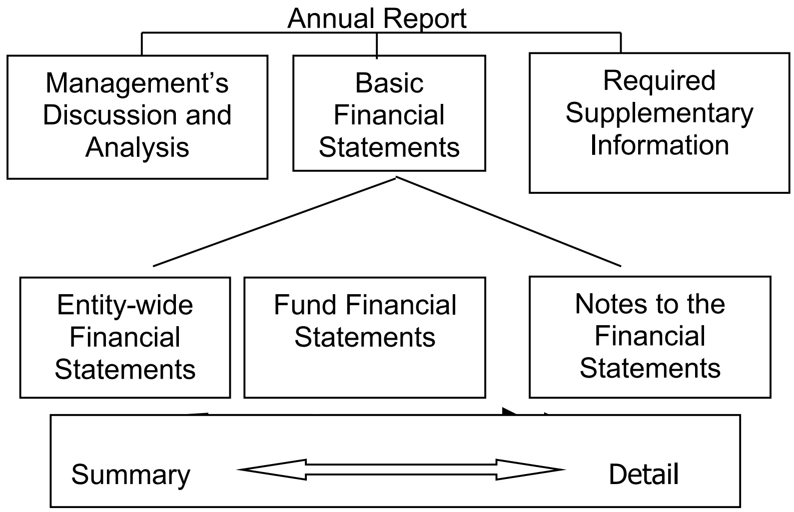


Figure A-2 summarizes the major features of the School District's financial statements, including a portion of the School District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

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

		Fund Financial Statements	
	Government-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire School District (except fiduciary funds)	The day-to-day operating activities of the School District, such as instruction and special education.	Instances in which the School District administers resources on behalf of someone else.
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and change in fund balance	• 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.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements: (Continued)

		Fund Financial Statements (Continued)	
	Government-Wide	Governmental Funds	Fiduciary Funds
Type of asset & deferred outflows of resources/liability & deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources - both financial and capital, short-term and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/out flow information	All revenue and expenses during year, regardless of when cash is received or paid.	Revenue 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 School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets/deferred outflows of resources and liabilities/deferred inflows of resources. All of the current year's revenue 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 School District's *net position* and how it has changed. Net position – the difference between the School District's assets and liabilities – is one way to measure the School District's financial health or position.

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Statements (Continued)

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

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

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

The School District has two types of funds:

- *Governmental Funds*: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds financial statements explains the relationship (or differences) between them. The governmental fund financial statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, capital project funds, and debt service fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.
- *Fiduciary Funds:* This fund consists of a custodial fund, which reports amounts collected by the School District on behalf of other parties.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Figure A-3 Condensed Statement of Net Position (in thousands of dollars)

	Fiscal Year 2023	Fiscal Year 2022	Percent Change
Current and other assets	$ 128,913	$ 181,564	-29.0%
Noncurrent assets	197,218	226,317	-12.9%
Total assets	326,131	407,881	-20.0%
Deferred outflows of resources	105,835	118,154	-10.4%
Current liabilities	50,533	61,444	-17.8%
Long-term liabilities	491,271	551,832	-11.0%
Total liabilities	541,804	613,276	-11.7%
Deferred inflows of resources	118,756	141,547	-16.1%
Net position:			
Net investment in capital assets	88,286	111,964	-21.1%
Restricted	47,683	41,351	15.3%
Unrestricted	(364,562)	(382,103)	-4.6%
Total net position	$ (228,593)	$ (228,788)	-0.1%

Changes in Net Position

The School District's net position as noted in the government-wide net position as of June 30, 2023 was a deficit of $228,593,225 compared to a deficit of $228,788,420 noted in the prior June 30, 2022 financial statement audit. This was primarily a result of approximately $375 million in other postemployment benefits classified as long-term liabilities. Other postemployment benefits consist of an estimate necessary for the healthcare benefits for retirees and their dependents contractually committed to by the School District.

The School District's 2023 revenue as noted in the government-wide statement of activities was $265,127,664 (see Figure A-4). New York State aid and property taxes accounted for the majority of revenue by contributing approximately 70% and 12% of the total revenue raised, respectively (see Figure A-5). The remainder of revenue came from charges for services, use of money and property, operating grants, and other miscellaneous sources.

The total cost of all programs and services as noted in the government-wide statement of activities totaled $223,005,133 for 2023, (see Figure A-4). These expenses are predominantly for the instruction, supervision, school lunch and transportation of students (see Figure A-6). The School District's general support expenses remained relatively consistent at 12% of total costs in 2023. General support expenses include the administrative and business activities of the School District.

Though the School District's net position increased by approximately $42.1 million in 2023, this was off-set by a restatement to the School District's 2023 financial statements of $41,927,335 resulting in the School District's net position only changing by approximately $200 thousand from 2022 to 2023. The restatement was primarily a result of necessary corrections in the accounting of capital asset balances, leased assets and bond premiums.

Figure A-4 Changes in Net Position from Operating Results (in thousands of dollars)

	Fiscal Year 2023	Fiscal Year 2022	Percent Change
Revenue			
Program revenue:			
Charges for services	$ 125	$ 47	166.0%
Operating grants and contributions	44,272	27,545	60.7%
General revenue:			
Taxes	32,602	32,785	-0.6%
State formula aid	184,784	160,899	14.8%
Federal aid	29	-	100.0%
Medicaid reimbursement	631	852	-25.9%
Use of money and property	780	85	817.6%
Miscellaneous	1,903	6,399	-70.3%
Total revenue	265,126	228,612	16.0%
Expenses			
General support	27,104	21,158	28.1%
Instruction	172,159	161,111	6.9%
Transportation	13,604	11,012	23.5%
Debt service - Interest	3,595	4,486	-19.9%
Cost of sales - Food	6,543	6,787	-3.6%
Total expenses	223,005	204,554	9.0%
Change in net position	$ 42,121	$ 24,058	

The increase in Federal Aid is due to the receipt of the American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund and Federal Cares Act (COVID Relief).

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Figure A-5: Sources of Revenue for 2023

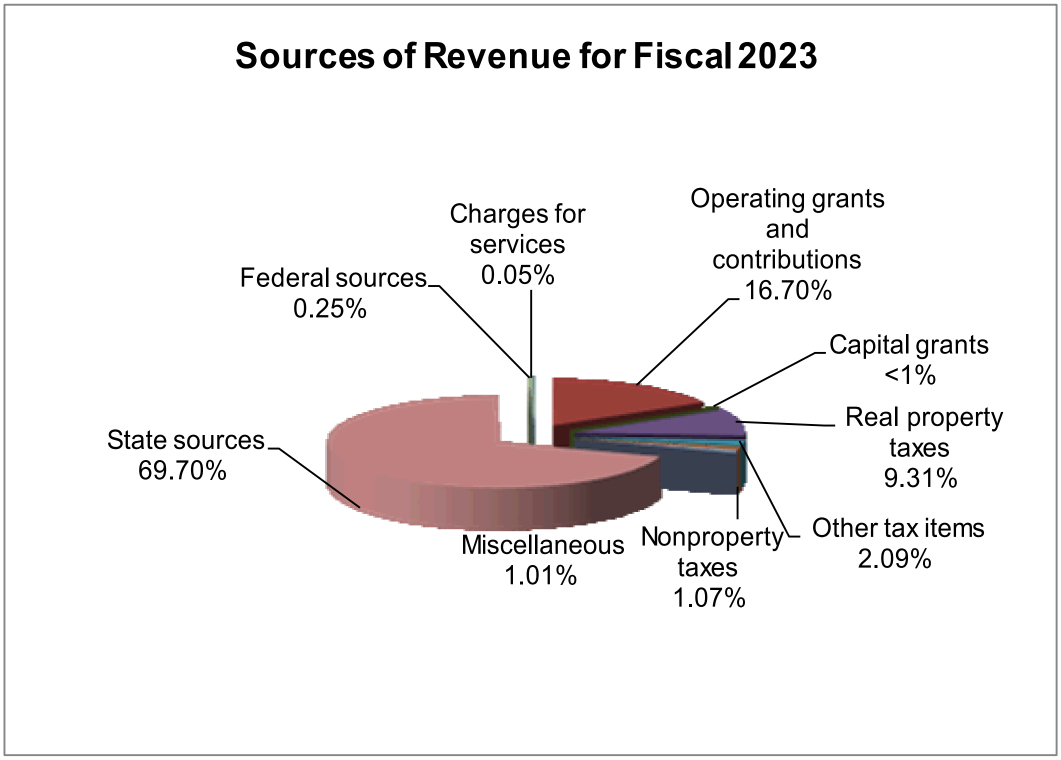
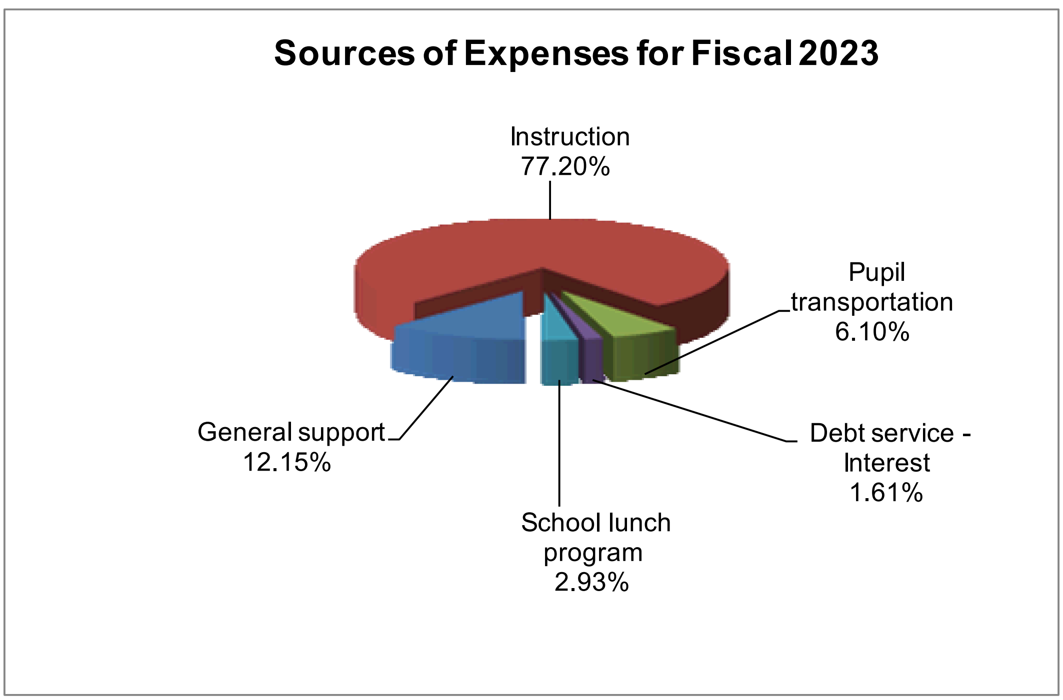


Figure A-6: Sources of Expenses for 2023



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the government-wide financial statements. The School District's governmental funds are presented on the current financial resources' measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets, and the current payments for debt.

The following is a brief description of the activity in the governmental funds for 2023 and 2022:

General Fund: Revenues exceeded expenditures in the 2022-2023 year by $19,085,626 and ended the year with a total fund balance of $80,368,295, inclusive of restricted and unrestricted. 44% of that fund balance has been restricted by the School District to ensure coverage of allowable outstanding and anticipated future liabilities which include the following restricted classifications:

- Workers' Compensation;
- Unemployment Insurance;
- NYS Employees Retirement System;
- NYS Teachers Retirement System;
- Property Loss; and
- Liability Claims.

Special Aid: By the nature of the fund, special aid does not generate a fund balance. Revenue is recognized as grants are expended. $37,449,018 was received as state and federal grants in this fund.

School Lunch: The school lunch fund ended 2022-2023 fiscal year with a fund balance of $67,118.

Capital Projects: $201,056 was expended for the year ended June 30, 2023. The capital fund deficit of $840,389 at the beginning of the year decreased to $363. This deficit will be eliminated upon the receipt of bond proceeds for ongoing projects.

Debt Service: The debt service fund ended the current year with a fund balance of $12,570,939.

Miscellaneous Special Revenue: The Miscellaneous special revenue fund ended 2021-2022 fiscal year with a fund balance of $332,307.

General Fund Budgetary Highlights

The 2022-2023 fiscal year ended with General Fund revenues exceeding expenditures by $19,085,626. The School District acted to not only add additional restricted fund balance classifications but increased previously established restricted fund balances to ensure the fiscal health of the School District from the unreserved fund balance for the 2022-2023 school year. Additionally, the School District continues its efforts to rehire staff laid off prior to the pandemic because of the previous fiscal situation of the School District. The School District has encountered difficulties in filing vacant educational and instructional positions. The vacancies resulted in additional unrestricted fund balance at the close of the 2022-2023 fiscal year.

Capital Assets

As of June 30, 2023, the School District had $197,218,007 invested in a broad range of capital assets including land, buildings, athletic facilities, computers, and other educational equipment.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Capital Assets (Net of Depreciation, in Thousands of Dollars)

Category	Fiscal Year 2023	Fiscal Year 2022	Percent Change
Land	$ 1,045	$ 1,045	0.0%
Construction in progress	25,912	95,887	-73.0%
Buildings, furniture and equipment	165,381	130,061	27.2%
Leased assets	4,880	2,356	107.1%
Total	$ 197,218	$ 229,349	-14.0%

Long-Term Liabilities (excluding bond premiums)
As of June 30, 2023, the School District had $506.7 million of general obligation and other long-term liabilities outstanding. More detailed information about the School District's long-term liabilities is included in the notes to the financial statements. The School District, because of its status as a small city school, is limited to issuing debt of no greater than 5% of its full assessed value. Currently, the School District is below that debt limit.

Category	(In Thousands) Fiscal Year 2023	Fiscal Year 2022
General obligation bonds (financed with property taxes)	$ 96,660	$ 110,510
Other debt	395,332	455,809
Total	$ 491,992	$ 566,319

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

The School District is not only directly affected by Local and State economic conditions but operates in an environment of increased costs of operations, fluctuating enrollment and the never-ending need for capital renovations including vast technology upgrades to the School District's 13 schools.

The Utica City School District will likely see an increase in enrollment due to refugees coming not only from Central Asia and Europe, but Central and South America as noted by the Mohawk Valley Refugee Center. As such, the School District has added additional ENL (English as the New Language) positions over the past several years and may need to hire additional staff in order to ensure that we provide the appropriate number of ENL teachers and interpreters to work with the students, as well as, to assist in the communication with parents. This year approximately 15% of the School District's total student population are ENL students.

With the increase we received in NYS Foundation Aid for the 2023 school year, as well as the final increase due the School District for 2024, the School District has increased and continues to anticipate the increase in teaching and support staff. This will allow the School District to keep class sizes as small as possible, as well as in helping to assist with the growing social emotional needs of the students due to the COVID-19 pandemic.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE (Continued)

In 2023, the School District settled all previously expired union contracts except for the Central and Northern New York Building and Trades Council AFL-CIO.

In December of 2021, School District voters approved a $17,995,000 referendum for the construction of a building addition and related renovations and improvements to Proctor High School to house new career and technical education programs. The architectural plans are presently under review by the NYS Educational Department with a groundbreaking expected in the spring of 2024.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Dr. Kathleen Davis
Acting Superintendent of Schools
Utica City School District
929 York Street
Utica, New York 13502
(315)792-2222

or

Heather Mowat
Chief Financial Officer
Utica City School District
929 York Street
Utica, New York 13502
(315) 792-2225

UTICA CITY SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	
CURRENT ASSETS:	
Cash - Unrestricted	$ 41,196,381
Cash - Restricted	41,369,815
State and federal aid recievable	43,538,317
Taxes receivable	2,295,076
Other recievables	251,627
Prepaid expenses	36,967
Inventory	225,169
Total current assets	128,913,352
NONCURRENT ASSETS:	
Capital assets, nondepreciable	26,956,945
Capital assets, depreciable, net	170,261,062
Total noncurrent assets	197,218,007
TOTAL ASSETS	326,131,359
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - TRS pension	37,538,508
Deferred outflows of resources - ERS pension	6,178,406
Deferred outflows of resources - OPEB	62,118,500
Total deferred outflows of resources	105,835,414
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	7,104,581
Accrued liabilities	6,681,779
Accrued interest	1,484,052
Due to other governments	82,941
Due to Teachers' Retirement System	8,156,823
Due To Employee Retirement System	624,546
Health and workers' compensation payable	1,594,343
Unearned revenue	9,353,780
Bonds payable due within one year	14,805,000
Lease payable due within one year	645,354
Total current liabilities	50,533,199
LONG-TERM LIABILITIES:	
Bonds payable and premiums, less current portion	92,842,844
Lease payable, less current portion	639,227
Compensated absences payable	1,305,506
Health and workers' compensation payable, less current portion	3,740,935
Net pension liability - ERS	9,166,833
Net pension liability - TRS	6,618,111
Total other postemployment benefits	375,290,484
Revenue advance	1,666,672
Total long-term liabilities	491,270,612
TOTAL LIABILITIES	541,803,811
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - TRS pension	3,157,149
Deferred inflows of resources - ERS pension	557,421
Deferred inflows of resources - OPEB	115,041,617
Total deferred inflows of resources	118,756,187
NET POSITION	
Net investment in capital assets	88,285,582
Restricted	47,682,759
Unrestricted	(364,561,566)
TOTAL NET POSITION	$ (228,593,225)

The accompanying notes are an integral part of these statements.

UTICA CITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS:				
General support	$ 27,104,222	$ -	$ -	$ (27,104,222)
Instruction	172,159,125	124,724	37,446,018	(134,588,383)
Pupil transportation	13,603,843	-	-	(13,603,843)
Debt service - Interest	3,595,464	-	-	(3,595,464)
School lunch program	6,542,480	-	6,826,228	283,748
TOTAL FUNCTIONS AND PROGRAMS	$ 223,005,134	$ 124,724	$ 44,272,246	(178,608,164)
GENERAL REVENUE:				
Real property taxes				24,688,192
Other tax items				5,551,075
Nonproperty taxes				2,362,837
Use of money and property				780,264
Sale of property and compensation for loss				182,811
Miscellaneous				1,720,560
State sources				184,784,359
Federal sources				29,160
Medicaid reimbursement				631,436
TOTAL GENERAL REVENUE				220,730,694
CHANGE IN NET POSITION				42,122,530
TOTAL NET POSITION - beginning of year, as previously reported				(228,788,420)
RESTATEMENT (Note 15)				(41,927,335)
TOTAL NET POSITION - beginning of year, as restated				(270,715,755)
TOTAL NET POSITION - end of year				$ (228,593,225)

The accompanying notes are an integral part of these statements.

UTICA CITY SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Special Aid	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 36,958,542	$ 1,053,678	$ 3,184,161	$ 41,196,381
Cash - Restricted	29,598,586	-	11,771,229	41,369,815
Due from other funds	21,096,568	-	1,180,573	22,277,141
State and federal aid recievable	14,218,255	28,797,585	522,477	43,538,317
Taxes receivable	2,295,076	-	-	2,295,076
Other recievables	251,627	-	-	251,627
Prepaid expenditures	36,967	-	-	36,967
Inventory	-	-	225,169	225,169
TOTAL ASSETS	$ 104,455,621	$ 29,851,263	$ 16,883,609	$ 151,190,493
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES:				
Accounts payable	$ 5,033,965	$ 2,012,087	$ 58,529	$ 7,104,581
Accrued liabilities	6,665,073	16,706	-	6,681,779
Due to other funds	-	18,470,648	3,806,493	22,277,141
Due to other governments	82,826	-	115	82,941
Due to Employees Retirement System	624,546	-	-	624,546
Due to Teachers' Retirement System	8,156,823	-	-	8,156,823
Health and workers' compensation payable	1,594,343	-	-	1,594,343
Unearned revenue	1,958	9,351,822	-	9,353,780
Total liabilities	22,159,534	29,851,263	3,865,137	55,875,934
DEFERRED INFLOWS OF RESOURCES:				
Deferred property taxes	1,927,792	-	-	1,927,792
Total deferred inflows of resources	1,927,792	-	-	1,927,792

The accompanying notes are an integral part of these financial statements.

UTICA CITY SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
(Continued)
JUNE 30, 2023

	General	Special Aid	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCE				
Nonspendable	36,967	-	225,169	262,136
Restricted				
Debt service	-	-	12,570,939	12,570,939
Worker's compensation	9,000,000	-	-	9,000,000
Unemployment insurance	500,000	-	-	500,000
Retirement - ERS	12,970,191	-	-	12,970,191
Retirement - TRS	6,187,781	-	-	6,187,781
Property loss	3,202,688	-	-	3,202,688
Liability	3,202,689	-	-	3,202,689
Other	-	-	48,471	48,471
Total restricted fund balance	35,063,349	-	12,619,410	47,682,759
Assigned				
Unappropriated	2,235,272	-	332,307	2,567,579
Total assigned fund balance	2,235,272	-	332,307	2,567,579
Unassigned	43,032,707	-	(158,414)	42,874,293
Total fund balance	80,368,295	-	13,018,472	93,386,767
Total liabilities, deferred inflows of resources, and fund balance (deficit)	$ 104,455,621	$ 29,851,263	$ 16,883,609	$ 151,190,493

The accompanying notes are an integral part of these financial statements.

UTICA CITY SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION
JUNE 30, 2023

A reconciliation of total governmental fund balance to government-wide net position follows:

Total governmental fund balance	$ 93,386,767
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	197,218,007
Long-term liabilities, including bonds payable, lease payable, revenue advance, compensated absences and health and workers' compensation, are not due and payable in the current period and, therefore, are not reported in the funds	(115,645,538)
Pension plans' activity required to be recorded in the government-wide financial statements:	
Net pension liability - ERS	(9,166,833)
Net pension liability - TRS	(6,618,111)
Deferred outflows of resources - TRS	37,538,508
Deferred outflows of resource - ERS	6,178,406
Deferred inflows of resources - TRS	(3,157,149)
Deferred inflows of resources - ERS	(557,421)
Unavailable revenue for property taxes is recognized as revenue under full accrual accounting	1,927,792
Other postemployment benefits activity required to be recorded in the government-wide financial statements:	
Deferred outflows of resources	62,118,500
OPEB liability	(375,290,484)
Deferred inflows of resources	(115,041,617)
Interest payable in the government-wide statements is recorded as an expense under full accrual accounting	(1,484,052)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (228,593,225)

The accompanying notes are an integral part of these financial statements.

UTICA CITY SCHOOL DISTRICT

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General	Special Aid	Nonmajor Governmental Funds	Total Governmental Funds
REVENUE:				
Real property taxes	$ 24,774,963	$ -	$ -	$ 24,774,963
Other tax items	5,551,075	-	-	5,551,075
Nonproperty taxes	2,362,837	-	-	2,362,837
Charges for services	20,040	-	104,684	124,724
Use of money and property	592,280	-	187,984	780,264
Sale of property and compensation for loss	182,811	-	-	182,811
Miscellaneous	1,564,693	3,000	152,867	1,720,560
State sources	183,609,944	5,030,073	1,149,635	189,789,652
Federal sources	29,160	32,415,945	6,138,067	38,583,172
Medicaid reimbursement	631,436	-	-	631,436
Surplus Food	-	-	579,608	579,608
Total revenue	219,319,239	37,449,018	8,312,845	265,081,102
EXPENDITURES:				
General support	20,033,196	-	12,125	20,045,321
Instruction	112,749,630	36,737,622	-	149,487,252
Pupil transportation	11,662,633	-	-	11,662,633
Employee benefits	36,856,194	-	358,765	37,214,959
Other	-	-	146,218	146,218
Debt service - Principal	3,216,173	-	13,850,000	17,066,173
Debt service - Interest	317,657	-	4,838,993	5,156,650
Cost of sales	-	-	6,542,480	6,542,480
Capital outlay	-	-	1,056	1,056
Total expenditures	184,835,483	36,737,622	25,749,637	247,322,742
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	34,483,756	711,396	(17,436,792)	17,758,360
OTHER SOURCES AND (USES):				
Proceeds from leases	2,579,467	-	-	2,579,467
Operating transfers in	1,020,689	309,293	18,888,993	20,218,975
Operating transfers (out)	(18,998,286)	(1,020,689)	(200,000)	(20,218,975)
Total other sources (uses)	(15,398,130)	(711,396)	18,688,993	2,579,467
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	19,085,626	-	1,252,201	20,337,827
FUND BALANCE (DEFICIT) - beginning of year, as previously reported	61,282,669	-	11,717,973	73,000,642
RESTATEMENT (NOTE 15)	-	-	48,298	48,298
FUND BALANCE (DEFICIT) - beginning of year, as restated	61,282,669	-	11,766,271	73,048,940
FUND BALANCE (DEFICIT) - end of year	$ 80,368,295	$ -	$ 13,018,472	$ 93,386,767

The accompanying notes are an integral part of these statements.

UTICA CITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

Net changes in fund balance (deficit) - Total governmental funds	$ 20,337,827
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position	10,066,675
Depreciation is not recorded as a expenditure in the governmental funds, but is recorded in the statement of activities	(5,973,628)
Leases are expenditures in governmental funds, net of disposals, but are capitalized in the statement of net position	2,579,467
Proceeds from leases are other financing sources in governmental funds, but are a liability in the statement of net position	(2,579,467)
Amortization is not recorded as an expenditures in the governmental funds, but is recorded in the statement of activities	(1,986,899)
Pension income (expense) resulting from GASB 68 related reporting is not recorded as a revenue (expenditure) in the governmental funds, but is recorded in the statement of activities	(2,401,477)
Repayments of bonds and lease liabilities are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position	17,066,173
Amortization of bond premium is recognized as a reduction in interest expense	1,813,463
Certain revenue in the statement of activities are recognized as revenue in the government wide statements but not recognized as revenue under the modified accrual basis of accounting during the year	(86,772)
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	1,919,787
Accrued postemployment benefits do not require the expenditure of current resources and are, therefore not reported as expenditures in the governmental funds	1,367,381
Change in net position - Governmental activities	$ 42,122,530

The accompanying notes are an integral part of these statements.

UTICA CITY SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUND
JUNE 30, 2023

	Custodial Fund
ASSETS:	
Restricted cash	$ -
Total assets	-
NET POSITION:	
Restricted net position	$ -

STATEMENT OF CHANGE IN NET POSITION - FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Custodial Fund
ADDITIONS:	
Tax collections for other governments	$ 797,076
Total additions	797,076
DEDUCTIONS:	
Payments of tax to other governments	797,076
Total deductions	797,076
Change in net position	-
TOTAL NET POSITION - beginning of year, as previously reported	48,298
RESTATEMENT (Note 15)	(48,298)
TOTAL NET POSITION - beginning of year, as restated	-
Total net position - end of year	$ -

The accompanying notes are an integral part of these statements.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Utica City School District provides K-12 public education to students living within its geographic borders.

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

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

Reporting Entity

The Utica City School District is governed by the laws of New York State. The School 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 School District. Board members have authority to make decisions, power to appoint management and primary accountability for all fiscal matters.

The reporting entity of the School District is based upon criteria set forth by GAAP and the GASB. 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 School District and other organizational entities determined to be includable in the School District's financial reporting entity. The School District is not a component unit of another reporting entity. The decision to include a potential component unit in the School 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 School District's reporting entity:

Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds are available at the School District's business office. The School District accounts for assets held as an agent for various student organizations in a special revenue fund.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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.

Participating school districts issue debt on behalf of BOCES. During the year, the School District issued no serial bonds on behalf of BOCES. As of year-end, the School District had no outstanding BOCES debt.

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

Basis of Presentation
The School District's financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund level financial statements which provide more detailed information.

Government-Wide Statements
The statement of net position and the statement of activities present financial information about the School 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 revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenue includes 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements
The School District uses funds to maintain its accounting records. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

The accounts of the School District are organized into funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The fund types and account groups used by the School District are as follows:

Governmental Fund Types
Governmental funds are those in which most governmental functions of the School District are reported. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities (except those accounted for in the proprietary and fiduciary funds) are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position rather than upon determination of net income.

The School District reports the following major governmental funds:

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

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

The School District reports the following nonmajor governmental funds:

School Lunch Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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

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

Miscellaneous Special Revenue Fund: This fund accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the School District for specific purposes.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Extraclassroom Activities Fund: This special revenue fund accounts for the activities of the student run clubs and organizations of the School District.

Fiduciary Fund Types
The School District reports the following fiduciary fund:

Custodial Fund: This fund accounts for assets held by the School District in a purely custodial capacity on a temporary basis. No custodial assets were held as of year end June 30, 2023.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported revenue and expenses during the reporting period. Actual results could differ from those estimates and such differences may be significant.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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 School District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounts Receivable
Accounts receivable are shown gross. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Inventories and Prepaid Expenditures
Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which 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 expenditures represent payments made by the School District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures in both the School District-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

Interfund Transactions
The operations of the School District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The School 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 revenue to provide financing or other services.

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

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

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets
Capital assets are reported at actual cost or estimated historical costs, based on appraisals conducted by independent third-party professionals. 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 government-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 5,000	Straight-line	40
Building improvements	$ 5,000	Straight-line	20
Furniture and equipment	$ 5,000	Straight-line	5-15

Capital assets also include leased assets with a term greater than one year. The School District does not implement a capitalization threshold for leased assets. Leased assets are amortized on a straight-line basis over the term of the lease.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position sometimes reports 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 School District has the following items that qualify for reporting in this category:

- Deferred charges related to pension plans and the other postemployment benefits plan (See Notes 9 and 10).

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

The School District has the following items that qualify for reporting in this category;

- Deferred resources related to pension plans and the other postemployment benefits plan (See Notes 9 and 10).

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

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

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Vested Employee Benefits (Continued)

Consistent with GAAP, an accrual for accumulated sick leave is included within the compensated absences liability at year-end. 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 on expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

Retirement Benefits
School District employees participate in the New York State Employees' Retirement System or the New York State Teachers' Retirement System.

Other Postemployment Benefits
In addition to providing retirement benefits described, the School District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School District. The School District pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance.

Unearned Revenue
Unearned revenue is reported when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the School District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

Short-Term Debt
The School District may issue revenue anticipation notes (RANs) and tax anticipation notes (TANs), in anticipation of the receipt of revenue. 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 School 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 School District may issue bond anticipation notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Liabilities and Long-Term Obligations

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

Claims and judgments, 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 School 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.

Property Taxes

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

The City of Utica (City) enforces uncollected real property taxes. An amount representing all uncollected real property taxes must be transmitted by the City to the School District within two years from the notification of unpaid taxes to the City. Current year real property taxes receivable expected to be collected within 60 days of year-end are recognized as revenue. Otherwise, deferred inflows of resources offset current year real property taxes receivable.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the School 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.

Net Position and Fund Balance Classifications

Government-Wide Statements

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

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) plus unspent bond proceeds reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted net position – reports net position when constraints placed on the assets are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the School District.

Governmental Fund Statements

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

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually are required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the school lunch fund.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net Position and Fund Balance Classifications (Continued)

Restricted fund balance – 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 School District has available the following restricted fund balances:

Capital
Capital reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the general fund under restricted fund balance. The School District has not established a capital reserve.

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

Workers' Compensation
Workers' compensation reserve (GML §6-j) is 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. The reserve is accounted for in the general fund under restricted fund balance. The School District reported $9,000,000 in this reserve as of June 30, 2023.

Unemployment Insurance
Unemployment insurance reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund under restricted fund balance. The School District reported $500,000 in this reserve as of June 30, 2023.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position and Fund Balance Classifications (Continued)

Governmental Fund Statements (Continued)

Debt Service
Mandatory reserve for debt service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. The reserve is accounted for in the debt service fund under restricted fund balance. The School District reported $12,570,939 in this reserve as of June 30, 2023.

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

Liability Claims and Property Loss
Property loss reserve and liability reserve (Education Law §1709(8)(c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. These reserves are accounted for in the general fund under restricted fund balance. The School District reported $6,405,377 in these reserves as of June 30, 2023.

Tax Certiorari
Tax certiorari reserve (Education Law §3651.1-a) is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the general fund under restricted fund balance. The School District has not established a tax certiorari reserve.

Employee Benefit Accrued Liability
Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund under restricted fund balance. The School District has not established an employee benefit reserve.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position and Fund Balance Classifications (Continued)

Governmental Fund Statements (Continued)

Retirement Contribution
Retirement contribution reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of operation and condition of the fund must be provided to the board. This reserve is accounted for in the general fund under restricted fund balance. The School District reported $19,157,972 in this reserve as of June 30, 2023.

Committed fund balance – Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, i.e., the Board of Education. The School District has no committed fund balance as of June 30, 2023.

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. As of June 30, 2023, the School District's encumbrances were classified as follows:

Assigned fund balance:

General support	$ 272,306
Instruction	1,785,790
Transportation	177,176
Total encumbrances	$ 2,235,272

Unassigned fund balance – 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 School District.

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds the School District can retain to no more than 4% of the School District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. As of June 30, 2023, the School District's unassigned fund balance exceeded the NYS limitation.

Order of Fund Balance Spending Policy
The School District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balance is determined first and then restricted fund balance for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as assigned 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.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Explanation of Certain Differences Between Governmental Fund Statements and Government-wide Statements

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

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:
Total fund balances of the School District's governmental funds differ from net position of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

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

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories:

<u>Long-Term Revenue and Expense Differences</u>
Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

<u>Capital Related Differences</u>
Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

<u>Long-Term Debt Transaction Differences</u>
Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

Stewardship and Compliance

<u>Budgets</u>
The School 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 School District approved the proposed appropriation budget for the general fund.

Appropriations are adopted at the program line level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances lapse if not expended in the subsequent year.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Explanation of Certain Differences Between Governmental Fund Statements and Government-wide Statements (Continued)

Stewardship and Compliance (Continued)

Budgets (Continued)

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 of Education approves them because of a need that exists which was not determined at the time the budget was adopted.

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

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the School 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.

2. CASH

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

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

	Bank Balance
Covered by FDIC insurance	$ 1,250,000
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	78,086,708
Total	$ 79,336,708

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets include amounts required by statute to be reserved for various purposes.

3. PARTICIPATION IN BOCES

During the year, the School District was billed $28,371,172 for BOCES administrative and program costs.

The School District's share of BOCES aid amounted to $18,644,524.

4. CAPITAL ASSETS, NET

A summary of changes in capital assets, net is as follows:

	Restated July 1, 2022 Balance	Additions	Deletions	June 30, 2023 Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 1,045,000	$ -	$ -	$ 1,045,000
Construction in progress	17,260,251	8,651,694	-	25,911,945
Total non-depreciable historical cost	18,305,251	8,651,694	-	26,956,945
Capital assets that are depreciated:				
Buildings	228,774,028	211,475	-	228,985,503
Site improvements	9,329,806	525,290	-	9,855,096
Furniture and equipment	27,822,773	678,216	-	28,500,989
Total depreciable historical cost	265,926,607	1,414,981	-	267,341,588
Less accumulated depreciation:				
Buildings	64,934,960	5,469,115	-	70,404,075
Site improvements	5,341,820	220,239	-	5,562,059
Furniture and equipment	25,710,398	284,274	-	25,994,672
Total accumulated depreciation	95,987,178	5,973,628	-	101,960,806
Lease assets, being amortized:				
Buildings	158,904	-	-	158,904
Furniture and equipment	6,927,498	2,579,467	-	9,506,965
Total lease assets, being amortized	7,086,402	2,579,467	-	9,665,869
Less accumulated amortization:				
Buildings	12,276	50,290	-	62,566
Furniture and equipment	2,786,414	1,936,609	-	4,723,023
Total accumulated amortization	2,798,690	1,986,899	-	4,785,589
Total governmental activities capital asset, net	$192,532,392	$ 4,685,615	$ -	$197,218,007

Depreciation and amortizationexpense for the year ended June 30, 2023, was allocated to specific functions as follows:

	Depreciation	Amortization
General support	$ 630,440	$ 50,290
Instruction	4,803,291	1,936,609
Pupil transportation	328,296	-
School lunch program	211,601	-
	$ 5,973,628	$ 1,986,899

5. SHORT-TERM DEBT

The School District may issue revenue anticipation notes (RAN) or tax anticipation notes (TAN), in anticipation of the receipt of revenue. These notes are recorded as a liability in 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 School District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which an insufficient or no provision is made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The School District may issue bond anticipation notes (BAN) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities in the fund that will actually receive the proceeds from the issuance of bonds.

Short-term debt activity for the year ended June 30, 2023, was as follows:

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
RAN	6/22/2023	3.00%	$ 10,000,000	$ -	$ 10,000,000	$ -
Total			$ 10,000,000	$ -	$ 10,000,000	$ -

Interest on short-term debt was composed of the following:

Interest paid	$ 300,000
Less interest accrued in the prior year	(6,575)
Plus interest accrued in the current year	-
Total expense	$ 293,425

6. LONG-TERM DEBT

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

Interest paid	$ 4,856,650
Less: interest accrued in prior year	(1,225,200)
Less: amortization of bond premium	(1,813,463)
Plus: interest accrued in current year	1,484,052
Total expense	$ 3,302,039

6. LONG-TERM DEBT (Continued)

Long-term debt balances and activity is as follows:

	Beginning Balance (restated)	Issued	Redeemed	Ending Balance	Amounts Due Within One Year	Long term Portion
Governmental activities:						
Bonds payable	$110,510,000	$ -	$ 13,850,000	$ 96,660,000	$ 14,805,000	$ 81,855,000
Bond premiums	12,801,307	-	1,813,463	10,987,844	-	10,987,844
Total bonds payable	123,311,307	-	15,663,463	107,647,844	14,805,000	92,842,844
Other long-term liabilities:						
Revenue advance	1,800,005	-	133,333	1,666,672	-	1,666,672
Leases payable	1,921,287	2,579,467	3,216,173	1,284,581	645,354	639,227
Compensated absences	1,361,233	-	55,727	1,305,506	-	1,305,506
Net pension liability	-	15,784,944	-	15,784,944	-	15,784,944
Total OPEB liability	450,726,412	-	75,435,928	375,290,484	-	375,290,484
Total long-term liabilities	$579,120,244	$ 18,364,411	$ 94,504,624	$502,980,031	$ 15,450,354	$487,529,677

(A) Additions and deletions to compensated absences are shown net because it is impractical to determine these amounts separately.

Outstanding bonds payable as of June 30, 2023 are as follows:

Bond Issue	Issued	Maturity	Interest Rate	Balance as of June 30, 2023
Serial Bond	2012	2027	1.40-4.80%	$ 1,645,000
Serial Bond	2012	2041	2.00-5.00%	12,475,000
Serial Bond	2013	2028	2.00-5.00%	3,710,000
Serial Bond	2013	2026	2.00-5.00%	8,875,000
Serial Bond	2015	2029	2.00-5.00%	14,805,000
Serial Bond	2016	2030	2.00-5.00%	10,745,000
Serial Bond	2017	2030	3.00-5.00%	11,425,000
Serial Bond	2018	2030	3.00-5.00%	6,895,000
Serial Bond	2019	2040	3.00-5.00%	8,335,000
Serial Bond	2020	2035	5.00%	6,140,000
Serial Bond	2021	2036	4.00-5.00%	11,610,000
Total				$ 96,660,000

6. LONG-TERM DEBT (Continued)

The following is a summary of the maturity of bonds payable:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ 14,805,000	$ 3,916,993	$ 18,721,993
2025	15,370,000	3,356,883	18,726,883
2026	15,995,000	2,726,151	18,721,151
2027	10,210,000	2,059,536	12,269,536
2028	10,185,000	1,626,106	11,811,106
2029-2033	19,375,000	3,935,278	23,310,278
2034-2038	8,640,000	1,070,625	9,710,625
2039-2041	2,080,000	101,000	2,181,000
Totals	$ 96,660,000	$ 18,792,572	$115,452,572

Revenue Advance

In prior years, the School District was granted advances against future lottery aid. These advances have been recorded in the long-term debt group of accounts. The School Districts is obligated to repay the remaining balances through direct reductions annually in state aid.

7. LEASES

The School District has liabilities related to two ongoing lease arrangements in which it is a lessee for equipment and for warehouse space. Terms and balances are summarized as follows:

Description	Inception Date	Maturity Date	Interest Rate	Outsanding Lease Liability
Equipment Lease	2021	2025	0.87%	$ 1,188,243
Warehouse Lease	2022	2025	1.74%	96,338
				$ 1,284,581

The School District also leases various equipment through BOCES, for which it makes payment prior to the receipt of the assets. Therefore, no outstanding liabilities remain related to these leases.

Annual requirements to amortize long-term lease obligations and related interest are as follows:

	Principal	Interest	Total
2024	$ 645,354	$ 11,632	$ 656,986
2025	639,227	5,521	644,748
Total Future Payments	$ 1,284,581	$ 17,153	$ 1,301,734

8. INTERFUND BALANCES AND ACTIVITY

	Interfund		Interfund	
	Receivable	Payable	Revenue	Expenditure
General fund	$ 21,096,568	$ -	$ 1,020,689	$ 18,998,286
Special aid fund	-	18,470,648	309,293	1,020,689
School lunch fund	-	1,761,847	-	-
Capital projects fund	-	2,044,646	-	200,000
Debt service fund	1,180,573	-	18,888,993	-
Total governmental activities	$ 22,277,141	$ 22,277,141	$ 20,218,975	$ 20,218,975

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position.

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

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

9. PENSION PLANS

New York State Employees' Retirement System

The School District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing 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), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an 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 School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions
The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27th, 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 (ERS) who generally contribute 3 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

9. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

2023	$	1,467,483
2022	$	1,810,142
2021	$	1,870,273

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

At June 30, 2023, the School District reported a liability of $9,166,833 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2022. The School District's proportion of the net pension liability was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2023, the School District's proportion was 0.0427477%, which was an increase of .0012573% from its proportion measured at June 30, 2022.

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

For the year ended June 30, 2023, the School District recognized pension expense of $38,428,863. At June 30, 2023, the School 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
Differences between expected and actual experience	$ 976,339	$ 257,439
Changes of Assumptions	4,452,006	49,203
Net difference between projected and actual earnings on pension plan investments	-	53,855
Changes in proportion and differences between the District's contributions and proportionate share of contributions	125,515	196,924
Contributions subsequent to the measurement date	624,546	-
	$ 6,178,406	$ 557,421

Of the total reported as deferred outflows of resources, $624,546 related to the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

9. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:	
2024	$ 1,150,483
2025	(540,757)
2026	1,867,711
2027	2,519,002
2028	-
Thereafter	-
	$ 4,996,439

Actuarial Assumptions
The total pension asset at March 31, 2023, was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	4.40%
Projected COLAs	1.50%
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

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

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

9. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 is summarized below:

Asset Type	Target Allocation	Long-term expected real rate or return
Domestic Equity	32.0%	4.30%
International Equity	15.0%	6.85%
Private Equity	10.0%	7.50%
Real Estate	9.0%	4.60%
Opportunistic/ARS Portfolio	3.0%	5.38%
Credit	4.0%	5.43%
Real Assets	3.0%	5.84%
Fixed Income	23.0%	1.50%
Cash	1.0%	0.00%
	100.0%	

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate

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

The following presents the School District's proportionate share of the net pension asset calculated using the discount rate of 5.9%, as well as what the School District's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1 percent lower (4.9%) or 1 percent higher (6.9%) than the current rate:

	1 % Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Proportionate Share of Net Pension liability (asset)	$ 22,152,305	$ 9,166,833	$ (1,684,038)

9. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Pension Plan Fiduciary Net Position
The components of the current-year net pension liability (in thousands) of the employers as of March 31, 2022, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	$ 232,627,259
Net position	211,183,223
Net pension liability (asset)	$ 21,444,036
Fiduciary net position as % of total pension liability	90.78%

New York State Teachers' Retirement System

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers 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.

The New York State Teachers' Retirement Board administers NYSTRS. The system provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions
The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

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

2023	$ 5,987,665
2022	$ 5,965,083
2021	$ 5,850,207

9. PENSION PLANS (Continued)

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

At June 30, 2023, the School District reported a liability of $6,618,111 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension asset used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022, the School District's proportion was 0.344892%, which was an decrease of 0.019558% from its proportion measured at June 30, 2021.

For the year ended June 30, 2023, the School District recognized pension expense of $8,551,924. At June 30, 2023, the School 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
Differences between expected and actual experience	$ 6,934,942	$ 132,615
Changes of Assumptions	12,838,015	2,665,962
Net difference between projected and actual earnings on pension plan investments	8,551,226	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,622,793	358,572
Contributions subsequent to the measurement date	7,591,532	-
	$ 37,538,508	$ 3,157,149

Of the total reported as deferred outflows of resources, $7,591,532 related to the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended June 30:	
2023	$ 5,172,534
2024	2,743,648
2025	(783,898)
2026	17,087,598
2027	2,359,185
Thereafter	210,760
	$ 26,789,827

9. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Actuarial Assumptions

The total pension asset at the June 30, 2022, measurement date was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension asset to June 30, 2022.

These actuarial valuations used the following actuarial assumptions:

Inflation	2.40%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

Service	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.3% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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

9. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2022 is summarized in the following table:

Asset Type	Target Allocation	Long-term expected real rate or return
Domestic Equity	33.0%	6.5%
International Equity	16.0%	7.2%
Global Equity	4.0%	6.9%
Real Estate Equity	11.0%	6.2%
Private Equity	8.0%	9.9%
Domestic Fixed Income	16.0%	1.1%
Global Bonds	2.0%	0.6%
Private Debt	2.0%	5.3%
Real Estate Debt	6.0%	2.4%
High-yield Bonds	1.0%	3.3%
Cash Equivalents	1.0%	-0.3%
	100.0%	

Discount Rate

The discount rate used to measure the total pension asset was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

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

The following presents the net pension liability (asset) of the school districts calculated using the discount rate of 6.95%, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.95%) or 1-percentage-point higher (7.95%) than the current rate:

	1 % Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Proportionate Share of Net Pension liability (asset)	$ 61,022,078	$ 6,618,111	$ (39,135,270)

9. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (in thousands) of the employers as June 30, 2022, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	$ 133,883,474
Net position	131,964,582
Net pension liability (asset)	$ 1,918,892
Fiduciary net position as % of total pension asset	98.6%

10. OTHER POSTEMPLOYMENT BENEFITS LIABILITY

Plan Description

The School District's defined benefit OPEB plan, provides OPEB for all permanent full-time general employees of the School District. The plan is a single-employer defined benefit OPEB plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District Board. 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 Statement 75.

Benefits Provided

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

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	717
Inactive employees entitled to but not yet receiving benefits	-
Active employees	1,034
Total participants	1,751

Total OPEB Liability

The School District's total OPEB liability of $375,290,484 was measured as of July 1, 2022, and was determined by an actuarial valuation as of July 1, 2022.

10. OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Scale	3.50%
Discount Rate	3.54%
Healthcare Cost Trend Rates	7.80% for 2024, decreasing to an ultimate rate of 3.94% by 2093

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

Mortality rates were based on the April 1, 2010 – March 31, 2015 NYSLRS experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

Changes in the Total OPEB Liability

Balance at June 30, 2021	$ 450,726,412
Changes for the Year-	
Service cost	16,652,248
Interest	9,904,154
Changes of benefit terms	-
Changes in assumptions or other inputs	(65,321,787)
Differences between expected and actual experience	(27,535,091)
Benefit payments	(9,135,452)
Net changes	(75,435,928)
Balance at June 30, 2022	$ 375,290,484

Changes of assumptions and other inputs reflect a change in the discount rate from 2.14% in 2022 to 3.54% in 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Current Discount (3.54%)	1% Increase (4.54%)
Total OPEB Liability	$ 447,125,355	$ 375,290,484	$ 318,451,768

10. OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)

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

	1% Decrease	Healthcare Current Discount	1% Increase
Total OPEB Liability	$ 311,467,313	$ 375,290,484	$ 459,244,630

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2023, the School District recognized OPEB expense of $7,524,989. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and and actual experience	$ -	$ 47,862,313
Changes of assumptions	53,226,130	67,179,304
Employer contributions subsequent to the measurement date	8,892,370	-
Total	$ 62,118,500	$ 115,041,617

Employer contributions subsequent to the measurement will be recognized as expense in the year ended June 30, 2024. Other 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	Amount
2024	$ (16,643,083)
2025	(10,547,813)
2026	(4,567,224)
2027	(3,950,183)
2028	(12,389,694)
Thereafter	(13,717,490)
	$ (61,815,487)

11. RISK MANAGEMENT

Self-Insured Plans

The School District has chosen to establish a self-funded health benefit program and workers' compensation plan for its employees. The School District has obtained aggregate and specific excess loss insurance associated with the self-funded health benefit program. The benefit programs administrators, Excellus BlueCross BlueShield and Eagle Claim Service, are responsible for the approval, processing and payment of claims, after which they bill the School District for reimbursement. The School District is also responsible for a monthly administrative fee. The benefit programs report on a fiscal year ended June 30. The programs are accounted for in the General Fund of the School District. At year end, the School District reports a liability which represents reported and unreported claims which were incurred on or before year end, but which were not paid by the School District as of that date. Claims activity and liability balance as of year end are summarized as follows:

	2023	2022
Beginning health and workers' compensation payable	$ 5,723,939	$ 4,651,770
Incurred claims and changes in estimate	20,486,336	24,010,065
Claims payments	(20,874,997)	(22,937,896)
Ending health and workers' compensation payable	$ 5,335,278	$ 5,723,939

12. CONTINGENCIES AND COMMITMENTS

Grant Programs

The School 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. The School District is currently under investigation by state and federal agencies with regard to expenditures claimed related to federal and state grant programs. These investigations are ongoing and the School District is not able to estimate a potential liability related to these matters. It is possible that disallowances required to be repaid may be material to the School District's financial position.

Litigation

The School 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.

The School District is named in a variety of pending lawsuits, which the School District is contesting vigorously. In instances where a probable loss is reasonably estimable, management has recorded a liability. As these amounts are expected to be settled within one year using current resources, this liability is recognized in the General Fund. Amounts totaling $3,415,000 have been recorded as part of accrued liabilities as of June 30, 2023. Potential additional future losses relating to current lawsuits are not estimable and have not been accrued. The future losses may be material.

13. DONOR-RESTRICTED ENDOWMENTS

The School District administers endowment funds, which are restricted by the donor for the purposes of scholarships.

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

14. TAX ABATEMENTS

The County of Oneida and City of Utica enter into various property tax abatement programs for the purpose of economic development. The amount of property tax abated related to the School District for the year ended June 30, 2023, was $2,289,034. The School District received Payment in Lieu of Tax (PILOT) payments related to these agreements totaling $521,511.

15. RESTATEMENT

The financial statements have been restated to correct errors in the June 30, 2022 financial statements.

Extraclassroom activities (ECA) previously reported in the Custodial Fund were reclassified to be reported as a special revenue fund. The net position reported at June 30, 2022 in the Custodial Fund of $48,298 is reflected as the beginning fund balance of the Extraclassroom Activities Fund, a nonmajor governmental fund.

Corrections were also made in reporting of long-term assets and liabilities in the governmental activities opinion unit. At June 30, 2022, capital assets were overstated, right-to-use lease assets (reported as part of capital assets) were understated, and bond premiums were understated.

The effect of these restatements on the governmental activities opinion unit were as follows:

	Net Position	Capital Assets	Bond Premiums	Cash - Restricted
Balance at June 30, 2022, as originally stated	$ (228,788,420)	$ 226,316,630	$ 4,609,912	$ 29,166,562
Restatement of capital asset balances	(36,150,663)	(36,150,663)	-	-
Addition of right-to-use lease assets	2,366,425	2,366,425	-	-
Addition of bond premiums	(8,191,395)	-	8,191,395	-
Reclassification of ECA activites to special revenue fund	48,298	-	-	48,298
Balance at July 1, 2023, as restated	$ (270,715,755)	$ 192,532,392	$ 12,801,307	$ 29,214,860

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

UTICA CITY SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Final Budget Variance with Budgetary Actual
REVENUE					
LOCAL SOURCES:					
Real property taxes	$ 25,170,410	$ 25,170,410	$ 24,774,963	$ -	$ (395,447)
Other tax items	5,435,455	5,435,455	5,551,075	-	115,620
Nonproperty taxes	1,400,000	1,400,000	2,362,837	-	962,837
Charges for services	45,500	45,500	20,040	-	(25,460)
Use of money and property	115,000	115,000	592,280	-	477,280
Sale of property and compensation for loss	101,500	101,500	182,811	-	81,311
Miscellaneous	1,332,700	1,332,700	1,564,693	-	231,993
Total local sources	33,600,565	33,600,565	35,048,699	-	1,448,134
State sources	179,111,997	179,111,997	183,609,944	-	4,497,947
Federal sources	-	-	29,160	-	29,160
Medicaid reimbursement	800,000	800,000	631,436	-	(168,564)
Total revenue	$ 213,512,562	$ 213,512,562	$ 219,319,239	$ -	$ 5,806,677

(Continued)

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	$ 278,931	$ 328,857	$ 311,048	$ 157	$ 17,652
Central administration	384,336	489,231	489,155	-	76
Finance	1,535,064	1,367,294	1,142,380	30,708	194,206
Staff	1,183,654	1,206,927	1,197,312	-	9,615
Central services	10,578,326	12,800,063	12,234,112	241,441	324,510
Special items	3,027,732	4,659,189	4,659,189	-	-
Total general support	16,988,043	20,851,561	20,033,196	272,306	546,059
INSTRUCTION:					
Instruction, administration, and improvement	5,890,188	5,980,084	5,211,617	2,676	765,791
Teaching - Regular school	74,321,750	76,059,011	69,832,187	1,667,151	4,559,673
Programs for children with handicapping conditions	23,230,001	22,882,095	21,810,964	3,745	1,067,386
Occupational education	4,298,100	4,298,411	4,165,638	-	132,773
Teaching - Special school	364,897	379,745	180,741	-	199,004
Instructional media	7,116,858	7,650,410	6,899,156	65,836	685,418
Pupil services	6,600,487	6,838,513	4,649,327	46,382	2,142,804
Total instruction	121,822,281	124,088,269	112,749,630	1,785,790	9,552,849
Pupil transportation	12,215,993	12,352,522	11,662,633	177,176	512,713
Employee benefits	42,978,552	38,819,316	36,856,194	-	1,963,122
Debt service - Principal	-	636,706	3,216,173	-	(2,579,467)
Debt service - Interest	200,000	317,657	317,657	-	-
Total expenditures	194,204,869	197,066,031	184,835,483	2,235,272	9,995,276
OTHER SOURCES AND (USES)					
Proceeds from capital leases	-	-	2,579,467	-	2,579,467
Transfers from other funds	-	-	1,020,689	-	1,020,689
Transfers to other funds	(19,307,693)	(19,416,985)	(18,998,286)	-	418,699
Total other sources and (uses)	(19,307,693)	(19,416,985)	(15,398,130)	-	4,018,855
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(2,970,454)	19,085,626	(2,235,272)	19,820,808
FUND BALANCE - beginning of year	61,282,669	61,282,669	61,282,669	-	-
FUND BALANCE - end of year	$ 61,282,669	$ 58,312,215	$ 80,368,295	$ (2,235,272)	$ 19,820,808

UTICA CITY SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014**
Proportion of the net pension liability (asset)	0.0427477%	0.0414904%	0.0427910%	0.0452211%	0.048609%	0.0479416%	0.045624%	0.0479567%	0.0468502%	
Proportionate share of the net pension liability (asset)	$ 9,166.8	$ (3,391.7)	$ 42.6	$ 11,974.8	$ 3,178.5	$ 1,547.3	$ 4,286.9	$ 7,697.2	$ 1,582.7	
Covered-employee payroll	$ 13,322.9	$ 12,555.5	$ 12,988.5	$ 13,030.8	$ 12,637.6	$ 12,485.5	$ 11,932.7	$ 11,641.6	$ 11,778.7	
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	68.80%	-27.01%	0.33%	91.90%	25.15%	12.39%	35.93%	66.12%	13.44%	
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.78%	103.65%	99.95%	86.40%	96.30%	98.20%	94.70%	90.70%	97.90%	

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014**
Proportion of the net pension liability (asset)	0.344892%	0.364450%	0.367220%	0.373807%	0.378798%	0.362606%	0.368623%	0.357144%	0.372659%	
Proportionate share of the net pension liability (asset)	$ 6,618.1	$ (63,155.7)	$ 10,147.3	$ (9,711.5)	$ (6,849.7)	$ (2,756.2)	$ 3,948.1	$ (37,095.9)	$ (41,511.9)	
Covered-employee payroll	$ 73,775.8	$ 61,098.7	$ 61,387.3	$ 63,403.8	$ 62,394.5	$ 68,718.7	$ 64,356.5	$ 59,133.4	$ 55,905.5	
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.97%	-103.37%	16.53%	-15.32%	-10.98%	-4.01%	6.13%	-62.73%	-74.25%	
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.57%	113.20%	97.80%	102.20%	101.53%	100.70%	99.00%	110.50%	111.48%	

**Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

UTICA CITY SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014**
Contractually required contribution	$ 1,467.5	$ 1,810.1	$ 1,870.2	$ 1,653.7	$ 1,728.3	$ 1,834.7	$ 1,763.9	$ 2,006.0	$ 2,257.5	
Contributions in relation to the contractually required contribution	1,467.5	1,810.1	1,870.2	1,653.7	1,728.3	1,834.7	1,763.9	2,006.0	2,257.5	
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Covered-employee payroll	$ 13,322.9	$ 12,555.5	$ 12,988.5	$ 13,030.8	$ 12,637.6	$ 12,485.5	$ 11,932.7	$ 11,641.6	$ 11,778.7	
Contributions as a percentage of covered-employee payroll	13.59%	14.42%	14.40%	12.69%	13.68%	14.69%	14.78%	17.23%	19.17%	

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014**
Contractually required contribution	$ 5,987.7	$ 5,987.7	$ 5,850.2	$ 5,617.6	$ 6,626.3	$ 6,734.4	$ 7,542.6	$ 7,841.1	$ 9,800.2	
Contributions in relation to the contractually required contribution	5,987.7	5,987.7	5,850.2	5,617.6	6,626.3	6,734.4	7,542.6	7,841.1	9,800.2	
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Covered-employee payroll	$ 73,775.8	$ 61,098.7	$ 61,387.3	$ 63,403.8	$ 62,394.5	$ 68,718.7	$ 64,356.5	$ 59,133.4	$ 55,905.5	
Contributions as a percentage of covered-employee payroll	8.12%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	

**Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

UTICA CITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023

	Last 10 Fiscal Years									
	2023	2022	2021	2020	2019	2018	2017**	2016**	2015**	2014**
Total OPEB Liability										
Service cost	$ 16,652,248	$ 16,692,486	$ 10,982,034	$ 11,227,895	$ 12,285,691	$ 16,167,717				
Interest	9,904,154	9,716,168	12,573,029	13,459,658	13,432,386	11,734,648				
Changes of benefit terms	-	-	-	-	803,594	-				
Differences between expected and actual experience	(27,535,091)	-	(26,648,843)	-	(32,054,661)	-				
Changes of assumptions or other inputs	(65,321,787)	5,649,914	86,179,843	(5,090,972)	(11,092,503)	(55,261,073)				
Benefit payments	(9,135,452)	(8,570,551)	(8,190,069)	(7,642,117)	(7,645,403)	(7,113,559)				
Total change in total OPEB liability	(75,435,928)	23,488,017	74,895,994	11,954,464	(24,270,896)	(34,472,267)				
Total OPEB liability - beginning	450,726,412	427,238,395	352,342,401	340,387,937	364,658,833	399,131,100				
Total OPEB liability - ending	$ 375,290,484	$ 450,726,412	$ 427,238,395	$ 352,342,401	$ 340,387,937	$ 364,658,833				
Covered-employee payroll	$ 84,634,604	$ 78,916,450	$ 81,995,275	$ 81,088,731	$ 71,728,367	$ 78,179,365				
Total OPEB liability as a percentage of covered-employee payroll	443.42%	571.14%	521.05%	434.51%	474.55%	466.44%				

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period.
The discount rate in effect at the current measurement date is 3.54%.

**Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

SUPPLEMENTARY INFORMATION

UTICA CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	School Lunch	Capital Projects	Debt Service	Miscellaneous Special Revenue	Extraclassroom Activities	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	$ 1,139,878	$ 2,044,283	$ -	$ -	$ -	$ 3,184,161
Cash - Restricted	-	-	11,390,366	332,392	48,471	11,771,229
Due from other funds	-	-	1,180,573	-	-	1,180,573
State and federal aid recievable	522,477	-	-	-	-	522,477
Inventories	225,169	-	-	-	-	225,169
TOTAL ASSETS	$ 1,887,524	$ 2,044,283	$ 12,570,939	$ 332,392	$ 48,471	$ 16,883,609
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
LIABILITIES:						
Accounts payable	$ 58,444	$ -	$ -	$ 85	$ -	$ 58,529
Due to other Funds	1,761,847	2,044,646	-	-	-	3,806,493
Due to other governments	115	-	-	-	-	115
Total liabilities	1,820,406	2,044,646	-	85	-	3,865,137
FUND BALANCE						
Nonspendable	225,169	-	-	-	-	225,169
Restricted						
Debt service	-	-	12,570,939	-	-	12,570,939
Other	-	-	-	-	48,471	48,471
Total restricted fund balance	-	-	12,570,939	-	48,471	12,619,410
Assigned						
Unappropriated	-	-	-	332,307	-	332,307
Total assigned fund balance	-	-	-	332,307	-	332,307
Unassigned	(158,051)	(363)	-	-	-	(158,414)
Total fund balance (deficit)	67,118	(363)	12,570,939	332,307	48,471	13,018,472
Total liabilities and fund balance (deficit)	$ 1,887,524	$ 2,044,283	$ 12,570,939	$ 332,392	$ 48,471	$ 16,883,609

The accompanying notes are an integral part of these financial statements.

UTICA CITY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	School Lunch	Capital Projects	Debt Service	Miscellaneous Special Revenue	Extraclassroom Activities	Total Nonmajor Governmental Funds
REVENUE:						
Charges for services	$ 104,684	$ -	$ -	$ -	$ -	$ 104,684
Use of money and property	-	-	186,666	1,318	-	187,984
Miscellaneous	3,334	-	-	3,142	146,391	152,867
State sources	108,553	1,041,082	-	-	-	1,149,635
Federal sources	6,138,067	-	-	-	-	6,138,067
Surplus Food	579,608	-	-	-	-	579,608
Total revenue	6,934,246	1,041,082	186,666	4,460	146,391	8,312,845
EXPENDITURES:						
General support	-	-	-	12,125	-	12,125
Employee benefits	358,765	-	-	-	-	358,765
Other	-	-	-	-	146,218	146,218
Debt service - Principal	-	-	13,850,000	-	-	13,850,000
Debt service - Interest	-	-	4,838,993	-	-	4,838,993
Cost of sales	6,542,480	-	-	-	-	6,542,480
Capital outlay	-	1,056	-	-	-	1,056
Total expenditures	6,901,245	1,056	18,688,993	12,125	146,218	25,749,637
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	33,001	1,040,026	(18,502,327)	(7,665)	173	(17,436,792)
OTHER SOURCES AND (USES):						
Operating transfers in	-	-	18,888,993	-	-	18,888,993
Operating transfers (out)	-	(200,000)	-	-	-	(200,000)
Total other sources (uses)	-	(200,000)	18,888,993	-	-	18,688,993
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	33,001	840,026	386,666	(7,665)	173	1,252,201
FUND BALANCE (DEFICIT) - beginning of year, as previously reported	34,117	(840,389)	12,184,273	339,972	-	11,717,973
RESTATEMENT (NOTE 15)	-	-	-	-	48,298	48,298
FUND BALANCE (DEFICIT) - beginning of year, as restated	34,117	(840,389)	12,184,273	339,972	48,298	11,766,271
FUND BALANCE (DEFICIT) - end of year	$ 67,118	$ (363)	$ 12,570,939	$ 332,307	$ 48,471	$ 13,018,472

The accompanying notes are an integral part of these statements.

OTHER INFORMATION

UTICA CITY SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2023

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	$ 213,512,562
Add: Prior year's encumbrances	3,215,897
Original budget	216,728,459
Budget revision	(245,443)
Final budget	$ 216,483,016

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-24 voter-approved expenditure budget		$ 243,340,050
Maximum allowed 4% of 2023-24 budget		$ 9,733,602
General Fund Balance Subject to Section 1318 of Real Property Tax Law *:		
Unrestricted fund balance:		
Assigned fund balance	$ 2,235,272	
Unassigned fund balance	43,032,707	
Total unrestricted fund balance	$ 45,267,979	
Less:		
Encumbrances included in committed and assigned fund balance	$ 2,235,272	
Total adjustments	$ 2,235,272	
General Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 43,032,707
Actual percentage		17.68%

* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

UTICA CITY SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023

			Expenditures				Methods of Financing				Fund
Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Sources	Local Sources	Total	Balance June 30, 2023
Smart School Bond Act	$ 9,678,419	$ 9,678,419	$ 5,945,197	$ -	$ 5,945,197	$ 3,733,222	$ 6,625,000	$ 5,932,396	$ -	$ 12,557,396	$ 6,612,199
Capital Projects - facilities	187,600,000	212,600,000	212,817,297	201,056	213,018,353	(418,353)	186,527,042	6,987,610	12,891,139	206,405,791	(6,612,562)
Total	$ 197,278,419	$ 222,278,419	$ 218,762,494	$ 201,056	$ 218,963,550	$ 3,314,869	$ 193,152,042	$ 12,920,006	$ 12,891,139	$ 218,963,187	$ (363)

UTICA CITY SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)
JUNE 30, 2023

Capital assets, net	$ 197,218,007
Deduct:	
Short-term portion of bonds payable	14,805,000
Long-term portion of bonds payable and premiums	92,842,844
Short-term portion of lease payable	645,354
Long-term portion of lease payable	639,227
	108,932,425
Net investment in capital assets	$ 88,285,582

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S 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*

November 9, 2023

To the Board of Education of the
Utica City 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 nonmajor fund information of Utica City School District (the School District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's financial statements, and have issued our report thereon dated November 9, 2023

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

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(Continued)

INDEPENDENT AUDITOR'S 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*
(Continued)

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as finding 2023-003.

Utica City School District's Response to Findings
Government Auditing Standards requires the auditor to perform limited procedures on the School District's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.

Reference Number: 2023-001

Criteria:

Adequate controls should be in place to properly calculate and report on long-term balances required on the full accrual basis of accounting in the government-wide financial statements, including capital assets, right-to-use lease assets, and bond premiums.

Condition/Cause:

Related to the year ended June 30, 2022, there were not sufficient internal controls in place for reviewing financial statement balances reported for capital assets, right-to-use lease assets, and bond premiums.

Effect:

Material audit adjustments were required to restate opening balances of capital assets, right-to-use lease assets, and bond premiums as described in Note 15.

Recommendation:

We recommend the School District review its policies and procedures in relation to the financial close and reporting process to ensure proper tracking is retained related to the long-term items outside of the fund trial balances. Management should retain records of all balances reported in the financial statements.

Management's Response:

The School District recognizes the need to retain records of all balances reported in the financial statements. There was an error in the prior audit which needed restatement. This has been completed. There has been a change in the administrative team in Central Office who are working on ensuring all processes are in place. Contact has been made with the prior auditor to see if they wanted to submit a restatement and they declined.

Reference Number: 2023-002

Criteria:

Adequate controls should be in place to monitor grants and reconcile grant revenues to costs charged to the grants.

Condition/Cause:

The School District did not properly reconcile grant activity as of year end. A clearing account in the Special Aid fund was used in order to force grant revenues and expenditures in the fund to match each year without fully reconciling the activity.

Effect:

After the issue was identified and a reconciliation was performed, the School District posted material adjustments to correct balances and activity in the Special Aid Fund.

Recommendation:

We recommend the School District review its policies and procedures in relation to monitoring grants and implement a practice to reconcile grants on a periodic basis to ensure proper reporting of grant activity.

Management's Response:

The School District has hired a CPA with experience in the State Comptroller's Office as an auditor. He will be in charge of all grant funded reconciliations. Quarterly meetings will be held with the Central Office Staff and Grants to ensure there is timely submittals to SED and reconciliations for the ST3.

Reference Number: 2023-003

Criteria:

The School District's unrestricted fund balance was outside the NYS Real Property Tax Law 1318 limit, which restricts it to an amount not greater than 4% of the School District's budget for the upcoming year.

Condition/Cause:

The current year surplus resulted in the fund balance exceeding limits.

Effect:

General Fund unrestricted fund balance exceeded the 4% limitation.

Reference Number: 2023-003 (Continued)

Recommendation:

We recommend that management take the excess fund balance into consideration when preparing future budgets.

Management's Response:

The new Superintendent and CFO have produced a long-range capital plan in collaboration with Fiscal Advisors and have developed a reserve plan to address outstanding long-term liabilities in order to address the fiscal health of the district. It should be noted; the additional fund balance was primarily a result of budgeting for needed positions and associated benefits but due to the job market depletion positions were not able to be filled. The School District has worked to market vacancies more aggressively and has increased staffing at all levels in the 2023-2024 budget.

The second area of consideration is the infusion of COVID funds to support student learning which has also had an impact on our fund balance, as well as, being fully funded through foundation aid. Long range budget planning this upcoming year will help us to better prepare and balance expenditures with revenues.

COVID funding will cease as of September 2024. The School District anticipates that the fund balance in future years will be diminished and thus the goal is to have a balanced budget while maintaining the fiscal health of the School District.