PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Trespasz Law Offices, LLP, Bond Counsel to the School District, under existing status and court decisions and assuming continuing compliance with certain tax certifications described herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. See "TAX MATTERS" herein.

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

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT

CHENANGO, MADISON, AND OTSEGO COUNTIES, NEW YORK

GENERAL OBLIGATIONS
CUSIP BASE #: 904264

$13,750,000 Bond Anticipation Notes, 2025

(referred to herein as the "Notes")

Dated: August 14, 2025 **Due: June 26, 2026**

The Notes are general obligations of the Unadilla Valley Central School District, Chenango, Madison, and Otsego Counties, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "THE NOTES - Nature of Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes will not be subject to redemption prior to maturity.

At the option of the successful bidder(s), the Notes will be issued in registered certificated form in the name of the purchaser in the denominations of $5,000 or multiples thereof. Principal and interest 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 determined by such successful bidder(s) with paying agent fees, if any paid by the successful bidder(s), or as stated below.

Alternatively, at the option of the successful bidder(s), 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. In such case, Noteholders will not receive certificates representing their ownership interest in the notes purchased. In such case, under this option, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, 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 opinions as to the validity of the Notes of Trespasz Law Offices, LLP, 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 a place as agreed upon with the purchaser, on or about August 14, 2025.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on July 31, 2025 until 10:30 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

July 24, 2025

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

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT

CHENANGO, MADISON, AND OTSEGO COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2025-2026 BOARD OF EDUCATION

VICTORIA L. GREGORY
President

MARK DAVIS
Vice President

SAMANTHA KEMNAH
LINDA TULLER
CARRIE MEADE
DANIEL NAUGHTON
DEBRA TARANTO

* * * * * * * * * * *

BRENTON S. TAYLOR
Superintendent of Schools

STEPHANIE COOPER
Assistant Superintendent

VALERIE L. VERRY
School District Clerk

FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor

TRESPASZ LAW OFFICES, LLP
Bond Counsel

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

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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

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT

CHENANGO, MADISON, AND OTSEGO COUNTIES, NEW YORK

Relating To

$13,750,000 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page, has been prepared by the Unadilla Valley Central School District, Chenango, Madison, and Otsego Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the School District of $13,750,000 principal amount of Bond Anticipation Notes, 2025 (the "Notes").

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

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

THE NOTES

Description of the Notes

The Notes will be dated August 14, 2025 and will mature June 26, 2026. 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. However, the power of the District to levy unlimited real estate taxes on all real property within the District for other purposes may be subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. See "TAX LEVY LIMITATION LAW" herein.

At the option of the purchaser, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as Securities Depository for the Notes. Individual purchases will be made in book-entry form only, in the principal amount of $5,000, or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Notes.

Principal and interest on the Notes are payable at maturity. Principal and interest will be paid by the District to the Securities Depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes, as described herein. The Notes may be transferred in the manner described on the Notes and as referenced in certain proceedings of the District referred to therein.

No Optional Redemption

The Notes shall not be subject to redemption prior to maturity.

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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, adopted of the District adopted December 19, 2022 authorizing a capital improvement project consisting of the reconstruction, renovation and improvements to the District's K-12 Building, athletic fields and playgrounds, construction of improvements to the athletic stadium complex, including construction of a concession building with public restrooms and team rooms and the reconstruction of the Bus Garage including, for each, site improvements, furnishings, fixtures and equipment, architectural/engineering, construction management fees and all other costs incidental to such work (collectively, the "Project") at a total estimated cost not to exceed $17,750,000 and obtain the necessary funds by spending up to $4,000,000 from the District's Capital Reserve Fund and the remaining $13,750,000 through the issuance of Bonds and bond anticipation notes, including renewals thereof in a principal amount not to exceed $13,750,000

On August 15, 2024 the District issued $9,500,000 bond anticipation notes as the initial borrowing against the aforementioned authorization. The proceeds of the Notes will fully redeem and renew the outstanding bond anticipation notes that mature on August 15, 2025 and provide an additional $4,250,000 in new money for the aforementioned project to fully exhaust the borrowing authorization.

Nature of Obligation

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

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

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

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

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

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE DISTRICT

General Information

The District is located in the Counties of Chenango, Madison and Otsego. The District encompasses a land area of approximately 123 square miles. The District includes parts of the Towns of Columbus, New Berlin, North Norwich, Norwich, Sherburne, Brookfield, Butternuts, Edmeston, Morris and Pittsfield. Major highways in and around the District include New York State Routes 12 and 23 which connect the District with U.S. Interstates 81 and 88, major New York State expressways.

The District is predominately rural and industrial in nature. Service sector employment includes food distribution, government (Norwich is the Chenango County seat), healthcare, insurance and banking.

Sewer and water facilities are furnished by the school district. Gas and electric services are provided by Blue Ox and Otsego Electric Cooperative. Frontier Communications is located in the City of Norwich and services the surrounding area.

Source: District Officials

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Selected Wealth and Income Indicators

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

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
Towns of:						
Columbus	$ 19,858	$ 21,440	$ 27,376	$ 51,364	$ 52,371	$ 61,313
New Berlin	25,485	28,062	32,483	56,250	70,658	75,260
North Norwich	21,178	34,087	37,701	60,125	73,292	86,250
Norwich	25,237	29,071	32,138	47,028	71,915	86,250
Sherburne	25,041	28,651	30,844	58,125	53,963	72,007
Brookfield	20,344	27,977	32,041	50,417	66,958	73,547
Butternuts	23,767	30,464	39,955	56,250	79,018	103,846
Edmeston	21,165	26,243	25,391	52,750	59,702	76,964
Morris	22,003	37,270	37,652	51,250	70,833	86,442
Pittsfield	19,942	27,230	31,623	57,670	62,000	75,417
Counties of:						
Chenango	22,036	28,780	32,986	52,229	65,537	76,894
Madison	24,311	32,443	39,904	61,828	78,812	94,317
Otsego	22,902	30,223	36,506	56,797	71,686	84,415
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

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

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

Population

The total population of the District is estimated to be 5,005. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates).

Larger Employers

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

Name	Type	Employees
Agro-Farma (Chobani)	Manufacturing	2,000
New York Central Mutual Insurance	Insurance	800
ACCO Brands	Manufacturing	568
Chenango Memorial Hospital	Hospital	500
Norwich Pharma Services	Manufacturing	352
Unison	Gas Turbines	340
NBT Bank & Trust	Bank	320
Preferred Mutual Insurance	Insurance	274
Golden Artist Colors, Inc.	Manufacturing	200

Source: District officials.

Unemployment Rate Statistics

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

	Annual Average						
	2018	2019	2020	2021	2022	2023	2024
Chenango County	4.6%	4.3%	6.9%	4.6%	3.4%	3.4%	3.4%
Madison County	4.8%	4.3%	7.8%	4.8%	3.5%	3.7%	3.8%
Otsego County	4.4%	4.1%	7.0%	4.7%	3.7%	4.0%	4.1%
New York State	4.1%	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%

	2025 Monthly Figures						
	Jan	Feb	Mar	Apr	May	Jun	Jul
Chenango County	4.4%	4.6%	4.2%	3.0%	2.6%	N/A	N/A
Madison County	4.9%	5.0%	4.4%	3.2%	2.9%	N/A	N/A
Otsego County	5.3%	5.4%	4.8%	3.5%	3.1%	N/A	N/A
New York State	4.6%	4.3%	4.1%	3.6%	3.5%	N/A	N/A

Note: Unemployment rates for the months of June and July, 2025 unavailable as of the date of this Official Statement.

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

Form of School Government

The Board of Education, which is the policy-making body of the District, consists of seven members with overlapping three-year terms so that as nearly as possible, an equal number are elected to the Board each year. Each Board member must be a qualified voter of the District and no Board member may hold certain other District offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members.

The administrative officers of the District implement the policies of the Board of Education and supervise the operation of the school system.

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

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and Bond Anticipation Notes issued by any New York municipality or district corporation, other than the School District; (6) obligations of a New York public corporation which are made lawful investments by the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by 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 School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America, (4) obligations of the State of New York. In the case of obligations of the United States government, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

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 LEVY LIMITATION LAW" herein.

Recent Budget Vote Results

The budget for the 2024-25 fiscal year was approved by the qualified voters on May 21, 2024 by a vote of 169 yes to 19 no. The District's budget for the 2024-25 fiscal year was within Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 4.45%, which was equal to the District tax levy limit of 4.45%.

The budget for the 2025-26 fiscal year was approved by the qualified voters on May 20, 2025 by a vote of 131 yes to 31 no. The District's budget for the 2025-26 fiscal year was within Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.45%, which was equal to the District tax levy limit of 2.45%.

State Aid

The District receives financial assistance from the State. In its proposed budget for the 2025-2026 fiscal year, approximately 77.17% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner in any year municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

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

Federal Aid Received by the State

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

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 90.6% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State Aid History

School district fiscal year (2021-2022): The State's 2021-22 Budget included $29.5 billion in state aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Budget provided $31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Budget also programed $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist 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 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 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 Budget included $34.5 billion for school aid, an increase of $3.1 billion or 10%. The States 2023-24 Budget also provided a $2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Budget provided $134 million to increase access to free school meals. An additional $20 million in grant funding established new Early College High School and Pathways in Technology Early College High School Programs. An investment of $10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges was made to promote job readiness. An additional $150 million was used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State's 2024-25 Budget provided $35.9 billion in State funding to school districts for the 2024-25 school year. This represented an increase of $1.3 billion compared to the 2023-24 school year and included a $934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Budget maintained the "save harmless" provision, which ensured a school district received at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State's 2025-26 Budget includes approximately $37.6 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of $1.7 billion. The State's 2025-26 Budget provides an estimated $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

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

State Aid Litigation

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

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

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

A breakdown of currently anticipated Foundation Aid funding is available below:

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

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

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State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years and the budgeted figures for the 2023-2024 and 2024-2025 fiscal years comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 20,771,244	$ 14,930,949	71.88%
2020-2021	20,775,263	14,993,554	72.17
2021-2022	21,087,934	15,831,425	75.07
2022-2023	22,655,259	16,837,357	74.32
2023-2024	23,636,555	17,265,249	73.04
2024-2025 (Budgeted)	23,853,385	17,669,873	74.08
2024-2025 (Unaudited)	24,295,774	18,038,026	74.24
2025-2026 (Budgeted)	26,019,140	20,078,162	77.17

Source: Audited Financial Statements for the 2019-2020 fiscal year through and including the 2023-2024 fiscal year, the adopted budgets for the 2024-2025 and 2025-2026 fiscal years and the Unaudited results for the 2024-2025 fiscal year. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built
PreK-12 Building	Pre-K-12	1,200	2002

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2020-21	768	2025-26	798
2021-22	765	2026-27	782
2022-23	796	2027-28	790
2023-24	799	2028-29	795
2024-25	798	2029-30	795

Source: District officials.

Employees

The District employs approximately 190 full-time persons. The collective bargaining agents, if any, which represent them and the dates of expiration of the various collective bargaining agreements are as follows:

Members	Bargaining Unit	Expiration Date
73	Unadilla Valley CSEA	June 30, 2027
102	Unadilla Valley Faculty Association	June 30, 2026
7	Unadilla Valley Administrators' Association	June 30, 2026

Note: There are eight employees who are not represented by a collective bargaining agent.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

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

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the fiscal years 2019-2020 through and including 2023-2024 and budgeted and unaudited contributions for the 2024-2025 fiscal year and budgeted contributions for the 2025-2026 fiscal year are as follows:

Fiscal Year	ERS	TRS
2019-2020	$ 297,279	$ 527,385
2020-2021	329,496	525,826
2021-2022	280,597	567,555
2022-2023	259,330	614,968
2023-2024	311,627	624,462
2024-2025 (Budgeted)	478,081	746,897
2024-2025 (Unaudited)	371,765	637,582
2025-2026 (Budgeted)	507,201	727,939

Source: District records.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. During the 2019-2020 fiscal year the District offered the Unadilla Valley Faculty Association a retirement incentive. The incentive was utilized by 6 staff members resulting in a net savings for the District of $260,545 in the 2020-2021 fiscal year. No staff members utilized the incentive for fiscal year 2021-2022. The District does not currently have any early retirement incentive programs.

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

A chart of average ERS and TRS rates as a percent of payroll (2021 to 2026) is shown below:

Year	ERS	TRS
2020-2021	14.6%	9.53%
2021-2022	16.2	9.80
2022-2023	11.6	10.29
2023-2024	13.1	9.76
2024-2025	15.2	10.11
2025-2026	16.5	9.59*

*Estimated

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

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

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

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

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

The District contracted with Questar III BOCES, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2022 and 2023.

The following table outlines the changes to the Total OPEB Liability during the 2022 and 2023 fiscal years, by source.

Balance beginning at:	June 30, 2022	June 30, 2023
	$ 25,847,566	$ 24,183,264
Changes for the year:		
Service cost	809,792	831,022
Interest	924,658	894,191
Differences between expected and actual experience	-	-
Effect of demographic gains or losses	(2,047,125)	-
Changes in assumptions or other inputs	(268,048)	(885,457)
Benefit payments	(1,083,579)	(1,041,138)
Net Changes	$ (1,664,302)	$ (201,382)
Balance ending at:	June 30, 2023	June 30, 2024
	$ 24,183,264	$ 23,981,882

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

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

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

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024 and is attached to this Continuing Disclosure Statement as "APPENDIX – C". Certain financial information of the District can be found attached as Appendices to the Continuing Disclosure 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 is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The District is in compliance with Statement No. 34.

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

Based upon preliminary estimates, the District expects to end the fiscal year ended June 30, 2025 with a cumulative unappropriated unreserved fund balance of $2,757,951.

Summary of estimated and unaudited information for the General Fund for the period ended June 30, 2025 is as follows:

Revenues:	$24,295,774
Expenditures:	23,385,679
Excess (Deficit) Revenues Over Expenditures:	910,095
Beginning Fund Balance June 30, 2024:	2,856,445
Total Fund Balance (including reserves):	$9,996,559

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

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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 June 8, 2022. The purpose of the audit was to determine whether the District used District resources to provide mental health component of the New York Safe Schools Against Violence in Education Act (SAVE Act) training requirement to staff for the period July 1, 2020 through June 30, 2021.

Key Findings:

The District did not provide mental health training as required to any staff for the 2020-21 school year by September 15, 2020.

- None of the 12 recommended components of mental health that educators should know were included in the District's training.

Key Recommendation:

Provide mental health training to all staff and ensure it is completed by September 15, as required. Such training should address recognition of the warning signs, whom to turn to for assistance, and how to access appropriate services.

A copy of the complete report and the response can be found via the website of the New York State Comptroller.

The State Comptroller's office released its most recent audit report of the District on July 15, 2022. The purpose of the audit was to determine whether District officials established nonresident tuition (NRT) rates for special education students in accordance with regulations for the period July 1, 2017 through December 10, 2021.

Key Findings:

Officials did not establish NRT rates for special education students in accordance with regulations.

- The District's NRT rates exceeded the New York State Education Department's (SED's) maximum allowable rate during four of the past five school years. As a result, the District overcharged seven school districts by a total of $183,250.

Key Recommendations:

- Ensure that the District's NRT rate does not exceed SED's maximum allowable tuition rate.
- Consult with SED to obtain the guidelines for calculating a higher tuition rate.

A copy of the complete report and the response can be found via the website of the New York State Comptroller.

There are no other State Comptroller audits of the District that are currently in progress or pending release.

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	0.0
2023	No Designation	3.3
2022	No Designation	0.0

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

Note: Reference to website implies no warranty of accuracy of information therein. Information for the fiscal year ending 2023 is not available as of the date of this Continuing Disclosure Statement.

TAX INFORMATION

Taxable Assessed Valuation

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Columbus	$ 60,515,668	$ 69,734,117	$ 70,811,921	$ 70,678,811	$ 78,040,698
New Berlin	135,106,783	137,880,858	137,790,194	138,951,726	139,307,011
North Norwich	732,265	742,217	775,530	747,934	743,851
Norwich	8,939,016	8,857,179	8,829,658	8,821,462	8,912,781
Sherburne	220,454	220,411	220,384	220,341	220,307
Brookfield	2,179,747	2,201,108	2,204,510	2,250,311	2,273,743
Butternuts	11,019,828	11,018,711	11,066,150	11,166,582	11,172,976
Edmeston	5,502,422	5,556,690	5,563,747	5,673,003	14,597,996 (1)
Morris	12,484,113	12,501,463	12,495,543	12,369,042	12,410,816
Pittsfield	33,772,542	33,724,341	33,858,491	33,892,313	34,208,078
Total Assessed Values	$ 270,472,838	$ 282,437,095	$ 283,616,128	$ 284,771,525	$ 301,888,257
State Equalization Rates					
Towns of:					
Columbus	100.00%	100.00%	95.00%	88.00%	89.00%
New Berlin	98.00%	96.00%	82.00%	77.00%	75.00%
North Norwich	60.00%	58.75%	48.90%	45.60%	43.90%
Norwich	47.00%	45.00%	40.00%	36.00%	34.00%
Sherburne	75.00%	72.55%	60.00%	54.90%	53.95%
Brookfield	92.00%	94.00%	81.00%	69.00%	64.00%
Butternuts	100.00%	100.00%	88.40%	78.40%	74.11%
Edmeston	54.00%	52.50%	46.31%	41.19%	100.00% (1)
Morris	100.00%	100.00%	93.49%	80.90%	77.82%
Pittsfield	54.00%	54.00%	47.40%	45.10%	42.24%
Total Taxable Full Valuation	$ 317,517,942	$ 333,508,218	$ 378,654,175	$ 409,034,963	$ 431,905,760

(1) Significant change from prior year due to revaluation.

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Tax Rates per $1,000 (Assessed)

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Columbus	$ 14.08	$ 13.70	$ 12.90	$ 13.19	$ 12.90
New Berlin	14.36	14.27	14.94	15.07	15.30
North Norwich	23.44	23.33	25.07	25.45	26.13
Norwich	29.95	30.45	30.64	32.23	33.76
Sherburne	18.85	18.87	20.42	21.11	21.38
Brookfield	15.30	14.57	15.13	16.81	17.94
Butternuts	14.08	13.70	13.86	14.80	15.49
Edmeston	26.07	26.10	26.46	28.17	11.48 (1)
Morris	14.08	13.70	13.11	14.34	14.75
Pittsfield	26.07	25.37	25.85	25.73	27.17

(1) Significant change from prior year due to revaluation.

Source: District officials.

Tax Collection Procedure

Tax payments are due September 30th. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 30th. After October 30th, uncollected taxes are returnable to Chenango, Madison and Otsego Counties for collection. The District receives this amount from the Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the Counties.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Total Tax Levy	$ 4,469,490	$ 4,569,743	$ 4,640,117	$ 4,746,224	$ 4,957,554
Amount Uncollected (1)	529,767	671,341	573,893	592,182	549,898
% Uncollected	11.85%	14.69%	12.37%	12.48%	11.09%

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

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years, the budgeted and unaudited figures for the 2024-2025 fiscal year and budgeted figures for the 2025-2026 fiscal year comprised of Real Property Taxes and Tax Items.

Fiscal Year	Total Revenues	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Taxes
2019-2020	$ 20,771,244	$ 4,629,155	22.29%
2020-2021	20,775,263	4,761,119	22.92
2021-2022	21,087,934	4,682,771	22.21
2022-2023	22,655,259	4,748,676	20.96
2023-2024	23,636,555	4,856,957	20.55
2024-2025 (Budgeted)	23,853,385	4,972,238	20.84
2024-2025 (Unaudited)	24,295,774	4,974,438	20.47
2025-2026 (Budgeted)	26,019,140	5,078,955	19.52

Source: Audited Financial Statements for the 2019-2020 fiscal year through and including the 2023-2024 fiscal year, the adopted budgets for the 2024-2025 and 2025-2026 fiscal years and the Unaudited results for the 2024-2025 fiscal year. This table is not audited.

Larger Taxpayers 2024 for 2024-25 Tax Roll

Name	Type	Taxable Assessed Valuation
Chobani, Inc	Manufacturing	$ 19,738,115
NYSEG	Utility	17,363,662
State of New York	State Land	4,311,718
Preferred Mututal Insurance Co.	Insurance	3,304,700
Golden Artist Colors Inc.	Manufacturing	2,743,400
Peck, Helen	Real Estate	1,974,600
Frontier Communications	Utility	1,604,568
A&G Associates	Real Estate	1,491,600
Otsego Electric Coop Inc	Utility	1,406,521
Seebann Ltd.	Corporation	1,178,100

The ten larger taxpayers listed above have a total assessed valuation of $55,116,984, which represents 18.26% of the tax base of the District for the 2024-2025 fiscal year.

As of the date of this Continuing Disclosure Statement, the District has no active tax certiorari filings and no liabilities payable from prior actions. The District currently maintains a $590,000 Tax Certiorari Reserve to cover any new filings that may be initiated.

Source: District Tax Rolls.

STAR – School Tax Exemption

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

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 $98,700 or less in 2024-2025 and $107,300 or less in 2025-2026, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $84,000 of the full value of a home for the 2024-2025 school year and the first $86,100 of the full value of a home for the 2025-2026 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

The 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent.

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

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Columbus	$ 76,630	$ 26,700	4/10/2025
New Berlin	64,580	22,500	4/10/2025
North Norwich	37,800	13,170	4/10/2025
Norwich	29,270	10,200	4/10/2025
Sherburne	46,450	16,190	4/10/2025
Brookfield	55,100	19,880	4/10/2025
Butternuts	63,810	22,230	4/10/2025
Edmeston	86,100	30,000	4/10/2025
Morris	67,000	23,350	4/10/2025
Pittsfield	86,100	30,000	4/10/2025

$599,334 of the District's $4,957,554 school tax levy for the 2024-25 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2025.

Approximately $520,000 of the District's $5,078,955 school tax levy for the 2025-26 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2026.

Additional Tax Information

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

Total assessed valuation of the District is estimated to be categorized as follows: Agricultural-10%, Residential-73% and Commercial-17%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $3,195 including State, Counties, Town, School District and Fire District Taxes.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

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; and unless substantially level or declining annual debt service is utilized, no installment maybe 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 has the power to contract indebtedness for any District purpose provided that the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District as required by the Local Finance Law and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by dividing the assessed valuation of taxable real estate for the last completed assessment roll by the equalization rate established by the State Office of Real Property Services in accordance with applicable State law.

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

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

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

(1) Such obligations are authorized for a purpose for which the 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.

Statutory law in the State also permits the District to issue bond anticipation notes to be issued in anticipation of the issuance of serial bonds, which may be renewed each year, provided annual principal installments are made in the reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first issuance date of such notes and provided that such renewals do not exceed five years beyond the original date of the issuance of such notes. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the District with the power to issue certain other short-term general obligation indebtedness, including revenue and tax anticipation notes, deficiency notes and budget notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding At End of Fiscal Year

Fiscal Year Ending June 30th:	2021	2022	2023	2024	2025
Bonds	$ 16,140,000	$ 15,425,000	$ 14,380,000	$ 13,270,000	$ 12,110,000
Bond Anticipation Notes	8,700,000	0	0	0	9,500,000
Total Debt Outstanding	$ 24,840,000	$ 15,425,000	$ 14,380,000	$ 13,270,000	$ 21,610,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of July 24, 2025:

Type of Indebtedness	Maturity		Amount
Bonds	2024-2036		$ 12,110,000
Bond Anticipation Notes			
Capital Plan	August 15, 2025		9,500,000 (1)
		Total Indebtedness	$ 21,610,000

(1) To be redeemed and renewed with a portion of the proceeds of the Notes.

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 24, 2025:

Full Valuation of Taxable Real Property			$ 431,905,760
Debt Limit 10% thereof			43,190,576
Inclusions:			
Bonds	$ 12,110,000		
Bond Anticipation Notes (BANs):	9,500,000		
Total Inclusions prior to issuance of the Notes	21,610,000		
Less: BANs being redeemed from appropriations	0		
Add: New money proceeds of the Notes	4,250,000		
Total Net Inclusions after issuance of the Notes		$ 25,860,000	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness after issuance of the Notes			$ 25,860,000
Net Debt-Contracting Margin			$ 17,330,579
The percent of debt contracting power exhausted is			59.87%

(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 2024-25 Building Aid Ratios, the School District anticipates State building aid of 91.2% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

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

Bonded Debt Service

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

Capital Project Plans

On December 14, 2022, the District voters approved a proposition in the amount of $17.75 million for a capital improvement project. It is anticipated the District will use approximately $4 million Capital Reserve Funds for the project. The remaining balance is anticipated to be financed with bond anticipation notes and serial bonds. On August 15, 2024 the District issued $9,500,000 bond anticipation notes, the proceeds of which represented the first borrowing for the aforementioned project. The proceeds of the Notes will fully redeem and renew the outstanding bond anticipation notes and provide an additional 4,250,000 in new money for the aforementioned project.

On May 20, 2025 the qualified voters of the District approved a resolution authorizing the District to lease and expend an amount not to exceed $110,000 for each of five years for three (3) school buses.

The District has no other authorized and unissued indebtedness for capital or other purposes at this time.

Cash Flow Borrowing

The District, historically, has not issued tax and/or revenue anticipation notes, and does not plan on issuing any in the foreseeable future.

Lease Obligations

The School District utilizes leases to finance various equipment and vehicles. Future minimum principal payments under these agreements as of June 30, 2025 are as follows:

Fiscal Year ended June 30th:	Principal
2025	$ 293,298
2026	460,253
2027	375,032
2028	304,044
2029	205,500
Total:	$ 1,638,127

Source: Audited Financial Statements of the District for the fiscal year ended June 30, 2024. See "APPENDIX – C" herein.

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 respective fiscal year of the municipalities listed below.

Municipality	Status of Debt as of	Gross Indebtedness (1)	Exclusions (2)	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Chenango	12/31/2023	$ - (4)	$ - (5)	$ -	8.96%	$ -
Madison	6/30/2025	39,478,000 (3)	850,000	38,628,000	0.05%	19,314
Otsego	12/31/2023	- (4)	- (5)	-	2.04%	-
Town of:						
Columbus	12/31/2023	625,000 (4)	- (5)	625,000	76.01%	475,063
New Berlin	12/31/2023	827,900 (4)	- (5)	827,900	98.43%	814,902
North Norwich	12/31/2023	21,167 (4)	- (5)	21,167	1.40%	296
Norwich	12/31/2023	24,500 (4)	- (5)	24,500	8.51%	2,085
Sherburne	12/31/2023	- (4)	- (5)	-	0.15%	-
Brookfield	12/31/2023	332,286 (4)	- (5)	332,286	1.74%	5,782
Butternuts	12/31/2023	- (6)	- (5)	-	7.74%	-
Edmeston	12/31/2023	- (6)	- (5)	-	8.07%	-
Morris	12/31/2023	- (4)	- (5)	-	10.33%	-
Pittsfield	12/31/2023	- (4)	- (5)	-	72.28%	-
					Total:	$ 1,317,442

(1) 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 annual financial information & operating data filings and/or official statements of the respective municipality.

(4) Gross Indebtedness sourced from local government data provided by the State Comptroller's office dated as of December 31, 2024.

(5) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of July 24, 2025:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 25,860,000	$ 5,166.83	5.99%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	27,177,442	5,430.06	6.29

(a) The current estimated population of the District is 5,005. (See "THE SCHOOL DISTRICT - Population" herein.)
(b) The District's full value of taxable real estate for 2024-2025 is $431,905,760. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" for calculation of net direct indebtedness herein.
(d) Estimated net overlapping indebtedness is $1,317,442. (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. The School District has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

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

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

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

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

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

Cybersecurity

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

TAX MATTERS

In the opinion of Trespasz Law Offices, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

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

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

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

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

LEGAL MATTERS

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

LITIGATION

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

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

CONTINUING DISCLOSURE

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

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

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

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RATING

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

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "A+" to the District's outstanding general obligation serial 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 S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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

MISCELLANEOUS

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

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the 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", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

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

Trespasz Law Offices, LLP, Syracuse, New York, Bond Counsel to the Issuer, expresses no opinion 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 limitation as to information in the Official Statement obtained from sources other than the District, as to which no representation can be made.

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.

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 or hacking 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.

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

The District's contact information is as follows: Stephanie Cooper, Business Official, 4238 State Highway 8, P.O. Box 607, New Berlin, New York 13411, Phone: (607) 847-7500 x1122, Fax: (607) 847-9194, email: scooper@uvstorm.org.

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT

Dated: July 24, 2025

VICTORIA L. GREGORY
PRESIDENT OF THE BOARD OF EDUCATION
AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Unrestricted Cash	$ 40,460	$ 2,234,344	$ 2,384,223	$ 1,258,141	$ 2,089,395
Restricted Cash	6,926,408	8,779,929	9,680,746	11,499,467	12,066,598
Due from Other Governments	923,485	1,039,018	972,525	1,840,073	1,010,240
Due from Other Funds	1,884,721	436,924	133,096	602,437	1,515,236
Accounts Receivable	76,080	187,420	-	-	-
State and Federal Aid Receivable	-	-	-	-	-
Other Receivables	-	-	75,755	333,389	2,441
Other Assets	46,832	1,541	1,440	1,114	2,170
Investments	-	-	-	-	-
TOTAL ASSETS	$ 9,897,986	$ 12,679,176	$ 13,247,785	$ 15,534,621	$ 16,686,080
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 618,078	$ 148,329	$ 239,616	$ 122,837	$ 525,636
Accrued Liabilities	68,195	128,000	79,314	128,258	32,031
Accrued Interest	-	-	-	-	-
Notes and Loans Payable	-	-	-	-	-
Due to Teachers' Retirement System	600,935	601,257	653,712	715,459	763,839
Due to Employees' Retirement System	76,139	89,550	63,839	76,607	120,756
Due to Other Governments	-	-	-	-	-
Due to Other Funds	3,391	3,061	-	24,358	52,635
Overpayments and Collections	-	-	-	-	-
Deferred Revenue	184,697	-	-	-	-
TOTAL LIABILITIES	1,551,435	970,197	1,036,481	1,067,519	1,494,897
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ 2,170
Restricted	6,926,408	8,779,929	9,680,746	11,499,467	12,066,598
Assigned	532,640	493,036	640,025	321,104	265,970
Unassigned	887,503	2,436,014	1,890,533	2,646,531	2,856,445
TOTAL FUND EQUITY	8,346,551	11,708,979	12,211,304	14,467,102	15,191,183
TOTAL LIABILITIES and FUND EQUITY	$ 9,897,986	$ 12,679,176	$ 13,247,785	$ 15,534,621	$ 16,686,080

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
REVENUES					
Real Property Taxes	$ 3,611,252	$ 3,727,828	$ 3,857,746	$ 3,974,417	$ 4,067,931
Real Property Tax Items	909,007	901,327	903,373	708,354	680,745
Charges for Services	229,174	475,273	518,453	271,013	427,526
Use of Money & Property	84,316	129,525	30,076	20,630	380,790
Sale of Property and Compensation for Loss	19,757	880	10,817	7,428	40,073
Miscellaneous	500,201	577,704	238,630	178,566	187,033
Revenues from State Sources	13,980,927	14,930,949	14,993,554	15,831,425	16,837,357
Revenues from Federal Sources	53,340	27,758	222,614	96,101	33,804
Total Revenues	$ 19,387,974	$ 20,771,244	$ 20,775,263	$ 21,087,934	$ 22,655,259
Other Sources:					
Interfund Transfers	-	395,100	-	55,021	367,517
Total Revenues and Other Sources	$ 19,387,974	$ 21,166,344	$ 20,775,263	$ 21,142,955	$ 23,022,776
EXPENDITURES					
General Support	$ 2,987,763	$ 3,129,366	$ 3,198,925	$ 3,523,922	$ 3,740,999
Instruction	8,407,034	8,934,703	7,973,357	8,900,695	8,644,334
Pupil Transportation	1,235,342	1,283,357	1,005,321	950,165	1,014,966
Community Services	40,321	39,737	539	2,726	18,478
Employee Benefits	4,958,153	5,209,334	4,956,544	5,032,643	4,895,056
Debt Service	707,575	921,014	921,888	1,937,928	2,043,318
Total Expenditures	$ 18,336,188	$ 19,517,511	$ 18,056,574	$ 20,348,079	$ 20,357,151
Other Uses:					
Interfund Transfers	100,000	1,900,000	120,000	292,551	409,827
Total Expenditures and Other Uses	18,436,188	21,417,511	18,176,574	20,640,630	20,766,978
Excess (Deficit) Revenues Over Expenditures	951,786	(251,167)	2,598,689	502,325	2,255,798
FUND BALANCE					
Fund Balance - Beginning of Year	7,645,932	8,597,718	8,346,551	11,708,979	12,211,304
Prior Period Adjustments (net)	-	-	763,739	-	-
Fund Balance - End of Year	$ 8,597,718	$ 8,346,551	$ 11,708,979	$ 12,211,304	$ 14,467,102

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2024 Original Budget	2024 Final Budget	2024 Audited Actual	2025 Adopted Budget	2026 Adopted Budget
REVENUES					
Real Property Taxes	$ 4,158,683	$ 4,209,913	$ 4,212,064	$ 4,358,220	$ 4,464,943
Real Property Tax Items	695,646	646,295	644,893	614,018	629,983
Charges for Services	323,818	321,787	423,667	426,598	225,610
Use of Money & Property	122,622	122,774	666,801	432,660	416,030
Sale of Property and Compensation for Loss	9,177	9,177	5,842	12,719	12,500
Miscellaneous	136,585	136,585	400,199	305,698	173,580
Revenues from State Sources	16,865,010	16,865,010	17,265,249	17,669,873	20,078,162
Revenues from Federal Sources	30,827	30,827	17,840	33,599	18,332
Total Revenues	$ 22,342,368	$ 22,342,368	$ 23,636,555	$ 23,853,385	$ 26,019,140
Other Sources:					
Interfund Transfers	45,867	45,867	45,867	1,217,896	-
Appropriate Reserves	1,421,138	1,421,138	-	-	1,110,377
Appropriated Fund Balance	321,104	321,104	-	250,000	450,000
Total Revenues and Other Sources	$ 24,130,477	$ 24,130,477	$ 23,682,422	$ 25,321,281	$ 27,579,517
EXPENDITURES					
General Support	$ 3,992,569	$ 3,939,125	$ 3,759,994	$ 3,797,200	$ 4,104,085
Instruction	11,187,659	9,941,472	9,451,785	11,763,506	12,431,701
Pupil Transportation	1,488,389	1,551,231	1,101,123	1,669,524	1,550,068
Community Services	71,202	48,244	44,506	48,556	61,314
Employee Benefits	5,521,193	5,266,059	5,181,026	6,186,107	6,202,524
Debt Service	1,751,713	2,165,050	2,165,050	1,756,388	3,109,825
Total Expenditures	$ 24,012,725	$ 22,911,181	$ 21,703,484	$ 25,221,281	$ 27,459,517
Other Uses:					
Interfund Transfers	117,752	1,219,296	1,254,857	100,000	120,000
Total Expenditures and Other Uses	24,130,477	24,130,477	22,958,341	25,321,281	27,579,517
Excess (Deficit) Revenues Over Expenditures	-	-	724,081	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	14,467,102		
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 15,191,183	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	$ 1,160,000	$ 547,325	$ 1,707,325
2027	1,220,000	493,263	1,713,263
2028	1,275,000	436,463	1,711,463
2029	1,080,000	377,000	1,457,000
2030	1,135,000	323,000	1,458,000
2031	1,195,000	266,250	1,461,250
2032	1,245,000	218,200	1,463,200
2033	1,290,000	168,050	1,458,050
2034	1,020,000	103,550	1,123,550
2035	730,000	59,600	789,600
2036	760,000	30,400	790,400
TOTALS	$ 12,110,000	$ 3,023,100	$ 15,133,100

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

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2012 Bonds - Refunding of 2004 Bonds			2019 DASNY Bonds - Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2026	$ 225,000	$ 23,075	$ 248,075	$ 460,000	$ 208,950	$ 668,950
2027	240,000	15,763	255,763	480,000	185,950	665,950
2028	245,000	7,963	252,963	505,000	161,950	666,950
2029	-	-	-	530,000	136,700	666,700
2030	-	-	-	555,000	110,200	665,200
2031	-	-	-	585,000	82,450	667,450
2032	-	-	-	605,000	64,900	669,900
2033	-	-	-	620,000	46,750	666,750
2034	-	-	-	315,000	15,750	330,750
TOTALS	$ 710,000	$ 46,800	$ 756,800	$ 4,655,000	$ 1,013,600	$ 5,668,600

Fiscal Year Ending June 30th	2021 DASNY Bonds - Capital Project		
	Principal	Interest	Total
2026	$ 475,000	$ 315,300	$ 790,300
2027	500,000	291,550	791,550
2028	525,000	266,550	791,550
2029	550,000	240,300	790,300
2030	580,000	212,800	792,800
2031	610,000	183,800	793,800
2032	640,000	153,300	793,300
2033	670,000	121,300	791,300
2034	705,000	87,800	792,800
2035	730,000	59,600	789,600
2036	760,000	30,400	790,400
TOTALS	$ 6,745,000	$ 1,962,700	$ 8,707,700

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

(o) incurrence of a "financial obligation" (as defined by the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect 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 has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed material event notices, if any, on or before the date specified.

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

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

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

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENT

JUNE 30, 2024

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

UNADILLA VALLEY
CENTRAL SCHOOL
DISTRICT

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
June 30, 2024

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
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D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

120 Lomond Court, Utica, N.Y. 13502-5950
315-735-5216 Fax: 315-735-5210

Independent Auditor's Report

Board of Education
Unadilla Valley Central School District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Unadilla Valley Central School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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 Unadilla Valley Central School District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Unadilla Valley Central School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Unadilla Valley Central School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2024, on our consideration of the Unadilla Valley Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Unadilla Valley Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unadilla Valley Central School District's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

October 21, 2024

Utica, New York

The Unadilla Valley Central School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2024 and 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

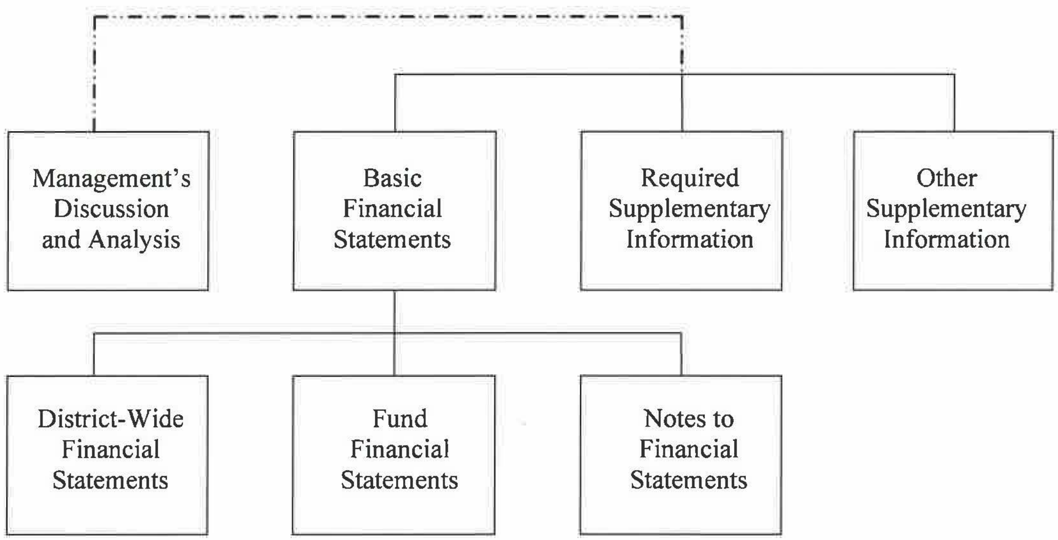
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024 are as follows:

- The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $6,890,240 (net position). This represents an increase of $2,317,426 from the prior year's net position.
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled $25,940,305. Of this amount, $459,449 was offset by program charges for services. General revenues of $23,349,244 amounted to 82.63% of total revenues.
- The District received $4,449,038 in operating grants to support instructional and food service programs.
- State and federal revenue increased by 2.4% to $17,283,089 in 2024 from $16,871,161 in 2023.
- The General Fund's total fund balance, as reflected in the fund financial statements on pages 15 and 17, increased by $724,081 to $15,191,183.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of District-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



A. District-wide Financial Statements

The District-wide financial statements are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the District-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of District-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the District-wide financial statements. By doing so, you may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds: General Fund, School Lunch Fund, Special Aid Fund, Miscellaneous Special Revenue Fund, Debt Service Fund, and Capital Projects Fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District's District-wide financial statements because the District cannot use these assets to finance its operations.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The Districts total net position increased by $2,317,426 between fiscal year 2023 and 2024. A summary of the District's Statement of Net Position for June 30, 2024 and 2023 is as follows:

	2024	2023	Increase (Decrease)	Percentage Change
Current and Other Assets	$ 18,047,540	$ 16,682,708	$ 1,364,832	8.2%
Capital and Right to Use Assets, Net	43,112,873	43,769,091	(656,218)	(1.5%)
Total Assets	61,160,413	60,451,799	708,614	1.2%
Deferred Outflows of Resources	6,296,118	8,661,676	(2,365,558)	(27.3%)
Current and Other Liabilities	3,972,983	3,651,618	321,365	8.8%
Non-Current Liabilities	40,823,538	41,962,612	(1,139,074)	(2.7%)
Total Liabilities	44,796,521	45,614,230	(817,709)	(1.8%)
Deferred Inflows of Resources	15,769,770	18,926,431	(3,156,661)	(16.7%)
Net Position				
Net Investment in Capital Assets	26,151,348	25,919,296	232,052	0.9%
Restricted	13,291,650	12,689,826	601,824	4.7%
Unrestricted (Deficit)	(32,552,758)	(34,036,308)	1,483,550	4.4%
Total Net Position	$ 6,890,240	$ 4,572,814	$ 2,317,426	50.7%

Current and other assets increased by $1,364,832 as compared to the prior year. The increase is primarily the result of increases in the School District's cash balances in the General Fund.

Capital and right to use assets decreased by $656,218 as compared to the prior year. This decrease is mainly due to depreciation and amortization expense exceeding capital outlay additions during the year. Note 6 to the financial statements provides additional information.

Deferred outflows of resources decreased by $2,365,558 as compared to the prior year, as provided by the ERS, TRS and changes included in the actuary report for Other Postemployment Benefits (OPEB).

Current and other liabilities increased by $321,365 as compared to the prior year, primarily due to an increase in accounts payable, offset by decreases in accrued liabilities and in the District's proportionate share of the net pension liability as provided by the ERS and TRS.

Non-current liabilities decreased by $1,139,074 as compared to the prior year, primarily due to the payments of bond and lease principal of $1,499,526.

Deferred inflows of resources decreased by $3,156,661 as compared to prior year, primarily due to the decreases of deferred inflows related to the OPEB liability, ERS, and TRS.

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation and amortization. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase or leased vehicles, equipment and furniture to support District operations.

The restricted portion of the net position at June 30, 2024 is $13,291,650 which represents the amount of the District's restricted funds in the General, Debt Service, Miscellaneous Special Revenue, and Capital funds. See the table on page 10 for additional details.

The unrestricted (deficit) portion of the net position at June 30, 2024, was $32,552,758, and represents the amount by which the District's total liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources, excluding restricted assets, capital and right to use leased assets and debt related to capital construction. This deficit is primarily the result of the requirement to accrue other postemployment benefits. The accumulated liability for the obligation is $23,981,882 at June 30, 2024.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements School Tax Relief (STAR) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2024 and 2023 is as follows.

Revenues	2024	2023	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	$ 459,449	$ 461,606	$ (2,157)	(0.5%)
Operating Grants	4,449,038	2,860,734	1,588,304	55.5%
General Revenues				
Property Taxes and STAR	4,856,957	4,748,676	108,281	2.3%
State and Federal Sources	17,283,089	16,871,161	411,928	2.4%
Other	1,209,198	758,160	451,038	59.5%
Total Revenues	28,257,731	25,700,337	2,557,394	10.0%
Expenses				
General Support	4,553,268	4,421,883	131,385	3.0%
Instruction	18,316,360	15,683,933	2,632,427	16.8%
Pupil Transportation	1,724,070	1,568,883	155,187	9.9%
Community Service	44,506	18,478	26,028	140.9%
Debt Service-Unallocated Interest	488,302	539,165	(50,863)	(9.4%)
Food Service Program	813,799	765,041	48,758	6.4%
Total Expenses	25,940,305	22,997,383	2,942,922	12.8%
Total Change in Net Position	$ 2,317,426	$ 2,702,954	$ (385,528)	

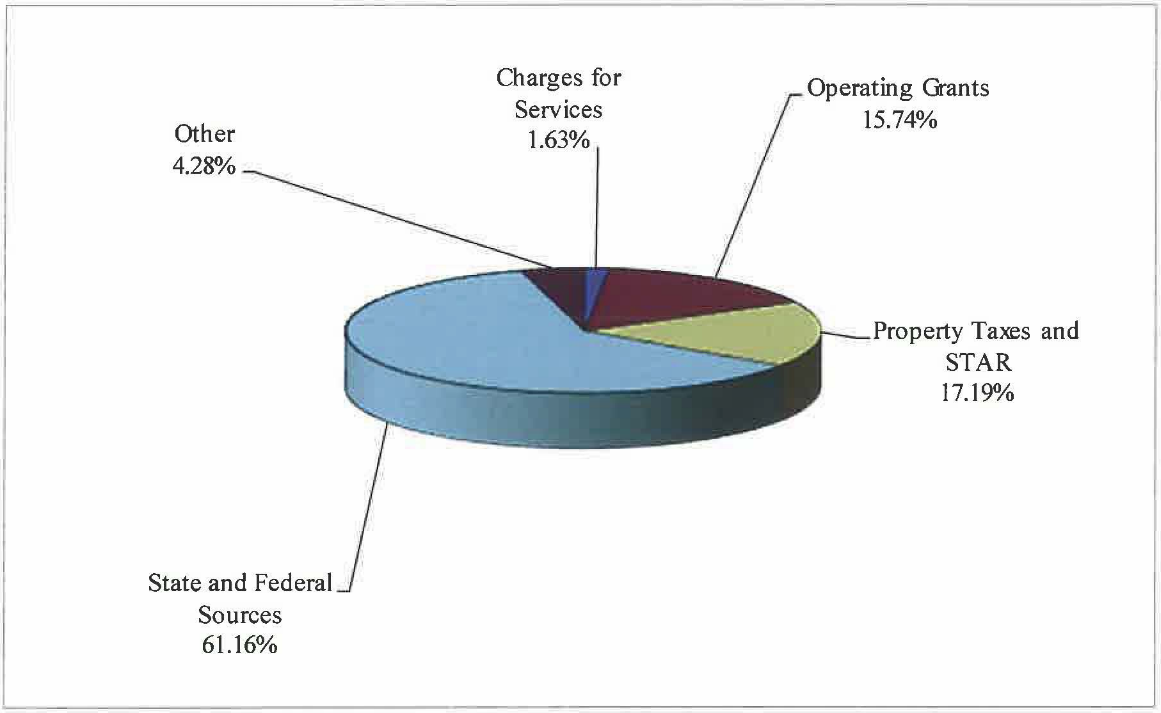
The District's revenues increased by 10.0% in 2024, or $2,557,394. The factors that contributed to this increase were as follows:

- State and federal sources increased by $411,928, or 2.4%, primarily due to increases in basic state aid.
- Operating grants increased by $1,588,304 primarily due to stabilization funds and the Early College Smart Scholars program.
- Property taxes and STAR increased by $108,281, or 2.3%
- Other revenue sources increased by $451,038, or 59.5%. This was due to an increase in interest received due to rising interest rates.

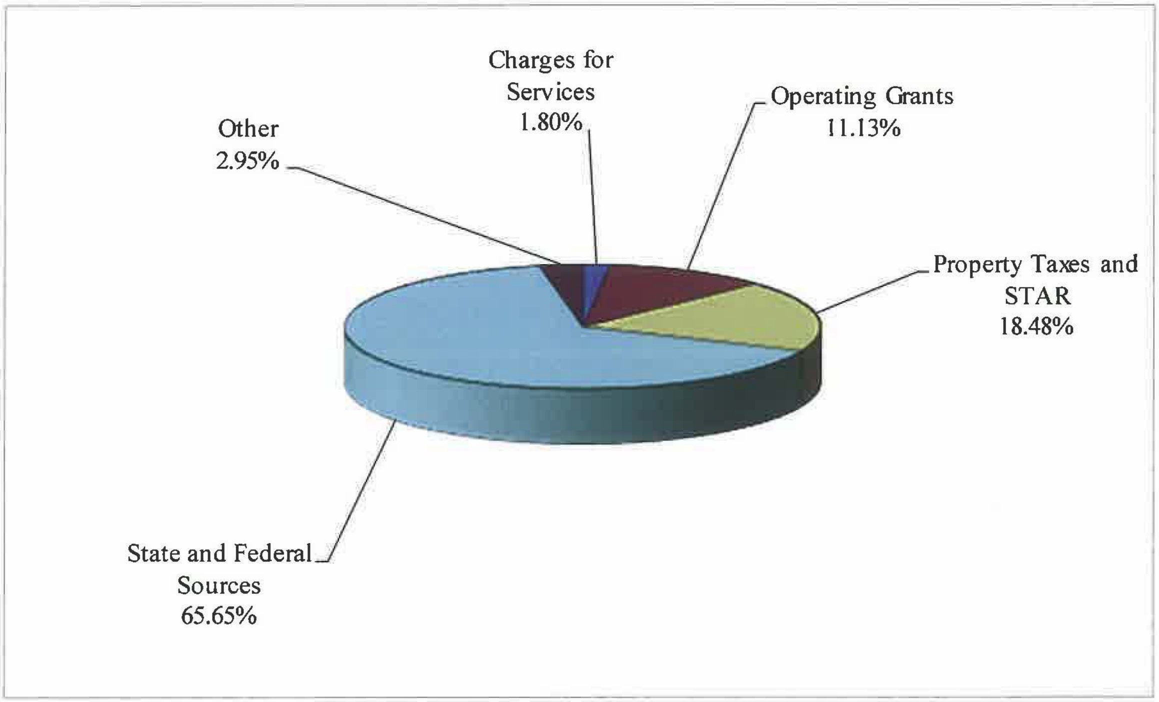
The District's expenditures for the year increased by $2,942,922, or 12.8% mainly due to grant expenses in the Special Aid Fund, contractual obligation for salaries and benefits, and also the allocation of OPEB expense that is allocated to all programs. These were offset by decreases to pension expenses that are allocated to all programs.

A graphic display of the distribution of revenues for the two years follows:

For the Year Ended June 30, 2024

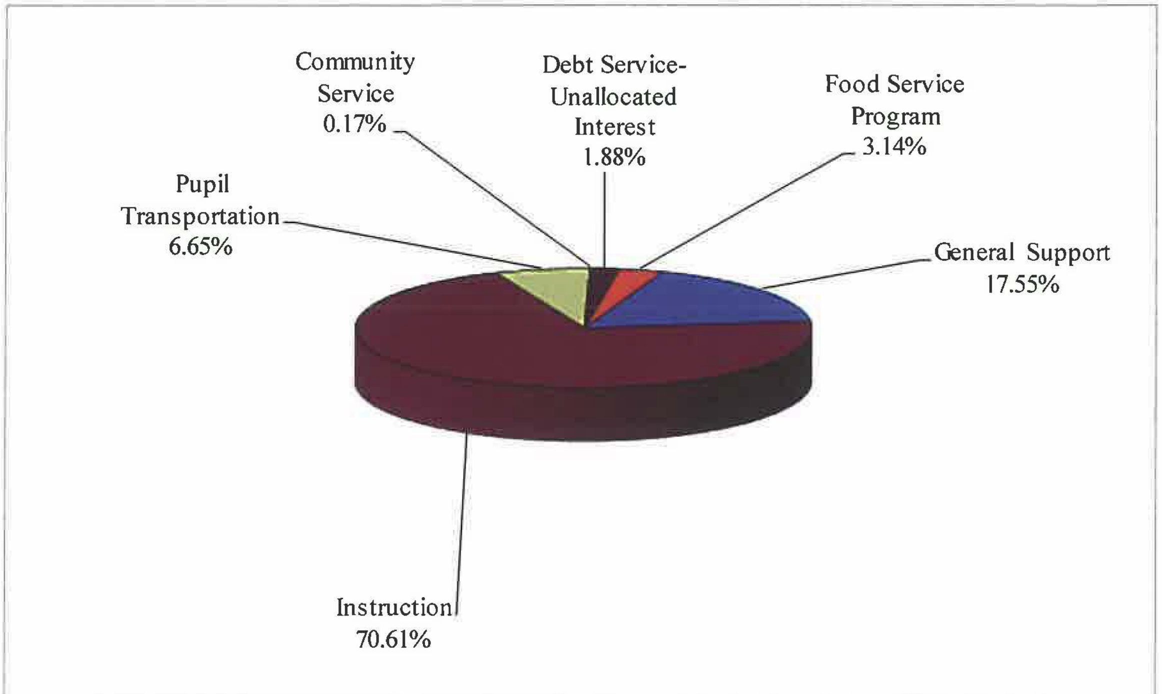


For the Year Ended June 30, 2023

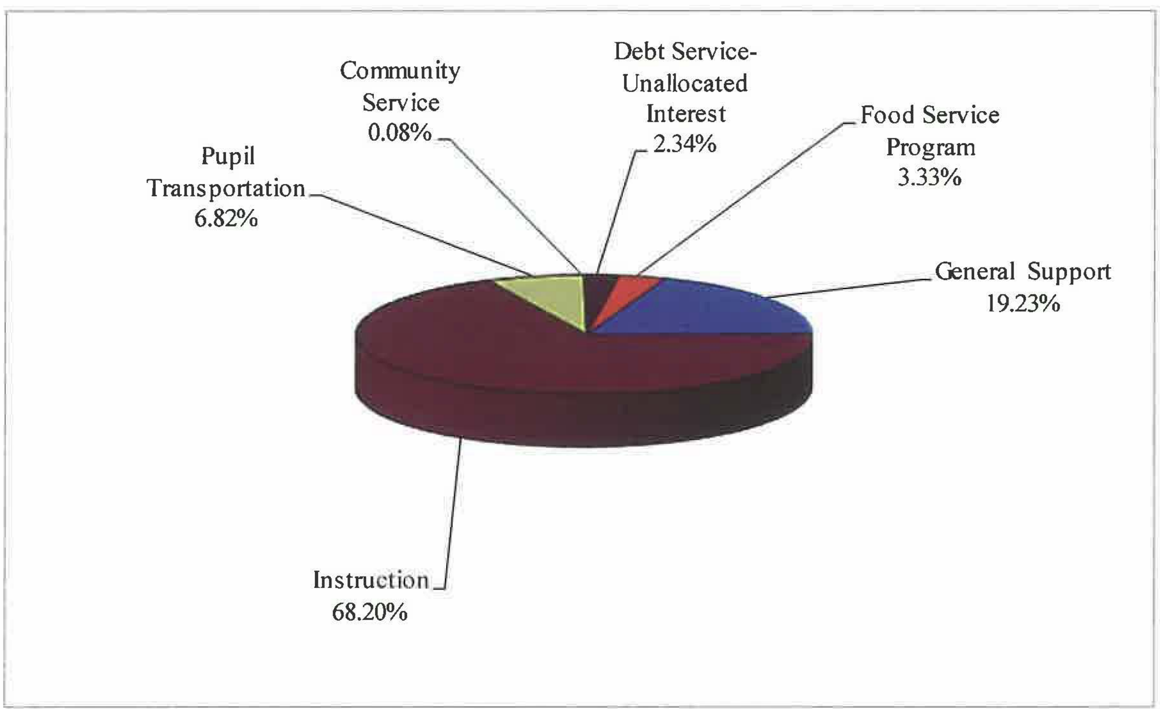


A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2024



For the Year Ended June 30, 2023



4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2024, the District's governmental funds reported a combined fund balance of $15,779,189 which is an increase of $452,872 over the prior year. This increase is primarily due to an excess of revenues over expenses in the General Fund. A summary of the change in fund balance by fund is as follows:

	2024	2023	Increase (Decrease)
General Fund			
Non-Spendable	$ 2,170	$	$ 2,170
Restricted			
Unemployment Insurance	519,827	472,421	47,406
Employee Benefit Accrued Liability	1,012,934	937,871	75,063
Retirement Contribution - ERS	1,216,012	1,127,589	88,423
Retirement Contribution - TRS	635,403	601,440	33,963
Tax Certioratri	579,521	532,251	47,270
Liability	703,247	644,694	58,553
Capital	7,397,213	7,180,983	216,230
Repairs	2,441	2,218	223
Total Restricted	12,066,598	11,499,467	567,131
Assigned			
General Support	9,737	53,350	(43,613)
Instruction	6,233	17,754	(11,521)
Appropriated for Subsequent Year's Budget	250,000	250,000	
Total Assigned	265,970	321,104	(55,134)
Unassigned	2,856,445	2,646,531	209,914
Total General Fund	15,191,183	14,467,102	724,081
School Lunch Fund			
Nonspendable	21,688	23,061	(1,373)
Assigned	134,879	192,673	(57,794)
Total School Lunch Fund	156,567	215,734	(59,167)
Miscellaneous Special Revenue Fund			
Restricted	219,451	190,952	28,499
Debt Service Fund			
Restricted	1,003,975	997,781	6,194
Capital Projects Fund			
Restricted	1,626	1,626	
Unassigned (Deficit)	(793,613)	(546,878)	(246,735)
Total Capital Projects Fund (Deficit)	(791,987)	(545,252)	(246,735)
Total Fund Balance	$ 15,779,189	$ 15,326,317	$ 452,872

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2023-2024 Budget

The District's General Fund adopted budget for the year ended June 30, 2024, was $24,059,373. This is an increase of $542,134 compared to the prior year's adopted budget.

The budget was funded through a combination of revenues and designated fund balance. The majority of this funding source was $4,856,208 in estimated property taxes and STAR and an estimated $16,865,010 in State Aid.

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

The General Fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance	$ 2,646,531
Revenues and Transfers from Other Funds over Budget	1,294,187
Expenditures and Encumbrances under Budget	1,156,166
Net Increase in Restricted and Nonspendable Funds	(569,301)
Appropriated for June 30, 2025 Budget	(250,000)
Appropriated Reserves for June 30, 2025 Budget	(1,421,138)
Closing, Unassigned Fund Balance	$ 2,856,445

Opening, Unassigned Fund Balance

The $2,646,531 shown in the table is the portion of the District's June 30, 2023 fund balance that was retained as unassigned. This was 11.0% of the District's 2023-2024 approved operating budget.

Revenues and Transfers From Other Funds Over Budget

The 2023-2024 budget for revenues and transfers from other funds was $22,388,235. The actual revenues and transfers received for the year were $23,682,422. The actual revenue and transfers from other funds were over the budgeted revenue by $1,294,187. This variance contributes directly to the change to the unassigned portion of the General Fund balance from June 30, 2023 to June 30, 2024.

Expenditures and Encumbrances Under Budget

The 2023-2024 budget for expenditures and transfers to other funds was $24,130,477. The actual expenditures and encumbrances were $22,974,311. The final budget was under expended by $1,156,166. This under expenditure contributes directly to the change to the unassigned portion of the General Fund balance from June 30, 2023 to June 30, 2024.

Net Increase in Restricted And Nonspendable Funds

The School District made various additions to reserve and nonspendable accounts in the General Fund including additions into all reserves for interest and additional contributions to the capital and TRS reserves. The overall activity resulted in an increase to the restricted and nonspendable funds in the General Fund in the amount of $569,301. Restricted activity is illustrated on the Financial Analysis of the School District's Fund Balances chart located on page 10.

Appropriated Fund Balance

The District has appropriated $250,000 of its available June 30, 2024 fund balance to partially fund its 2024-2025 approved operating budget.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2024-2025 fiscal year with an unassigned fund balance of $2,856,445. This is an increase of $209,914 from the unassigned balance from the prior year as of June 30, 2023 and 11.28% of the subsequent year's budget.

6. CAPITAL AND LEASED ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

At June 30, 2024, the School District had invested in a broad range of capital and leased assets, including land, buildings and improvements, furniture, equipment and vehicles. The net decrease is due to depreciation, amortization, and capital disposals exceeding capital asset additions recorded for the year ended June 30, 2024. A summary of the School District's capital and leased assets, net of depreciation and amortization at June 30, 2024 and 2023, is as follows:

	2024	2023	Increase/ (Decrease)
Land	$ 443,000	$ 443,000	$
Construction in Progress	2,012,781	633,300	1,379,481
Buildings and Improvements	38,868,336	40,980,161	(2,111,825)
Furniture, Equipment, and Vehicles	934,329	1,006,057	(71,728)
Leased Vehicles	854,427	706,573	147,854
Capital Assets, Net	$ 43,112,873	$ 43,769,091	$ (656,218)

B. Debt Administration

At June 30, 2024, the District had total bonds payable of $13,270,000. A summary of the outstanding debt at June 30, 2024 and 2023 is as follows:

Issue Date	Interest Rate	2024	2023	Increase (Decrease)
6/15/2013	1.00-3.25%	$ 935,000	$ 1,150,000	$ (215,000)
6/17/2019	3.00-5.00%	5,090,000	5,505,000	(415,000)
6/16/2021	4.00-5.00%	7,245,000	7,725,000	(480,000)
	Total	$ 13,270,000	$ 14,380,000	$ (1,110,000)

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The school district's voters approved a budget of $25,321,281 for the 2024-2025 school year. They also approved the authorization to lease school buses in the total amount not to exceed $110,000 annually.

With an increase of 5.2% from 2024-2025 expenses, the district plans to remain as efficient as possible in the face of continued inflationary pressure. With employment numbers staying constant, instructional programming remains strong. Stated wage increases, materials cost increases, and rising health insurance costs are challenges that the 2024-2025 budget plan meets. The budget also includes a $100,000 capital outlay project to improve flooring throughout the elementary and secondary wings of the school building. Finally, careful monitoring of purchases of materials and supplies will keep the budget at a reasonable level throughout 2024-2025.

8. CONTACTING THE DISTRICT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, at Unadilla Valley Central School District, P.O. Box F, 4328 State Highway 8, New Berlin, New York 13411.

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2024

Assets	
Cash and Cash Equivalents	$ 2,208,254
Restricted Cash and Cash Equivalents	12,991,637
Receivables	
Other Governments	2,820,869
Other Receivables	2,922
Inventory	21,688
Other Assets	2,170
Right to Use Leased Assets, Net of Amortization	854,427
Capital Assets Not Being Depreciated	2,455,781
Capital Assets, Net of Accumulated Depreciation	39,802,665
Total Assets	61,160,413
Deferred Outflows of Resources	
Deferred Charge from Refunding of Debt, net	14,663
Deferred Outflow - Pension	3,911,729
Deferred Outflow - OPEB	2,369,726
Total Deferred Outflows of Resources	6,296,118
Total Assets and Deferred Outflows of Resources	$ 67,456,531
Liabilities	
Accounts Payable	$ 1,337,792
Accrued Liabilities	32,932
Accrued Interest	24,849
Due To	
Other Governments	64
Teachers' Retirement System	763,839
Employees' Retirement System	132,424
Unavailable Revenue	1,300
Net Pension Liability - Proportionate Share	1,679,783
Noncurrent Liabilities	
Due Within One Year	
Bonds Payable	1,160,000
Premium on Obligation	179,000
Lease Liability	293,298
Due in More Than One Year	
Compensated Absences	672,118
Bonds Payable	12,110,000
Premium on Obligation	1,837,666
Lease Liability	589,574
Other Postemployment Benefits	23,981,882
Total Liabilities	44,796,521
Deferred Inflows of Resources	
Deferred Inflow - Pension	988,983
Deferred Inflow - OPEB	14,780,787
Total Deferred Inflows of Resources	15,769,770
Total Liabilities and Deferred Inflows of Resources	60,566,291
Net Position	
Net Investment in Capital Assets	26,151,348
Restricted	13,291,650
Unrestricted (Deficit)	(32,552,758)
Total Net Position	6,890,240
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 67,456,531

The Accompanying Notes are an Integral Part of These Financial Statements.

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

		Program Revenues		Net (Expense)
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
General Support	$ 4,553,268	$	$	$ (4,553,268)
Instruction	18,316,360	423,667	3,699,107	(14,193,586)
Pupil Transportation	1,724,070			(1,724,070)
Community Service	44,506			(44,506)
Debt Service - Unallocated Interest	488,302			(488,302)
Food Service	813,799	35,782	749,931	(28,086)
Total Functions/Programs	$ 25,940,305	$ 459,449	$ 4,449,038	(21,031,818)
General Revenues				
Real Property Taxes				4,212,064
STAR and Other Real Property Tax Items				644,893
Use of Money and Property				726,919
Sale of Property and Compensation for Loss				5,842
State and Federal Sources				17,283,089
Miscellaneous				476,437
Total General Revenues				23,349,244
Change in Net Position				2,317,426
Net Position, Beginning of Year				4,572,814
Net Position, End of Year				$ 6,890,240

The Accompanying Notes are an Integral Part of These Financial Statements.

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Assets							
Cash and Cash Equivalents	$ 2,089,395	$ 105,874	$ 12,985	$	$	$	$ 2,208,254
Restricted Cash and Cash Equivalents	12,066,598			223,721	701,318		12,991,637
Receivables							
Other Governments	1,010,240	50,250	1,501,329			259,050	2,820,869
Due from Other Funds	1,515,236	9,487		175	302,657	44,661	1,872,216
Other Receivables	2,441		481				2,922
Inventory		21,688					21,688
Other Assets	2,170						2,170
Total Assets	$ 16,686,080	$ 187,299	$ 1,514,795	$ 223,896	$ 1,003,975	$ 303,711	$ 19,919,756
Liabilities							
Payables							
Accounts Payable	$ 525,636	$ 1,731	$ 93	$ 1,517	$	$ 808,815	$ 1,337,792
Accrued Liabilities	32,031			901			32,932
Due To							
Other Governments		64					64
Other Funds	52,635	17,269	1,514,702	2,027		285,583	1,872,216
Teachers' Retirement System	763,839						763,839
Employees' Retirement System	120,756	11,668					132,424
Unavailable Revenue						1,300	1,300
Total Liabilities	1,494,897	30,732	1,514,795	4,445		1,095,698	4,140,567
Fund Balance							
Non-Spendable	2,170	21,688					23,858
Restricted	12,066,598			219,451	1,003,975	1,626	13,291,650
Assigned	265,970	134,879					400,849
Unassigned (Deficit)	2,856,445					(793,613)	2,062,832
Total Fund Balance (Deficit)	15,191,183	156,567		219,451	1,003,975	(791,987)	15,779,189
Total Liabilities and Fund Balance	$ 16,686,080	$ 187,299	$ 1,514,795	$ 223,896	$ 1,003,975	$ 303,711	$ 19,919,756

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
June 30, 2024

Total Governmental Fund Balances	$ 15,779,189
Amounts reported for governmental activities in the Statement of Net Position are different because:	
The cost of building and acquiring capital and leased assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital and leased assets among the assets of the School District as a whole, and their original costs are expensed annually over their useful lives.	
Original Cost of Leased Assets	1,978,335
Accumulated Amortization	(1,123,908)
Original Cost of Capital Assets	70,415,368
Accumulated Depreciation	(28,156,922)
	43,112,873
Proportionate share of long-term asset and liability associated with participation in a state retirement system are not current financial resources or obligations and are not reported in the funds.	
Deferred Outflows - Pensions	3,911,729
Net Pension Liability - Proportionate Share	(1,679,783)
Deferred Inflows - Pensions	(988,983)
	1,242,963
Deferred inflows and outflows of resources associated with differences between expected and actual experience for Other Postemployment Benefits apply to a future period and are not reported in the funds.	
Deferred Inflows - OPEB	(14,780,787)
Deferred Outflows - OPEB	2,369,726
	(12,411,061)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Bonds Payable	(13,270,000)
Premium on Bonds Issued	(2,016,666)
Lease Liability	(882,872)
Deferred Charge from Refunding Debt	14,663
Accrued Interest Payable	(24,849)
Other Postemployment Benefits	(23,981,882)
Compensated Absences Payable	(672,118)
	(40,833,724)
Total Net Position	$ 6,890,240

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUNDS

For the Year Ended June 30, 2024

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital Projects	Total
Revenues							
Real Property Taxes	$ 4,212,064	$	$	$	$	$	$ 4,212,064
STAR and Other Real Property Tax Items	644,893						644,893
Charges for Services	423,667						423,667
Use of Money and Property	666,801	17		8,040	52,061		726,919
Sale of Property and Compensation for Loss	5,842						5,842
Miscellaneous	400,199	39	482	75,717			476,437
State Aid	17,265,249	100,524	1,095,378				18,461,151
Federal Aid	17,840	649,407	2,603,729				3,270,976
School Lunch Sales		35,782					35,782
Total Revenues	23,636,555	785,769	3,699,589	83,757	52,061		28,257,731
Expenditures							
General Support	3,759,994						3,759,994
Instruction	9,451,785		3,324,778	55,258			12,831,821
Pupil Transportation	1,101,123						1,101,123
Community Service	44,506						44,506
Food Service Program		707,555					707,555
Employee Benefits	5,181,026	137,381	374,811				5,693,218
Capital Outlay						1,501,592	1,501,592
Debt Service - Principal	1,499,526						1,499,526
Debt Service - Interest	665,524						665,524
Total Expenditures	21,703,484	844,936	3,699,589	55,258		1,501,592	27,804,859
Excess (Deficit) Revenues Over Expenditures	1,933,071	(59,167)		28,499	52,061	(1,501,592)	452,872
Other Financing Sources (Uses)							
Transfers from Other Funds	45,867					1,254,857	1,300,724
Transfers to Other Funds	(1,254,857)				(45,867)		(1,300,724)
Total Other Financing Sources (Uses)	(1,208,990)				(45,867)	1,254,857	
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	724,081	(59,167)		28,499	6,194	(246,735)	452,872
Fund Balance (Deficit), Beginning of Year	14,467,102	215,734		190,952	997,781	(545,252)	15,326,317
Fund Balance (Deficit), End of Year	$ 15,191,183	$ 156,567	$	$ 219,451	$ 1,003,975	$ (791,987)	$ 15,779,189

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND EXPENDITURES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Net Changes in Fund Balance - Total Governmental Funds		$	452,872
Capital Outlays to purchase, lease, or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation or amortization expense in the Statement of Activities. This is the amount of depreciation and amortization expense, loss on disposal, and capital outlays in the period.			
Depreciation Expense	(2,390,742)		
Amortization Expense	(395,667)		
Capital Outlays	1,586,670		(1,199,739)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of bond or lease principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of bond and lease principal repayments and amortization of bond premium:			
Amortization of Bond Premium	179,000		
Repayment Lease Principal	389,526		
Repayment Bond Principal	1,110,000		1,678,526
Certain revenues and expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Change in Deferred Amount from Refunding of Debt	(3,667)		
Change in Accrued Interest on Serial Bonds	1,889		
Change in Compensated Absences	(197,313)		
Change in Other Postemployment Benefits	2,250,997		2,051,906
Changes in the proportionate share of the net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources, and therefore, are not reported as revenues or expenditures in the governmental funds.			
Teachers' Retirement System	(401,788)		
Employees' Retirement System	(264,351)		(666,139)
Change in Net Position Governmental Activities		$	2,317,426

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	Custodial Fund
Assets	
Cash and Cash Equivalents - Restricted	$ 82,383
Net Position	
Restricted for Student Activities	$ 82,383

The Accompanying Notes are an Integral Part of These Financial Statements.

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2024

	Custodial Fund
Additions	
Extraclassroom - Receipts	$ 98,573
Real Property Tax Collected for Library	130,500
Total Additions	229,073
Deductions	
Extraclassroom - Expenses	95,645
Real Property Tax Paid to Library	130,500
Total Deductions	226,145
Change in Net Position	2,928
Net Position, Beginning of Year	79,455
Net Position, End of Year	$ 82,383

The Accompanying Notes are an Integral Part of These Financial Statements.

21. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

The 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 7 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 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. 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.

(a) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. The School District accounts for assets held as an agent for various student organizations in a custodial fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be obtained from the Business Office.

Joint Venture

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

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

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

During the year ended June 30, 2024, the School District was billed $3,206,819 for BOCES administrative and program costs.

The School District's share of BOCES aid amounted to $1,644,131. Financial statements for the BOCES are available from the Delaware-Chenango BOCES' administrative office located in Norwich, New York.

During the year ended June 30, 2024, the School District issued no debt on behalf of BOCES. However, during 2007, the BOCES issued $47,755,000 in Revenue Lease Bonds with the Dormitory Authority of the State of New York (DASNY). These bonds will be repaid by the component districts of the BOCES as a lease payment included in the administrative budget of the BOCES over the term of the bonds. During 2015, the BOCES refunded the bond. The outstanding balance at June 30, 2024, was $13,005,000.

Basis of Presentation

(a) District-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 revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Activities presents a comparison between direct expenses and program revenues 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. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

(b) Fund Financial Statements

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. All funds of the School District are displayed as major funds. The School District reports the following major governmental funds:

General Fund: This is the School District's primary operating fund used to account for and report all financial resources not accounted for in another fund.

Special Revenue Funds:

Special Aid Fund: This fund accounts for and reports the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes.

Miscellaneous Special Revenue Fund: This fund is used to account for and report transactions of the School District's scholarship funds. The School District has both custody and administrative control over the various scholarships. Established criteria govern the use of the funds and members of the School District or representatives of the donors may serve on committees to determine who benefits.

School Lunch Fund: This fund is used to account for and report transactions of the School District's food service operations.

Debt Service Fund: This fund accounts for and reports financial resources that are restricted to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated.

Capital Projects Fund: This fund is used to account for and report financial resources that are restricted or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

(c) Fiduciary Funds

This fund is used to account for and report fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the School District, and are not available to be used. There is one class of fiduciary funds:

Custodial Funds: These funds are strictly custodial in nature. Assets are held by the School District as agent for various student groups or extraclassroom activity funds. In addition, the fund is used to account for real property taxes collected and paid to the Unadilla Public Library.

Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the 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, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

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

Property Taxes

Real property taxes are levied annually by the Board of Education and become a lien no later than September 1. Taxes are collected during the period September 1 to October 31. Uncollected real property taxes are subsequently enforced by the counties of Chenango, Otsego, and Madison. An amount representing uncollected real property taxes transmitted to the counties for enforcement is paid by the counties to the School District no later than the forthcoming April 1.

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 expenditure and revenues to provide financing or other services.

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions for governmental funds throughout the year is shown in Note 10 to the financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, other postemployment benefits, potential contingent liabilities, and useful lives of long-lived assets.

Cash and Cash Equivalents

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

Receivables

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

Inventories

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 inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2002. For assets acquired prior to July 1, 2002, estimated historical costs, based on appraisals conducted by independent third–party professionals were used. Donated assets are reported at estimated fair market value at the time received.

The School District uses capitalization thresholds of $5,000 (the dollar value above which asset acquisitions are added to the capital asset accounts). Depreciation is calculated using the straight–line method. Estimated useful lives of capital assets reported in the District-wide statements are as follows:

Land Improvements	20 Years
Vehicles, Equipment and Furniture	5-20 Years
Buildings and Improvements	20-40 Years

Right to Use Leased Assets

The School District has recorded right to use leased assets as a result of implementing GASB 87, *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has three items that qualify for reporting in this category. First is the deferred charge on refunding of debt reported in the District-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the School District's proportion of the collective net pension asset or liability and difference during the measurement period between the School District's contributions and its proportion share of total contributions not included in pension expense. The third item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

Short-Term Debt

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 of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date.

Accrued Liabilities and Long-Term Obligations

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

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an inflow of resources (expense) until then. The School District has two items that qualify for reporting in this category. The first is related to pensions reported in the School District-wide Statement of Net Position. This represents the effect of the net change in the School District's proportion of the collective net pension liability (ERS and TRS Systems) and difference during the measurement periods between the School District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Net Position and represents the effect differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

Vested Employee Benefits - Compensated Absences

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

The School District employees are granted vacation leave 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, per contractual provisions.

Consistent with GASB, an accrual for accumulated sick leave is included in 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 upon expendable and available financial resources.

Other Benefits

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

In addition to providing pension benefits, the School District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the School District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting (see Note 9).

Unavailable Revenue

Unavailable revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability is removed and revenues are recorded.

Equity classifications

(a) District-wide Financial Statements

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

Net investment in capital assets – consists of net capital and leased assets (cost less accumulated depreciation and amortization) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

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

Unrestricted net position – reports the balance of the net position that does not meet the definition of the above classifications and is deemed to be available for general use by the School District.

(b) Fund Statements

The following classifications describe the relative strength of the spending constraints:

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the inventories in the School Lunch Fund.

Restricted Resources

This category 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. Generally, the District's policy is to use restricted resources only when appropriated by the Board of Education. When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements. The School District has established the following restricted fund balances:

- ***Reserve for Employee Benefit Accrued Liability***

  According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due to an employee upon termination of the employee's service. This reserve fund may be established by a majority vote of the board of education 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.

- ***Reserve for Capital Projects***

  According to General Municipal Law §6-c, §6-g, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The reserve is accounted for in the General Fund.

  In May 2022, the Board and voters established a capital reserve fund to reserve up to $5 million for the purpose of capital improvements. The reserve was established with a term of 20 years. The fund can be used to fund, in whole or in part, the acquisition of equipment and the construction of renovations, improvements and additions to District buildings and grounds. The proposition only established the capital reserve fund and does not obligate the School District to fund it at any specific level at any time. The district will determine the level at which it is funded based on current and future financial conditions. As of June 30, 2024, the School District has funded $4,104,868 into this reserve.

- ***Reserve for Retirement Contribution***

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

- ***Reserve for Tax Certiorari***

  According to Education Law §3651, must be used to accumulate funds to pay judgments and claims resulting from tax certiorari proceedings. Voter approval is not required provided that the monies held do not exceed the anticipated needs of the School District. If no voter approval is obtained, then any excess monies must be returned to the General Fund on or before the first day of the fourth fiscal year after the deposit of the monies. This reserve is accounted for in the General Fund.

- ***Reserve for Repairs***

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

- ***Reserve for Liability***

  According to Education Law §1709(8-c), must be used to pay for liability claims incurred. The total amount accumulated in the reserve may not exceed 3% of the total annual budget. The reserve is accounted for in the General Fund.

- ***Unemployment Insurance Reserve***

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

- ***Miscellaneous Special Revenue Fund***

  This fund is used to account for various endowment, scholarship awards, and other funds that the School District has administrative control.

- ***Debt Service Fund***

  This fund is used to account for and report the financial resources that are restricted to pay debt service. The funds include unused debt proceeds and interest and earnings on the temporary investment of debt proceeds.

- ***Capital Fund***

  This fund is used to account for ongoing voter approved capital projects for which financial resources are restricted.

Unrestricted Resources

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School District has provided otherwise in its commitment or assignment actions.

- ***Committed*** – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school district's highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2024.
- ***Assigned*** – 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, other than in the Capital Fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year's budget of the General Fund is also classified as Assigned Fund Balance in the General Fund.
- ***Unassigned*** – Includes all other fund resources that do not meet the definition of the above classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

(c) Reserve for Extraclassroom Activities

This reserve is used to account for various student groups or extraclassroom activities. This reserve is accounted for in the Custodial Fund.

(d) Order of Use of Fund Balance

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (e.g. expenditures related to reserves) the Board will assess the current financial condition of the School District and then determine the order of application of expenditures to which the fund balance classification will be charged.

Future Changes in Accounting Standards

- GASB Statement No. 101, Compensated Absences, effective for the year ending June 30, 2025.
- GASB Statement No. 102, Certain Risk Disclosures, effective for the year ending June 30, 2025.
- GASB Statement No. 103, Financial Reporting Model Improvements, effective for the year ending June 30, 2026.

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

2. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

Total Fund Balances of Governmental Funds Compared to 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 Sheet.

Statement of Revenues, Expenditures, and Changes in Fund Balances Compared To Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of six broad categories. The amounts shown below represent:

(a) Long-Term Revenue Differences

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

(b) Capital Related Differences

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

(c) Long-Term Debt Transaction Differences

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

(d) Employee Benefit Allocation

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Balances based on the requirements of New York State. These costs have been allocated based on total salary for each function in the Statement of Activities.

(e) Pension Differences

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

(f) Other Postemployment Benefit Differences

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

3. STEWARDSHIP AND COMPLIANCE

Fund Balance Limitations

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the 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. At June 30, 2024 the School District's unassigned fund balance was 11.28% of the 2024-2025 budget, which is not in compliance with laws and regulations.

Statutory Debt Limit

At June 30, 2024, the School District was in compliance with the statutory debt limit.

Budgetary Procedures and Budgetary Accounting

The School District administration prepares a proposed budget for approval by the Board of Education for the General 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 item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year. The budget and actual comparison for the Special Revenue Funds (if any) reflects budgeted and actual amounts only for funds with legally authorized (appropriated) budgets.

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

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.

Encumbrances

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

NYS Real Property Tax Cap

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local government including school districts can levy. The tax levy for the 2023-2024 school year was in compliance with the NYS Tax Cap Limit.

4. CUSTODIAL CREDIT RISK

Custodial Credit Risk

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. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

A. Uncollateralized;
B. Collateralized by securities held by the pledging financial institution, or
C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the School District's name.

As of June 30, 2024, the School District's bank balances totaling $16,139,767 were fully collateralized by securities held in the School District's name by an agent of the institution and FDIC insurance.

Investment Pool

The School District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, as amended, and Article 3-A of the General Municipal Law (Chapter 623 of the Laws of 1998), whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

The School District has $10,895,816 included as restricted cash and cash equivalents. This amount represents the cost of the investment pool share and is considered to approximate market value.

The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of NYLAF available by writing to NYLAF Administration, 2135 City Gate Lane, 7th Floor, Naperville, IL 60563.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents in the General Fund represents funds held by the School District in various reserves established by the School District as follows:

Reserve for Capital Projects	$ 7,397,213
Reserve for Repairs	2,441
Liability Reserve	703,247
Reserve for Unemployment Insurance	519,827
Reserve for Retirement Contributions - ERS	1,216,012
Reserve for Retirement Contributions - TRS	635,403
Reserve for Tax Certiorari	579,521
Reserve for Employee Benefit Liability	1,012,934
Total	$ 12,066,598

Restricted cash and cash equivalents of $223,721 in the Miscellaneous Special Revenue Fund represents various expendable trust funds held by the District for scholarships and awards.

Restricted cash and cash equivalents of $701,318 in the Debt Service Fund represents the Reserve for Debt Service.

Restricted cash and cash equivalents of $82,383 in the fiduciary funds represent funds for various student groups or extraclassroom activities. This reserve is accounted for in the Custodial Fund.

5. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2024, consisted of:

General Fund		
New York State – General Aid and Excess Cost Aid	$	272,470
BOCES Aid		737,770
School Lunch Fund		
BOCES Aid		2,089
June 2024 State Reimbursements		48,161
Special Aid Fund		
Federal and State Grants		1,501,329
Capital Fund		
Smart Schools Bond Act		259,050
Total Due from Other Governments	$	2,820,869

6. CAPITAL ASSETS & RIGHT TO USE LEASED ASSETS

Capital asset activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 443,000	$	$	$ 443,000
Construction in Progress	633,300	1,466,031	86,550	2,012,781
	1,076,300	1,466,031	86,550	2,455,781
Capital Assets Being Depreciated				
Buildings and Improvements	63,673,412	86,550		63,759,962
Furniture, Equipment and Vehicles	4,097,256	120,639	18,270	4,199,625
Total	67,770,668	207,189	18,270	67,959,587
Accumulated Depreciation				
Buildings and Improvements	22,693,251	2,198,375		24,891,626
Furniture, Equipment and Vehicles	3,091,199	192,367	18,270	3,265,296
Total	25,784,450	2,390,742	18,270	28,156,922
Net Capital Assets Being Depreciated	41,986,218	(2,183,553)		39,802,665
Net Capital Assets	$ 43,062,518	$ (717,522)	$ 86,550	$ 42,258,446

Depreciation expense of $2,390,742 was allocated based on estimated usage by function as follows:

Function/Program	
General Support	$ 355,647
Instruction	2,015,332
Pupil Transportation	15,890
School Lunch	3,873
Total Depreciation	$ 2,390,742

Right to use leased asset activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Right to Use Leased Assets				
Leased Vehicles	$ 1,800,503	$ 543,521	$ 365,689	$ 1,978,335
Accumulated Amortization				
Leased Vehicles	1,093,930	395,667	365,689	1,123,908
Net Right to Use Leased Assets	$ 706,573	$ 147,854	$	$ 854,427

Amortization expense of $395,667 was allocated solely to pupil transportation.

7. NON-CURRENT LIABILITIES

Non-current liability balances and activity are as follows:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Bonds Payable					
Serial Bonds Payable	$ 14,380,000	$	$ 1,110,000	$ 13,270,000	$ 1,160,000
Premium on Bonds Issued	2,195,666		179,000	2,016,666	179,000
Other Liabilities					
Lease Liability	728,877	543,521	389,526	882,872	293,298
Other Postemployment Benefits	24,183,264	1,725,213	1,926,595	23,981,882	
Compensated Absences	474,805	197,313		672,118	
Total Non-Current Liabilities	$ 41,962,612	$ 2,466,047	$ 3,605,121	$ 40,823,538	$ 1,632,298

The following is a statement of serial bonds with corresponding maturity schedules:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
2012 Refunding Serial Bonds	06/13	$ 3,085,000	06/28	1.00-3.25	$ 935,000
2019 DASNY Bond	06/19	$ 6,890,000	06/34	3.00-5.00	5,090,000
2021 DASNY Bond	06/21	$ 8,300,000	06/36	4.00-5.00	7,245,000
Total					$ 13,270,000

Principal and interest payments due on serial bonds are as follows:

Fiscal Year Ending June 30,	Serial Bonds Principal	Interest	Total
2025	$ 1,160,000	$ 596,388	$ 1,756,388
2026	1,160,000	547,325	1,707,325
2027	1,220,000	493,263	1,713,263
2028	1,275,000	436,463	1,711,463
2029	1,080,000	377,000	1,457,000
2030-2034	5,885,000	1,079,050	6,964,050
2035-2036	1,490,000	90,000	1,580,000
Total	$ 13,270,000	$ 3,619,489	$ 16,889,489

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

Interest Paid	$ 665,524
Less: Interest Accrued in the Prior Year	(26,738)
Amortization of Premium	(179,000)
Plus: Amortization of Deferred Charges	3,667
Interest Accrued in the Current Year	24,849
Total Interest Expense on Long-Term Debt	$ 488,302

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvement. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and other liquidation of the long-term liabilities. In the event of a default in the payment of the principal and/or interest on the Bonds, 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 Bonds.

Advance Refunding

On June 15, 2013, the School District issued $3,085,000 of School District Refunding Bonds, Series 2012, with interest rates ranging from 1.00% to 3.25% to advance refund $3,030,000 of outstanding 2004 serial bonds with interest rates ranging from 4.00% to 4.25%. The net proceeds of $3,120,018 (after payment of $91,951 in underwriting fees, insurance, and other issuance costs) were used to purchase United States government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payment on the bonds. As a result, the 2004 serial bonds are considered to be defeased, and the liability for those bonds has been removed from the School District's financial statements. At June 30, 2024, the balance of the advance refunded bonds was $995,000.

Deferred Charge

The difference of $55,000 between the reacquisition price of the new bonds and the net carrying amount of the old bonds has been reported as a deferred outflow of resources on the Statement of Net Position and will be amortized as interest expense on the District-wide financial statements using the straight-line method over 15 years, the remaining time to maturity of the refunded bonds. Amortization during the 2023-2024 fiscal year was $3,667.

Bond Refunding Cost	$ 55,000
Less: Accumulated Amortization	40,337
Deferred Charge from Refunding of Debt, Net	$ 14,663

Premium on Bonds Issued

The School District received proceeds of $7,875,000 from the issuance of bonds in June 2019 at a par amount of $6,890,000. The premium of $985,000 on the bonds is being recorded on the District-wide financial statements and being amortized using the straight-line method over 15 years, the remaining time to maturity of the bonds. The current-year amortization is $65,667. Amortization expense in future years will be included as a reduction to interest expense on the District-wide financial statements.

Premium on Bonds	$ 985,000
Less: Accumulated Amortization	328,335
Premium on Bonds, Net	$ 656,665

The School District received proceeds of $10,000,000 from the issuance of bonds in June 2021 at a par amount of $8,300,000. The premium of $1,700,000 on the bonds is being recorded on the District-wide financial statements and being amortized using the straight-line method over 15 years, the remaining time to maturity of the bonds. The future yearly amortization is $113,333. Amortization expense in future years will be included as a reduction to interest expense on the District-wide financial statements.

Premium on Bonds	$ 1,700,000
Less: Accumulated Amortization	339,999
Premium on Bonds, Net	$ 1,360,001

Lease Liability

The School District has entered into agreements with the various vendors to lease certain equipment and vehicles. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed on various dates and range for a term of 3-5 years. Annual lease payments for these agreements range from $70,988 to $85,220. The lease liability is measured at a discount rate of 3%-3.75% which is stated in the lease agreements. As a result of these leases, the School District has recorded a right to use asset with a net book value of $854,427 at June 30, 2024.

Fiscal Year Ending	Leases		
June 30,	Principal	Interest	Total
2025	$ 293,298	$ 40,652	$ 333,950
2026	225,443	29,310	254,753
2027	149,667	19,864	169,531
2028	85,998	12,546	98,544
2029	128,466	7,534	136,000
Total	$ 882,872	$ 109,906	$ 992,778

8. PENSION PLANS

A. New York State and Local Employees' Retirement System (ERS)

(a) Plan Description

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The Net Position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The 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 maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. 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.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010, but prior to April 1, 2012, are required to contribute 3% of their annual salary for their entire working career. Employees who joined on or after April 1, 2012 must contribute at a specific percentage of earnings (between 3 and 6%) for their entire career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2024, were paid.

The required contributions for the current year and two preceding years were:

	Amount
2022	$ 345,457
2023	$ 257,564
2024	$ 297,364

(c) *Pension Liability/Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2024, the School District reported a liability of $1,290,138 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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. This information was provided by the ERS System in a report provided to the School District.

At June 30, 2024 the School District's proportion was .0087621% which is a .001172% increase over its proportionate share of .00759% at June 30, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of $617,304. At June 30, 2024, 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	$ 415,553	$ 35,179
Change of assumptions	487,772	
Net difference between projected and actual earnings on pension plan investments		630,226
Changes in proportion and differences between contributions and proportionate share of contributions	157,104	40,849
Contributions subsequent to the measurement date	132,424	
Total	$ 1,192,853	$ 706,254

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset or liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,		
2025	$	(187,050)
2026		272,239
2027		394,686
2028		(125,700)

(d) *Actuarial Assumptions*

The total pension liability at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024.

Significant actuarial assumptions used in the April 1, 2023 valuation were as follows:

Investment rate of return (net of investment expense, including inflation)	5.90%
Salary scale	4.40%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience
Inflation rate	2.90%
Cost of living adjustment	1.50%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021.

The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic equity	32.0%	4.00%
International equity	15.0%	6.65%
Private equity	10.0%	7.25%
Real estate	9.0%	4.60%
Opportunistic/ARS portfolio	3.0%	5.25%
Credit	4.0%	5.40%
Real assets	3.0%	5.79%
Fixed income	23.0%	1.50%
Cash	1.0%	0.25%
	100.0%	

**The real rate of return is net of the long-term inflation assumption of 2.90%.*

(e) Discount Rate

The discount rate used to calculate the total pension liability was 5.9 percent. 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 System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Proportionate share of the Net Pension Liability (Asset)	$ 4,056,327	$ 1,290,138	$ (1,020,203)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to ERS in amount of $132,424 at June 30, 2024. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2024-2025 billing cycle and has been recorded as a liability in the current year.

B. New York State Teachers' Retirement System (TRS)

(a) Plan Description

The School District participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

(b) Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

The required employer contributions for the current year and two preceding years were:

		Amount
2022	$	572,287
2023	$	626,891
2024	$	667,055

(c) Pension Asset/Liability, Pension Credit, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the School District reported a liability of $389,645 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. 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, 2023, the School District's proportion was .034072 percent, which was an increase of .000673 percent from its proportion measured as of June 30, 2022 of .033399 percent.

For the year ended June 30, 2024, the School District recognized a pension expense of $1,089,285. At June 30, 2024, 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	$ 944,785	$ 2,335
Changes of assumptions	838,894	182,832
Net difference between projected and actual earnings on Pensions plan investments	199,179	
Changes in proportion and differences between contributions and proportionate share of contributions	68,963	97,562
Contributions subsequent to the measurement date	667,055	
Total	$ 2,718,876	$ 282,729

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

Year ended June 30:	
2024	$ 150,515
2025	(216,219)
2026	1,568,807
2027	124,245
2028	87,363
Thereafter	54,381

(d) Actuarial Assumptions

The total pension liability at the June 30, 2023 measurement date was determined by using an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The actuarial valuation used the following actuarial assumptions:

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

Salary scale — 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.

Inflation rate — 2.4%

Annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on the Society of Actuaries Scale MP 2021 for June 30, 2023, applied on a generational basis.

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.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	33.0%	6.8%
International equity	15.0%	7.6%
Global equity	4.0%	7.2%
Real estate equity	11.0%	6.3%
Private equity	9.0%	10.1%
Domestic fixed income	16.0%	2.2%
Global bonds	2.0%	1.6%
Private debt	2.0%	6.0%
Real estate debt	6.0%	3.2%
High-yield bonds	1.0%	4.4%
Cash equivalents	1.0%	0.3%
	100.0%	

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

(e) Discount Rate

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

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

The following the presents School District's proportionate share of the net pension (asset)/liability calculated using the discount rate of 6.95 percent, as well as what the School District's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) 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 the Net Pension Liability (Asset)	$ 5,934,488	$ 389,645	$ (4,273,808)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

(h) Payables to the Pension Plan

The School District's portion of the amount due to TRS is $667,055 (excluding employees' share), and is included in the General Fund at June 30, 2024. This amount represents the contribution for the 2023-2024 fiscal year that will be made in 2024-2025 and has been accrued as an expenditure in the current year.

9. POSTEMPLOYMENT HEALTH CARE BENEFITS

(a) Plan Description

The School District provides medical benefits to retired employees and their eligible dependents. The benefits provided to employees upon retirement are based on provision in various contracts that the School District has in place with different classifications of employees. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

(b) Benefits Provided

The School District provides medical benefits to retired employees and their eligible dependents in accordance with the provision of various employment contracts. The School District acquires health insurance through a consortium known as the Broome-Tioga-Delaware Health Insurance Consortium (B-T-D Health Insurance Consortium). Benefits provided by the B-T-D Health Insurance Consortium are administered by the Excellus BlueCross BlueShield and Express Scripts. The B-T-D Health plan covers medical and pharmaceutical costs. The benefit levels, employee contributions and employer contributions are governed by the School District's contractual agreements. The Plans can be amended by action of the School District through agreements with the bargaining units. The specifics of each contract are on file at the School District offices and are available upon request.

(c) Employees Covered by Benefit Terms

	Total
Actives	136
Retirees	136
Spouses of Retirees	48
Total	320

(d) Total OPEB Liability

The District's Total OPEB Liability (TOL) of $23,981,882 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022. The July 1, 2023 TOL was increased by service cost and interest and decreased by demographic gains or losses, changes in assumptions, and benefit payments to estimate the TOL.

(e) Changes in the Total OPEB Liability

Changes in the School District's Total OPEB Liability were as follows:

	Total OPEB Liability
Balance at June 30, 2023	$ 24,183,264
Changes recognized for the year:	
Service Cost	831,022
Interest on Total OPEB Liability	894,191
Effect of Assumptions Changes or Inputs	(885,457)
Benefit payments	(1,041,138)
Net changes	(201,382)
Balance at June 30, 2024	$ 23,981,882

(f) 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 District's Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current discount rate:

	1% Decrease (2.93%)	Current Assumption (3.93%)	1% Increase (4.93%)
Total OPEB Liability as of June 30, 2024	$ 27,389,585	$ 23,981,882	$ 21,188,328

(g) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.

The following presents the Total OPEB Liability of the School District, as well as what the District's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Assumption	1% Increase
Total OPEB Liability as of June 30, 2024	$ 20,444,553	$ 23,981,882	$ 28,464,240

(h) Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the School District recognized OPEB (credit) of $(2,250,997). At June 30, 2024, the School District reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences Between Expected and Actual Experience	$ 10,361,392	$ 6,098
Changes of Assumptions or Other Inputs	4,419,395	2,363,628
Total	$ 14,780,787	$ 2,369,726

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

Year ended June 30:	Amount
2025	$ 2,837,997
2026	3,907,851
2027	3,907,851
2028	1,573,937
2029	183,425
Thereafter	

(i) Actuarial Methods and Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of June 30, 2024. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Inflation rate	2.4%
Actuarial Cost Method	Entry Age Normal-Level Percent of Pay
Discount Rate	3.93% (Previously 3.65%)

With this valuation the medical trend, salary scale and inflation assumptions changed to better reflect anticipated future experience. The mortality improvement scale from the MP-2019 Ultimate Scale changed to the MP-2021 Ultimate Sclae. Retirement and turnover rates were updated to reflect the assumptions used in the 2021 Actuarial Valuation Report for NYS TRS.

The selected discount rate of 3.93 percent is based on a prescribed discount interest rate methodology under GASB 75 based on a yield or index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

10. INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

Fund	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General	$ 1,515,236	$ 52,635	$ 45,867	$ 1,254,857
School Lunch	9,487	17,269		
Special Aid		1,514,702		
Misc. Special Rev. Fund	175	2,027		
Debt Service	302,657			45,867
Capital Fund	44,661	285,583	1,254,857	
Total	$ 1,872,216	$ 1,872,216	$ 1,300,724	$ 1,300,724

- Interfund receivables and payables are considered temporary. The School District intends to repay the amounts within the next fiscal year.
- The Debt Service Fund transferred $45,867 to the General Fund to contribute to debt service payments.
- The General Fund transferred $1,254,857 to the Capital Fund for the local portion of funds on the 2024 local project and $17.75M capital project.

11. RISK MANAGEMENT

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 for the past two years.

Risk Financing and Related Insurance

(a) Worker's Compensation Insurance Plan

Unadilla Valley Central School District participates with 28 other school districts in the Madison-Oneida-Herkimer Worker's Compensation Plan Consortium for its workers' compensation insurance coverage. Entities joining the plan must remain members for a minimum of one year; a member may withdraw from the plan after that time by submitting a notice of withdrawal 30 days prior to the plan's year end. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims' costs depend on complex factors, the process used in computing claims' liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims' liabilities are charged or credited to expense in the periods in which they are made. The Consortium is a shared-risk public entity risk pool, whereby each district pays annual premiums based on the expected aggregate claims for all enrollees. Paid claims are also accounted for in the aggregate with individual district activity not being traced separately. Due to this arrangement, a possible contingent liability exists for Unadilla Valley Central School District as a result of the possibility that any participating school district may have actual claims less than the annual premium and try to recover its portion due to it through the Consortium participants. During the year ended June 30, 2024, Unadilla Valley Central School District incurred premiums or contribution expenditures of $56,431. Certain required disclosures are not presented because information on an individual School District is unavailable from the Plan.

Financial statements for the Madison-Oneida-Herkimer Worker's Compensation Plan Consortium are available from its office located at 4937 Spring Road, Verona, New York 13478.

(b) Health Insurance Plan

Broome-Tioga-Delaware County Schools Health Insurance Consortium - Unadilla Valley Central School District incurs costs related to an employees' health insurance plan sponsored by the Broome-Tioga-Delaware County Schools Health Insurance Consortium and its member districts. The plan is organized under Article 5-G of the General Municipal Law of New York State. The plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage and to develop a comprehensive loss control program. School Districts joining the plan must remain members at least until the beginning of the subsequent plan year which is July 1. A member may withdraw upon giving notice to the clerk of the fund by March 1. If the district fails to give such notice, then the district will be considered bound by the agreement for the next fiscal year. If proper notice is given, then the trustees shall determine any sums which are due by the district, or any monies which may be due to the district. Plan members include 17 districts. Premiums are adjusted by the use of a three-year experience factor. During the fiscal year ended June 30, 2024, Unadilla Valley Central School District incurred premiums totaling approximately $3,018,663. Financial statements for Broome-Tioga-Delaware County Schools Health Insurance Consortium are available at the administrative office located at 1 Marine Plaza, Binghamton, New York 13901.

(c) Other Risks

The School District continues to maintain commercial insurance policies for all other risks of loss such as general liability.

12. FUND BALANCE RESERVES

The following is a summary of the change in General Fund restricted reserve funds during the year ended June 30, 2024:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital	$ 7,180,983	$ 1,338,941	$ 1,122,711	$ 7,397,213
Repair	2,218	223		2,441
Liability	644,694	166,630	108,077	703,247
Unemployment Insurance	472,421	47,406		519,827
Retirement Contribution - ERS	1,127,589	385,787	297,364	1,216,012
Retirement Contribution - TRS	601,440	383,963	350,000	635,403
Tax Certiorari	532,251	155,347	108,077	579,521
Employee Benefit Accrued Liability	937,871	75,063		1,012,934
	$ 11,499,467	$ 2,553,360	$ 1,986,229	$ 12,066,598

The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet:

	General	School Lunch	Misc. Special Revenue	Debt Service	Capital	Total
Nonspendable	$ 2,170	$ 21,688	$	$	$	$ 23,858
Restricted						
Capital Reserve	7,397,213					7,397,213
Repair Reserve	2,441					2,441
Liability Reserve	703,247					703,247
Unemployment Insurance Reserve	519,827					519,827
Employees' Retirement Contribution Reserve - ERS	1,216,012					1,216,012
Employees' Retirement Contribution Reserve - TRS	635,403					635,403
Tax Certiorari Reserve	579,521					579,521
Employee Benefit Accrued Liability Reserve	1,012,934					1,012,934
Miscellaneous Special Revenue			219,451			219,451
Debt Service				1,003,975		1,003,975
Capital Project					1,626	1,626
Total Restricted	12,066,598		219,451	1,003,975	1,626	13,291,650
Assigned						
School Lunch Fund		134,879				134,879
Encumbrances	15,970					15,970
Appropriated for Subsequent Year's Budget	250,000					250,000
Total Assigned	265,970	134,879				400,849
Unassigned (Deficit)	2,856,445				(793,613)	2,062,832
Total Fund Balance (Deficit)	$15,191,183	$156,567	$219,451	$1,003,975	$ (791,987)	$15,779,189

13. COMMITMENTS AND CONTINGENCIES

Potential Grantor Liability

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

Capital Projects Commitments

At June 30, 2024, the School District had various ongoing capital projects. The total voter and Board of Education authorization for these projects is $19,336,106. The School District has entered into various construction contracts for the project amount. At June 30, 2024, the School District has expended $3,421,127 (including incidental costs) of the authorizations.

14. CAPITAL FUND DEFICIT

The School District's Capital Fund had a deficit fund balance of $791,987 at June 30, 2024. The deficit will be eliminated when the current appropriations are made or financed with long term debt.

15. NET POSITION DEFICIT

The District-wide net position had an unrestricted deficit at June 30, 2024 of $32,552,758 and a total net position of $6,890,240. The deficit is the result of the implementation of GASB Statement 75, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,*" which required the recognition of an unfunded liability of $23,981,882 at June 30, 2024. Since New York State Law provides no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

16. TAX ABATEMENTS

The County of Chenango Industrial Development Agency and the School District entered into property tax abatement programs for the purpose of economic development with a local employer. For the year ended June 30, 2024 the School District's property tax revenue was reduced by $4,914 as a result of these tax abatement agreements. For the year ended June 30, 2024 the School District received payment in lieu of taxes (PILOTs) totaling $93,372.

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Final Budget Variance With Actual
Revenues				
Local Sources				
Real Property Taxes	$ 4,158,683	$ 4,209,913	$ 4,212,064	$ 2,151
Other Real Property Tax Items	695,646	646,295	644,893	(1,402)
Charges for Services	323,818	321,787	423,667	101,880
Use of Money and Property	122,622	122,774	666,801	544,027
Sale of Property and Compensation for Loss	9,177	9,177	5,842	(3,335)
Miscellaneous	136,585	136,585	400,199	263,614
State Aid	16,865,010	16,865,010	17,265,249	400,239
Federal Aid	30,827	30,827	17,840	(12,987)
Total Revenues	22,342,368	22,342,368	23,636,555	1,294,187
Other Financing Sources				
Transfers from Other Funds	45,867	45,867	45,867	
Appropriated Reserves	1,421,138	1,421,138		(1,421,138)
Appropriated Fund Balance	321,104	321,104		(321,104)
Total Revenues and Other Financing Sources	$ 24,130,477	$ 24,130,477	23,682,422	$ (448,055)

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
Expenditures					
General Support					
Board of Education	$ 38,726	$ 40,025	28,446	$	$ 11,579
Central Administration	440,097	440,097	431,207	2,321	6,569
Finance	371,896	385,457	364,473	116	20,868
Staff	377,324	321,120	313,455		7,665
Central Services	2,163,379	2,175,564	2,045,551	7,300	122,713
Special Items	601,147	576,862	576,862		
Total General Support	3,992,569	3,939,125	3,759,994	9,737	169,394
Instruction					
Instruction, Administration, and Improvement	676,205	709,510	611,359	47	98,104
Teaching - Regular School	5,217,129	4,630,203	4,630,212		(9)
Programs for Children With Special Needs	3,121,774	2,499,055	2,428,781		70,274
Occupational Education	431,224	431,224	431,223		1
Teaching - Special School	125,402	71,232	24,615		46,617
Instructional Media	505,975	579,727	446,389	4,866	128,472
Pupil Services	1,109,950	1,020,521	879,206	1,320	139,995
Total Instruction	11,187,659	9,941,472	9,451,785	6,233	483,454
Pupil Transportation	1,488,389	1,551,231	1,101,123		450,108
Community Services	71,202	48,244	44,506		3,738
Employee Benefits	5,521,193	5,266,059	5,181,026		85,033
Debt Service - Principal	1,110,000	1,499,526	1,499,526		
Debt Service - Interest	641,713	665,524	665,524		
Total Expenditures	24,012,725	22,911,181	21,703,484	15,970	1,191,727
Other Financing Uses					
Transfers to Other Funds	117,752	1,219,296	1,254,857		(35,561)
Total Expenditures and Other Financing Uses	$ 24,130,477	$ 24,130,477	22,958,341	$ 15,970	$ 1,156,166
Net Change in Fund Balance			724,081		
Fund Balance - Beginning of Year			14,467,102		
Fund Balance - End of Year			$ 15,191,183		

Notes to Required Supplementary Information:

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

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

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2024

Total OPEB Liability	2024*	2023*	2022*	2021*	2020*	2019*	2018*
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Service Cost	$ 831,022	$ 809,792	$ 1,445,061	$ 1,304,237	$ 1,369,054	$ 1,447,460	$ 1,334,340
Interest Cost on Total OPEB Liability	894,191	924,658	686,259	1,059,503	1,341,490	1,177,254	1,130,544
Effect of Plan Changes					240,448		
Effect of Demographic Gains or Losses		(2,047,125)		(20,063,928)		(548,699)	91,498
Effect of Assumption Changes or Inputs	(885,457)	(268,048)	(6,094,508)	2,383,016	7,827,053	(1,755,633)	
Benefit Payments	(1,041,138)	(1,083,579)	(1,025,436)	(962,142)	(1,232,952)	(1,080,628)	(1,143,877)
Net Change in Total OPEB Liability	(201,382)	(1,664,302)	(4,988,624)	(16,279,314)	9,545,093	(760,246)	1,412,505
Total OPEB Liability - Beginning	24,183,264	25,847,566	30,836,190	47,115,504	37,570,411	38,330,657	36,918,152
Total OPEB Liability - Ending	$ 23,981,882	$ 24,183,264	$ 25,847,566	$ 30,836,190	$ 47,115,504	$ 37,570,411	$ 38,330,657
Covered Payroll	$ 6,470,850	$ 6,470,850	$ 7,517,278	$ 7,517,278	$ 7,049,622	$ 7,049,622	$ 7,527,452
Total OPEB Liability as a percentage of covered payroll	370.61%	373.73%	343.84%	410.20%	668.34%	532.94%	509.21%

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

Notes to Required Supplementary Information

The District does not currently maintain assets in an OPEB trust.

Actuarial Assumptions

The actuarial methods and assumptions used to calculate the Total OPEB Liability are described in Note 9 to the financial statements.

Changes to Assumptions

The discount rate was changed to 3.93% (from 3.65%) which is a prescribed discount rate under GASB 75, and is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
For the Year Ended June 30, 2024

ERS Pension Plan
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 297,364	$ 257,564	$ 345,457	$ 316,174	$ 295,319	$ 293,808	$ 303,992	$ 292,700	$ 337,227	$ 341,003
Contributions in Relation to the Contractually Required Contribution	297,364	257,564	345,457	316,174	295,319	293,808	303,992	292,700	337,227	341,003
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-ERS Employee Payroll	$ 2,578,614	$ 2,507,774	$ 2,328,544	$ 2,269,662	$ 2,094,311	$ 1,997,136	$ 2,024,176	$ 1,916,927	$ 1,877,064	$ 1,896,245
Contributions as a Percentage of Covered-Employee Payroll	11.53%	10.27%	14.84%	13.93%	14.10%	14.71%	15.02%	15.27%	17.97%	17.98%

TRS Pension Plan
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 667,055	$ 626,891	$ 572,287	$ 539,269	$ 580,428	$ 627,976	$ 552,221	$ 641,488	$ 685,709	$ 912,825
Contributions in Relation to the Contractually Required Contribution	667,055	626,891	572,287	539,269	580,428	627,976	552,221	641,488	685,709	912,825
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-TRS Employee Payroll	$ 6,834,580	$ 6,092,235	$ 5,839,663	$ 5,658,646	$ 6,551,106	$ 5,913,145	$ 5,634,908	$ 5,473,447	$ 5,171,259	$ 5,207,216
Contributions as a Percentage of Covered-Employee Payroll	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/ASSET
For the Year Ended June 30, 2024

ERS Pension Plan
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset/liability	.0087621%	.0075900%	.0068598%	.006954%	.0061707%	.0063079%	.0059270%	.0059274%	.0062447%	.0059134%
District's proportionate share of the net pension asset (liability)	$ (1,290,138)	$ (1,627,592)	$ 560,761	$ (6,925)	$ (1,634,031)	$ (446,932)	$ (191,290)	$ (556,947)	$ (1,002,293)	$ (199,770)
District's covered-employee payroll	$ 2,578,614	$ 2,507,774	$ 2,328,544	$ 2,269,662	$ 2,094,311	$ 1,997,136	$ 2,024,176	$ 1,916,927	$ 1,877,064	$ 1,896,245
District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	50.03%	64.90%	24.08%	0.31%	78.02%	22.38%	9.45%	29.05%	53.40%	10.54%
Plan fiduciary net position as a percentage of total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

TRS Pension Plan
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset/liability	.034072%	.033399%	.033348%	.036241%	.035426%	.033508%	.034540%	.033536%	.034665%	.033763%
District's proportionate share of the net pension asset (liability)	$ (389,645)	$ (640,897)	$ 5,778,929	$ (1,001,444)	$ 920,365	$ 605,911	$ 262,538	$ (359,183)	$ 3,600,633	$ 3,760,996
District's covered-employee payroll	$ 6,092,235	$ 5,839,663	$ 5,658,646	$ 6,551,106	$ 5,913,145	$ 5,634,908	$ 5,473,447	$ 5,171,259	$ 5,207,216	$ 4,987,335
District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	6.40%	10.97%	102.13%	15.29%	15.56%	10.75%	4.80%	6.95%	69.15%	75.41%
Plan fiduciary net position as a percentage of total pension asset/liability	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
For the Year Ended June 30, 2024

Change from Adopted Budget to Revised Budget

Adopted Budget		$ 24,059,373
Add: Prior Year's Encumbrances		71,104
Original Budget		24,130,477
Final Budget		$ 24,130,477

Section 1318 of Real Property Tax Law Limit Calculation

2024-25 voter-approved expenditure budget		$ 25,321,281
Maximum allowed (4% of 2024-25 budget)		$ 1,012,851
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :		
Unrestricted fund balance:		
Assigned fund balance	265,970	
Unassigned fund balance	2,856,445	
Total unrestricted fund balance	3,122,415	
Less:		
Appropriated fund balance	250,000	
Encumbrances included in committed and assigned fund balance	15,970	
Total adjustments	265,970	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 2,856,445
Actual Percentage		11.28%

See Independent Auditor's Report.

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2024

			Expenditures				Methods of Financing			Fund Balance
PROJECT TITLE	Original Authorization	Revised Authorization	Prior Years	Current Year	Total	Unexpended Balance	State Aid	Local Sources	Total	(Deficit) June 30, 2024
Smart School Bond	$ 991,500	$ 1,286,106	$ 1,286,106	$ 35,561	$ 1,321,667	$ (35,561)	$ 1,321,667	$	$ 1,321,667	$
2023 Local Projects	100,000	100,000	86,551		86,551	13,449		88,177	88,177	1,626
2024 Local Projects	100,000	100,000	128	96,625	96,753	3,247		96,585	96,585	(168)
Capital Project - $17.75M	17,750,000	17,750,000	546,750	1,361,545	1,908,295	15,841,705		1,122,711	1,122,711	(785,584)
2025 Local Projects	100,000	100,000		7,861	7,861	92,139				(7,861)
Totals	$ 19,041,500	$ 19,336,106	$ 1,919,535	$ 1,501,592	$ 3,421,127	$ 15,914,979	$ 1,321,667	$ 1,307,473	$ 2,629,140	$ (791,987)

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
June 30, 2024

Capital and Leased Assets, Net	$	43,112,873
Deduct:		
Capital Fund Deficit		791,987
Lease Liability		882,872
Serial Bonds Payable		13,270,000
Premium on Bonds Payable		2,016,666
Total Deductions		16,961,525
Net Investment in Capital Assets	$	26,151,348

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

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315-735-5216 Fax: 315-735-5210

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

Board of Education
Unadilla Valley Central School District

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Unadilla Valley Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Unadilla Valley Central School District's basic financial statements, and have issued our report thereon dated October 21, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo + Co., LLP

October 21, 2024

Utica, New York

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

120 Lomond Court, Utica, N.Y. 13502-5950
315-735-5216 Fax: 315-735-5210

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance

Board of Education
Unadilla Valley Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

D'Arcangelo + Co., LLP

October 21, 2024

Utica, New York

UNADILLA CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Agency or Pass-through Number	Current Year Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture				
(Passed Through the State Education Department of the State of New York- Pass-Through Grantor No. 081003040000)				
National Breakfast Program	10.553	N/A	$ 172,976	$
National School Lunch Program	10.555	N/A	403,282	
National Snack Program	10.555	N/A	15,016	
National Summer Food Services Program	10.559	N/A	15,278	
Total Cash Assistance Subtotal			606,552	
National School Lunch Program (Noncash)	10.555	N/A	42,855	
Total Nutrition Cluster			649,407	
Total U.S. Department of Agriculture			649,407	
U.S. Department of Education				
(Passed Through the State Education Department of the State of New York -Pass-Through Grantor's No. 081003040000)				
Title I Grants to Local Education Agencies (Part A of ESEA)	84.010A	0021-24-0445	389,484	
Improving Teacher Quality State Grants (Title II, Part A)	84.367A	0147-24-0445	39,524	
Special Education - Grants to States (IDEA, Part B)	84.027A	0032-24-0127	223,526	
Special Education - Preschool Grants (IDEA, Preschool)	84.173A	0033-24-0127	9,290	
Total Special Education Cluster (IDEA)			232,816	
Rural Education (Title V Rural & Low Inc)	84.358B	0006-24-0445	33,100	
Student Support and Academic Enrichment Program (Title IV, Part A)	84.424A	0204-24-0445	19,327	
Education Stabilization Fund				
Elementary and Secondary School Emergency Relief (ESSER 2) Fund	84.425D	5891-21-0445	611,856	
COVID-19 ARP Elementary and Secondary Emergency Reief (ARP ESSER) Fund	84.425U	5880-21-0445	889,834	
COVID-19 ARP-ESSER State Level Reserve - Summer Enrichment	84.425U	5882-21-0445	130,891	
COVID-19 ARP-ESSER State-Level Reserve - Comprehensive After School	84.425U	5883-21-0445	63,366	
COVID-19 ARP-ESSER State-Level Reserve - Learning Loss	84.425U	5884-21-0445	193,531	
Total			1,889,478	
Total U.S Department of Education			2,603,729	
Total Federal Financial Assistance			$ 3,253,136	$

See Notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards represents all Federal awards administered by the Unadilla Valley Central School District, under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Cluster Programs

The following programs are identified by "OBM Compliance Supplement" to be part of a cluster of programs:

U.S. Department of Education
- Special Education Cluster
  - AL #84.027A – Special Education – Grants to States (IDEA, Part B)
  - AL #84.173A – Special Education – Preschool Grants (IDEA, Preschool)

- Child Nutrition Cluster
  - AL #10.553 – National School Breakfast Program
  - AL #10.555 – National School Lunch Program
  - AL #10.555 – National Snack Program
  - AL #10.559 – National Summer Food Service Program
  - AL #10.555 – Non-Cash Assistance (Food Distribution)

De Minimis Indirect Cost Rate

The School District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Food Donation

Nonmonetary assistance is reported in the schedule at fair market value of the food commodities received. At June 30, 2024, the School District had food commodities totaling $9,259 in inventory.

Donated Personal Protective Equipment (Unaudited)

During the emergency period of COVID-19, federal agencies and recipients of federal assistance funds donated personal protective equipment (PPE) to non-federal entities. In connection with that donation, the recipient must disclose the estimated value of donated PPE, but such amounts are not included in the Schedule of Expenditures of Federal Awards. The School District did not receive any donated PPE during the reporting year.

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2024

Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies reported for major Federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion.	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2CFR Section 200.516 (a)	No
(d)(1)(vii)	Major Programs (list):	U.S. Department of Education **Education Stabilization Fund:** AL #84.425D Elementary and Secondary School Emergency Relief (ESSER 2) Fund AL #84.425U American Rescue Plan – Elementary and Secondary School Emergency (ARP ESSER & SLR Comp After School, Summer Enrichment, and Learning Loss)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2024

Findings – Financial Statement Audit

None noted in current year.

Findings and Questioned Costs – Major Federal Award Program Audit

None noted in current year.

UNADILLA VALLEY CENTRAL SCHOOL DISTRICT
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2024

Findings – Financial Statement Audit

None noted.

Findings and Questioned Costs – Major Federal Award Program Audit

None noted.

FORM OF BOND COUNSEL'S OPINION
August 14, 2025

Unadilla Valley Central School District
80 South West Road - P.O. Box 500
Unadilla Valley, New York 13077

Re: Unadilla Valley Central School District
Chenango, Madison, and Otsego Counties, New York
$13,750,000 Bond Anticipation Notes, 2025

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of $13,750,000 Bond Anticipation Notes, 2025 (the "Notes") of Unadilla Valley Central School District, Counties of Cayuga, Cortland Onondaga and Tompkins, State of New York (the "District"). The Notes are dated August 14, 2025 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District dated December 19, 2022 and a Certificate of Determination dated on or before August 14, 2025 of the President of the Board of Education relative to the form and terms of the Notes.

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

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

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

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

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

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

Very truly yours,

TRESPASZ LAW OFFICES, LLP