

PRELIMINARY OFFICIAL STATEMENT DATED MAY 28, 2025

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Barclay Damon LLP, Bond Counsel to the School District, under existing law and assuming compliance with certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Bond Counsel is also of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein regarding certain other tax considerations.

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

\$14,000,000

**ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
SCHENECTADY AND ALBANY COUNTIES, NEW YORK**

\$14,000,000 Bond Anticipation Notes, 2025

(the "Notes")

Dated: June 26, 2025

Due: June 26, 2026

The Notes are general obligations of the Rotterdam-Mohonasen Central School District, Schenectady and Albany Counties, New York (the "School District" or "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. The faith and credit of the Rotterdam-Mohonasen Central School District are irrevocably pledged for the payment of the Notes and the interest thereon. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

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

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

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

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on June 5, 2025 by no later than 10:30 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

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 – B, EVENT NOTICES" HEREIN.

June __, 2025

**ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
SCHENECTADY AND ALBANY COUNTIES, NEW YORK**

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION



ERICKA MONTAGINO
President

CHAD MCFARLAND
Vice President

MELISSA LAUDANO
PATRICK RYAN
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THEODORE PERRETTA
NICK GIARDONO

* * * * *

SHANNON C. SHINE
Superintendent of Schools

CHRISTOPHER J. RUBERTI
Assistant Superintendent for Business
and District Clerk

MEG FOUNTAIN
School District Treasurer



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor



Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT
OF THE
ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
SCHENECTADY AND ALBANY COUNTIES, NEW YORK
RELATING TO
\$14,000,000 Bond Anticipation Notes, 2025**

This Official Statement, which includes the cover page, has been prepared by the Rotterdam-Mohonasen Central School District, Schenectady and Albany Counties, New York (the "District" or the "School District", "County", and "State", respectively) in connection with the sale by the School District of \$14,000,000 aggregate principal amount of Bond Anticipation Notes, 2025 (herein referred to as the "Notes").

The factors affecting the School 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 School 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 School 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 School District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

NATURE OF THE OBLIGATION

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

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

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

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

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

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

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

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

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

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

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

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

DESCRIPTION OF THE NOTES

The Notes will be general obligations of the School District, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated June 26, 2025 and mature, without option of prior redemption, on June 26, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) registered form registered in the name of the purchaser(s), in a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate or (ii) at the option of the purchaser(s), in book-entry-only form, and, if so issued, registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

On May 16, 2023, the qualified voters of the District approved a proposition authorizing the District to finance the construction of improvements and reconstruction of various District buildings, facilities and sites, at a maximum estimated cost of \$48,000,000. The project will be financed through the issuance of the District's serial bonds. The Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on March 10, 2025.

The proceeds of the Notes will provide new monies for the aforementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds. 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 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and 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 the 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 Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in registered form with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on the Notes will be payable, at the option of the purchaser at the offices of the District or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York. Paying Agent fees, if any, shall be the responsibility of the purchaser. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District, with an area of approximately 11 square miles, is located in the eastern portion of New York State, adjacent to the City of Schenectady and about 10 miles west of the City of Albany. The District is primarily suburban-residential in nature, with some commercial development. Residents find employment in the District, or commute to governmental, professional and business occupations in the Capital District Region. Air transportation is provided by the Albany International Airport. Passenger rail service is provided by Amtrak’s New York-Montreal corridor and rail freight service is provided by the Delaware and Hudson Railroad. Highways traversing the District include Interstate Routes #90, #890 and #87; U.S. Route #7 and New York State Route #5.

Source: District officials.

Population

The estimated population of the District is 21,211 (Source: 2023 U.S. Census Bureau.)

Larger Employers

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

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Rotterdam-Mohonasen Central School District	School District	640
Price Chopper	Supermarket	325
Schenectady Center for Rehab. And Nursing	Nursing Home	170
Hannaford	Supermarket	215
Price Rite	Retail	75

Many residents are employed in the greater Albany metropolitan area.

Source: District officials.

Selected Wealth and Income Indicators

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Towns of:						
Colonie	\$ 35,075	\$ 40,747	\$ 50,609	\$ 85,418	\$103,028	\$125,162
Guilderland	38,039	47,339	57,286	99,529	119,991	131,803
Rotterdam	28,557	33,238	41,561	73,175	86,765	102,137
Counties of:						
Schenectady	27,500	33,379	41,529	70,712	86,124	98,882
Albany	30,863	38,592	46,231	76,159	95,923	115,490
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

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

Unemployment Rate Statistics

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

	<u>Annual Averages</u>						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Albany County	3.6%	3.5%	6.9%	4.4%	3.1%	3.2%	3.3%
Schenectady County	4.0	3.7	7.9	5.1	3.5	3.5	3.7
New York State	4.1	3.9	9.8	7.1	4.3	4.1	4.3

	<u>2025 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>
Albany County	3.6%	3.8%	3.4%	2.7%	N/A	N/A
Schenectady County	4.1%	4.4%	3.8%	3.0%	N/A	N/A
New York State	4.6%	4.3%	4.1%	3.6%	N/A	N/A

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

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

Form of School Government

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 is 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, whose duty it is to implement the policies of the Board of Education and who are appointed by the Board, include the Superintendent of Schools, the Assistant Superintendent for Business, the District Clerk, the District Treasurer, the Tax Collector and the District Counsel.

Budgetary Procedures

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

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

If by majority vote the budget is rejected, the Board of Education may make any change, alteration or revision to the budget and may hold a second public hearing and referendum. If no budget is approved, the Board of Education, must, pursuant to law, adopt by resolution an austerity budget for the ensuing fiscal year. The Board of Education may then levy a tax for ordinary contingent expenses of the District, which includes debt service.

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 to be exceeded also must receive at least 60% voter approval.

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

If 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 with a vote of 493 to 226. The District's budget for 2024-25 remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 1.84%, which is equal to the District tax levy limit of 1.84% for the 2024-25 fiscal year.

The budget for the 2025-26 fiscal year was approved by the qualified voters on May 20, 2025 with a vote of 826 to 378. The District's budget for 2025-26 remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.60%, which is equal to the District's Tax Cap of 2.60% for the 2025-26 fiscal year.

Investment Policy

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

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) savings accounts or money market accounts of designated banks authorized to do business in New York State, (2) certificates of deposit issued by a bank or trust company authorized to do business in New York State, (3) demand deposits in a bank or trust company located in and authorized to do business in New York State, (4) direct obligations of New York State, (5) repurchase agreements involving the purchase and sale of direct obligations of the United States (Direct Treasury Obligations only: T-Bills, Notes or Bonds) and (6) revenue anticipation notes or tax anticipation notes of other school districts (with the approval of the State Comptroller).

State Aid

The District receives financial assistance from the State. In its budget for the 2025-2026 fiscal year, approximately 51.7% 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 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 82.1% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

School district fiscal year (2021-2022): The State's 2021-22 Budget 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 State's 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 provides \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of \$1.3 billion compared to the 2023-24 school year and includes a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Budget maintains the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

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

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 makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the below completed fiscal years, and budgeted figures for the 2024-2025 fiscal year and 2025-2026 fiscal year comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2019-2020	\$ 52,353,329	\$ 22,711,659	43.38%
2020-2021	54,683,165	23,127,979	42.29
2021-2022	57,104,518	24,696,542	43.25
2022-2023	58,969,586	27,050,207	45.87
2023-2024	65,828,554	32,179,528	48.88
2024-2025 (Budgeted)	66,675,000	34,255,000	51.38
2025-2026 (Budgeted)	69,750,000	36,080,000	51.73

⁽¹⁾ General Fund only. Does not include other sources such as interfund transfers, appropriated fund balance and reserves where applicable.

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

District Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built</u>
Herman L. Bradt Elementary School	K-2	800	1958, '91, '97, '98, '99, '05
Pinewood Elementary School	3-5	850	1959, '92, '97, '98, '99, '05, '16
Draper Middle School	6-8	950	1951, '91, '97, '98, '99, '05
Mohonasen Senior High School	9-12	1,500	1959, '93, '97, '98, '99, '05, '16

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2020-2021	2,850	2025-2026	2,800
2021-2022	2,827	2026-2027	2,800
2022-2023	2,852	2027-2028	2,850
2023-2024	2,853	2028-2029	2,850
2024-2025	2,791	2029-2030	2,850

Source: District officials.

Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
290	Mohonasen Teachers' Association	June 30, 2028
270	Mohonasen Support Staff Association (Civil Service)	June 30, 2027
50	Mohonasen Teachers' Association (Substitutes)	June 30, 2028
16	Mohonasen Administrators' Association	June 30, 2028
7	Mohonasen Support Staff Supervisors' Association	June 30, 2027

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. Effective April 20, 2024, this final average salary calculation for ERS Tier VI members has been changed from five years to the three highest consecutive years of earnings. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2019-2020	\$ 827,332	\$ 1,681,750
2020-2021	711,105	1,941,448
2021-2022	703,134	2,174,173
2022-2023	576,358	2,125,051
2023-2024	701,044	2,496,547
2024-2025 (Budgeted)	875,000	2,550,000
2025-2026 (Budgeted)	1,050,000	2,600,000

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. Retirement incentives currently exist between two main bargaining units, Mohonasen Teachers' Association and Mohonasen Support Staff Association. The District does not anticipate any large retirement numbers in the foreseeable future.

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

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

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

*Estimated.

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

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

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

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

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

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

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that allows 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 has established such a fund and plans to utilize it to mitigate potential volatility in TRS rates. The District has funded the plan in the amount of \$2,232,963 as of June 30, 2024.

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 District implemented GASB 75 for the fiscal year ended June 30, 2018. The implementation of this statement requires school districts to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45, school districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires school districts to report the entire OPEB liability on the statement of net position.

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

	Balance beginning at June 30:	2022	2023
<u>Changes for the year:</u>		<u>\$ 83,396,534</u>	<u>\$ 72,706,499</u>
Service cost		3,380,425	3,477,013
Interest		3,039,206	3,104,811
Differences between expected and actual experience		(10,595,904)	529,546
Changes in assumptions or other inputs		(4,657,994)	(1,026,187)
Changes of benefit terms		7,821	-
Benefit payments		<u>(1,863,589)</u>	<u>(2,033,561)</u>
Net Changes		<u>\$ (10,690,035)</u>	<u>\$ 4,051,622</u>
	Balance ending at June 30:	2023	2024
		<u>\$ 72,706,499</u>	<u>\$ 76,758,121</u>

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

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

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

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

Other Information

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

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

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

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

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

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024. A copy of the report is attached to this Official Statement as “APPENDIX - D.” The School District’s audited financial statements for the Fiscal Year Ending June 30, 2025 are expected to be available on or about August 29, 2025. Certain financial information of the School District can be found attached as Appendices to the Official Statement.

The School 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 School 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 School District is in compliance with Statement No. 34.

Raymond G. Preusser, CPA, P.C., the independent auditor for the, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Raymond G. Preusser, CPA, P.C., also has not performed any procedures relating to this Official Statement.

Unaudited Projected Results for Fiscal Year Ending June 30, 2025

The District expects to conclude the fiscal year ending June 30, 2025 with an unassigned fund balance of approximately \$2,868,000. The District anticipates that there will be a small variance in revenues and expenditures versus budget for the Fiscal Year Ending June 30, 2025 with essentially a break-even balance.

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

New York State Comptroller Report of Examination

The New York 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 has not released an audit of the District within the last five years. There are currently no pending audits of the District by the State Comptroller’s office.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

The State Comptroller’s Fiscal Stress Monitoring System

The 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 five fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	10.0
2023	No Designation	20.0
2022	No Designation	3.3
2021	No Designation	10.0
2020	No Designation	10.0

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

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Colonie	\$ 38,717,701	\$ 38,636,557	\$ 38,563,813	\$ 39,345,420	\$ 40,144,935
Guilderland	75,424,181	75,730,226	75,640,211	75,840,021	76,443,268
Rotterdam	1,374,482,278	1,384,670,317	1,389,705,082	1,398,528,324	1,408,920,859
Total Assessed Values	<u>\$ 1,488,624,160</u>	<u>\$ 1,499,037,100</u>	<u>\$ 1,503,909,106</u>	<u>\$ 1,513,713,765</u>	<u>\$ 1,525,509,062</u>
State Equalization Rates					
Towns of:					
Colonie	61.00%	59.00%	55.75%	51.00%	48.00%
Guilderland	100.00%	100.00%	91.00%	85.00%	82.00%
Rotterdam	98.00%	95.00%	83.00%	76.00%	72.00%
Total Taxable Full Valuation	<u>\$ 1,541,428,759</u>	<u>\$ 1,598,763,618</u>	<u>\$ 1,826,637,342</u>	<u>\$ 2,006,540,284</u>	<u>\$ 2,133,693,305</u>

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Colonie	\$ 31.04	\$ 31.28	\$ 29.77	\$ 30.29	\$ 30.82
Guilderland	18.93	18.45	18.24	18.17	18.04
Rotterdam	19.32	19.43	19.99	20.33	20.55

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy	\$ 29,183,295	\$ 29,504,523	\$ 30,313,796	\$ 30,996,630	\$ 31,568,137
Amount Uncollected ⁽¹⁾	1,037,186	1,063,554	1,036,398	1,098,380	1,204,428
% Uncollected	3.55%	3.60%	3.42%	3.54%	3.82%

⁽¹⁾ See "Tax Collection Procedure" herein.

Tax Collection Procedure

Taxes are due and payable during the month of September. Taxes paid during the month of October are subject to a 2% penalty fee. All taxes remaining unpaid after October 31 are turned over to the Counties for collection. The Counties reimburse the District in full before the end of the District's fiscal year.

Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues ⁽¹⁾</u>	<u>Total Real Property Taxes</u>	<u>Percentage of Total Revenues Consisting of Real Property Taxes</u>
2019-2020	\$ 52,353,329	\$24,870,299	47.50%
2020-2021	54,683,165	25,887,783	47.34
2021-2022	57,104,518	26,387,422	46.21
2022-2023	58,969,586	27,377,357	46.43
2023-2024	65,828,554	28,217,084	42.86
2024-2025 (Budgeted)	66,675,000	31,815,898	47.72
2024-2025 (Budgeted)	69,750,000	32,647,704	46.81

⁽¹⁾ General Fund only. Does not include other sources such as interfund transfers, appropriated fund balance and reserves where applicable.

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

Larger Taxpayers 2024 Tax Roll for 2024-2025

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Curry Road Development	Real Estate	\$ 24,829,200
National Grid	Utility	24,665,393
Rotterdam Ventures	Industrial	14,116,100
Time Warner Cable NE LLC	Utility	9,908,496
Altamont Associates	Shopping Center	9,086,500
Dominion Transmission	Commercial	5,033,771
Fort Hunter Philomena Holdings, LLC	Commercial	4,950,000
Crosstown Plaza SC, LP	Real Estate	4,680,000
Patricia A. DeLorenzo`	Private	3,936,700
RRA Properties	Real Estate	3,775,200

The ten larger taxpayers listed have a total assessed valuation of \$104,981,360, which represents 6.9% of the tax base of the District for the 2024-2025 fiscal year.

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

Source: District tax rolls.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$98,700 or less in the 2024-2025 school year and \$107,300 or less in the 2025-2026 school year, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$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 2019-2020 State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of \$250,000 or less have the option to select the credit or the exemption.

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

The below table lists the basic and enhanced exemption amounts for the 2025-2026 District tax roll for the municipalities applicable to the District:

<u>Municipality</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Town of:			
Colonie	\$ 41,330	\$ 14,400	4/10/2025
Guilderland	70,600	24,600	4/10/2025
Rotterdam	61,990	21,600	4/10/2025

\$2,784,228 of the District's \$30,996,630 school tax levy for the 2023-2024 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2024.

\$2,580,019 of the District's \$31,568,137 school tax levy for the 2024-2025 fiscal year is expected to be exempt by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State by January 2025.

Additional Tax Information

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

Veterans' and senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Agricultural-40%, Residential-27%, State Land-13% and Commercial-20%.

The estimated total annual property tax bill of a \$150,000 market value residential property located in the District is approximately \$6,142 including County, Town, Village, 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. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is authorized and utilized, no installment 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 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.

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

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

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

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

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

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30th:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 50,789,996	\$ 47,281,648	\$ 44,125,918	\$ 43,758,600	\$ 40,028,440
Bond Anticipation Notes	0	0	3,250,000	0	0
Lease Agreements ⁽¹⁾	<u>0</u>	<u>0</u>	<u>111,895</u>	<u>68,268</u>	<u>28,687</u>
Total Debt Outstanding	<u>\$ 50,789,996</u>	<u>\$ 47,281,648</u>	<u>\$ 47,487,813</u>	<u>\$ 43,826,868</u>	<u>\$ 40,057,127</u>

⁽¹⁾ In 2022, the District implemented GASB Statement No. 87 for accounting and reporting leases. See "Lease Agreements" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of May 28, 2025.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2025-2046	\$ 37,490,753
Bond Anticipation Notes	N/A	<u>0</u>
	Total	<u>\$ 37,490,753</u>

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 28, 2025:

Full Valuation of Taxable Real Property	\$2,133,693,305
Debt Limit – 10% thereof	213,369,331

Inclusions:

Bonds	\$ 37,490,753
Total Inclusions prior to issuance of the Notes	<u>\$ 0</u>
Add: New money proceeds of the Notes	<u>\$ 14,000,000</u>
Total Net Inclusions after issuance of the Notes	\$ 51,490,753

Exclusions:

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

Total Net Indebtedness\$ 51,490,753

Net Debt-Contracting Margin.....\$ 161,878,578

The percent of debt contracting power exhausted is 24.13%

- ⁽¹⁾ Based on 2025-2026 preliminary building aid estimates, the District anticipates State Building aid of 82.1% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The 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 District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

A schedule of Bonded Debt Service may be found attached hereto as “APPENDIX – B.”

Cash Flow Borrowings

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

Lease Agreements

The following is a summary of the District's debt service requirements for its lease agreements as of June 30, 2024:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 14,845	\$ 873	\$ 15,718
2026	8,547	463	9,010
2027	5,295	147	5,442
TOTAL	\$ 28,687	\$ 1,483	\$ 30,170

Source: 2024 Audited Financial Statements.

Capital Project Plans

The District annually issues serial bonds for the purchase of school buses.

On May 16, 2023, the qualified voters of the District approved a proposition authorizing a \$48,000,000 capital project for the construction of improvements to and the reconstruction of various District buildings. The District anticipates issuing bond anticipation notes and serial bonds the project's cash flow needs warrant. The Notes are the first issuance of obligations against the authorization.

Other than noted above, there are presently no other capital projects authorized and unissued by the District.

Estimated Overlapping Indebtedness

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

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Schenectady	6/25/2024	\$ 70,605,000 ⁽³⁾	\$ 4,910,000	\$ 65,695,000	12.41%	\$ 8,152,750
Albany	12/31/2023	265,995,000 ⁽³⁾	55,705,000	210,290,000	0.48%	1,009,392
Town of:						
Rotterdam	5/13/2025	17,718,970 ⁽³⁾	2,246,552	15,472,418	55.94%	8,655,271
Colonie	4/15/2025	122,751,051 ⁽³⁾	35,204,261	87,546,790	0.62%	542,790
Guilderland	12/31/2023	7,800,000 ⁽³⁾	7,750,000	50,000	1.76%	880
Total:						<u>\$ 18,361,082</u>

- (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.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 28, 2025.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 51,490,753	\$ 2,427.55	2.41%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	69,851,835	3,293.19	3.27

- (a) The 2023 estimated population of the District is 21,211 (See "THE SCHOOL DISTRICT – Population" herein.)
(b) The District's full value of taxable real estate for the 2024-2025 fiscal year is \$2,133,693,305. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" herein for the calculation of Net Indebtedness.
(d) Estimated net overlapping indebtedness is \$18,361,082. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept For School Districts. In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes 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 or note 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 Notes 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 Notes 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 Notes 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 Notes shall be forwarded promptly to the paying agent or agents for the Notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such Notes. 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 Notes 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 Notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such Notes 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 Notes pursuant to said Section 99-b.

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

This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

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

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

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

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

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

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

CONTINUING DISCLOSURE COMPLIANCE

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 School District will enter into a Material Event Notices Certificate, a summary of which is attached hereto as “APPENDIX – C.”

Historical Compliance

Except as noted below, the District is in compliance within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

The District failed to timely file notice of the incurrence of a financial obligation with regards to the issuance of serial bonds for the purchase of school buses. On February 13, 2025, an Event Notice was filed in connection with the Incurrence of a Financial Obligation-Debt Obligation to disclose the \$394,753 serial bonds that were issued on June 27, 2024. The filing of this notice was not within the timeline stated in the District’s prior undertaking agreements. Due to the late filing, also on February 13, 2025, a Failure to Provide Event Filing Information as Required was filed.

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").

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid.

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.

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 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 Barclay Damon LLP, Bond Counsel to the School District, under existing law, and assuming compliance with the certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax under the Code. Bond Counsel also is of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

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

General

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

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

Certain Collateral Federal Income Tax Consequences

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

Backup Withholding and Information Reporting

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

Legislation

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

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

The opinion of Bond Counsel set forth above with respect to the Federal income tax treatment of interest paid on the Notes is based upon the current provisions of the Code.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Barclay Damon LLP, Bond Counsel, Albany, New York to the effect that the Notes are valid and legally binding obligations of the District, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Notes and the interest thereon without limitation as to rate or amount, that interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the alternative minimum tax under Section 55 of the Code, and that interest on the Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Such opinion also will state that: (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity; (b) Bond Counsel expresses no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes; and (c) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may occur thereafter.

LITIGATION

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

A lawsuit has been filed in the New York State Supreme Court against the District pursuant to the New York Child Victims' Act, which alleges that the plaintiff in the lawsuit was sexually abused on an unspecified date by a Boy Scouts of America leader, who the plaintiff claims was under the supervision of the District. The plaintiff is seeking damages in an unspecified amount from the District. The Boy Scouts of America, among others, is named as a defendant in this lawsuit. Because the Boy Scouts of America has filed for bankruptcy, this matter has been stayed indefinitely during the pendency of the bankruptcy proceedings. If the stay is lifted, the District intends to vigorously defend against this claim. At this time, it is premature to offer an opinion as to the likelihood of an unfavorable outcome in this case, or an estimate of the potential loss.

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 School District, threatened against or affecting the School District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the School District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the School District.

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RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to request that a rating be assigned after the sale at the expense of the purchaser(s) pending the approval of the District and applicable rating agency, 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.)

Moody's Investors Services has assigned its municipal bond rating of "Aa3" to the School District's outstanding serial bonds. The rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653.

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.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

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

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

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

Barclay Damon LLP, Albany, New York, Bond Counsel to the District, expresses no 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 a limitation as to information in the Official Statement obtained from sources other than the District.

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

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

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

The School District contact information is as follows: Mr. Christopher Ruberti, Assistant Superintendent for Business, 2072 Curry Road, Schenectady, New York 12303, telephone (518) 356-8210, fax (518) 356-8247, email rubertich@mohonasen.org

The District's Bond Counsel information is as follows: M. Cornelia Cahill, Esq., Barclay Damon LLP, 80 State Street Albany, New York 12207, Phone: (518) 429-4296, Fax: (518) 533-2926, Email: mcahill@barclaydamon.com.

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

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

Dated: June __, 2025

ERICKA MONTAGINO
PRESIDENT OF THE BOARD OF EDUCATION

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 4,179,162	\$ 4,187,851	\$ 4,093,205	\$ 3,928,340	\$ 2,290,072
Restricted Cash	1,871,648	3,851,778	6,372,437	5,819,046	11,823,013
Accounts Receivable	466,580	63,443	242,181	508,094	113,090
State and Federal Aid Receivable	560,595	820,482	427,442	348,318	594,728
Due from Other Governments	708,075	723,904	861,465	1,020,036	1,195,691
Inventories	-	-	-	-	-
Due from Other Funds	1,360,430	1,351,768	2,624,168	5,472,167	2,940,717
TOTAL ASSETS	\$ 9,146,490	\$ 10,999,226	\$ 14,620,898	\$ 17,096,001	\$ 18,957,311
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 286,547	\$ 316,606	\$ 351,996	\$ 1,065,159	\$ 386,979
Accrued Liabilities	302,028	383,732	316,276	249,509	140,789
Revenue Anticipation Notes	-	-	-	-	-
Due to Other Funds	371,267	1,157	4,611	336,569	55
Other Liabilities	-	-	-	-	112,679
Due to Teachers' Retirement System	1,926,013	2,108,676	2,365,728	2,368,379	2,551,121
Due to Employees' Retirement System	207,983	204,643	180,636	164,770	186,169
Deferred Revenue	-	306,117	878,693	6,822	-
TOTAL LIABILITIES	3,093,838	3,320,931	4,097,940	4,191,208	3,377,792
<u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,871,648	3,851,778	6,372,437	9,307,406	11,823,013
Assigned	1,949,804	1,566,517	1,742,521	1,018,587	1,043,506
Unassigned	2,231,200	2,260,000	2,408,000	2,578,800	2,713,000
TOTAL FUND EQUITY	6,052,652	7,678,295	10,522,958	12,904,793	15,579,519
TOTAL LIABILITIES and FUND EQUITY	\$ 9,146,490	\$ 10,999,226	\$ 14,620,898	\$ 17,096,001	\$ 18,957,311

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 23,626,124	\$ 24,870,299	\$ 25,887,783	\$ 26,387,422	\$ 27,377,357
Other Tax Items	3,646,783	3,545,792	3,459,714	3,274,716	3,111,272
Charges for Services	237,048	187,129	49,263	86,825	90,757
Use of Money & Property	758,125	647,717	319,375	389,301	298,399
Sale of Property and Compensation for Loss	5,045	1,314	394,183	205,506	312,759
Miscellaneous	533,557	239,460	861,230	1,249,094	387,723
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	22,430,033	22,711,659	23,127,979	24,696,542	27,050,207
Revenues from Federal Sources	237,848	149,959	583,638	815,112	341,112
Total Revenues	<u>\$ 51,474,563</u>	<u>\$ 52,353,329</u>	<u>\$ 54,683,165</u>	<u>\$ 57,104,518</u>	<u>\$ 58,969,586</u>
Other Sources:					
Interfund Transfers	<u>375,000</u>	<u>128,388</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Sources	<u>51,849,563</u>	<u>52,481,717</u>	<u>54,683,165</u>	<u>57,104,518</u>	<u>58,969,586</u>
<u>EXPENDITURES</u>					
General Support	\$ 4,677,020	\$ 4,621,227	\$ 4,419,104	\$ 4,989,591	\$ 5,362,416
Instruction	27,017,945	26,857,449	26,724,876	27,602,953	29,485,725
Pupil Transportation	2,018,899	2,002,624	2,200,675	2,619,135	3,050,639
Community Services	1,906	1,944	1,983	2,023	2,063
Employee Benefits	12,342,855	12,527,810	13,106,781	13,100,157	12,739,224
Debt Service	6,049,568	6,111,080	6,167,804	5,855,788	5,784,652
Total Expenditures	<u>\$ 52,108,193</u>	<u>\$ 52,122,134</u>	<u>\$ 52,621,223</u>	<u>\$ 54,169,647</u>	<u>\$ 56,424,719</u>
Other Uses:					
Interfund Transfers	<u>75,234</u>	<u>376,337</u>	<u>436,299</u>	<u>90,208</u>	<u>163,032</u>
Total Expenditures and Other Uses	<u>52,183,427</u>	<u>52,498,471</u>	<u>53,057,522</u>	<u>54,259,855</u>	<u>56,587,751</u>
Excess (Deficit) Revenues Over Expenditures	<u>(333,864)</u>	<u>(16,754)</u>	<u>1,625,643</u>	<u>2,844,663</u>	<u>2,381,835</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	6,403,270	6,069,406	6,052,652	7,678,295	10,522,958
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 6,069,406</u>	<u>\$ 6,052,652</u>	<u>\$ 7,678,295</u>	<u>\$ 10,522,958</u>	<u>\$ 12,904,793</u>

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

GENERAL FUND

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

Fiscal Years Ending June 30:

	2024			2025	2026
	Adopted <u>Budget</u>	Revised <u>Budget</u>	<u>Actual</u>	Adopted <u>Budget</u>	Adopted <u>Budget</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 30,996,630	\$ 28,212,402	\$ 28,217,084	\$ 31,815,898	\$ 32,647,704
Other Tax Items	160,610	2,944,838	3,114,140	-	-
Charges for Services	95,710	95,710	111,469	-	-
Use of Money & Property	141,050	141,050	573,279	26,250	26,250
Sale of Property and Compensation for Loss	1,000	1,000	9,754	-	-
Miscellaneous	175,000	175,000	1,347,746	577,852	996,046
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	31,750,000	31,750,000	32,179,528	34,255,000	36,080,000
Revenues from Federal Sources	150,000	150,000	275,554	-	-
Total Revenues	<u>\$ 63,470,000</u>	<u>\$ 63,470,000</u>	<u>\$ 65,828,554</u>	<u>\$ 66,675,000</u>	<u>\$ 69,750,000</u>
Other Sources:					
Appropriated Reserves	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ 950,000
Appropriated Fund Balance	500,000	1,047,151	-	650,000	1,000,000
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	<u>64,470,000</u>	<u>65,017,151</u>	<u>65,828,554</u>	<u>67,825,000</u>	<u>71,700,000</u>
<u>EXPENDITURES</u>					
General Support	\$ 5,544,500	\$ 6,364,731	\$ 5,949,099	\$ 5,803,500	\$ 6,384,500
Instruction	34,104,500	34,129,337	33,040,965	36,529,000	39,268,500
Pupil Transportation	3,431,000	3,383,865	3,172,227	3,620,000	3,895,000
Community Services	3,000	3,000	2,104	3,000	-
Employee Benefits	15,112,000	14,877,400	14,734,861	15,887,000	16,787,000
Debt Service	6,035,000	6,068,818	6,066,962	5,982,500	5,365,000
Total Expenditures	<u>\$ 64,230,000</u>	<u>\$ 64,827,151</u>	<u>\$ 62,966,218</u>	<u>\$ 67,825,000</u>	<u>\$ 71,700,000</u>
Other Uses:					
Interfund Transfers	<u>240,000</u>	<u>190,000</u>	<u>187,610</u>	<u>-</u>	<u>-</u>
Total Expenditures and Other Uses	<u>64,470,000</u>	<u>65,017,151</u>	<u>63,153,828</u>	<u>67,825,000</u>	<u>71,700,000</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>2,674,726</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	-	-	12,904,793	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,579,519</u>	<u>\$ -</u>	<u>\$ -</u>

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

APPENDIX - B
Rotterdam-Mohonasen CSD

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	\$ 4,207,440	\$ 1,748,431.00	\$ 5,955,871.00
2026	2,791,000	1,572,579.15	4,363,579.15
2027	2,810,000	1,461,945.50	4,271,945.50
2028	2,530,000	1,354,306.00	3,884,306.00
2029	2,485,000	1,248,830.00	3,733,830.00
2030	2,500,000	1,140,600.00	3,640,600.00
2031	2,610,000	1,032,012.50	3,642,012.50
2032	1,895,000	918,562.50	2,813,562.50
2033	1,985,000	824,775.00	2,809,775.00
2034	1,160,000	726,462.50	1,886,462.50
2035	1,130,000	669,262.50	1,799,262.50
2036	1,190,000	612,762.50	1,802,762.50
2037	1,250,000	553,262.50	1,803,262.50
2038	1,315,000	490,762.50	1,805,762.50
2039	1,075,000	439,312.50	1,514,312.50
2040	1,130,000	385,562.50	1,515,562.50
2041	1,185,000	329,062.50	1,514,062.50
2042	1,245,000	269,812.50	1,514,812.50
2043	1,310,000	207,562.50	1,517,562.50
2044	1,355,000	158,437.50	1,513,437.50
2045	1,410,000	107,625.00	1,517,625.00
2046	1,460,000	54,750.00	1,514,750.00
TOTALS	\$ 40,028,440	\$ 16,306,679.15	\$ 56,335,119.15

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

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2015 Refunding of 2005 & 2006 Bonds			2016 Various Capital Projects			2022 DASNY Refunding		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 235,000	\$ 31,125.00	\$ 266,125.00	\$ 685,000	\$ 136,218.75	\$ 821,218.75	\$ 1,395,000	\$ 69,750.00	1,464,750.00
2026	245,000	19,125.00	264,125.00	705,000	121,662.50	826,662.50	-	-	-
2027	260,000	6,500.00	266,500.00	720,000	105,800.00	825,800.00	-	-	-
2028	-	-	-	740,000	88,700.00	828,700.00	-	-	-
2029	-	-	-	760,000	70,200.00	830,200.00	-	-	-
2030	-	-	-	780,000	47,400.00	827,400.00	-	-	-
2031	-	-	-	800,000	24,000.00	824,000.00	-	-	-
TOTALS	\$ 740,000	\$ 56,750.00	\$ 796,750.00	\$ 5,190,000	\$ 593,981.25	\$ 5,783,981.25	\$ 1,395,000	\$ 69,750	\$ 1,464,750
Fiscal Year Ending June 30th	2017B Various Capital Projects			2018A DASNY Various Capital Projects			2018 Capital Project		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 550,000	\$ 965,012.50	\$ 1,515,012.50	\$ 600,000	\$ 330,750.00	\$ 930,750.00	\$ 55,000	\$ 25,637.50	\$ 80,637.50
2026	580,000	937,512.50	1,517,512.50	630,000	300,750.00	930,750.00	60,000	23,437.50	83,437.50
2027	605,000	908,512.50	1,513,512.50	665,000	269,250.00	934,250.00	60,000	21,037.50	81,037.50
2028	640,000	878,262.50	1,518,262.50	695,000	236,000.00	931,000.00	65,000	18,637.50	83,637.50
2029	670,000	846,262.50	1,516,262.50	730,000	201,250.00	931,250.00	65,000	16,037.50	81,037.50
2030	705,000	812,762.50	1,517,762.50	765,000	164,750.00	929,750.00	65,000	13,437.50	78,437.50
2031	740,000	777,512.50	1,517,512.50	805,000	126,500.00	931,500.00	70,000	11,000.00	81,000.00
2032	775,000	740,512.50	1,515,512.50	845,000	86,250.00	931,250.00	70,000	8,550.00	78,550.00
2033	815,000	701,762.50	1,516,762.50	880,000	44,000.00	924,000.00	75,000	6,012.50	81,012.50
2034	855,000	661,012.50	1,516,012.50	-	-	-	80,000	3,200.00	83,200.00
2035	895,000	618,262.50	1,513,262.50	-	-	-	-	-	-
2036	940,000	573,512.50	1,513,512.50	-	-	-	-	-	-
2037	990,000	526,512.50	1,516,512.50	-	-	-	-	-	-
2038	1,040,000	477,012.50	1,517,012.50	-	-	-	-	-	-
2039	1,075,000	439,312.50	1,514,312.50	-	-	-	-	-	-
2040	1,130,000	385,562.50	1,515,562.50	-	-	-	-	-	-
2041	1,185,000	329,062.50	1,514,062.50	-	-	-	-	-	-
2042	1,245,000	269,812.50	1,514,812.50	-	-	-	-	-	-
2043	1,310,000	207,562.50	1,517,562.50	-	-	-	-	-	-
2044	1,355,000	158,437.50	1,513,437.50	-	-	-	-	-	-
2045	1,410,000	107,625.00	1,517,625.00	-	-	-	-	-	-
2046	1,460,000	54,750.00	1,514,750.00	-	-	-	-	-	-
TOTALS	\$ 20,970,000	\$ 12,376,550.00	\$ 33,346,550.00	\$ 6,615,000	\$ 1,759,500.00	\$ 8,374,500.00	\$ 665,000	\$ 146,987.50	\$ 811,987.50

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2019 Buses			2021 Buses			2022 Buses		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 121,687	\$ 2,117.35	\$ 123,804.35	\$ 96,000	\$ 1,900.80	\$ 97,900.80	\$ 125,000	\$ 6,466.50	\$ 131,466.50
2026	-	-	-	96,000	950.40	96,950.40	125,000	4,247.75	129,247.75
2027	-	-	-	-	-	-	130,000	1,514.50	131,514.50
TOTALS	\$ 121,687	\$ 2,117.35	\$ 123,804.35	\$ 192,000	\$ 2,851.20	\$ 194,851.20	\$ 380,000	\$ 12,228.75	\$ 392,228.75
Fiscal Year Ending June 30th	2023 Buses			2024 Buses			2023A DASNY Capital Project		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 125,000	\$ 21,060.00	\$ 146,060.00	\$ 74,753	\$ 16,142.60	\$ 90,895.60	\$ 145,000	\$ 142,250.00	\$ 287,250.00
2026	125,000	15,997.50	140,997.50	75,000	13,896.00	88,896.00	150,000	135,000.00	285,000.00
2027	130,000	10,935.00	140,935.00	80,000	10,896.00	90,896.00	160,000	127,500.00	287,500.00
2028	140,000	5,670.00	145,670.00	80,000	7,536.00	87,536.00	170,000	119,500.00	289,500.00
2029	-	-	-	85,000	4,080.00	89,080.00	175,000	111,000.00	286,000.00
2030	-	-	-	-	-	-	185,000	102,250.00	287,250.00
2031	-	-	-	-	-	-	195,000	93,000.00	288,000.00
2032	-	-	-	-	-	-	205,000	83,250.00	288,250.00
2033	-	-	-	-	-	-	215,000	73,000.00	288,000.00
2034	-	-	-	-	-	-	225,000	62,250.00	287,250.00
2035	-	-	-	-	-	-	235,000	51,000.00	286,000.00
2036	-	-	-	-	-	-	250,000	39,250.00	289,250.00
2037	-	-	-	-	-	-	260,000	26,750.00	286,750.00
2038	-	-	-	-	-	-	275,000	13,750.00	288,750.00
TOTALS	\$ 520,000	\$ 53,662.50	\$ 573,662.50	\$ 394,753	\$ 52,550.60	\$ 447,303.60	\$ 2,845,000	\$ 1,179,750.00	\$ 4,024,750.00

EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, the School 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 Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the SEC 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 securities, 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 securities, or other material events affecting the tax status of the Notes
- (g) modifications to rights of security holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the securities
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the School District
- (m) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the School 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 School District.

The School 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 School District determines that any such other event is material with respect to the Notes; but the School District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

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 School District reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the School District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The School 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 School District’s obligations under its material event notices undertaking and any failure by the School 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 School 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 School District; provided that the School 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.

**ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
ALBANY & SCHENECTADY COUNTIES, NEW YORK**

AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

JUNE 30, 2024

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

Raymond G. Preusser, CPA, P.C., the independent auditor for the District, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Raymond G. Preusser, CPA, P.C. also has not performed any procedures relating to this Official Statement.

ROTTERDAM-MOHONASEN
CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2024

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Rotterdam-Mohonasen Central School District:

Report on the Financial Statements

We have audited the financial statements of the governmental activities, each major fund, and the fiduciary funds of the Rotterdam-Mohonasen 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 Rotterdam-Mohonasen Central School District's basic financial statements as listed in the table of contents.

Opinions

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary funds of the Rotterdam-Mohonasen Central School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Rotterdam-Mohonasen 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Rotterdam-Mohonasen 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 Responsibility

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic 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 basic 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 Rotterdam-Mohonasen Central School District's internal control. Accordingly, no such opinion is expressed.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rotterdam-Mohonasen 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 auditing findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedule of changes in total OPEB liability, District's proportionate share of the net pension asset/liability, and the District's contributions on pages M1-M10 and 48-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Rotterdam-Mohonasen Central School District's basic financial statements as a whole. The other supplementary information comprises additional analysis and is not a required part of the financial statements, but is supplementary information required by the New York State Education Department. The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2024, 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 this report is 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 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 Rotterdam-Mohonasen Central School District's internal control over financial reporting and compliance.

Raymond G. Preusser, CPA, P.C.

Claverack, New York
October 15, 2024

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A)

For the Fiscal Year Ended June 30, 2024

Introduction

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

Financial Highlights

- The total assets of the District were lower than its total liabilities at the close of the fiscal year by \$45.2 million (net position).
- The District's total net position decreased \$4.8 million compared to the 2022-23 reporting period. This change results primarily from the increase in liabilities was greater than the increase in assets.

Overview of the Financial Statements

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

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

*The remaining statements are fund financial statements that focus on individual parts of the School District, report the District's operations in more detail than the districtwide statements. The fund financial statements concentrate on the District's most significant funds with all the other non-major funds listed in total in one column.

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

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

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

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview of MD&A highlights the structure and contents of each of the statements.

Figure A-1 Major Features of the Districtwide and Fund Financial Statements

	Districtwide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District government (except fiduciary funds)	The activities of the School District that are not fiduciary such as School Lunch and Capital spending	Instances where the School District is the trustee or agent for someone else's resources, such as payroll taxes and scholarships
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of revenues, expenditures, and changes in fund balance	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included.	All assets and liabilities both short-term and long-term.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid.

Districtwide Financial Statements

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

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

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

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

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

Rotterdam-Mohonasen Central School District's Net Position
June 30, 2023 and 2024

	Governmental Activities		Variance Increase (Decrease)
	Restated 2023	2024	
Current Assets	\$ 18,197,051	\$ 18,995,531	\$ 798,480
Capital and Intangible Assets, Net	54,832,941	54,302,918	(530,023)
Net Pension Asset	-	-	-
Total Assets	<u>73,029,992</u>	<u>73,298,449</u>	<u>268,457</u>
Deferred Outflows of Resources	47,554,498	36,830,579	(10,723,919)
Total Assets and Outflows of Resources	<u>120,584,490</u>	<u>110,129,028</u>	<u>(10,455,462)</u>
Current Liabilities	4,405,035	4,268,127	(136,908)
Noncurrent Liabilities	116,757,973	117,064,887	306,914
Net Pension Liability	6,105,229	3,891,879	(2,213,350)
Total Liabilities	<u>127,268,237</u>	<u>125,224,893</u>	<u>(2,043,344)</u>
Deferred Inflows of Resources	33,740,492	30,108,751	(3,631,741)
Total Liabilities and Inflows of Resources	<u>161,008,729</u>	<u>155,333,644</u>	<u>(5,675,085)</u>
Net Position:			
Net Investment in Capital and Intangible Assets	11,006,073	14,379,820	3,373,747
Restricted	10,477,214	14,054,174	3,576,960
Unrestricted	(61,907,526)	(73,638,610)	(11,731,084)
Total Net Position	<u>\$ (40,424,239)</u>	<u>\$ (45,204,616)</u>	<u>\$ (4,780,377)</u>

Maintaining adequate fund balance (reserved and unappropriated) has several internal benefits. Fund balance can provide for cash flow needs until major revenues are received (thereby reducing or eliminating the need for cash flow borrowing), provide funds to leverage state and federal grants, and provide for various contingency expenses.

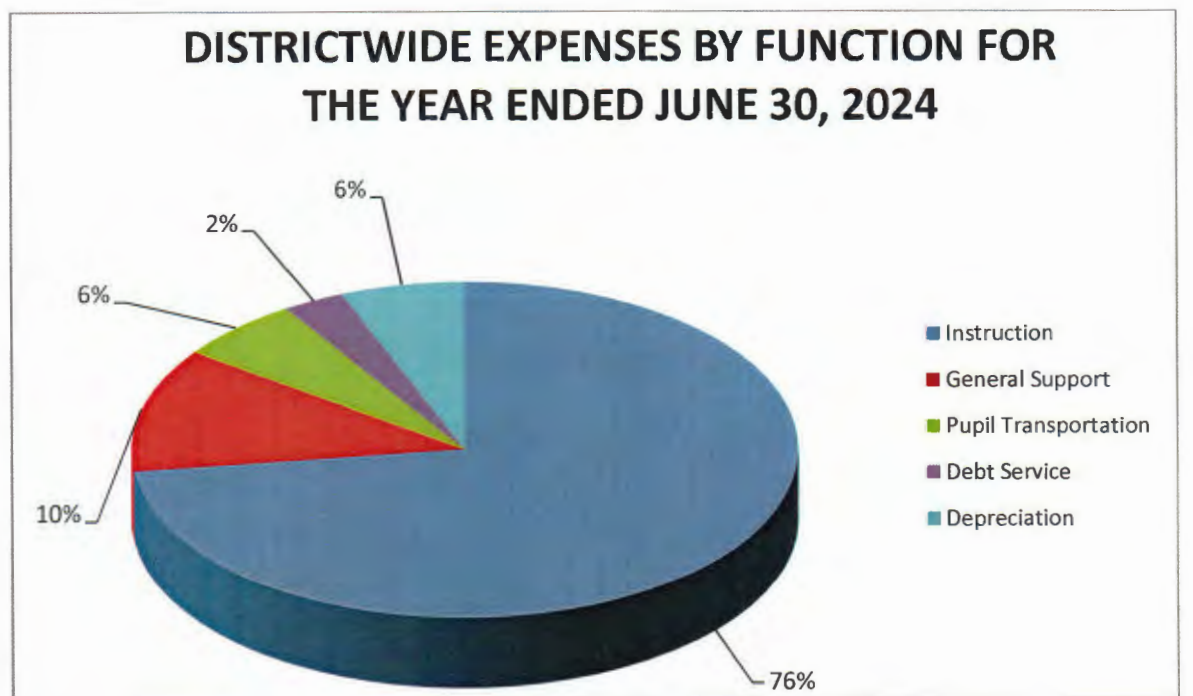
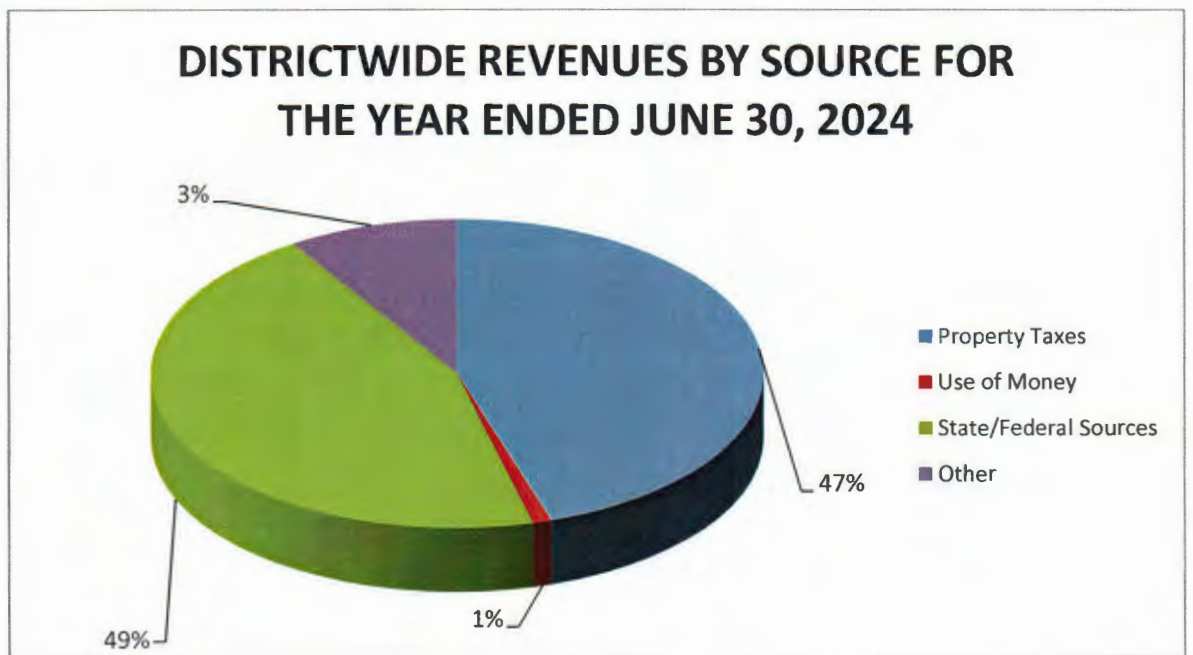
The largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, improvements, machinery, and equipment); less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide educational services. Consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources. Capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used (e.g. capital projects, debt service and other specified purposes). The remaining balance of unrestricted net position may be used to meet the District's ongoing obligation to provide educational services.

**Rotterdam-Mohonasen Central School District's
Changes in Net Position
For the Years Ended June 30, 2023 and 2024**

	Governmental Activities		Variance Increase (Decrease)
	2023	2024	
<u>Revenues:</u>			
Program Revenues:			
Charges for Services	\$ 645,600	\$ 345,753	\$ (299,847)
Operating Grants and Contributions	5,499,475	4,192,605	(1,306,870)
Total Program Revenues	<u>\$ 6,145,075</u>	<u>\$ 4,538,358</u>	<u>\$ (1,606,717)</u>
General Revenues:			
Real Property Taxes	27,377,357	28,217,084	\$ 839,727
Other Tax Items	3,111,272	3,114,140	2,868
Use of Money and Property	311,611	613,302	301,691
Sale of Property and Compensation for Loss	312,759	9,754	(303,005)
Miscellaneous	387,901	1,347,746	959,845
State Sources	27,050,207	32,179,528	5,129,321
Premium on Obligations	406,559	-	(406,559)
Federal Sources	341,112	275,554	(65,558)
Total General Revenues	<u>59,298,778</u>	<u>65,757,108</u>	<u>6,458,330</u>
<u>Expenses (Net of Program Revenues):</u>			
Instruction	47,116,567	53,627,636	6,511,069
General Support	7,153,535	7,294,845	141,310
Transportation	4,591,138	4,588,665	(2,473)
Community Service	2,063	2,104	41
Debt Service-Interest	1,792,263	1,824,227	31,964
Depreciation-Unallocated	3,420,255	3,048,838	(371,417)
Amortization-Leases	43,627	41,407	(2,220)
Fiscal Agent Fees	203,780	-	(203,780)
School Lunch	180,620	109,763	(70,857)
Total Expenses	<u>64,503,848</u>	<u>70,537,485</u>	<u>6,033,637</u>
Increase (Decrease) in Net Position	<u>\$ (5,205,070)</u>	<u>\$ (4,780,377)</u>	<u>\$ 424,693</u>

The following charts provide the percentage breakdown of all revenues by source and all expenses by function for the entire District.



Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the districtwide financial statements because it cannot use these assets to finance its operations.

The following is a summary of the fund balances by individual major funds:

	Fund Balance 2023	Fund Balance 2024	Variance Increase (Decrease)
General	\$ 12,904,793	\$ 15,579,519	\$ 2,674,726
School Lunch	26,548	8,238	(18,310)
Special Aid	90,000	77,270	(12,730)
Capital	603,488	(1,155,786)	(1,759,274)
Debt Service	644,201	683,761	39,560
Totals	<u>\$ 14,269,030</u>	<u>\$ 15,193,002</u>	<u>\$ 923,972</u>

By law, school districts are only allowed to retain 4% of the subsequent year's general fund budget as unreserved or unassigned fund balance. The unassigned fund balance in the General Fund totals \$2,713,000 which is 4% of the 2024-25 General Fund Budget of \$67.8 million. The assigned fund balance of \$1,043,506 is composed of \$393,506 for encumbrances and \$650,000 as revenue to support the 2024-25 General Fund budget.

Capital Assets (Net of Depreciation)

	<u>Restated June 30, 2023</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
Land	\$ 1,652,526	\$ 1,652,526	\$ 0
Construction in Progress	2,646,671	4,405,966	1,759,295
Buildings and Improvements	48,337,427	45,777,801	(2,559,626)
Buses	1,274,345	1,351,407	77,062
Machinery and Equipment	<u>807,097</u>	<u>1,081,331</u>	<u>274,234</u>
Total	<u>\$54,718,066</u>	<u>\$ 54,269,031</u>	<u>\$ (449,035)</u>

The District had a new appraisal company complete an full valuation of the District's Capital Assets during the year.

General Fund Budgetary Highlights

For the 2023-2024 school year, the voters of the District approved a budget of \$64,470,000. That budget was subsequently increased by \$547,151 This total is comprised of several different components listed in more detail below:

- \$518,587 represents encumbrances carried over from the prior year.
- \$28,564 is the result of use of reserves.

The District considers the results regarding the 2023-24 to be very positive, but also largely the result of unique circumstances. Specifically, the state's full funding of Foundation Aid, including the resulting increase due to inflationary factors, increased the District's Foundation Aid amount by over \$4.5 million from 2022-23 to 2023-24. These funds allowed the District to maintain the additional staffing levels added to address learning loss from the Pandemic, and continue to buy equipment and supplies which will

help sustain operations into the future. The District also expects another \$2 million increase in Foundation Aid in the 2024-25 school year. However, part of this increase is from the large number of asylum-seeking families who entered the District in 2023-24. They were considered homeless and stayed at local hotel for most of the year. These students have since relocated to districts outside of the Rotterdam-Mohonasen CSD and thus there will likely be a reduction in the calculated Foundation Aid for the District in 2025-26. This reduction, along with the recent New York State initiative to start taking back aid from overfunded schools leaves Mohonasen, and many schools around the state, wondering what this impact will look like. The other major factors impacting the end of year surplus were decreases in expenses related to unfilled, non-instructional positions and the associated benefits that come with these positions. Finally, there were also some unexpected revenues related to insurance claims which cannot be counted on in the future.

Enrollment

Public school enrollment gathered by the state each October has been relatively consistent the past few years with enrollment leveling off at approximately 2,800 students. Based on projections it is expected that the enrollment will remain at this level for the next several years.

Debt Administration

The District issued a new five-year bond with a principal amount of \$394,753 in June 2024 to finance the purchase of school buses. The voters of the district authorized the purchase during the annual vote held May 2023. The District has also finished the first phase of the \$48 million project that was approved by the voters in May of 2023.

The Mohonasen School District received a bond rating of Aa3 from Moodys in February 2024, which is consistent with the prior year. The amount of general obligation debt a school district may issue is limited to 10 percent of its total assessed valuation, pursuant to Section 104.00 of the Local Finance Law. The current debt obligation of the District is well within the stipulated limitation.

Outstanding Long-Term Debt

	<u>2023</u>	<u>2024</u>	<u>Increase (Decrease)</u>
General Obligation Bonds	\$43,758,600	\$40,028,440	\$ (3,730,160)

Factors Impacting the District's Future

The wealth of the Mohonasen Central School District is based upon income and full value of taxable real property. Using those variables, the District is thus classified as being less than average in comparison to the state average wealth ratio. An average wealth school district in New York State has a combined wealth ratio (CWR), for state aid purposes of 1.0. Mohonasen's CWR for 2022-23 was .665 and decreased to .632 for

2023-24 (a ratio of resident income and property values). This indicates that the district's overall wealth decreased slightly from the prior year in relation other districts around the state. The state aid formulas are designed to help districts with combined wealth ratios of less than 1.0. Generally these districts receive more state aid than wealthier ones and are consequently more dependent on such aid. At the same time the 3-Year Average Free and Reduced Price Lunch (FRPL) percentage has also increased to a high of over 44%. This number, a main student need indicator, also impacts formulas used to calculate state aid. Mohonasen relies heavily on state aid as a revenue source. Approximately 49% of the District's revenue was from state aid in the 2023-24 budget.

The District has worked hard to stay in compliance with the tax cap legislation since its inception in 2013. It has remained within the cap each year, even when the revenue from taxes has been extremely low due to the volatility of the various factors. This will continue to be the goal of the District moving forward as it will plan to time new capital projects so that they will replace expiring debt so as to not create any major impacts on the Tax Cap Formula.

The financial audit for the year-end 2023-24 shows that the district was able to maintain the 4% unassigned fund balance allowed by law, and fully accrue both the Teacher's and Employee's retirement system obligations. The employee's retirement reserve continued to be a priority to mitigate potential rate spikes in the future. The District was able to allocate an additional \$2,018,645 of its surplus to the ERS Reserve while still funding the TRS sub-fund to the extent allowed by law. The two retirement system reserves are instrumental in stabilizing and maintaining the financial status of the district in these difficult economic times.

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Rotterdam-Mohonasen Central School District, 2072 Curry Road, Schenectady, New York 12303.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2024

ASSETS

Unrestricted cash	\$ 2,681,191	
Restricted cash	12,506,680	
Other receivables, net	115,421	
State and federal aid receivable	2,411,693	
Due from other governments	1,195,691	
Inventories	82,779	
Due from fiduciary funds	2,076	
Intangible lease assets, net	33,887	
Capital assets, net	<u>54,269,031</u>	
Total Assets		<u>\$ 73,298,449</u>

DEFERRED OUTFLOW OF RESOURCES

Pensions	\$ 11,919,499	
OPEB-GASB 75	<u>24,911,080</u>	
Total Deferred Outflows of Resources		<u>\$ 36,830,579</u>

LIABILITIES

Current Liabilities:

Accounts payable	\$ 387,983	
Accrued liabilities	617,747	
Due to teachers' retirement system	2,551,121	
Due to employees' retirement system	186,169	
Due to other governments	181	
Unearned revenue	412,247	
Other liabilities	<u>112,679</u>	

Long-Term Liabilities:

Due and payable within one year

Bonds payable	4,207,440	
Leases payable	<u>14,845</u>	

Due and payable after one year

Bonds payable	35,821,000	
Leases payable	13,842	
Compensated absences payable	249,639	
Other postemployment benefits payable	76,758,121	
Net pension liability- proportionate share	<u>3,891,879</u>	

Total Liabilities		<u>\$ 125,224,893</u>
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DEFERRED INFLOWS OF RESOURCES

Premium on advanced refunding	106,407	
Pensions	2,288,582	
OPEB-GASB 75	<u>27,713,762</u>	
Total Deferred Inflows of Resources		<u>\$ 30,108,751</u>

NET POSITION

Net Investment in Capital and Intangible Assets	14,379,820	
Restricted	14,054,174	
Unrestricted	<u>(73,638,610)</u>	
Total Net Position		<u>\$ (45,204,616)</u>

See auditor's report. See notes to financial statements.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For Year Ended June 30, 2024

			Program Revenues		Net (Expense)
			Charges for	Operating	Revenue and
	Expenses	Expenses	Services	Grants	Changes in
		Allocation			Net Position
FUNCTIONS/PROGRAMS					
General support	\$ 5,503,323	\$ 1,791,522	\$ -	\$ -	\$ (7,294,845)
Instruction	35,511,297	20,563,757	111,469	2,335,949	(53,627,636)
Pupil transportation	3,248,309	1,416,438	-	76,082	(4,588,665)
Community services	2,104	-	-	-	(2,104)
Employee benefits	24,085,032	(24,085,032)	-	-	-
Debt service-Interest	1,824,227	-	-	-	(1,824,227)
Depreciation-unallocated	3,048,838	-	-	-	(3,048,838)
Amortization- leases	41,407	-	-	-	(41,407)
School lunch program	1,811,306	313,315	234,284	1,780,574	(109,763)
Total Functions and Programs	\$ 75,075,843	\$ -	\$ 345,753	\$ 4,192,605	(70,537,485)
GENERAL REVENUES					
Real property taxes					28,217,084
Other tax items					3,114,140
Use of money and property					613,302
Sale of property and compensation for loss					9,754
Miscellaneous					1,347,746
State sources					32,179,528
Federal sources					275,554
Total General Revenues					65,757,108
Change in Net Position					(4,780,377)
Total Net Position - Beginning of year, restated See Note XI					(40,424,239)
Total Net Position - End of year					\$ (45,204,616)

See auditor's report. See notes to financial statements.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
June 30, 2024

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Unrestricted cash	\$ 2,681,191	\$ -	\$ -	\$ 2,681,191
Restricted cash	12,506,680	-	-	12,506,680
Accounts receivable, net	115,421	-	-	115,421
Due from other funds	2,940,811	-	(2,940,811)	-
Due from fiduciary funds	-	-	2,076	2,076
State and federal aid receivable	2,411,693	-	-	2,411,693
Due from other governments	1,195,691	-	-	1,195,691
Inventories	82,779	-	-	82,779
Intangible lease assets, net	-	33,887	-	33,887
Capital assets, net	-	54,269,031	-	54,269,031
Total Assets	\$ 21,934,266	\$ 54,302,918	\$ (2,938,735)	\$ 73,298,449
DEFERRED OUTFLOW OF RESOURCES				
Pensions	\$ -	\$ 11,919,499	\$ -	\$ 11,919,499
OPEB-GASB 75	-	24,911,080	-	24,911,080
Total Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ 36,830,579</u>	<u>\$ -</u>	<u>\$ 36,830,579</u>
LIABILITIES				
Accounts payable	\$ 387,983	\$ -	\$ -	\$ 387,983
Accrued liabilities	152,149	465,598	-	617,747
Bonds payable	-	40,028,440	-	40,028,440
Leases payable	-	28,687	-	28,687
Other post employment benefits payable	-	76,758,121	-	76,758,121
Compensated absences	-	249,639	-	249,639
Due to other funds	2,938,735	-	(2,938,735)	-
Due to teachers' retirement system	2,551,121	-	-	2,551,121
Due to employees' retirement system	186,169	-	-	186,169
Due to other governments	181	-	-	181
Unearned revenue	412,247	-	-	412,247
Other liabilities	112,679	-	-	112,679
Net pension liability- proportionate share	-	3,891,879	-	3,891,879
Total Liabilities	\$ 6,741,264	\$ 121,422,364	\$ (2,938,735)	\$ 125,224,893
DEFERRED INFLOWS OF RESOURCES				
Premium on advanced refunding	\$ -	\$ 106,407	\$ -	\$ 106,407
Pensions	-	2,288,582	-	2,288,582
OPEB-GASB 75	-	27,713,762	-	27,713,762
Total Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ 30,108,751</u>	<u>\$ -</u>	<u>\$ 30,108,751</u>
FUND BALANCE\NET POSITION				
Total Fund Balance\Net Position	\$ 15,193,002	\$ (60,397,618)	\$ -	\$ (45,204,616)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance\Net Position	\$ 21,934,266	\$ 91,133,497	\$ (2,938,735)	\$ 110,129,028

See auditor's report. See notes to financial statements.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For Year Ended June 30, 2024

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
REVENUES					
Real property taxes	\$ 28,217,084	\$ -	\$ -	\$ -	\$ 28,217,084
Other tax items	3,114,140	-	-	-	3,114,140
Charges for services	111,469	-	-	-	111,469
Use of money and property	613,302	-	-	-	613,302
Sale of property and compensation for loss	9,754	-	-	-	9,754
Miscellaneous	1,347,746	-	-	-	1,347,746
Local sources	64,742	-	-	-	64,742
State sources	33,127,115	-	-	-	33,127,115
Federal sources	3,455,830	-	-	-	3,455,830
Sales - school lunch	234,284	-	-	-	234,284
Total Revenues	<u>70,295,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,295,466</u>
EXPENDITURES\EXPENSES					
General support	5,949,099	-	(445,776)	-	5,503,323
Instruction	35,486,264	25,033	-	-	35,511,297
Pupil transportation	3,248,309	-	-	-	3,248,309
Community services	2,104	-	-	-	2,104
Employee benefits	15,048,176	9,036,856	-	-	24,085,032
Debt service-Principal	4,124,913	-	-	(4,124,913)	-
-Interest	1,942,049	(117,822)	-	-	1,824,227
Cost of sales	1,811,306	-	-	-	1,811,306
Capital outlay	2,195,434	-	(2,195,434)	-	-
Depreciation	-	-	3,048,838	-	3,048,838
Amortization-leases	-	-	41,407	-	41,407
Total Expenditures	<u>69,807,654</u>	<u>8,944,067</u>	<u>449,035</u>	<u>(4,124,913)</u>	<u>75,075,843</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>487,812</u>	<u>(8,944,067)</u>	<u>(449,035)</u>	<u>4,124,913</u>	<u>(4,780,377)</u>
OTHER SOURCES AND USES					
Proceeds from debt	394,753	-	-	(394,753)	-
Proceeds from leases	41,407	-	-	(41,407)	-
Operating transfers in	187,610	(187,610)	-	-	-
Operating transfers (out)	(187,610)	187,610	-	-	-
Total Other Sources (Uses)	<u>436,160</u>	<u>-</u>	<u>-</u>	<u>(436,160)</u>	<u>-</u>
Net Change for the Year	<u>\$ 923,972</u>	<u>\$ (8,944,067)</u>	<u>\$ (449,035)</u>	<u>\$ 3,688,753</u>	<u>\$ (4,780,377)</u>

See auditor's report. See notes to financial statements.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
BALANCE SHEET- GOVERNMENTAL FUNDS
June 30, 2024

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
ASSETS						
Unrestricted cash	\$ 2,290,072	\$ 1,953	\$ 8,235	\$ -	\$ 380,931	\$ 2,681,191
Restricted cash	11,823,013	-	-	683,667	-	12,506,680
State and federal aid receivable	594,728	1,351,828	326,453	-	138,684	2,411,693
Due from other governments	1,195,691	-	-	-	-	1,195,691
Accounts receivable, net	113,090	2,331	-	-	-	115,421
Due from other funds	2,940,717	-	-	94	-	2,940,811
Inventories	-	-	82,779	-	-	82,779
Total Assets	<u>\$ 18,957,311</u>	<u>\$ 1,356,112</u>	<u>\$ 417,467</u>	<u>\$ 683,761</u>	<u>\$ 519,615</u>	<u>\$ 21,934,266</u>
LIABILITIES						
Accounts payable	\$ 386,979	\$ 1,004	\$ -	\$ -	\$ -	\$ 387,983
Accrued liabilities	140,789	-	11,360	-	-	152,149
Due to other funds	55	896,239	367,040	-	1,675,401	2,938,735
Due to teachers' retirement system	2,551,121	-	-	-	-	2,551,121
Due to employees' retirement system	186,169	-	-	-	-	186,169
Due to other governments	-	-	181	-	-	181
Other liabilities	112,679	-	-	-	-	112,679
Unearned revenue	-	381,599	30,648	-	-	412,247
Total Liabilities	<u>3,377,792</u>	<u>1,278,842</u>	<u>409,229</u>	<u>-</u>	<u>1,675,401</u>	<u>6,741,264</u>
FUND BALANCES						
Non-spendable	-	-	82,779	-	-	82,779
Restricted	11,823,013	7,078	-	683,761	1,540,322	14,054,174
Assigned	1,043,506	-	-	-	-	1,043,506
Unassigned (Deficit)	2,713,000	70,192	(74,541)	-	(2,696,108)	12,543
Total Fund Balances	<u>15,579,519</u>	<u>77,270</u>	<u>8,238</u>	<u>683,761</u>	<u>(1,155,786)</u>	<u>15,193,002</u>
Total Liabilities and Fund Balances	<u>\$ 18,957,311</u>	<u>\$ 1,356,112</u>	<u>\$ 417,467</u>	<u>\$ 683,761</u>	<u>\$ 519,615</u>	<u>\$ 21,934,266</u>

See auditor's report. See notes to financial statements.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- GOVERNMENTAL
FUNDS
For Year Ended June 30, 2024

	General	Special Aid	School Lunch	Debt Service	Capital Projects	Total Governmental Funds
REVENUES						
Real property taxes	\$ 28,217,084	\$ -	\$ -	\$ -	\$ -	\$ 28,217,084
Other tax items	3,114,140	-	-	-	-	3,114,140
Charges for services	111,469	-	-	-	-	111,469
Use of money and property	573,279	-	463	39,560	-	613,302
Sale of property and compensation for loss	9,754	-	-	-	-	9,754
Miscellaneous	1,347,746	-	-	-	-	1,347,746
Local sources	-	64,742	-	-	-	64,742
State sources	32,179,528	431,280	516,307	-	-	33,127,115
Federal sources	275,554	1,916,009	1,264,267	-	-	3,455,830
Sales	-	-	234,284	-	-	234,284
Total Revenues	65,828,554	2,412,031	2,015,321	39,560	-	70,295,466
EXPENDITURES						
General support	5,949,099	-	-	-	-	5,949,099
Instruction	33,040,965	2,445,299	-	-	-	35,486,264
Pupil transportation	3,172,227	76,082	-	-	-	3,248,309
Community services	2,104	-	-	-	-	2,104
Employee benefits	14,734,861	-	313,315	-	-	15,048,176
Debt service-Principal	4,124,913	-	-	-	-	4,124,913
-Interest	1,942,049	-	-	-	-	1,942,049
Cost of sales	-	-	1,811,306	-	-	1,811,306
Capital outlay	-	-	-	-	2,195,434	2,195,434
Total Expenditures	62,966,218	2,521,381	2,124,621	-	2,195,434	69,807,654
Excess (Deficiency) of Revenues Over Expenditures	2,862,336	(109,350)	(109,300)	39,560	(2,195,434)	487,812
OTHER SOURCES AND USES						
Proceeds from debt	-	-	-	-	394,753	394,753
Premiums on obligations	-	-	-	-	-	-
Bond anticipation notes redeemed	-	-	-	-	-	-
Proceeds from leases	-	-	-	-	41,407	41,407
Operating transfers in	-	96,620	90,990	-	-	187,610
Operating transfers (out)	(187,610)	-	-	-	-	(187,610)
Total Other Sources (Uses)	(187,610)	96,620	90,990	-	436,160	436,160
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	2,674,726	(12,730)	(18,310)	39,560	(1,759,274)	923,972
Fund Balance- Beginning of year	12,904,793	90,000	26,548	644,201	603,488	14,269,030
Fund Balance- (Deficit) End of year	\$ 15,579,519	\$ 77,270	\$ 8,238	\$ 683,761	\$ (1,155,786)	\$ 15,193,002

See auditor's report. See notes to financial statements.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	Private Purpose Trusts	Custodial Funds	Extraclassroom Activity Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 136,293	\$ 216,566	\$ 83,510
Due from governmental funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 136,293</u></u>	<u><u>\$ 216,566</u></u>	<u><u>\$ 83,510</u></u>
LIABILITIES			
Due to governmental funds	<u>\$ -</u>	<u>\$ 2,076</u>	<u>\$ -</u>
Total Liabilities	<u><u>-</u></u>	<u><u>2,076</u></u>	<u><u>-</u></u>
NET POSITION			
Reserved for scholarships	\$ 136,293	-	-
Individuals, Organizations and Other governments	<u>-</u>	<u>214,490</u>	<u>83,510</u>
Total Net Position	<u><u>\$ 136,293</u></u>	<u><u>\$ 214,490</u></u>	<u><u>\$ 83,510</u></u>

See auditor's report. See notes to financial statements.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For Year Ended June 30, 2024

	Private Purpose Trusts	Custodial Funds	Extraclassroom Activity Funds
ADDITIONS			
Contributions	\$ 15,854	\$ -	\$ -
Interest	1,055	-	-
Unclassified	-	150,108	108,857
Total Additions	<u>16,909</u>	<u>150,108</u>	<u>108,857</u>
DEDUCTIONS			
Scholarships and awards	20,027	-	-
Other custodial activities	-	118,630	116,707
Total Deductions	<u>20,027</u>	<u>118,630</u>	<u>116,707</u>
Net Increase (Decrease) in Fiduciary Net Position	(3,118)	31,478	(7,850)
Net Position - Beginning of year	<u>139,411</u>	<u>183,012</u>	<u>91,360</u>
Net Position - End of year	<u><u>\$ 136,293</u></u>	<u><u>\$ 214,490</u></u>	<u><u>\$ 83,510</u></u>

See auditor's report. See notes to financial statements.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

The financial statements of the Rotterdam-Mohonasen Central School District have been prepared in conformity with generally accepted accounting principles (GAAP). Those principles are as prescribed by the Governmental Accounting Standards Board (GASB) which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

The Rotterdam-Mohonasen Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 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 District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity, as amended by GASB Statement 39, Component Units. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The 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 review of certain entities included in the School District's reporting entity:

The Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the Rotterdam-Mohonasen Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds are included in these financial statements. The District accounts for assets held as an agent for various student organizations in a custodial fund.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

B. Joint Venture

The Rotterdam-Mohonasen Central School District is one of 23 component school districts in the Albany, Schoharie, Schenectady and Saratoga Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities.

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the General Municipal Law.

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

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which their students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

During the year ended June 30, 2024, the Rotterdam-Mohonasen Central School District was billed \$5,399,108 for BOCES administrative and program costs. The District's share of BOCES Aid amounted to \$2,088,708. Financial statements for BOCES Aid are available from the BOCES administrative office.

C. Basis of Presentation

1. Districtwide Statements

The Districtwide Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes,

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

1. Districtwide Statements (Continued)

State Aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. 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. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas.

2. Fund Financial Statements

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

The District reports the following funds:

a. Major Governmental Funds

- (1) General Fund** - This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.
- (2) Special Aid Fund** – These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

2. Fund Financial Statements (Continued)

a. Major Governmental Funds (Continued)

- (3) School Lunch Fund** – Used to account for transactions of the District’s lunch and breakfast programs.
- (4) Debt Service Fund** – This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligations for governmental activities.
- (5) Capital Projects Fund** – This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

b. Fiduciary Funds

Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the districtwide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

- (1) Private Purpose Trust Funds** – These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.
- (2) Custodial Funds** – These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

D. Measurement Focus and Basis of Accounting

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

The districtwide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year.

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

E. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and districts. Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

F. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on August 14. Taxes are collected during the period September 1 to November 1.

Uncollected real property taxes are subsequently enforced by the Counties of Albany and Schenectady. An amount representing uncollected real property taxes is transmitted to the Counties for enforcement and is paid by the Counties to the District no later than the forthcoming April 1.

G. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District's policy concerning which to apply first varies with the intended use, and with the associated legal requirements, many of which are described elsewhere in these Notes to Financial Statements.

H. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

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

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

Refer to Note IV for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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, potential contingent liabilities and useful lives of long-lived assets.

J. Receivables

Accounts 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 an allowance would not be material.

K. Inventories and Prepaid Items

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

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

A portion of fund balance has been classified as nonspendable to indicate that inventory does not constitute an available spendable resource.

L. Other Assets/Restricted Assets

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

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

L. Other Assets/Restricted Assets (Continued)

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

M. Capital Assets

Capital assets are reflected in the districtwide financial statements. Capital assets are reported at historical cost or estimated historical costs, based on appraisals conducted by independent third-party professionals. Donated assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets, except land, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds and estimated useful lives of capital assets reported in the districtwide statements are as follows:

	Capitalization Threshold	Estimated Useful Life
Site Improvements	\$ 5,000	20
Buildings and Improvements	\$ 5,000	15-50
Furniture and Equipment	\$ 5,000	5-15
Vehicles	\$ 5,000	8

N. Compensated Absences

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

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

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

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

N. Compensated Absences (Continued)

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vested method and an accrual for that liability is included in the Districtwide Financial Statements. The compensated absences liability is calculated based on the pay rates in effect at year end. In the fund statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available resources. These amounts are expensed on a pay-as-you-go basis.

O. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the districtwide 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's financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

P. Deferred Outflows of Resources

Deferred outflows of resources, in the Statement of Net Position, represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has three items that qualify for reporting in this category, two of which relate to pensions. The first item represents the effect of the net change in the District's proportion of the collective net pension asset or liability and the difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is the District's contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the districtwide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

Q. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the Districtwide Statement of Net Position. This represents the effect of net change in the District's proportion of the collective net pension liability and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense, and the net difference between projected and actual earnings on pension plan investments. The second item is related to OPEB reported in the districtwide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

R. Unearned Revenue

Unearned revenues arise when resources are received by the District before they have a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when charges for service monies are received in advance from payers prior to the services being rendered by the District. These amounts are recorded as liabilities in the financial statements. The liabilities are removed, and revenues are recognized in subsequent periods when the District has legal claims to the resources.

S. Other Benefits

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

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

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement.

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

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. **Summary of Significant Accounting Policies (Continued)**

T. **Short-Term Debt**

The School District may issue Revenue and Tax Anticipation Notes in anticipation of receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The revenue anticipation and tax anticipation notes represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year, succeeding the year in which the note was issued.

The School District may issue Bond Anticipation Notes in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of bonds. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years of the original issue date.

U. **Equity Classifications**

1. **Districtwide Statements**

In the districtwide statements there are three classes of net position:

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

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

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

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. **Summary of Significant Accounting Policies (Continued)**

U. **Equity Classifications (Continued)**

2. **Fund Statements**

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

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of \$82,779.

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The School District has established the following restricted fund balances:

1. **Encumbrances**

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

2. **Unemployment Insurance**

This reserve is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

3. Employee Benefit Accrued Liability

This reserve is used to set aside funds for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

4. Tax Certiorari

This reserve is used to accumulate funds to pay judgments and claims anticipated from tax certiorari proceedings. 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.

5. Employee Retirement Contributions

This reserve is used for future employee's retirement and teacher's retirement obligations. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

6. Tax Reduction

This reserve is for the gradual use of the proceeds of the sale of school district real property where such proceeds are not required to be placed in a mandatory reserve for debt service. Specifically, the district is permitted to retain the proceeds of the sale for a period not to exceed ten years and to use them during that period for tax reduction. This reserve is accounted for in the General Fund.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

Restricted fund balance includes the following:

General Fund:

Employee Benefit Accrued Liability	\$ 249,639
Unemployment Insurance	184,856
Employee Retirement Contributions	8,912,381
Teacher's Retirement Contributions	1,738,397
Tax Certiorari	372,147
Tax Reduction	365,593
Debt Service Fund	683,761
Special Aid Fund	7,078
Capital Fund	1,540,322
Total restricted funds	<u>\$ 14,054,174</u>

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, 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 of the General Fund are classified as **Assigned Fund Balance** in the General Fund. Encumbrances reported in the General Fund amounted to \$393,506 and the appropriated fund balance amounted to \$650,000.

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

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds 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.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

Order of Use of Fund Balance:

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

V. New Accounting Standards

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

GASB has issued Statement 96, Subscription-based Information technology Arrangements, effective for the year ending June 30, 2024.

GASB has issued Statement 99, Omnibus 2022, effective for the year ending June 30, 2024.

W. Future Changes in Accounting Standards

GASB has issued Statement 101, Compensated Absences, effective for the year ending June 30, 2025.

GASB has issued Statement 102, Certain Risk Disclosures, effective for the year ending June 30, 2025.

GASB has issued Statement 103, Financial Reporting Model Improvements, effective for the year ending June 30, 2026.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

II. Explanation of Certain Differences between Governmental Fund Statements and Districtwide Statements

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

1. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheets.

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

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

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 of capital items in the governmental fund statements and depreciation 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.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

II. Explanation of Certain Differences between Governmental Fund Statements and Districtwide Statements (Continued)

2. Statement of Revenues, Expenditures, and Changes in Fund Balance vs. Statement of Activities (Continued):

d. Pension differences:

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

The costs of building and acquiring capital assets (land, buildings, and equipment) financed from 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 assets among the assets of the District as a whole, and their original costs are expensed annually of their useful lives.

Original cost of capital assets	\$103,841,670
Accumulated depreciation	<u>49,572,639</u>
Capital assets, net	<u>\$ 54,269,031</u>

Long-term liabilities are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year end were:

Bonds payable	<u>\$40,028,440</u>
OPEB obligations	<u>\$76,758,121</u>
Compensated Absences	<u>\$ 249,639</u>
Leases payable	<u>\$ 28,687</u>
Net pension liability-proportionate share	<u>\$ 3,891,879</u>

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

II. Explanation of Certain Differences between Governmental Fund Statements and Districtwide Statements (Continued)

2. Statement of Revenues, Expenditures, and Changes in Fund Balance vs. Statement of Activities (Continued):

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Depreciation of \$_____ was less than capital expenditures of \$_____ in the current year.

Repayment of bond and leases principal of \$_____ is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Interest on long-term debt and short-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The interest reported in the Statement of Activities decreased by \$117,822.

III. Cash and Investments

A. Deposits

The Rotterdam-Mohonasen Central School District's investment policies are governed by State statutes. The Rotterdam-Mohonasen Central School District's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. 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 Federal Deposit 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 school districts.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. Cash and Investments (Continued)

A. Deposits (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

- 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 District's name.

Deposits and investments at year end were entirely covered by Federal Deposit Insurance or by collateral held by the School District's custodial bank in the School District's name.

IV. Interfund Transaction

Interfund balances on June 30, 2024, are as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 2,940,717	\$ 55	\$ -	\$ 187,610
Special Aid Fund	-	896,239	96,620	-
School Lunch Fund	-	367,040	90,990	-
Capital Fund	-	1,675,401	-	-
Debt Service Fund	94	-	-	-
Total governmental activities	2,940,811	2,938,735	\$ 187,610	\$ 187,610
Trust Custodial Fund	-	2,076		
Totals	\$ 2,940,811	\$ 2,940,811		

The District typically transfers from the General Fund to the Special Aid Fund to pay its' share of the Summer Handicapped Program.

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

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

V. Capital Assets

A summary of changes in general fixed assets follows:

	Restated Balance 7/1/2023	Additions	Deletions	Balance 6/30/2024
<u>Capital assets-not depreciated:</u>				
Land	\$ 1,652,526	\$ -	\$ -	\$ 1,652,526
Construction in progress	2,646,671	1,759,295	-	4,405,966
Total capital assets-not depreciated:	4,299,197	1,759,295	-	6,058,492
<u>Other capital assets:</u>				
Buildings and improvements	88,433,751	6,631	-	88,440,382
Machinery and equipment	2,444,406	373,633	-	2,818,039
Vehicles	6,064,512	460,245	-	6,524,757
Total other capital assets:	96,942,669	840,509	-	97,783,178
<u>Less accumulated depreciation:</u>				
Buildings and improvements	40,096,324	2,566,257	-	42,662,581
Machinery and equipment	1,637,309	99,399	-	1,736,708
Vehicles	4,790,167	383,183	-	5,173,350
Total accumulated depreciation	46,523,800	3,048,839	-	49,572,639
Other capital assets, net	50,418,869	(2,208,330)	-	48,210,539
Total	\$ 54,718,066	\$ (449,035)	\$ -	\$ 54,269,031

Depreciation expense for the period was shown as unallocated in the Statement of Activities.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI. Pension Plans

1. General Information

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

2. Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who are elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by the enactment of a State statute. Additional information regarding the System may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nysstrs.org.

Employees' Retirement System (ERS)

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

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI. Pension Plans (Continued)

Funding Policies:

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

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

Contributions

	ERS	TRS
2024	\$710,429	\$2,556,553
2023	\$637,471	\$2,368,379
2022	\$809,885	\$2,066,963

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

On June 30, 2024, the District reported the following (asset)/liability for its proportionate share of the net pension (asset)/liability for each of the Systems. The net pension (asset)/liability was measured as of March 31, 2024, for ERS and June 30, 2023, for TRS. The total pension (asset)/liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The District's proportion of the net pension (asset)/liability was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement date	1-Apr-24	30-Jun-23
Net pension (asset)/liability	\$2,466,738	\$1,425,141
District's portion of the Plan's total net pension (asset)/liability	.0167531%	.124620%
Change in proportion since the prior measurement date	(.0005806%)	.000164%

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI. Pension Plans (Continued)

For the year ended June 30, 2024, the District's recognized pension expense of \$1,126,381 for ERS and \$4,030,128 for TRS. On June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resource</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$794,534	\$3,455,588	\$67,262	\$8,540
Changes of assumptions	932,618	3,068,286	0	668,716
Net difference between projected and actual earnings on pension plan investments	0	728,504	1,204,989	0
Changes in proportion and differences between the District's contributions and proportionate share of contributions	192,786	200,794	85,257	253,818
District's contributions subsequent to the measurement date	186,169	2,360,220	0	0
Total	\$2,106,107	\$9,813,392	\$1,357,508	\$931,074

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension 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:

	<u>ERS</u>	<u>TRS</u>
Year ended:		
2024	\$ -	\$ 586,314
2025	\$ (418,797)	\$ (702,681)
2026	\$ 507,163	\$ 5,719,937
2027	\$ 740,142	\$ 391,147
2028	\$ (266,076)	\$ 315,326
2029	\$ -	\$ -
Thereafter	\$ -	\$ 212,055

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI. Pension Plans (Continued)

4. Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Interest rate	5.9%	6.95%
Salary scale	4.40%	1.95%-5.18%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation rate	2.9%	2.40%
COLA's	1.5%	1.30%

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

For ERS, the actuarial assumptions used in the April 1, 2022, valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI. Pension Plans (Continued)

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

Measurement date	<u>ERS</u> March 31, 2024	<u>TRS</u> June 30, 2023
<u>Asset Type</u>	<u>%</u>	<u>%</u>
Domestic Equities	4.00%	6.80%
International Equities	6.65%	7.60%
Global equities	0.00%	7.20%
Private Equity	7.25%	10.10%
Real Estate Equity	4.60%	6.30%
Domestic fixed income securities	1.50%	2.20%
Global bonds	0.00%	1.60%
Private debt	0.00%	6.00%
Absolute return strategies	5.25%	0.00%
Real estate debt	0.00%	3.20%
Cash Equivalents	25.00%	0.30%
High yield fixed income securities	0.00%	4.40%
Real assets	5.79%	0.00%

5. Discount Rate

The discount rate used to calculate the total pension liability was 5.90 % for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI. Pension Plans (Continued)

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9% or ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate :

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share Of the net pension (asset) liability	\$7,755,677	\$2,466,738	(\$1,950,623)
TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share Of the net pension (asset) liability	\$21,705,622	\$1,425,141	(\$15,631,620)

7. Pension Plan Fiduciary Net Position

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

	ERS March 31, 2024	TRS June 30, 2023
Measurement date		
Employers' total pension liability	\$ 240,696,851	\$ 138,365,121,961
Plan Fiduciary Net Position	225,972,801	137,221,536,942
Employers' net pension liability/(asset)	14,724,050	1,143,585,019
Plan fiduciary net position as a percentage of total pension (asset)/liability	93.8800%	99.2000%

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI. Pension Plans (Continued)

8. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024, represent the projected employer contribution for the period of April 1, 2024, through June 30, 2024, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024, amounted to \$186,169.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024, are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024, represent employee and employer contributions for the fiscal year ended June 30, 2024, based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024, amounted to \$2,551,121.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VII. Short-Term Debt Obligations

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

	Maturity	Interest Rate	Balance 7/1/2023	Issued	Redeemed	Balance 6/30/24
BAN		%	<u>\$0</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 0</u>

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

Interest paid	<u>\$0</u>
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VIII. Long-Term Debt Obligations

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

1. **Long-Term Debt Interest**

Interest paid	\$1,942,049
Less interest accrued in the prior year	(477,014)
Plus, interest accrued in the current year	<u>465,598</u>

Amortization of premium on advanced refunding	<u>(106,406)</u>
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Total expense	<u>\$1,824,227</u>
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2. **Changes**

	Balance 7/1/2023	Additions	Deletions	Balance 6/30/2024	Due Within One Year
Serial Bonds	\$ 43,758,600	\$ 394,753	\$ 4,124,913	\$ 40,028,440	\$ 4,207,440
Operating Leases	68,268	-	39,581	28,687	14,845
Compensated					
Absences	224,606	25,033	-	249,639	
OPEB Obligations	72,706,499	4,051,622	-	76,758,121	
Net Pension Liability- Proportionate Share	6,105,229	-	2,213,350	3,891,879	
Totals	<u>\$ 122,863,202</u>	<u>\$ 4,471,408</u>	<u>\$ 6,377,844</u>	<u>\$ 120,956,766</u>	

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VIII. Long-Term Debt Obligations (Continued)

3. Maturity

a. The following is a summary of the debt issued:

Purpose	Issue Date	Final Maturity	Interest Rate	Outstanding 6/30/2024
Serial Bonds:				
Advanced refunding	2015	2027	2-5%	\$ 740,000
Advanced refunding	2022	2025	5%	1,395,000
Construction	2016	2031	2-3%	5,190,000
Construction	2017	2046	3-5%	20,970,000
Construction	2024	2038	5%	2,845,000
Construction	2018	2033	5.00%	6,615,000
Construction	2018	2034	3.62-4%	665,000
Buses	2019	2025	2.96%	121,687
Buses	2021	2026	0.99%	192,000
Buses	2022	2027	0.99%	380,000
Buses	2023	2028	2-5%	520,000
Buses	2024	2029	3.75-4.8%	394,753
Total				<u>\$ 40,028,440</u>

b. The following is a summary of maturing principal debt service requirements:

	Year	Principal	Interest	Total
Serial Bonds:	2025	\$ 4,207,440	\$ 1,748,431	\$ 5,955,871
	2026	2,791,000	1,572,579	4,363,579
	2027	2,810,000	1,461,946	4,271,946
	2028	2,530,000	1,354,306	3,884,306
	2029	2,485,000	1,248,830	3,733,830
	2030 and thereafter	25,205,000	8,920,588	34,125,588
	Total	<u>\$ 40,028,440</u>	<u>\$ 16,306,680</u>	<u>\$ 56,335,120</u>

Prior-Year Defeasance of Debt

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

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VIII. Long-Term Debt Obligations (Continued)

Current-Year Defeasance of Debt

On October 4, 2022, the District issued \$4,326,998 in general obligation bonds with an interest rate of 5.0% to advance refund of \$4,305,000 of outstanding serial bonds with an average interest rate of 3%. The net proceeds of \$4,115,000 (after payment of \$107,221 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 all future debt service payments on the bonds.

4. Operating Leases

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2024
Copiers	5/30/2018	5 years	\$ 5,200	3.25%	\$23,970	\$ -
Copiers	4/22/2019	5 years	19,380	2.83%	90,001	-
Copiers	12/23/2019	5 years	12,618	2.37%	59,539	6,495
Copiers	7/23/2021	5 years	3,163	3.26%	14,530	6,810
Copiers	3/19/2021	5 years	1,597	3.22%	7,389	2,715
Copiers	5/20/2022	5 years	4,649	4.91%	20,586	<u>12,667</u>
						<u>\$ 28,687</u>

The District leases copiers from BOCES for use throughout the District. All leases are for a term of 5 years at various interest rates.

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

Year	Principal	Interest	Total
2025	\$ 14,845	\$ 873	\$ 15,718
2026	8,547	463	9,010
2027	5,295	147	5,442
Total	<u>\$ 28,687</u>	<u>\$ 1,483</u>	<u>\$ 30,170</u>

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IX. Postemployment (Health Insurance) Benefits

A. General Information about the OPEB Plan

Plan Description- The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single employer defined benefit OPEB plan administered by the District. 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 the criteria in Paragraph 4 of Statement 75.

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

Employees Covered by Benefit Terms- On June 30, 2024, the following employees were covered by the benefit terms:

Inactive members or beneficiaries currently receiving benefit payments	171
Inactive members entitled to but not yet receiving benefit payments	-
Active members	<u>476</u>
Total membership	647

B. Total OPEB Liability

The District's total OPEB liability of \$76,758,121 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs- The total OPEB liability on June 30, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IX. Postemployment (Health Insurance) Benefits (Continued)

B. Total OPEB Liability (Continued)

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

Retiree's Share of Benefit-Related Costs 45% of projected health insurance premiums for retirees

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

Mortality rates were based on the PUB-2010 Headcount-Weighted Table projected fully generationally using MP-2021.

The actuarial assumptions used on June 30, 2024, valuation were based on the results of an actuarial experience study for the period April 1, 2010-March 31, 2015.

C. Changes in the Total OPEB Liability

Balance on June 30, 2023	<u>\$72,706,499</u>
<u>Changes for the Year</u>	
Service cost	3,477,013
Interest	3,104,811
Changes of benefit terms	-
Differences between expected and actual experience	529,546
Changes in assumptions or other inputs	(1,026,187)
Benefit payments	<u>(2,033,561)</u>
Net Changes	<u>4,051,622</u>
Balance on June 30, 2024	<u>\$76,758,121</u>

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IX. Postemployment (Health Insurance) Benefits (Continued)

C. Changes in Total OPEB Liability (Continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 4.13% in 2023 to 4.21% in 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate- The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.21%) or 1 percentage point higher (5.21%) than the current discount rate:

	(3.21%) <u>1% Decrease</u>	Current Discount Rate (4.21%)	(5.21%) <u>1% Increase</u>
Total OPEB Liability	<u>\$91,103,125</u>	<u>\$76,758,121</u>	<u>\$65,408,753</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates- The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.5%) or 1 percentage point higher (6.5%) than the current healthcare cost trend rate:

	<u>1% Decrease</u>	Healthcare Cost Trend Rates <u>Current</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$63,229,662</u>	<u>\$76,758,121</u>	<u>\$94,593,996</u>

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IX. Postemployment (Health Insurance) Benefits (Continued)

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

For the year ending June 30, 2024, the District recognized OPEB expense of \$6,971,143. On June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,660,898	(\$ 7,946,928)
Changes of assumptions or other inputs	<u>18,250,152</u>	<u>(19,766,834)</u>
Total	<u>\$ 24,911,080</u>	<u>(\$27,713,762)</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2025	\$2,422,880
2026	2,422,880
2027	2,637,083
2028	(3,352,882)
2029	(4,901,743)
Thereafter	(2,030,900)

X. Commitments and Contingencies

A. Risk Financing and Related Insurance

1. General Information

The Rotterdam-Mohonasen Central School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. 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.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

X. Commitments and Contingencies (Continued)

A. Risk Financing and Related Insurance

2. Workers' Compensation Insurance

The Rotterdam-Mohonasen Central School District participates in a risk-sharing pool, New York State Public Schools Statewide Workers' Compensation Trust, to insure workers' compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims.

3. Grants

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

4. Litigation

There are currently pending tax certiorari proceedings, the results of which could require the payments of future tax refunds by the School District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. The School District has established a tax certiorari reserve to cover a portion of the potential refund exposure and the District has legal authority to borrow funds to repay school taxes when needed.

The District is in defense of a lawsuit that was filed against it in the New York State Supreme Court, County of Albany, under the New York Child Victims Act. The lawsuit alleges that a volunteer for the District sexually abused the plaintiff in the 1970s and 1980s. The plaintiff is seeking compensatory damages for physical, emotional injuries, psychological injuries, and pain and suffering, as well as any other relief available to him. One of the defendants in this lawsuit is the Boy Scouts of America (BSA). Due to the BSA's pending bankruptcy proceedings, this lawsuit has been stayed. If the stay is lifted, the District intends to defend against this lawsuit. At this time, it is premature for the attorney to offer an opinion as to the likelihood of an unfavorable outcome or an estimate of the potential loss. The District has not been able to locate insurance coverage for this claim.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

XI. Other Disclosures

A. Prior Period Adjustment

The reconciliation of restated amounts to June 30, 2023 year-end balance is:

Beginning Net Position	(\$ 1,158,213)
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The following adjustment is necessary to determine the revised beginning Net Position for the Statement of Activities:

New appraisal company and new evaluation	<u>(39,266,026)</u>
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Beginning net position reported on Statement of Activities. for governmental activities, July 1, 2023.	<u><u>(\$40,424,239)</u></u>
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B. Summary of Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position

Total governmental fund balance	\$ 15,193,002
Capital assets (net)	54,269,031
Intangible assets	33,887
Deferred outflows of resources	36,830,579
Bonds payable	(40,028,440)
Leases payable	(28,687)
Accrued interest payable	(465,598)
Net pension liability- proportionate share	(3,891,879)
Deferred inflows of resources	(30,108,751)
Compensated absences	(249,639)
OPEB obligations	<u>(76,758,121)</u>
Total net position	<u><u>\$ (45,204,616)</u></u>

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

XI. Other Disclosures (Continued)

C. Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities

Net changes in fund balance – total governmental funds	\$ 923,972
Capital outlays are expenditures in governmental funds, but are capitalized in the Statement of Net Position	2,641,210
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the Statement of Activities	(3,048,838)
Amortization of leases is not recorded as an expenditure in the governmental funds, but is recorded in the Statement of Activities	(41,407)
Repayments of Long-term Debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the Statement of Net Position	4,124,913
Interest is recognized as an expense in governmental funds when paid. For governmental activities, interest expense is recognized as it accrues. The decrease in accrued interest during 2023/24 results in less expense.	117,822
Proceeds from debt are recognized as revenue in the Governmental Funds, but not in the Statement of Activities	(436,160)
(Increases) Decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore, are not reported as revenues or expenditures in the governmental funds:	
Teachers' Retirement System	(1,670,640)
Employees' Retirement System	(395,073)
Certain expenses in the Statement of Activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds:	
OPEB obligations	(6,971,143)
Compensated absences	<u>(25,033)</u>
Change in Net Position – Governmental Activities	<u>(\$4,780,377)</u>

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

XII. Stewardship, Compliance and Accountability

A. Budgetary Procedures and Budgetary Accounting

1. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line-item level.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances), that may be incurred. Appropriations lapse at the fiscal year end unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (When permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

The General Fund budget was increased to reflect the use of reserves in the amount of \$28,564 and the carryover encumbrances in the amount of \$518,587.

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 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.

Special Aid Fund and School Lunch Fund have not been included because they do not have legally authorized budgets.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

XII. Stewardship, Compliance and Accountability (Continued)

A. Budgetary Procedures and Budgetary Accounting (Continued)

2. 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.

XIII. Subsequent Events

There were no significant subsequent events to report from the period of July 1, 2024 to October 15, 2024.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES COMPARED TO BUDGET- GENERAL FUND
For Year Ended June 30, 2024

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local Sources				
Real property taxes	\$ 30,996,630	\$ 28,212,402	\$ 28,217,084	\$ 4,682
Other tax items	160,610	2,944,838	3,114,140	169,302
Charges for services	95,710	95,710	111,469	15,759
Use of money and property	141,050	141,050	573,279	432,229
Sale of property and compensation for loss	1,000	1,000	9,754	8,754
Miscellaneous	175,000	175,000	1,347,746	1,172,746
Total Local Sources	<u>31,570,000</u>	<u>31,570,000</u>	<u>33,373,472</u>	<u>1,803,472</u>
State sources	31,750,000	31,750,000	32,179,528	429,528
Federal sources	150,000	150,000	275,554	125,554
Total Revenues	<u>63,470,000</u>	<u>63,470,000</u>	<u>65,828,554</u>	<u>2,358,554</u>
Other Financing Sources				
Operating transfers in	-	-	-	-
Total Revenue and Other Financing Sources	<u>63,470,000</u>	<u>63,470,000</u>	<u>65,828,554</u>	<u>\$ 2,358,554</u>
Appropriated Fund Balance	500,000	500,000		
Appropriated Reserves	<u>500,000</u>	<u>1,047,151</u>		
Total Revenues, Other Sources, Appropriated Reserves and Fund Balance	<u>\$ 64,470,000</u>	<u>\$ 65,017,151</u>		

See paragraph on required supplementary information included in auditor's report.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES, OTHER USES AND ENCUMBRANCES COMPARED TO BUDGET-
GENERAL FUND
For Year Ended June 30, 2024

	Original Budget	Revised Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
EXPENDITURES					
General Support					
Board of education	\$ 39,000	\$ 39,200	\$ 32,998	\$ -	\$ 6,202
Central administration	222,000	228,000	223,282	-	4,718
Finance	595,500	595,174	546,744	17,500	30,930
Staff	286,000	303,974	246,944	21,775	35,255
Central services	3,724,000	4,545,174	4,265,039	190,241	89,894
Special items	678,000	653,209	634,092	-	19,117
Total General Support	5,544,500	6,364,731	5,949,099	229,516	186,116
Instructional					
Instruction, administration and improvement	2,628,500	2,557,360	2,516,402	-	40,958
Teaching - regular school	19,051,000	18,666,565	18,276,739	28,448	361,378
Programs for children with handicapping conditions	5,970,000	5,567,426	5,323,313	93,431	150,682
Occupational education	1,125,000	1,050,000	1,049,233	-	767
Teaching - special school	178,000	178,650	120,338	-	58,312
Instructional media	1,714,500	2,507,957	2,437,313	8,658	61,986
Pupil services	3,437,500	3,601,379	3,317,627	10,088	273,664
Total Instructional	34,104,500	34,129,337	33,040,965	140,625	947,747
Pupil transportation	3,431,000	3,383,865	3,172,227	23,365	188,273
Community services	3,000	3,000	2,104	-	896
Employee benefits	15,112,000	14,877,400	14,734,861	-	142,539
Debt Service					
Principal	4,165,000	4,126,680	4,124,913	-	1,767
Interest	1,870,000	1,942,138	1,942,049	-	89
Total Expenditures	64,230,000	64,827,151	62,966,218	393,506	1,467,427
OTHER USES					
Operating transfers out	240,000	190,000	187,610	-	2,390
Total Expenditures and Other Uses	\$ 64,470,000	\$ 65,017,151	63,153,828	\$ 393,506	\$ 1,469,817
Net change in fund balance			2,674,726		
Fund balance- Beginning			12,904,793		
Fund balance- Ending			\$ 15,579,519		

See paragraph on required supplementary information included in auditor's report.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
For Year Ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability					
Service Cost at end of year	\$ 3,477,013	\$ 3,380,425	\$ 4,911,116	\$ 4,563,125	\$ 2,974,820
Interest	3,104,811	3,039,206	2,281,373	2,230,187	2,622,590
Changes of benefit terms	-	7,821	-	(12,715,299)	-
Difference between expected and actual experience	529,546	(10,595,904)	349,294	7,472,509	271,640
Changes of assumptions or other inputs	(1,026,187)	(4,657,994)	(23,812,667)	4,918,388	20,777,446
Benefit payments	(2,033,561)	(1,863,589)	(2,070,142)	(2,151,581)	(1,921,619)
Net change in Total OPEB Liability	4,051,622	(10,690,035)	(18,341,026)	4,317,329	24,724,877
Total OPEB Liability- beginning	72,706,499	83,396,534	101,737,560	97,420,231	72,695,354
Total OPEB Liability- ending	<u>\$ 76,758,121</u>	<u>\$ 72,706,499</u>	<u>\$ 83,396,534</u>	<u>\$ 101,737,560</u>	<u>\$ 97,420,231</u>
Covered-employee payroll	28,659,815	25,949,446	26,306,890	23,482,810	26,802,381
Total OPEB Liability as a percentage of covered-employee payroll	267.80%	280.20%	317.00%	433.20%	363.50%

See paragraph on required supplementary information included in auditor's report

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
June 30, 2024

	<i>Teachers' Retirement System</i>					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District 's proportion of the net pension asset/liability	.124620%	.124456%	.120176%	.119157%	.122278%	.127645%
District's proportionate share of the net pension (asset)/liability	\$ 1,425,141	\$ 2,388,183	\$ (20,825,427)	\$ 3,292,626	\$ (3,176,796)	\$ (2,308,158)
District's covered-employee payroll	\$ 24,182,577	\$ 23,016,318	\$ 22,608,467	\$ 20,832,080	\$ 20,711,407	\$ 21,083,482
District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	5.89%	10.37%	92.11%	15.81%	15.34%	10.95%
Plan fiduciary net position as a percentage of the total pension liability	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%
	<i>Employees' Retirement System</i>					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District 's proportion of the net pension liability	.0167531%	.0173337%	.0158626%	.0162454%	.0174046%	.0174566%
District's proportionate share of the net pension liability/(asset)	\$ 2,466,738	\$ 3,717,046	\$ (1,296,703)	\$ 16,176	\$ 4,608,835	\$ 1,236,850
District's covered-employee payroll	\$ 6,093,122	\$ 5,632,962	\$ 5,448,118	\$ 6,676,267	\$ 6,956,628	\$ 5,424,157
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	40.48%		23.80%	0.24%	66.25%	22.80%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%

See paragraph on required supplementary information included in auditor's report.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
June 30, 2024

	<u>Teachers' Retirement System</u>					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 2,360,220	\$ 2,368,379	\$ 2,215,630	\$ 1,985,297	\$ 1,835,031	\$ 2,215,864
Contributions in relation to the contractually required contribution	<u>2,360,220</u>	<u>2,368,379</u>	<u>2,215,630</u>	<u>1,985,297</u>	<u>1,835,031</u>	<u>2,215,864</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 24,182,577</u>	<u>\$ 23,016,318</u>	<u>\$ 22,608,467</u>	<u>\$ 20,832,080</u>	<u>\$ 20,711,407</u>	<u>\$ 21,083,482</u>
Contributions as a percentage of covered employee payroll	9.76%	10.29%	9.80%	9.53%	8.86%	10.5%

	<u>Employees' Retirement System</u>					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 710,429	\$ 637,471	\$ 809,885	\$ 784,909	\$ 807,584	\$ 830,915
Contributions in relation to the contractually required contribution	<u>710,429</u>	<u>637,471</u>	<u>809,885</u>	<u>784,909</u>	<u>807,584</u>	<u>830,915</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 6,093,122</u>	<u>\$ 5,632,962</u>	<u>\$ 5,448,118</u>	<u>\$ 6,676,267</u>	<u>\$ 6,956,628</u>	<u>\$ 5,424,157</u>
Contributions as a percentage of covered employee payroll	11.7%	11.3%	14.9%	11.8%	11.6%	15.3%

See paragraph on required supplementary information included in auditor's report.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO FINAL BUDGET AND
THE REAL PROPERTY TAX LIMIT
For Year Ended June 30, 2024

CHANGE FROM ORIGINAL BUDGET TO FINAL BUDGET

Original Budget		\$ 64,470,000
Additions:		
Prior year's encumbrances	\$ 518,587	
Reserves	<u>28,564</u>	<u>547,151</u>
Final Budget		<u><u>\$ 65,017,151</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-25 Voter-approved Expenditure Budget	\$ 67,825,000
Maximum allowed (4% of 2024-2025 Budget)	<u>\$ 2,713,000</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:

Unrestricted fund balance:	
Committed fund balance	\$ -
Assigned fund balance	1,043,506
Unassigned fund balance	<u>2,713,000</u>
Total unrestricted fund balance	<u>\$ 3,756,506</u>

Less:	
Appropriated fund balance	\$ 650,000
Encumbrances included in committed and assigned fund balance	<u>393,506</u>
Total adjustments	<u>\$ 1,043,506</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 2,713,000</u></u>
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Actual percentage	4.00%
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* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (originally Issued November 2010), the portion of General Fund Fund Balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

See paragraph on required supplementary information included in auditor's report.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES- CAPITAL PROJECTS FUND
For Year Ended June 30, 2024

PROJECT TITLE	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Revenues				Fund Balance June 30, 2024
			Prior Years	Current Year	Total		Proceeds of Obligations	NYS Sources	Local Sources	Total	
Districtwide Renovations	\$ 3,500,000	\$ 3,500,000	\$ 2,646,671	\$ 469,300	\$ 3,115,971	\$ 384,029	\$ 2,940,000	\$ -	\$ 310,000	\$ 3,250,000	\$ 134,029
Buses-22/23	645,000	645,000	638,764	-	638,764	6,236	638,765	-	-	638,765	1
Districtwide Renovations-2:	48,000,000	48,000,000	-	1,289,994	1,289,994	46,710,006				-	(1,289,994)
Buses-23/24	394,753	394,753	-	394,733	394,733	20	394,753			394,753	20
Smart Schools Bond Act	1,737,958	1,737,958	1,351,195	-	1,351,195	386,763	-	1,351,195	-	1,351,195	-
DASNY Grant	336,000	336,000	332,076	-	332,076	3,924	-	332,076	-	332,076	-
Leases	41,407	41,407	-	41,407	41,407	-	41,407	-	-	41,407	-
Buses-Prior Years	-	-	-	-	-	-	-	-	-	-	158
Totals	<u>\$ 54,655,118</u>	<u>\$ 54,655,118</u>	<u>\$ 4,968,706</u>	<u>\$ 2,195,434</u>	<u>\$ 7,164,140</u>	<u>\$ 47,490,978</u>	<u>\$ 4,014,925</u>	<u>\$ 1,683,271</u>	<u>\$ 310,000</u>	<u>\$ 6,008,196</u>	<u>\$ (1,155,786)</u>

See paragraph on required supplementary information included in auditor's report.

ROTTERDAM-MOHONASEN CENTRAL SCHOOL DISTRICT
 SCHEDULE OF INVESTMENT IN CAPITAL AND INTANGIBLE ASSETS, NET OF RELATED
 DEBT
 FOR THE YEAR ENDED JUNE 30, 2024

Capital assets, net	\$ 54,269,031	
Intangible assets, net	<u>33,887</u>	<u>54,302,918</u>
Deduct:		
Short-term portion of bonds payable	\$ 4,207,440	
Long-term portion of bonds payable	35,821,000	
Short-term portion of leases payable	14,845	
Long-term portion of leases payable	13,842	
less: unspent portion of bonds	<u>(134,029)</u>	<u>39,923,098</u>
Net investment in Capital Assets		<u><u>\$ 14,379,820</u></u>

See paragraph on required supplementary information included in auditor's report.

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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*

To the Board of Education of the
Rotterdam-Mohonasen 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 fiduciary funds of the Rotterdam-Mohonasen 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 District's basic financial statements and have issued our report thereon dated October 15, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Raymond G. Preusser, CPA, P.C.

Claverack, New York
October 15, 2024