PRELIMINARY OFFICIAL STATEMENT DATED JUNE 8, 2026

RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Barclay Damon LLP, Albany, New York, Bond Counsel to the School District, under 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, the 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.

$3,908,750

CITY SCHOOL DISTRICT OF THE CITY OF JOHNSTOWN
FULTON AND MONTGOMERY COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$3,908,750 Bond Anticipation Notes, 2026 (Renewals)

(the "Notes")

Dated: June 25, 2026 **Due: June 25, 2027**

The Notes are general obligations of the City School District of the City of Johnstown (the "District" or "School District"), Fulton and Montgomery Counties, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" 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 book-entry notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser(s) 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.

Alternatively, if the Notes are issued as registered book-entry notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of $5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes $8,750, as may be determined by such successful bidder(s). If the Notes are issued as registered book-entry notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. Individual purchases of beneficial ownership interests in the Notes may only be made through book entries (without certificates issued by the District) made on the books and records of DTC (or a successor depository) and its participants, in denominations of $5,000 or integral multiples thereof except for one necessary odd denomination which is or includes $8,750. 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, Albany, New York, Bond Counsel. 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 25, 2026.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on June 11, 2026 until 11:00 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June __, 2026

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 "MATERIAL EVENT NOTICES" HEREIN.

CITY SCHOOL DISTRICT OF THE CITY OF JOHNSTOWN
FULTON & MONTGOMERY COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2025-2026 BOARD OF EDUCATION

DAVID D'AMORE
President

JENNIFER SPONNOBLE
Vice President

ELIZABETH DEROSA
MARJORIE KLINE
JOYEL RICHARDSON
WILLIAM J. STOCK
LESLIE BUGGELN-BOSWORTH

* * * * * * * * * * * * *

ALICIA D. KOSTER
Superintendent

SCOTT M. HALE
Assistant Superintendent

MELISSA BAKER
School Business Manager & Deputy Treasurer

SAMANTHA BELLINGER
District Treasurer

LARRAINA CARPENTER
District Clerk

GIRVIN & FERLAZZO, P.C.
Local Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

BARCLAY DAMON LLP
Bond Counsel

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

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AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION – JUNE 30, 2025

PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

CITY SCHOOL DISTRICT OF THE CITY OF JOHNSTOWN FULTON AND MONTGOMERY COUNTIES, NEW YORK

Relating To

$3,908,750 Bond Anticipation Notes, 2026 (Renewals)

This Official Statement, which includes the cover page, has been prepared by the City School District of the City of Johnstown, Fulton and Montgomery Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of $3,908,750 principal amount of Bond Anticipation Notes, 2026 (Renewals) (the "Notes").

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

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

NATURE OF OBLIGATION

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

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

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

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

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

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

> "A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the city's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts

have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted… While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

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

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

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

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

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

THE NOTES

Description of the Notes

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

The Notes will be dated June 25, 2026 and mature, without option of prior redemption, on June 25, 2027. The Notes will be issued in either (i) registered form, registered to the purchaser(s) 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, or (ii) at the option of the purchaser(s), registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as the securities depository for the Notes. See "Book-Entry-Only System" herein. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among other things, the Education Law and the Local Finance Law, and bond resolutions adopted by the Board of Education on August 18, 2022 authorizing the issuance of $3,000,000 serial bonds and/or entering into an energy performance contract and related financing documents to finance the reconstruction, renovation and improvement of various district buildings and facilities to enhance energy efficiency, at a maximum aggregate cost of $3,000,000. On May 19, 2026 District voters approved an expansion of the capital and energy efficiency project to authorize the use of remaining funds for a "Small III Capital Project" not to exceed $2.5 million.

The proceeds of the Notes, along with $91,250 available funds of the District will partially redeem and renew $3,000,000 bond anticipation notes maturing June 26, 2026 for the above mentioned purpose.

The Notes are also being issued pursuant to the Constitution and statutes of the State of New York, including among other things, the Education Law and the Local Finance Law, and bond resolutions adopted by the Board of Education on August 18, 2022 authorizing the issuance of (i) $14,000,000 serial bonds and the use of $1,000,000 capital reserve funds to finance the reconstruction, renovation, and improvement of various District buildings, facilities, and sites at a maximum estimated cost of $15,000,000, and (ii) $3,000,000 serial bonds to finance the reconstruction, renovation, and improvement of various District buildings and facilities to enhance energy efficiency at a maximum estimated cost of $3,000,000.

The proceeds of the Notes, along with $200,000 of available funds of the District, will redeem and partially renew a the$1,200,000 portion of the $13,305,000 currently outstanding bond anticipation notes maturing June 26, 2026. The remaining $12,105,000 portion of the outstanding bond anticipation notes is in the process of being permanently financed with the issuance of Bonds through Dormitory Authority of the State of New York.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in registered form 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 District at the office 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 to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is situated in upstate New York in the south central portion of Fulton County, about 35 miles northwest of the City of Albany. It encompasses approximately 46 square miles, and is located primarily within the City of Johnstown. Additionally, the School District encompasses various portions of the Towns of Ephratah, Johnstown and Palatine (the "Towns") and the Cities of Amsterdam and Gloversville.

The City of Johnstown, together with its twin City of Gloversville, (together the "Cities") less than 1 mile away, produce about forty percent of the fine leather gloves made in the United States. Other industries include leather tanning, knitwear, sporting goods, machines and tools, chemicals, furs, shoes, wool blankets, jackets and dyeing, lithographing, and dry cleaning. Residents not employed in these industries find employment in industrial and governmental operations in Gloversville, Schenectady, Canajoharie and Albany.

Passenger rail service by Amtrak is available in nearby Amsterdam or Rensselaer. The Barge Canal, located just to the south, provides direct water transportation to the Port of New York and the Great Lakes at Buffalo.

Bus transportation is provided by Greyhound and Trailways Bus Lines and air transportation is available at Albany International Airport and Fulton County Airport. The New York State Thruway has an interchange just south of the School District at Fultonville. Other major highways include New York State Routes #29, #30A and #67.

Electricity and natural gas are supplied throughout the School District by National Grid. The City of Johnstown and the Towns maintain water supply and distribution systems, entirely supported by user charges, and they provide sanitary sewage collection and treatment facilities. These services are supported by user charges and special benefit assessments.

Police protection is provided by the New York State police, the Johnstown Police Department, the county Sheriff's Office, and by police departments of the respective Towns; fire protection service is provided by the Johnstown Fire Department and by local volunteer units; ambulance service is provided by private companies.

Source: District officials.

Population

The 2024 estimated population of the District is 11,254.

Source: U.S. Census Bureau, 2020-2024 American Community Survey 5-Year Estimates.

Larger Employers

Name	Type	Employees
Lexington Center (Fulton Co. ARC)	Residential & Day Treatment	1,600
Wal-Mart Distribution Center	Warehouse	900
Nathan Littauer Hospital	Health Care	880
Taylor Made Custom Products	Manufacturing	400
Fulton County	County Government	480
Fage Yogurt	Yogurt Manufacturer	350

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 Cities, Towns and the Counties listed below. The figures set below with respect to such Cities, 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 Cities, Towns or the Counties are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2020-2024	2006-2010	2016-2020	2020-2024
Cities of:						
Johnstown	$ 22,424	$ 27,983	$ 35,150	$ 50,153	$ 70,208	$ 73,361
Gloversville	17,889	21,973	29,713	37,518	44,165	58,947
Towns of:						
Ephratah	21,511	27,204	34,234	58,068	70,357	82,222
Johnstown	27,382	34,407	38,748	62,076	80,145	105,368
Palatine	19,146	28,786	39,567	52,321	71,146	102,891
Counties of:						
Fulton	23,147	29,984	38,043	50,425	63,988	76,892
Montgomery	22,347	27,346	33,117	53,476	63,989	90,586
State of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Note: 2021-2025 American Community Survey 5-Year estimates are not available as of the date of this Official Statement.

Source: 2006-2010, 2016-2020, and 2020-2024 American Community Survey 5-Year estimates.

Unemployment Rate Statistics

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

	Annual Averages						
	2019	2020	2021	2022	2023	2024	2025
Fulton County	4.4%	7.7%	5.1%	3.7%	3.8%	3.9%	4.1%
Montgomery County	4.8%	8.4%	5.6%	4.0%	4.3%	4.3%	4.2%
New York State	3.9%	9.8%	7.1%	4.3%	4.0%	4.2%	4.3%

	2026 Monthly Figures					
	Jan	Feb	Mar	Apr	May	Jun
Fulton County	5.1%	5.5%	4.9%	N/A	N/A	N/A
Montgomery County	5.3%	5.8%	5.0%	N/A	N/A	N/A
New York State	4.7%	5.2%	4.4%	N/A	N/A	N/A

Note: Unemployment rates for the months of April, May and June 2026 are not available 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, the policy-making body of the District, consists of seven members with overlapping three-year terms so that an equal number is elected to the Board each year. The President and the Vice President are selected by the Board members.

The duties of the administrative officers of the District include the implementation of the policies of the Board of Education and the supervision of the operation of the school system.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared a tentative budget of the School District for the ensuing fiscal year. This tentative budget must be completed at least seven days before the annual District meeting at which it is to be presented. Copies are available upon request to taxpayers within the School District, seven 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 School 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 School District for the ensuing year.

Pursuant to 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% (subject to certain adjustments) or the rate of inflation (the "Tax Levy Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy increase that exceeds the Tax Levy Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the Tax Levy Cap also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 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 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 School District, which levy may not exceed the prior year's levy under the provisions of Chapter 97. See "TAX LEVY LIMITATION LAW" herein.

Recent Budget Vote Results

The budget for the 2025-26 fiscal year was approved by qualified voters on May 20, 2025 by a vote of 350 yes to 151 no. The District's adopted budget for the 2025-26 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.99%, which was equal to the District's tax levy limit of 2.99%.

The budget for the 2026-27 fiscal year was approved by qualified voters on May 19, 2026 by a vote of 295 yes to 150 no. The District's adopted budget for the 2026-27 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.49%, which was equal to the District's tax levy limit of 3.49%.

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) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third-party custodian.

The District has adopted its own investment policy, which, in addition to incorporating all of the provisions of statute enumerated above, further restricts trading partners to commercial banks or trust companies licensed and doing business in New York State. The policy prohibits investing through any private entity or brokerage firm and provides for written security agreements and/or custodial agreements with each commercial bank or trust company.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2026-27 fiscal year, approximately 65.26% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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. The State's Enacted Budgets were adopted after the April 1 deadline in the State's fiscal years 2023-24 (adopted on May 2, 2023, thirty-one (31) days late), 2024-25 (adopted on April 22, 2024, twenty-one (21) days late), 2025-26 (adopted on May 9, 2025, thirty-eight (38) days late) and 2026-27 (adopted on May 27, 2026, fifty-six (56) days late). The State's Enacted Budgets were adopted by April 1 or shortly thereafter in the State's fiscal years 2016-17 through 2022-23, inclusive. 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 2026-27 building aid ratios, the District expects to receive State building aid of approximately 91.6% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State Aid History

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

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

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget included $31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also included $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocated $100 million over two years for a new State matching fund for school

districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increased federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

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

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

School district fiscal year (2025-2026): The State's 2025-26 Enacted Budget included approximately $37.6 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of $1.7 billion. The State's 2025-26 Budget provided an estimated $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. As part of the 2025–26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a hold harmless provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts are guaranteed at least a 2% year-over-year increase in Foundation Aid. The enacted budget also includes formula modifications intended to provide enhanced support for high-need and disadvantaged school districts.

Provisions in the State's 2025-26 Enacted Budget granted the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State Aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provides that a "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of $2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State. No general fund imbalance occurred in the State's fiscal year 2025-26.

The State's 2026-27 Enacted Budget was signed into law on May 27, 2026 – fifty-six (56) days after the April 1 start of the fiscal year. The FY 2026-27 Education, Labor and Family Assistance (ELFA) legislation contains several significant provisions affecting New York public school districts. The major school district–related items include:

- **Foundation Aid increase:** The budget provides an approximately $779 million increase in Foundation Aid, bringing total Foundation Aid to about $27.1 billion statewide. Every district is guaranteed at least a minimum annual increase.
- **Overall School Aid increase:** Total School Aid for the 2026-27 school year is projected at approximately $39.3 billion, an increase of roughly $1.6 billion over the prior year.
- **Universal Pre-K expansion:** The legislation significantly expands funding for universal prekindergarten programs. Districts will receive increased per-pupil funding for four-year-old programs, with the goal of statewide universal full-day Pre-K by the 2028-29 school year.
- **Expense-based aids fully funded:** The budget continues statutory reimbursement formulas for Building Aid, Transportation Aid, BOCES Aid and special education expense aids. These aids are projected to increase by roughly $282 million statewide.
- **Building Aid for renewable energy projects:** Certain renewable energy improvements, including ground-mounted solar facilities, may now qualify as part of a project's "primary cost allowance" for Building Aid purposes.

Foundation Aid formula adjustments. The budget continues recent efforts to modernize the Foundation Aid formula by relying more heavily on updated poverty and economic-need data instead of older census metrics and free-and-reduced lunch statistics.

State Aid Litigation

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

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

A case related to the CFE 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 outlined 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.
- FY 2027: $27.1 billion in Foundation Aid, an increase of $779 million from 2025-26, and a 1% minimum increase in Foundation Aid to all school districts.

The State's 2025-26 Budget also made 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

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2020-2021	$ 38,750,074	$ 22,586,658	66.03%
2021-2022	37,622,993	24,176,569	64.26
2022-2023	38,975,137	24,763,330	63.54
2023-2024	42,860,704	26,296,410	61.35
2024-2025	40,663,866	25,831,693	63.52
2025-2026 (Budgeted)	40,239,209 [(1)]	25,931,963	64.44
2026-2027 (Budgeted)	42,250,603 [(1)]	27,532,286	65.16

[(1)] Includes interfund transfers.

Source: Audited Financial Statements for the 2020-2021 fiscal year through and including the 2024-2025 fiscal year and the adopted budgets (unaudited) of the District for the 2025-2026 and 2026-2027 fiscal year. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built/Additions
Warren Street Elementary	2-4	567	1976, ’90, ’07, ’18
Glebe Street Elementary	-[(1)]	401	1966, ’96, ’98, ’07, ’18
Pleasant Avenue Elementary	Pre-K-1	371	1955, ’86, ’94, ’96, ’07, ’18
Knox Junior High School	5-7	667	1931, ’66, ’92, ’07, ’18
Johnstown High School	8-12	760	1962, ’75, ’98, ’07, ’18

[(1)] Glebe Street Elementary is fully leased to the Board of Cooperative Educational Services for the sole supervisory District of Hamilton, Fulton, and Montgomery Counties for its Pathways in Technology Early College High School (“PTECH”) program.

Note: The District sold its Jansen Avenue building, which had a capacity of 401 students.

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2021-22	1,579	2026-27	1,500
2022-23	1,581	2027-28	1,500
2023-24	1,592	2028-29	1,500
2024-25	1,563	2029-30	1,500
2025-26	1,537	2030-31	1,500

Note: Figures above exclude Charter School enrollment.

Source: District officials.

Employees

The District employs approximately 248 full-time and 6 part-time persons. The collective bargaining agents, if any, which represent them and the dates of expiration of the various collective bargaining agreements are as follows:

Employees	Union	Contract Expiration Date
172	City School District of the City of Johnstown Teachers' Association	June 30, 2029
7	City School District of the City of Johnstown Administrators' Association	June 30, 2026[(1)]
57	Civil Service Employees' Association	June 30, 2027
4	City School District of the City of Johnstown Central Office Association	June 30, 2027

[(1)]Currently in negotiations.

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. 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 years and budgeted contributions for the 2025-2026 fiscal years are as follows:

Fiscal Year	ERS	TRS
2020-2021	$ 289,945	$ 937,276
2021-2022	322,393	1,058,059
2022-2023	476,675	1,425,260
2023-2024	367,048	1,038,767
2024-2025	326,763	1,397,493
2025-2026 (Budgeted)	501,600	1,397,988
2026-2027 (Budgeted)	544,000	1,397,988

Source: District officials.

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

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

Historical Trends and Contribution Rates. Historically, there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees', teachers 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 (2022-23 to 2026-27) is shown below:

Fiscal Year	ERS	TRS
2022-23	11.6%	10.29%
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59
2026-27	17.6	8.24*

*Estimated

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

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

The 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 is not participating in the Stable Rate Pension Contribution Option and does not intend to do so in the foreseeable future.

The State's 2019-2020 Budget, which was signed into law as Chapter 59 of the Laws of 2019, included a provision that allowed 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 were 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 a TRS reserve fund.

Retirement System Assumptions. 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.

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. Other Post-Employment Benefits ("OPEB") refers to "other post-employment benefits," meaning other than pension benefits provided to retired employees. OPEB primarily consists of health care benefits and may include other benefits such as disability benefits and life insurance. These benefits had 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. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

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

Balance beginning at July 1:	2023	2024
	$ 41,435,799	$ 43,238,328
Changes for the year:		
Service cost	1,701,462	1,733,783
Interest on total OPEB liability	1,741,352	1,852,093
Changes in benefit terms	-	(676,953)
Differences between expected and actual experience	852,609	3,824,829
Changes in assumptions or other inputs	(525,421)	(3,137,282)
Benefit payments	(1,967,473)	(1,979,224)
Net Changes	$ 1,802,529	$ 1,617,246

Balance ending at June 30:	2024	2025
	$ 43,238,328	$ 44,855,574

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

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

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

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

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 District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2025 and is attached hereto as "APPENDIX – D". In addition, the State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. Certain financial information of the District can be found attached as Appendices to this Official Statement.

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

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

New York State Comptroller Report of Examination

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

The most recent audit was released on August 1, 2025. The objective of the audit was to identify if the District officials identified, reported and implemented needed remediation to reduce lead exposure in potable water outlets.

Key Findings

- District officials did not ensure all required potable water outlets were sampled and tested for lead contamination for Cycle Two.
- District officials did not report the results of the lead testing properly or in the required time periods

Key Recommendations

- Develop a comprehensive/complete sampling plan and a remedial action plan for all District water outlets that could be used for drinking and cooking, including details on which water outlets will be considered exempt from sampling and the controls to secure against use.
- Sample all water outlets that could be used for drinking and cooking and properly secure any water outlets designated as exempt from sampling.
- Remediate or implement effective long-term controls for all water outlets that exceed the lead action level.
- Review all work related to the lead testing program for accuracy and completeness.
- Develop procedures identifying all individuals involved in lead testing and reporting and their roles and responsibilities.
- Notify all required parties in the required time periods after lead testing results are received.
- Keep accurate records of all notification efforts performed.

The District provided a complete response to the State Comptroller's office on July 1, 2025. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no other recent State Comptroller's audits of the District, nor are there any that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

State Education Department Audit

In accordance with Federal requirements, the District is currently being audited by the New York State Education Department with respect to the District's use of amounts received from the Elementary and Secondary School Emergency Relief Fund and the Governor's Emergency Education Relief Fund.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The classification of the District for the past four fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2025	No Designation	6.7
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	0.0

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein and the website is not incorporated herein by reference.

TAX INFORMATION

Taxable Valuations

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
City of:					
Gloversville	$ 24,364,475	$ 25,182,634	$ 25,736,958	$ 26,291,095	$ 27,137,668
Johnstown	373,124,525	370,888,575	369,853,379	368,934,405	370,198,819
Towns of:					
Ephratah	$ 27,637,984	$ 27,681,826	$ 27,782,289	$ 27,943,272	$ 27,901,360
Johnstown	108,974,254	108,751,634	110,467,947	119,532,008	120,202,524
Palatine	697,411	699,097	719,199	740,912	738,817
Total Assessed Values	$ 534,798,649	$ 533,203,766	$ 534,559,772	$ 543,441,692	$ 546,179,188
State Equalization Rates					
City of:					
Gloversville	100.00%	89.00%	76.34%	69.44%	64.37%
Johnstown	92.00%	84.00%	75.00%	69.00%	62.00%
Towns of:					
Ephratah	64.90%	61.00%	56.12%	53.31%	45.00%
Johnstown	60.70%	56.50%	50.75%	47.45%	46.95%
Palatine	51.75%	45.60%	41.50%	39.00%	32.00%
Total Taxable Full Valuation	$ 653,397,005	$ 709,223,030	$ 795,760,422	$ 878,776,988	$ 959,587,985

Source: District officials.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
City of:					
Gloversville	$ 16.44	$ 17.84	$ 19.37	$ 20.10	$ 20.45
Johnstown	17.87	18.90	19.71	20.23	21.23
Towns of:					
Ephratah	$ 25.33	$ 26.03	$ 26.34	$ 26.18	$ 29.26
Johnstown	27.08	28.10	29.13	29.42	28.04
Palatine	31.77	34.82	35.63	35.79	41.14

Source: District officials.

Tax Collection Procedure

The School District levies its own taxes at the end of August and collects taxes during September and October. Taxes paid by the end of the first 30 days of collection are not subject to a penalty. Taxes collected during the second phase (the end of the first 30-day period until October 31st) are subject to a 2% penalty.

All taxes uncollected after the 31st of October are sent to the City of Johnstown or the respective County where the properties are located. The School District is guaranteed payment of the taxes by the municipalities by New York State law. A 2% penalty is added to the amount to be returned to the School District. The School District receives payment from the local municipalities as it is collected on a monthly basis. The uncollected balance plus the 2% penalty is paid to the School District by November of the following year.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
Total Tax Levy	$ 10,741,843	$ 11,261,290	$ 11,764,841	$ 12,265,659	$ 12,632,818
Amount Uncollected [(1)]	746,858	763,000	733,808	879,160	908,714
% Uncollected	6.95%	6.78%	6.24%	7.17%	7.19%

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

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District comprised of Real Property Taxes for the below fiscal years.

Fiscal Year	Total Revenues	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2020-2021	$ 38,750,074	$ 11,015,106	28.43%
2021-2022	37,622,993	11,226,406	29.84
2022-2023	38,975,137	11,945,174	30.65
2023-2024	42,860,704	12,843,107	29.96
2024-2025	40,663,866	12,373,372	30.42
2025-2026 (Budgeted)	40,239,209 (1)	12,683,959	31.52
2026-2027 (Budgeted)	42,250,603 (1)	13,115,230	31.04

(1) Includes interfund transfers.

Source: Audited Financial Statements for the 2020-2021 through 2024-2025 fiscal years, and the adopted budgets of the District for the 2025-2026 and 2026-2027 fiscal years (unaudited). This table is not audited.

Ten Largest Taxpayers – 2025 Assessment Roll for 2025-26 District Tax Roll

Name	Type/Industry	Taxable Full Valuation
Niagara Mohawk	Utility	$ 42,171,949
Johnstown Comrie Associates	Shopping Mall	24,520,840
Walmart Real Estate Bus, Trust	Retail/Commercial	18,331,521
CG Roxane	Water Bottling	18,568,689
City of Johnstown	Government	9,658,614
Crest Enterprises Inc	Hotel/Motel	6,301,129
Pearl Leather	Manufacturing	6,032,258
Ctc of Upstate NY Inc	Commercial (Telephone)	5,537,806
Shoal Creek LP	Auto Dealer	5,156,549
Walgreen Co.	Retail	4,032,258

The ten larger taxpayers listed above have an approximate total taxable full valuation of $140,311,613, which represents 14.62% of the tax base of the District for the 2025-2026 fiscal year.

The District experiences the impact of tax certiorari filings on a regular basis for which the District has a tax certiorari reserve to cover. At this time, the level of tax certiorari filings is within acceptable norms and the pending tax certiorari filings, if decided adversely to the District, are not anticipated or believed to have a material impact on the District's finances.

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

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

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

The 2022-2023 State Budget provided $2.2 billion in State funding for a new one-year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.

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

Municipality:	Enhanced Exemption	Basic Exemption	Date Certified
City of Gloversville	$ 56,970	$ 19,310	4/10/2026
City of Johnstown	41,550	14,090	4/10/2026
Town of Ephratah	40,850	14,230	4/10/2026
Town of Johnstown	41,550	14,090	4/10/2026
Town of Palatine	29,890	10,410	4/10/2026

$1,191,274 of the District's $12,632,818 school tax levy for the 2025-26 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2026.

A similar amount of the District's $13,073,473 school tax levy for the 2026-2027 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2027.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Agricultural-0.7%, Residential-54.9%, Commercial-20.9% and Manufacturing-3.8%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $1,396 including County, Town, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

The School District may contract indebtedness only for a school district purpose and shall pledge its faith and credit for the payment of the 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. The School 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.

Debt Limit. The District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State 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.

Statutory Procedure

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

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

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

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 District has complied with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board of Education, as the finance board of the District, has the power to enact bond resolutions, generally subject to voter approval. 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

Fiscal Year Ending June 30th:	2021	2022	2023	2024	2025
Bonds	$ 35,685,000	$ 32,600,000	$ 29,590,000	$ 26,645,000	$ 23,605,000
Bond Anticipation Notes	0	0	4,000,000	5,000,000	13,305,000
Other Indebtedness [1]	0	19,369	9,757	0	0
Total Debt Outstanding	$ 35,685,000	$ 32,619,369	$ 33,599,757	$ 31,645,000	$ 36,910,000

[1] In 2022, the District implemented GASB Statement No. 87 for accounting and reporting leases. GASB Statement No. 87 requires the recognition of certain lease assets and liabilities for leases previously classified as operating leases along with the recognition of inflows and outflows of resources, as applicable.

Note: Apart from as noted above, the figures above do not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the District.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of June 8, 2026:

Type of Indebtedness	Maturity		Amount
Bonds:	2026-2033		$ 23,605,000
Bond Anticipation Notes:			
Capital Project	June 26, 2026		13,305,000[1]
Capital Project	June 26, 2026		3,000,000[2]
		Total Indebtedness	$ 39,910,000

[1] To be redeemed and partially renewed at maturity with $200,000 available funds of the District, and a $1,000,000 portion of the proceeds of the Notes. The remaining $12,105,000 portion of the outstanding BAN will be permanently financed with $11,275,000 DASNY bonds and $1,050,276.30 premium closing on June 16, 2026. Said serial bonds are not included in the Bonds total above; however, the $12,105,000 portion of the bond anticipation notes that is currently outstanding and which is anticipated to be permanently financed through said issuance of serial bonds through DASNY is included in the bond anticipation notes total above.

[2] To be partially redeemed and renewed with the proceeds of the Notes and $91,250 available funds of the District.

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

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 8, 2026:

Full Valuation of Taxable Real Property			$ 959,587,985
Debt Limit 10% thereof			95,958,798
Inclusions:			
Bonds	$ 23,605,000		
Bond Anticipation Notes (BANs):	16,305,000[1]		
Total Inclusions prior to issuance of the Notes	39,910,000		
Less: BANs being redeemed from appropriations	291,250		
Add: New money proceeds of the Notes	0		
Total Net Inclusions after issuance of the Notes		$ 39,618,750	
Exclusions:			
State Building Aid [2]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 39,618,750
Net Debt-Contracting Margin			$ 53,048,798
The percent of debt contracting power exhausted is			44.72%

[1] The District is in the process of issuing serial bonds through the Dormitory Authority of the State of New York (DASNY), which, along with $200,000 available funds of the District and a $1,000,000 portion of the proceeds of the Notes, will redeem, partially renew, and partially permanently finance the $13,305,000 bond anticipation notes currently outstanding and maturing on June 26, 2026. The remaining $12,105,000 portion of the outstanding BAN will be permanently financed with $11,275,000 DASNY bonds and $1,050,276.30 premium closing on June 16, 2026. Said serial bonds are not included in the Bonds total above; however, the $12,105,000 portion of the bond anticipation notes that is currently outstanding and which is anticipated to be permanently financed through said issuance of serial bonds through DASNY is included in the bond anticipation notes total above. The outstanding $3,000,000 bond anticipation notes will be partially redeemed and renewed with the proceeds of the Notes and $91,250 available funds of the District. See "Details of Outstanding Indebtedness" herein.

[2] Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2026-27 Building Aid Ratios, the School District anticipates State building aid of 91.6% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

Notes: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District. The figures above do not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the District.

Bonded Debt Service

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

Cash Flow Borrowings

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

Capital Project Plans

On November 15, 2022, the qualified voters of the District approved a $15,000,000 capital project. The project will be financed with the expenditure of $1,000,000 from a capital reserve fund and the issuance of obligations of the District in a principal amount of not to exceed $14,000,000. The District issued $13,305,000 of bond anticipation notes on June 26, 2025. The District is in the process of issuing serial bonds through the Dormitory Authority of the State of New York (DASNY), which, along with $200,000 available funds of the District and a $1,000,000 portion of the proceeds of the Notes, will redeem, partially renew, and partially permanently finance the $13,305,000 bond anticipation notes currently outstanding and maturing on June 26, 2026. The remaining $12,105,000 portion of the outstanding BAN will be permanently financed with $11,275,000 DASNY bonds and $1,050,276.30 premium closing on June 16, 2026.

On November 15, 2022, the qualified voters of the District also approved a not-to-exceed $3,000,000 Energy Performance Contract Project. On May 19, 2026 District voters approved an expansion of the capital and energy efficiency project to authorize the use of remaining funds for a "Small III Capital Project" not to exceed $2.5 million. The District issued $3,000,000 bond anticipation notes on March 11, 2026 as the initial borrowing for this project. The outstanding $3,000,000 bond anticipation notes will be partially redeemed and renewed with the proceeds of the Notes and $91,250 available funds of the District.

On May 21, 2024, the District voters approved a proposition to authorize a $5,000,000 capital project, which is anticipated to be funded in full with capital reserve funds.

On September 30, 2025, the District voters approved a proposition to authorize an $11,000,000 Energy Performance Contract solar installation capital project that will be financed with the proceeds of an installment sale agreement, the principal and interest on which will be paid by the District from guaranteed energy savings over the life of the agreement and tax rebates. The District is anticipating first finance and start this project in the summer of 2026.

The District is planning a larger referendum to be voted on in the fall of 2026 of approximately $50,000,000. By using capital reserves, the District does not anticipate needing to increase taxes in order to finance the project. The ultimate scope and size of the project is still undecided as of the date of this Official Statement.

There are presently no other capital projects authorized 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 indebtedness of the respective municipalities is outlined in the table below.

Municipality	Status of Debt as of	Gross Indebtedness [1]	District Share	Applicable Indebtedness
County of:				
Fulton	12/31/2024	$ 536,211	17.80%	$ 8,127
Montgomery	12/31/2024	30,462,181	0.06%	18,277
City of:				
Gloversville	12/31/2024	22,984,426	6.55%	1,505,480
Johnstown	12/31/2024	-	77.31%	-
Town of:				
Ephratah	12/31/2024	50,000	39.15%	19,575
Johnstown	12/31/2024	134,601	33.72%	45,387
Palatine	12/31/2024	-	0.75%	-
			Total:	$ 1,596,847

[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.

Note: Gross Indebtedness sourced from local government data provided by the State Comptroller's office. Information regarding applicable exclusions, such as water debt, sewer debt, and budgeted appropriations for the municipalities and state building aid for the school districts is not available from source

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 8, 2026:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 39,618,750	$ 3,520.41	4.13%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	41,215,597	3,662.31	4.30

[a] The 2024 estimated population of the District is 11,254. (See "THE SCHOOL DISTRICT – Population" herein.)
[b] The District's full value of taxable real estate for 2025-2026 is $959,587,985. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
[c] See "Debt Statement Summary" herein.
[d] Estimated gross overlapping indebtedness is $1,596,847. (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

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.

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 shall not exceed nine per centum per annum. 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 or interest on the Notes.

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.

The Federal Bankruptcy Code allows public bodies, such as the District, 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 to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While these Local Finance Law provisions do not apply to school districts, there can be no assurance that they will not be made so applicable in the future.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any Counties, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

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."

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

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 District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the 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 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 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 District, in any year, the District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the District. In several recent years, the District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "THE SCHOOL DISTRICT – State Aid").

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the 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.

Federal Policy Risk: Federal policies on trade, immigration, and other topics can shift dramatically from one administration to another. From time to time, such shifts can result in reductions to the State's level of federal funding for a variety of social services, health care, public safety, transportation, public health, and other federally funded programs. There can be no prediction of future changes in federal policy or the potential impact on any related federal funding that the State may or may not receive in the future.

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.

TAX MATTERS

In the opinion of Barclay Damon LLP, Bond Counsel to the Authority, 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 Authority, 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 by the District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) 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 corporate alternative minimum tax under 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 District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

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

CONTINUING DISCLOSURE

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

Historical Compliance

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

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal 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 the Municipal Advisor 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.

RATINGS

The Notes are not rated. The purchaser(s) of the Notes may choose to request that a rating be assigned after the sale pending the approval of the District and applicable rating agency, and at the expense of the purchaser(s), including any rating agency and other fees to be incurred by the District, as such rating action may result in a material event notice to be posted to EMMA and/or the provision of a Supplement to the final Official Statement.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "A+" with a stable outlook to the District's outstanding bonds. The rating reflects only the view of S&P, and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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

MISCELLANEOUS

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

Statements in 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 opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, this Official Statement.

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

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

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

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

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

The District's contact information is as follows: Melissa Baker, School Business Manager/Deputy Treasurer, City School District of the City of Johnstown, The Knox Building, 400 South Perry Street, Johnstown, New York 12095, Phone: (518) 762-4611, Email: mbaker@johnstownschools.org.

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

CITY SCHOOL DISTRICT OF THE CITY OF JOHNSTOWN

Dated: June __, 2026

PRESIDENT OF THE BOARD OF EDUCATION AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2021	2022	2023	2024	2025
ASSETS					
Unrestricted Cash	$ 8,824,696	$ 7,331,378	$ 5,587,933	$ 4,753,087	$ 8,460,085
Restricted Cash	9,936,112	10,718,254	15,473,354	15,840,458	15,614,476
Taxes Receivable	542,003	759,287	1,169,606	1,398,357	1,963,497
State & Federal Aid Receivable	792,909	517,564	707,677	809,719	648,026
Due from Other Funds	2,109,943	3,427,602	5,284,488	8,210,465	8,720,158
Other Receivable	56,849	24,719	198,035	232,115	31,456
Due from Fiduciary Funds	-	-	-	-	-
Due from Other Governments	1,242,631	1,861,248	2,339,906	3,124,905	1,132,668
Lease Receivables	-	1,108,689	973,392	837,169	700,011
Prepaid Expenses	-	-	-	-	-
TOTAL ASSETS	$ 23,505,143	$ 25,748,741	$ 31,734,391	$ 35,206,275	$ 37,270,377
LIABILITES AND FUND EQUITY					
Accounts Payable	$ 973,810	$ 326,542	$ 247,711	$ 446,841	$ 201,206
Accrued Liabilities	36,132	38,719	39,318	96,482	61,490
Due to Other Funds	3,013,335	2,907,294	4,446,525	7,570,535	10,236,077
Due to Fiduciary Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	996,741	1,154,326	1,307,450	1,325,198	1,446,181
Due to Employees' Retirement System	85,029	98,035	79,815	111,618	111,618
Collections in Advance	43,165	66,266	39,153	39,153	39,153
Deferred Revenues	452,335	1,813,677	1,818,620	2,198,189	2,635,835
TOTAL LIABILITIES	5,600,547	6,404,859	7,978,592	11,788,016	14,731,560
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	9,936,112	10,718,254	15,473,354	15,840,458	15,614,476
Assigned	3,168,330	3,433,899	3,343,207	4,089,755	5,136,688
Unassigned	4,800,154	5,191,729	4,939,238	3,488,046	1,787,653
TOTAL FUND EQUITY	17,904,596	19,343,882	23,755,799	23,418,259	22,538,817
TOTAL LIABILITES and FUND EQUITY	$ 23,505,143	$ 25,748,741	$ 31,734,391	$ 35,206,275	$ 37,270,377

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2021	2022	2023	2024	2025
REVENUES					
Real Property Taxes & Tax Items	$ 9,019,654	$ 9,159,182	$ 9,880,374	$ 10,509,006	$ 10,533,599
Other Property Tax Items	1,995,452	2,067,224	2,064,800	2,334,101	1,839,773
Charges for Services	186,306	140,698	225,578	179,780	170,495
Use of Money & Property	223,016	213,707	489,071	1,086,409	983,629
Sale of Property and Compensation for Loss	-	600,717	-	731,500	-
Miscellaneous	1,208,792	1,112,945	1,432,124	1,593,478	1,156,406
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	25,586,658	24,176,569	24,763,330	26,296,410	25,831,693
Revenues from Federal Sources	530,196	151,951	119,860	130,020	148,271
Total Revenues	$ 38,750,074	$ 37,622,993	$ 38,975,137	$ 42,860,704	$ 40,663,866
Other Sources:					
Interfund Transfers	-	-	2,463,172	-	-
Total Revenues and Other Sources	$ 38,750,074	$ 37,622,993	$ 41,438,309	$ 42,860,704	$ 40,663,866
EXPENDITURES					
General Support	$ 4,368,664	$ 4,408,934	$ 4,217,163	$ 4,833,872	$ 5,307,066
Instruction	15,247,565	15,617,444	17,438,947	18,977,966	20,890,022
Pupil Transportation	1,955,929	2,497,737	3,205,682	2,444,604	2,444,443
Community Services	577	826	626	60	4,867
Employee Benefits	7,374,684	7,166,643	6,836,587	7,469,520	8,678,872
Debt Service	4,166,350	4,181,500	4,019,950	4,248,222	4,045,950
Total Expenditures	$ 33,113,769	$ 33,873,084	$ 35,718,955	$ 37,974,244	$ 41,371,220
Other Uses:					
Interfund Transfers	166,428	2,310,623	1,307,437	5,224,000	172,088
Total Expenditures and Other Uses	33,280,197	36,183,707	37,026,392	43,198,244	41,543,308
Excess (Deficit) Revenues Over Expenditures	5,469,877	1,439,286	4,411,917	(337,540)	(879,442)
FUND BALANCE					
Fund Balance - Beginning of Year	12,376,357	17,904,596	19,343,882	23,755,799	23,418,259
Prior Period Adjustments (net)	58,362	-	-	-	-
Fund Balance - End of Year	$ 17,904,596	$ 19,343,882	$ 23,755,799	$ 23,418,259	$ 22,538,817

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2025			2026	2027
	Original Budget	Final Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes & Items	$ 12,265,659	$ 11,108,403	$ 10,533,599	$ 12,632,818	$ 13,073,473
Other Property Tax Items	480,538	1,637,794	1,839,773	51,141	41,757
Nonproperty Tax Items	-	-	-	430,000	430,000
Charges for Services	137,350	137,350	170,495	137,350	120,150
Use of Money & Property	168,200	168,200	983,629	168,200	168,200
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	708,000	708,000	1,156,406	708,000	705,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	25,596,714	25,596,714	25,831,693	25,931,963	27,532,286
Revenues from Federal Sources	120,000	120,000	148,271	120,000	120,000
Total Revenues	$ 39,476,461	$ 39,476,461	$ 40,663,866	$ 40,179,472	$ 42,190,866
Other Sources:					
Interfund Transfers	59,737	59,737	-	59,737	59,737
Total Revenues and Other Sources	39,536,198	39,536,198	40,663,866	40,239,209	42,250,603
EXPENDITURES					
General Support	$ 5,326,078	$ 5,904,631	$ 5,307,066	$ 5,637,302	$ 5,877,601
Instruction	21,792,541	21,851,293	20,890,022	22,835,380	22,487,429
Pupil Transportation	2,780,400	2,520,741	2,444,443	2,889,900	2,875,800
Community Services	7,000	5,050	4,867	7,000	3,000
Employee Benefits	9,071,006	9,031,444	8,678,872	8,904,735	9,769,082
Debt Service	4,341,950	4,341,950	4,045,950	4,712,500	6,158,767
Total Expenditures	$ 43,318,975	$ 43,655,109	$ 41,371,220	$ 44,986,817	$ 47,171,679
Other Uses:					
Interfund Transfers	170,000	172,088	172,088	170,000	120,000
Total Expenditures and Other Uses	43,488,975	43,827,197	41,543,308	45,156,817	47,291,679
Excess (Deficit) Revenues Over Expenditures	(3,952,777)	(4,290,999)	(879,442)	(4,917,608)	(5,041,076)
FUND BALANCE					
Fund Balance - Beginning of Year	3,952,777	4,290,999	23,418,259	3,117,608	3,141,076
Planned Use of Reserves	-	-	-	1,800,000	1,900,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 22,538,817	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	$ 3,135,000	$ 721,100	$ 3,856,100
2027	3,235,000	622,250	3,857,250
2028	3,130,000	520,200	3,650,200
2029	2,735,000	423,150	3,158,150
2030	2,815,000	341,100	3,156,100
2031	2,900,000	256,650	3,156,650
2032	2,985,000	169,650	3,154,650
2033	2,670,000	80,100	2,750,100
TOTALS	$ 23,605,000	$ 3,134,200	$ 26,739,200

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

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2015 Refunding of 2008 Bonds			2019 Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2026	$ 480,000	$ 51,800.00	$ 531,800.00	$ 2,655,000	$ 669,300.00	$ 3,324,300.00
2027	500,000	32,600.00	532,600.00	2,735,000	589,650.00	3,324,650.00
2028	315,000	12,600.00	327,600.00	2,815,000	507,600.00	3,322,600.00
2029	-	-	-	2,735,000	423,150.00	3,158,150.00
2030	-	-	-	2,815,000	341,100.00	3,156,100.00
2031	-	-	-	2,900,000	256,650.00	3,156,650.00
2032	-	-	-	2,985,000	169,650.00	3,154,650.00
2033	-	-	-	2,670,000	80,100.00	2,750,100.00
TOTALS	$ 1,295,000	$ 97,000.00	$ 1,392,000.00	$ 22,310,000	$ 3,037,200.00	$ 25,347,200.00

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY SCHOOL DISTRICT OF THE CITY OF JOHNSTOWN
FULTON AND MONTGOMERY COUNTIES, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

FOR THE FISCAL YEAR ENDED

JUNE 30, 2025

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

GREATER JOHNSTOWN SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULES

JUNE 30, 2025

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WEST & COMPANY CPAs PC

INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Greater Johnstown School District
Johnstown, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greater Johnstown School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress – changes in total other post-employment benefits liability and related ratios, and schedule of local government's proportionate share of the net pension liability and contributions on pages 4 through 13 and 52 through 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements.

The supplementary information on pages 57 through 59 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

WEST & COMPANY CPAs PC

Gloversville, New York
October 1, 2025

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2025. This section is a summary of the School District's financial activities based on currently known facts, decisions or conditions. It is also based on both the 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 School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

The District maintained its financial position in the 2024-2025 fiscal year. Through diligent controls on expenditures and operational decisions resulting in cost savings, the District was able to contain actual expenditures to 94.8% of the adjusted operating budget, slightly higher than fiscal year 2023-2024. The District also realized savings in the BOCES COSERS mainly in the Occupational Education and Special Ed categories. Through operational changes there remained a sum of $2,064,809, unexpended and unencumbered as of June 30, 2025.

Earned revenue for the 2024-2025 fiscal year was approximately $1.127 million more than the budgeted amount. This is primarily due to higher than budgeted SPED Tuition/Transportation, along with higher than anticipated interest earnings.

The maximum allowable levy for the 2025-2026 school year is $12,632,818 or 2.99%. In May, 2025, the District proposed a fiscal year budget of $45,156,817, which also included the use of $3,117,608 of fund balance and $1,800,000 from Reserves. The budget proposal was approved by a margin of 69%, with 350 voting in favor and 151 voting against.

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 *District-wide* financial statements that provide both short-term and long-term information about the School District's overall financial status.

The remaining statements are *fund financial statements* that focus on individual parts of the School District, reporting the School District's operations in more detail than the District-wide statements.

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

Fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a custodian for the benefit of others.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

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

Table A-1 Major Features of the District-wide and Fund Financial Statements

		Fund Financial Statements	
	District-Wide	**Governmental Funds**	**Fiduciary Funds**
Scope	Entire District (except fiduciary funds)	The activities of the School District that are proprietary or fiduciary, such as instruction, special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as student activities monies
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities and deferred inflows of resources (if any), both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

The District-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets, deferred outflows of resources, 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 District-wide statements report the School District's *net position* and how it has changed. Net position – the difference between the School District's assets, deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the School District's financial health or *position*.

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

- For assessment of the overall health of the School District, additional nonfinancial factors such as changes in the property tax base and the condition of buildings and other facilities should be considered.

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

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

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

Fund Financial Statements

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

- 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 School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can be readily 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 School District’s programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information following the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, CM miscellaneous special revenue fund and the capital project fund. Required financial statements are the balance sheet and the statement of revenue, expenditures and changes in fund balance.
- Fiduciary Fund: The School District is the custodian for assets that belong to others, such as the student activities funds and the private purpose trust funds. The School 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 School District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table A-2

	Fiscal Year 2025	Fiscal Year 2024	% Change (Increase, - Decrease)
Assets			
Current and other assets	$ 44,533	$ 39,409	13
Capital assets - net	57,729	52,035	11
Total Assets	102,262	91,444	12
Deferred Outflows of Resources			
Other post-employment benefits	12,406	14,900	-17
Pensions	5,457	6,051	-10
Total Deferred Outflows of Resources	17,863	20,951	-15
Liabilities			
Current liabilities	19,736	10,584	86
Long-term liabilities	66,798	68,818	-3
Total Liabilities	86,534	79,402	9
Deferred Inflows of Resources			
Other post-employment benefits	14,464	16,651	-13
Leases	700	837	-16
Pensions	2,807	1,226	129
Total Deferred Inflows of Resources	17,971	18,714	-4
Net Position			
Net investment in capital assets	32,679	25,390	29
Restricted	15,614	15,840	-1
Unrestricted	(32,673)	(26,951)	-21
Total Net Position	$ 15,620	$ 14,279	9

Changes in Net Position

The School District's 2025 revenue was $45,205,682 (see Table A-3). Property taxes and New York State aid accounted for the majority of revenue by contributing 24.6% and 57.2%, respectively, of the total revenue raised (see Table A-4). The remainder of revenue came from fees for services, use of money and property, operating grants and other miscellaneous sources.

The total cost of all programs and services totaled $43,865,948 for 2025. These expenses are predominantly for the education, supervision and transportation of students (see Table A-5). The School District's administrative and business activities accounted for 16.5% of total costs.

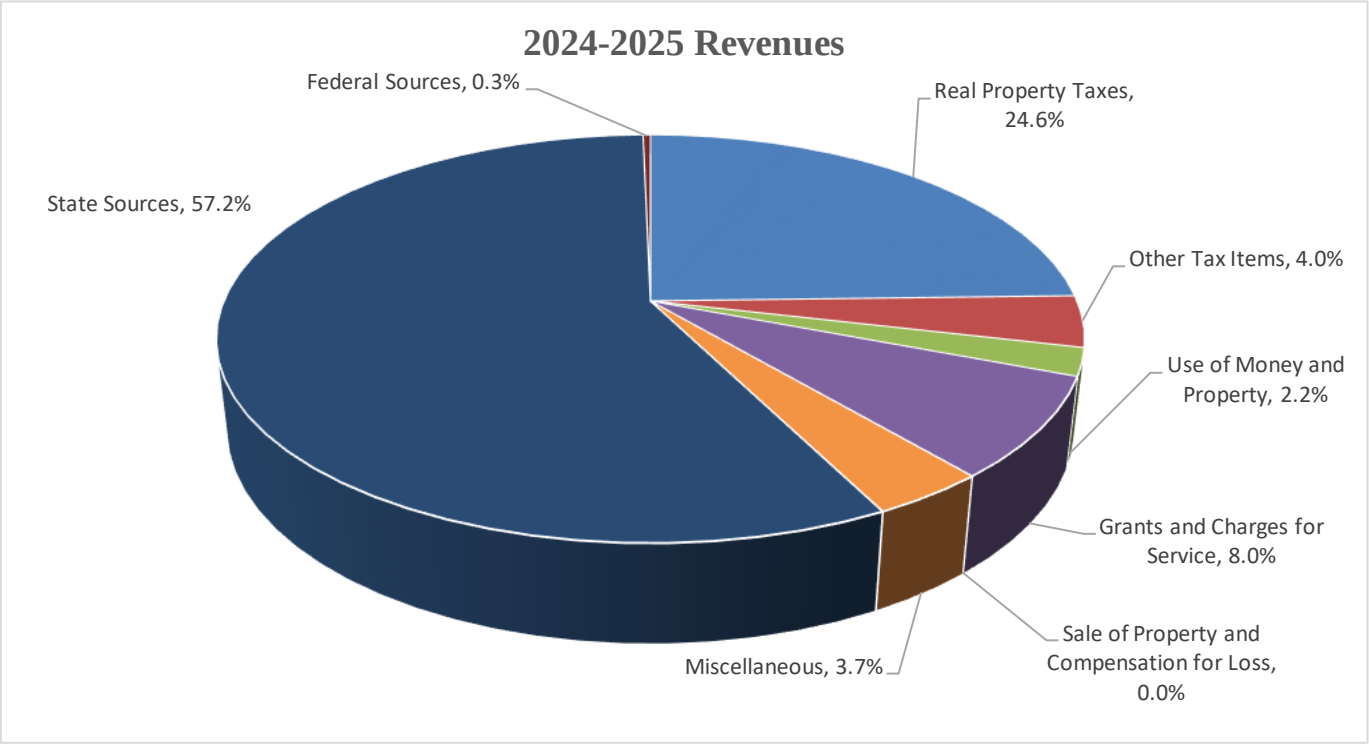
Net position increased during the year by $1,341,134, including an other change in net position of $1,400.

Table A-3

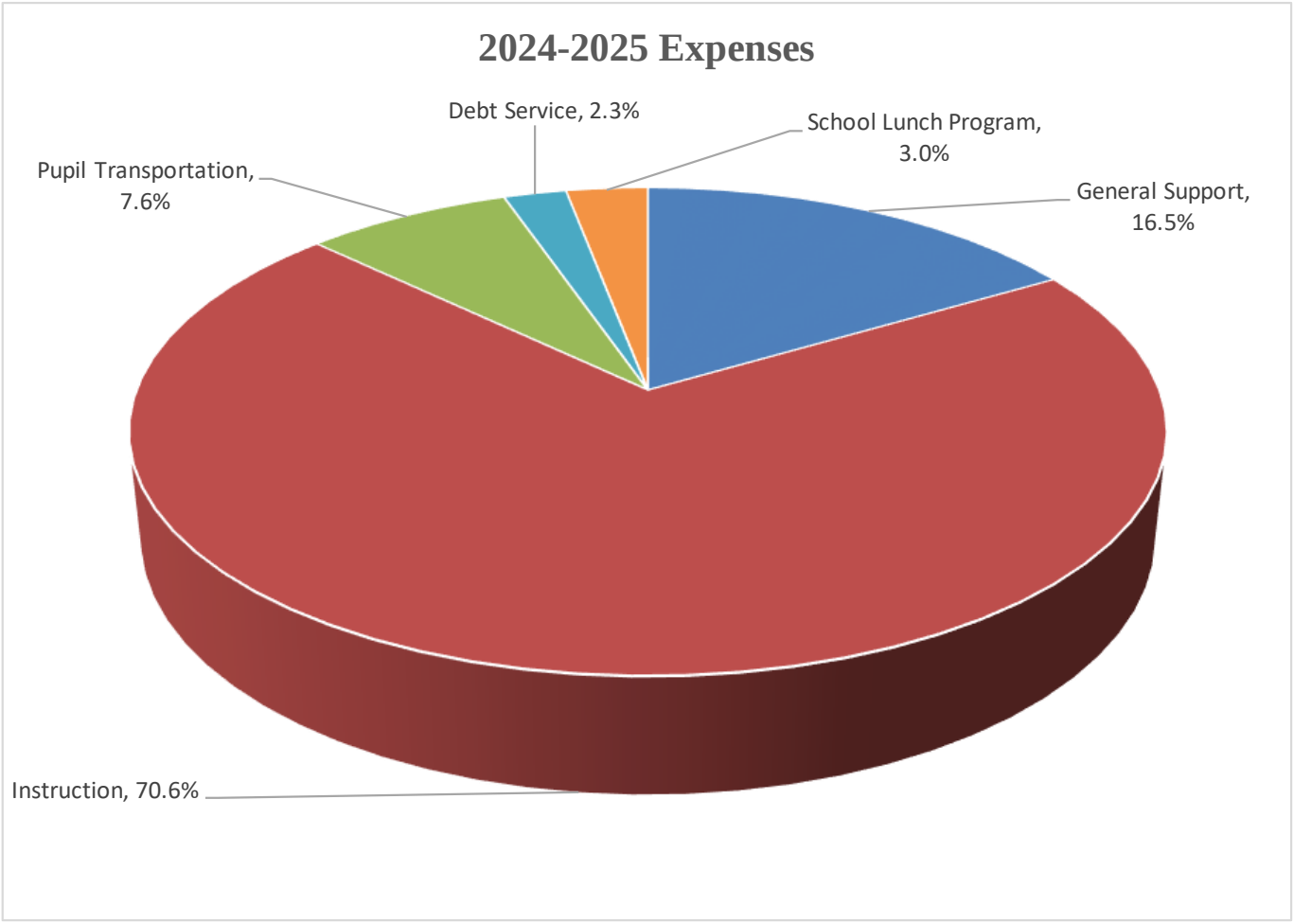
Changes in Net Position from Operating Results (in thousands)

	Fiscal Year 2025	Fiscal Year 2024	% Change (Increase, - Decrease)
Revenues			
Program Revenues			
Charges for services	$ 219	$ 206	6
Operating grants and contributions	3,390	5,457	-38
General Revenues			
Property taxes	12,948	13,359	-3
State sources	25,845	26,391	-2
Federal sources	148	130	14
Use of money and property	985	1,088	-9
Sale of property and compensation for loss	0	732	-100
Miscellaneous	1,670	1,655	1
Total Revenues	45,205	49,018	-8
Expenses			
General support	7,257	7,006	4
Instruction	30,956	32,233	-4
Transportation	3,327	3,522	-6
Community service	5	0	100
Debt service	1,006	1,063	-5
Cost of sales – Lunch Program	1,315	1,319	0
Total Expenses	43,866	45,143	-3
Change in Net Position	1,339	3,875	-65
Other Change in Net Position	1	0	100
Total Change in Net Position	$ 1,340	$ 3,875	-65

REVENUES – TABLE A–4



EXPENDITURES – TABLE A–5



Governmental Activities

Revenue for the School District's governmental activities totaled $45,205,682 while total expenses were $43,865,948 and there was an other change in net position of $1,400. Accordingly, net position increased by $1,341,134. The District's current year financial condition can be attributed to:

- Continued leadership and guidance by the Board of Education.
- Consistent and experienced District leadership.
- Increased revenues from sources other than New York State.
- Use of services from BOCES.
- Improvement in procedures to maximize revenue and control expenditures.

Table A-6 presents the cost of several of the School District's major activities. The table also shows each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

Table A-6

Net Cost of Governmental Activities (in thousands)

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2025	2024	(Incr.; -Decr.)	2025	2024	(Incr.; -Decr.)
General support	$ 7,257	$ 7,006	4%	$ 7,257	$ 7,006	4%
Instruction	30,956	32,233	-4%	28,557	27,713	3%
Pupil transportation	3,327	3,522	-6%	3,327	3,522	-6%
Community service	5	0	100%	5	0	100%
Debt service - interest	1,006	1,063	-5%	1,006	1,063	-5%
Cost of sales - lunch program	1,315	1,319	0%	105	175	-40%
Totals	$ 43,866	$ 45,143	-3%	$ 40,257	$ 39,479	2%

- The cost of all governmental activities for the year was $43,865,948.
- The users of the School District's programs financed $219,352 of the costs.
- Federal and state government grants financed $3,389,779.
- The majority of costs were financed by the School District's taxpayers and state aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a combined fund balance of $23,335,232. The 2024-2025 decrease in overall fund balance was $6,331,917. Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets and the current payments for debt, including the principal and interest payment.

General Fund Budgetary Highlights

	Results vs. Budget			
	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Fav; (Unfav)
REVENUES				
Local Sources	$ 13,759,747	$ 13,759,747	$ 14,683,902	$ 924,155
State Sources	25,596,714	25,596,714	25,831,693	234,979
Federal Sources	120,000	120,000	148,271	28,271
Total Revenues	39,476,461	39,476,461	40,663,866	1,187,405
OTHER FINANCING SOURCES				
Transfers from other funds	59,737	59,737	0	(59,737)
Total Revenues and Other Financing Sources	39,536,198	39,536,198	40,663,866	1,127,668
EXPENDITURES				
General Support	5,326,078	5,904,631	5,307,066	597,565
Instruction	21,792,541	21,851,293	20,890,022	961,271
Pupil Transportation	2,780,400	2,520,741	2,444,443	76,298
Community Services	7,000	5,050	4,867	183
Employee Benefits	9,071,006	9,031,444	8,678,872	352,572
Debt Service	4,341,950	4,341,950	4,045,950	296,000
Total Expenditures	43,318,975	43,655,109	41,371,220	2,283,889
OTHER USES				
Transfers Out	170,000	172,088	172,088	0
Total Expenditures and Other Uses	43,488,975	43,827,197	41,543,308	$ 2,283,889
Revenues Over (Under) Expenditures and Other Uses	(3,952,777)	(4,290,999)	(879,442)	
Beginning Fund Balance	23,418,259	23,418,259	23,418,259	
Ending Fund Balance	$ 19,465,482	$ 19,127,260	$ 22,538,817	

For the 2024-2025 school year, the voters of the District approved a budget of $43,488,975. Overall, at the end of the fiscal year, the budget was increased by $338,222, which included $136,978 in carryover encumbrances and tax certiorari payment of $200,044. The budget was also increased for donations received by the District of $1,200.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2025, the School District had $57,729,346 (net of depreciation and amortization) invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers and other educational equipment.

Capital Assets

Table A-7

Capital Assets (net of depreciation and amortization) (in thousands)

	Fiscal Year 2025	Fiscal Year 2024
Land, land improvements and construction in progress	$ 51,557	$ 45,485
Buildings and equipment	5,894	6,289
Right to use assets	278	261
Totals	$ 57,729	$ 52,035

Long-Term Debt

As of June 30, 2025, the School District had $68,672,222 in general obligation and other long-term debt outstanding. More detailed information about the School District's long-term debt is included in the notes to the basic financial statements.

Table A-8

Outstanding long-term debt (in thousands)

	Fiscal Year 2025	Fiscal Year 2024
General obligation bonds (financed with property taxes)	$ 23,605	$ 26,645
All other debt	45,067	43,420
Totals	$ 68,672	$ 70,065

Other debt is comprised of compensated absences and other post-employment benefits.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District is aware of several circumstances that may have a bearing on its financial condition in the future.

The District is highly-dependent on state aid to fund operating expenses. Changes in the State's economy and other changes at the state level that impact the manner in which state aid is paid could have a significant impact on the finances of the District. Enrollment has declined in the last ten years, which may result in some reductions in expenditures in the upcoming years but may have a negative impact on state aid figures as well.

We are beginning to see a flattening in enrollment, and project minimal declines in the next ten years, which should help to avoid negative impacts to our state aid figures moving forward, assuming no significant change to state aid formulas occur..

The ending of COVID related relief monies, the District is focused on its financial planning to continue to support the needs of our students while remaining financially stable. The fund balance status, inclusive of our reserves, indicates the financial foundation of the school district is solid, which shows the District to be in good stead for future school fiscal years and in a position to minimize negative impacts on our financial position. Unfunded mandates continue to add pressure to the District's overall financial operation, and changes to State aid over time may further that pressure.

Health insurance, including post-employment benefits costs, remain a formidable component of the budgeting and collective bargaining processes. The District continues to use the competitive bidding process conducted by a third-party broker, to establish contracts with insurance carriers that provide comparable coverages and provide for potential cost savings to the District to hopefully offset any increases in premiums the District pays. As utilization is a major driver of health insurance costs, the District will continue to work with the District-wide Health Insurance Committee, as well as with other school districts in the region, to implement measures to slow the rate of growth in health insurance costs.

Another factor that the District is monitoring closely is the rate of inflation and its impact on the cost of materials and supplies required for educating our students and for the safe, daily operation of the district. The District will continue to utilize competitive bidding and the use of purchasing consortiums to offset higher costs for goods and services.

The Board of Education has established and maintains reserves to help offset anticipated increases in costs or unexpected, unforeseen expenses that may occur. These reserves include:

- Reserve for worker's compensation
- Reserve for retirement contributions (ERS)
- Reserve for retirement contributions sub-fund (TRS)
- Reserve for tax certiorari
- Reserve for capital projects (construction)
- Reserve for capital projects (buses)
- Reserve for accrued employee benefits liability
- Reserve for property loss
- Reserve for liability claims
- Reserve for unemployment insurance

The District continues to engage in long-range financial planning, reserve planning and fund-balance management. Through the planning process, the District will continue to employ strategies to utilize reserves and fund balance in a planned, methodical manner in an attempt to maintain programs and maximize the best use of our resources.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Greater Johnstown School District
Business Office
1 Sir Bills Circle, Suite 101
Johnstown, New York 12095

GREATER JOHNSTOWN SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2025

ASSETS		
Cash		
Unrestricted	$	20,847,954
Restricted		15,676,296
Receivables		
State and Federal aid		1,944,425
Due from other governments		1,367,356
Lease receivable		700,011
Taxes receivable		1,963,497
Other receivables		31,564
Inventories		16,067
Net pension asset - proportionate share		1,985,940
Right to use assets, net of amortization		278,306
Capital assets, net of depreciation		57,451,040
Total Assets		102,262,456
DEFERRED OUTFLOWS OF RESOURCES		
Other post-employment benefits		12,406,135
Pensions		5,456,855
Total Deferred Outflows of Resources		17,862,990
LIABILITIES		
Payables		
Accounts payable		1,603,912
Accrued liabilities		64,175
Collections in advance		44,847
Unearned grant revenues		370
Bond anticipation note payable		13,305,000
Long-term liabilities		
Due and payable within one year		
Due to Teachers' Retirement System		1,446,181
Due to Employees' Retirement System		111,618
Bonds payable		3,135,000
Compensated absences payable		25,265
Due and payable after one year		
Bonds payable		20,470,000
Net pension liability - proportionate share		1,286,484
Other post-employment benefits		44,855,574
Compensated absences payable		186,383
Total Liabilities		86,534,809
DEFERRED INFLOWS OF RESOURCES		
Other post-employment benefits		14,463,863
Lease		700,011
Pensions		2,806,788
Total Deferred Inflows of Resources		17,970,662
NET POSITION		
Net investment in capital assets		32,678,663
Restricted		
Reserve for liability and property loss		558,345
Reserve for tax certiorari		214,779
Reserve for debt service		617,104
Reserves for capital projects		8,396,110
Reserve for capital projects - buses		24,413
Reserve for employee benefit accrued liability		188,000
Reserve for workers' compensation		2,634,763
Unemployment insurance reserve		403,057
Reserve for retirement contribution - TRS		310,289
Reserve for retirement contribution - ERS		2,267,616
Unrestricted		(32,673,164)
Total Net Position	$	15,619,975

See notes to basic financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS				
General support	$ 7,256,907	$ 0	$ 0	$ (7,256,907)
Instruction	30,956,373	(170,495)	(2,228,421)	(28,557,457)
Pupil transportation	3,326,597	0	0	(3,326,597)
Debt service	1,005,950	0	0	(1,005,950)
Community service	4,867	0	0	(4,867)
School lunch program	1,315,254	(48,857)	(1,161,358)	(105,039)
Total Functions and Programs	$ 43,865,948	$ (219,352)	$ (3,389,779)	(40,256,817)
GENERAL REVENUES				
Real property taxes				11,108,403
Other tax items				1,839,773
Use of money and property				985,255
Miscellaneous				1,669,931
State sources				25,844,918
Federal sources				148,271
Total General Revenues				41,596,551
CHANGE IN NET POSITION				1,339,734
TOTAL NET POSITION - BEGINNING OF YEAR				14,278,841
OTHER CHANGE IN NET POSITION				1,400
TOTAL NET POSITION - END OF YEAR				$ 15,619,975

See notes to basic financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2025

	General	Special Aid	School Lunch	Capital	CM Misc. Special Revenue	Total Governmental Funds
ASSETS						
Cash						
Unrestricted	$ 8,460,085	$ 62,599	$ 4,234	$ 11,859,317	$ 461,719	$ 20,847,954
Restricted	15,614,476	0	0	0	61,820	15,676,296
Due from other funds	8,720,158	200,452	17,745	4,883,799	0	13,822,154
State and Federal aid receivable	648,026	1,124,082	113,214	59,103	0	1,944,425
Due from other governments	1,132,668	0	234,688	0	0	1,367,356
Lease receivable	700,011	0	0	0	0	700,011
Taxes receivable	1,963,497	0	0	0	0	1,963,497
Other receivables	31,456	0	0	108	0	31,564
Inventories	0	0	16,067	0	0	16,067
TOTAL ASSETS	$ 37,270,377	$ 1,387,133	$ 385,948	$ 16,802,327	$ 523,539	$ 56,369,324
LIABILITIES						
Accounts payable	$ 201,206	$ 471,546	$ 610	$ 930,550	$ 0	$ 1,603,912
Accrued liabilities	61,490	5	2,680	0	0	64,175
Due to other funds	10,236,077	915,212	86,348	2,582,972	1,545	13,822,154
Bond anticipation note payable	0	0	0	13,305,000	0	13,305,000
Due to Employees' Retirement System	111,618	0	0	0	0	111,618
Due to Teachers' Retirement System	1,446,181	0	0	0	0	1,446,181
Collections in advance	39,153	0	5,694	0	0	44,847
Unearned grant revenues	0	370	0	0	0	370
Total Liabilities	12,095,725	1,387,133	95,332	16,818,522	1,545	30,398,257
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow - lease	700,011	0	0	0	0	700,011
Deferred tax revenues	1,935,824	0	0	0	0	1,935,824
Total Deferred Inflows of Resources	2,635,835	0	0	0	0	2,635,835
FUND BALANCE						
Nonspendable						
Reserved for inventory	0	0	16,067	0	0	16,067
Restricted						
Reserve for liability and property loss	558,345	0	0	0	0	558,345
Reserve for tax certiorari	214,779	0	0	0	0	214,779
Reserve for debt service	617,104	0	0	0	0	617,104
Reserve for capital projects - 2020	602,460	0	0	0	0	602,460
Reserve for capital projects - 2022	45,293	0	0	0	0	45,293
Reserve for capital projects - 2023	21,906	0	0	0	0	21,906
Reserve for capital projects - 2024	7,726,451	0	0	0	0	7,726,451
Reserve for capital projects - buses	24,413	0	0	0	0	24,413
Reserve for workers' compensation	2,634,763	0	0	0	0	2,634,763
Reserve for employee benefit accrued liability	188,000	0	0	0	0	188,000
Unemployment insurance reserve	403,057	0	0	0	0	403,057
Reserve for retirement contribution - TRS	310,289	0	0	0	0	310,289
Reserve for retirement contribution - ERS	2,267,616	0	0	0	0	2,267,616
Assigned	5,136,688	0	274,549	0	521,994	5,933,231
Unassigned	1,787,653	0	0	(16,195)	0	1,771,458
Total Fund Balance	22,538,817	0	290,616	(16,195)	521,994	23,335,232
TOTAL LIABILITIES AND FUND BALANCE	$ 37,270,377	$ 1,387,133	$ 385,948	$ 16,802,327	$ 523,539	$ 56,369,324

See notes to basic financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION

JUNE 30, 2025

Total balance - governmental funds balance sheet (page 16)	$ 23,335,232
Add:	
Capital assets and right to use assets, net of accumulated depreciation and amortization	57,729,346
Pensions	3,349,523
Deferred tax revenues	1,935,824
Total	63,014,693
Deduct:	
Compensated absences	211,648
Other post-employment benefits	46,913,302
Bonds payable	23,605,000
Total	70,729,950
NET POSITION, GOVERNMENTAL ACTIVITIES	$ 15,619,975

See notes to basic financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	General	Special Aid	School Lunch	Capital	CM Misc. Special Revenue	Total Governmental Funds
REVENUES						
Real property taxes	$ 10,533,599	$ 0	$ 0	$ 0	$ 0	$ 10,533,599
Other tax items	1,839,773	0	0	0	0	1,839,773
Charges for services	170,495	0	0	0	0	170,495
Use of money and property	983,629	0	6	0	1,620	985,255
Miscellaneous	1,156,406	0	1,272	80,053	432,200	1,669,931
State sources	25,831,693	1,135,828	398,426	13,225	0	27,379,172
Federal sources	148,271	1,092,593	731,963	0	0	1,972,827
Surplus food	0	0	30,969	0	0	30,969
Sales - school lunch	0	0	48,857	0	0	48,857
Total Revenues	40,663,866	2,228,421	1,211,493	93,278	433,820	44,630,878
EXPENDITURES						
General support	5,307,066	0	0	0	34,619	5,341,685
Instruction	20,890,022	1,857,274	0	0	0	22,747,296
Pupil transportation	2,444,443	0	0	0	0	2,444,443
Community service	4,867	0	0	0	0	4,867
Employee benefits	8,678,872	393,235	1,091	0	0	9,073,198
Debt service						
Principal	3,040,000	0	0	0	0	3,040,000
Interest	1,005,950	0	0	0	0	1,005,950
Cost of sales	0	0	1,235,720	0	0	1,235,720
Capital outlay	0	0	0	6,071,036	0	6,071,036
Total Expenditures	41,371,220	2,250,509	1,236,811	6,071,036	34,619	50,964,195
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(707,354)	(22,088)	(25,318)	(5,977,758)	399,201	(6,333,317)
OTHER FINANCING SOURCES AND USES						
Operating transfers in	0	22,088	50,000	100,000	0	172,088
Operating transfers (out)	(172,088)	0	0	0	0	(172,088)
Total Other Financing Sources (Uses)	(172,088)	22,088	50,000	100,000	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND USES	(879,442)	0	24,682	(5,877,758)	399,201	(6,333,317)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	23,418,259	(1,400)	265,934	5,861,563	122,793	29,667,149
OTHER CHANGE IN FUND BALANCE	0	1,400	0	0	0	1,400
FUND BALANCE (DEFICIT) - END OF YEAR	$ 22,538,817	$ 0	$ 290,616	$ (16,195)	$ 521,994	$ 23,335,232

See notes to basic financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

REVENUES		
Governmental funds	$ 44,630,878	
Add:		
Current year deferred tax revenue	1,935,824	
Deduct:		
Prior year deferred tax revenue	1,361,020	
REVENUES - STATEMENT OF ACTIVITIES		45,205,682
EXPENDITURES - GOVERNMENTAL FUNDS	50,964,195	
Add:		
Depreciation and amortization	566,127	
Increase in other post-employment benefits	1,924,298	
Increase in compensated absences	29,577	
	2,520,002	
Deduct:		
Principal payments of long-term debt	3,040,000	
Change in fixed assets	6,260,347	
Pensions	317,902	
	9,618,249	
EXPENDITURES - STATEMENT OF ACTIVITIES		43,865,948
CHANGE IN NET POSITION		$ 1,339,734

See notes to basic financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2025

	Custodial Funds	Private Purpose Trust Funds
ASSETS		
Cash	$ 200,888	$ 0
Investment - restricted	0	277,962
Total Assets	200,888	277,962
NET POSITION	$ 200,888	$ 277,962

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Funds	Private Purpose Trust Funds
ADDITIONS		
Investment earnings	$ 0	$ 21,765
Extraclassroom receipts	276,783	0
Total Additions	276,783	21,765
DEDUCTIONS		
Extraclassroom disbursements	257,599	0
Total Deductions	257,599	0
Changes in Net Position	19,184	21,765
NET POSITION - BEGINNING OF YEAR	181,704	256,197
NET POSITION - END OF YEAR	$ 200,888	$ 277,962

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

i) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found with these financial statements. The District accounts for assets held as the custodian for various student organizations in the custodial fund.

B. Joint Venture

The District is one of 15 component districts in the Hamilton, Fulton and Montgomery Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

B. Joint Venture – (Continued)

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

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

During the year, the District was billed $8,265,616 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued $-0- of serial bonds on behalf of BOCES. As of year-end, the District had outstanding BOCES debt of $-0-.

The District's share of BOCES aid amounted to $2,859,655.

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

C. Basis of Presentation

1. District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary.

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues and other exchange and 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. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

C. Basis of Presentation – (Continued)

2. Fund 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 major governmental funds:

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

School Lunch Fund – This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted for expenditures of the school breakfast and lunch programs.

Miscellaneous Special Revenue Fund – Miscellaneous Special Revenue Fund is used to account for those revenues that are legally restricted to expenditures for a specific purpose.

Special Aid Funds – These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes 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.

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

The District reports the following fiduciary funds:

Custodial Fund – Fiduciary activities are those in which the District acts as custodian for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District and are not available to be used.

Private Purpose and Non-Expendable Trust Funds – These funds are used to account for trust arrangements in which the assets are (a) administered through a trust in which the government itself is not a beneficiary, (b) dedicated to providing benefits to recipients in accordance with the benefit terms, and (c) legally protected from the creditors of the government.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Measurement Focus and Basis of Accounting – (Continued)

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

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

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on September 1. Taxes are collected during the period September 1 to October 31.

The City and Counties in which the District is located enforce uncollected real property taxes. An amount representing all uncollected real property taxes must be transmitted by the City to the District within two years from the return of unpaid taxes to the City. Real property taxes receivable expected to be collected within 60 days of year-end, less similar amounts collected during this period in the preceding year are recognized as revenue. Otherwise, a deferred inflow of resources offset real property taxes receivable.

F. Restricted Resources

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

G. Interfund Transactions

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

G. Interfund Transactions – (Continued)

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

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

Refer to Note 10 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

I. Cash (and Cash Equivalents)/Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

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

Investments are stated at fair value based on quoted market prices.

J. Accounts Receivable

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

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 the District-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amount is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

L. Capital Assets

Capital assets are reported at actual cost when such data was available. For assets in which there was no data available, estimated historical costs, based on direct costing, standard costing or normal costing methods, were used. Donated assets are reported at estimated fair market value at the time received.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buses	$ 5,000	Straight-line	8
Land	5,000	N/A	N/A
Building and improvements	5,000	Straight-line	20-50
Machinery and equipment	5,000	Straight-line	5-30

M. Right to Use Assets

Right to use assets are reported at actual cost or estimated historical cost. Right to use assets are amortized using the straight-line method over the estimated useful life of the asset. All right to use assets are furniture and equipment which are amortized over a 3-5 year period.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

N. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second is the District 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 District-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The first arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and net pension asset (TRS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reporting in the District-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

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

At June 30, 2025, 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, 2025 for ERS and June 30, 2024 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	March 31, 2025	June 30, 2024
District's proportionate share of the net pension asset (liability)	$(1,286,484)	$ 1,985,940
District's portion of the Plan's total net pension asset (liability)	0.0075032%	0.066562%
Change in proportion since the prior measurement date	0.0001905%	0.003935%

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

N. Deferred Outflows and Inflows of Resources – (Continued)

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

For the year ended June 30, 2025, the District recognized its proportionate share of pension expense of $281,606 for ERS and $1,092,307 for TRS. At June 30, 2025, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 319,314	$ 2,138,492	$ 15,062	$ 0
Changes of assumptions	53,953	1,187,994	0	199,832
Net difference between projected and actual earnings on pension plan investments	100,934	0	0	2,206,548
Changes in proportion and differences between the District's contributions and proportionate share of contributions	60,343	151,754	57,696	327,650
District's contributions subsequent to the measurement date	111,618	1,332,453	0	0
Total	$ 646,162	$ 4,810,693	$ 72,758	$ 2,734,030

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset (liability) in the year ended March 31, 2026 for ERS and June 30, 2026 for TRS. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended:	ERS	TRS
2026	$ 219,244	$ 2,419,860
2027	338,460	(464,821)
2028	(107,502)	(503,206)
2029	11,583	221,777
2030	0	82,854
Thereafter	0	0

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

N. Deferred Outflows and Inflows of Resources – (Continued)

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Interest rate	5.9%	6.95%
Salary scale	4.3%	1.95 – 5.18%
Decrement tables	April 1, 2015 - March 31, 2020 Systems experience	July 1, 2015 - June 30, 2020 Systems experience
Inflation rate	2.9%	2.4%
Projected cost of living adjustments	1.5%	1.3%

For ERS, annuitant mortality rates are based on April 1, 2015 through March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021. For TRS, annuitant mortality rates are based on July 1, 2015 through 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, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 through March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

N. Deferred Outflows and Inflows of Resources – (Continued)

Actuarial Assumptions – (Continued)

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Asset type		
Domestic equity	3.54%	6.60%
International equity	6.57	7.40
Global equities	0	6.90
Real estate	4.95	6.30
Domestic fixed income securities	0	2.60
Global bonds	0	2.50
High-yield bonds	0	4.80
Real estate debt	0	3.90
Private debt	0	5.90
Fixed income	2.00	0
Credit	5.40	0
Private equity/alternative investments	7.25	10.00
Opportunistic/ARS portfolio	5.25	0
Cash	0.25	0.50
Real assets	5.55	0

Discount Rate

The discount rate used to calculate the total pension asset (liability) was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset (liability).

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

The following presents the District's proportionate share of the net pension asset (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% for ERS and 5.95% for TRS) or 1 percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

N. Deferred Outflows and Inflows of Resources – (Continued)

Sensitivity of the Proportionate Share of the Net Pension Asset (Liability) to the Discount Rate Assumption – (Continued)

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
District's proportionate share of the net pension asset (liability)	$(3,723,248)	$(1,286,484)	$ 748,215

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension asset (liability)	$(9,173,170)	$ 1,985,940	$11,371,050

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:

	(Dollars in thousands)		
	ERS	TRS	Total
Measurement date	March 31, 2025	June 30, 2024	
Employers' total pension asset (liability)	$(247,600,239)	$(142,837,826)	$(390,438,065)
Plan fiduciary net position asset (liability)	230,454,512	145,821,435	376,275,947
Employers' net pension asset (liability)	(17,145,727)	2,983,609	(14,162,118)
Ratio of plan fiduciary net position to the employers' total pension asset (liability)	93.08%	102.1%	96.37%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to $111,618.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November, 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 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, 2025 amount to $1,446,181.

Additional pension information can be found in Note 11.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

O. Unearned Revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized. The District had $370 in unearned grant revenue at June 30, 2025.

P. Vested Employee Benefits

Compensated Absences

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

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

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

Consistent with GASB Statement 101, *Accounting for Compensated Absences*, the liability has been calculated using the more likely than not to be used as leave or settled at separation method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

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

Q. Other Benefits

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

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

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

R. Short-Term Debt

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

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

The District may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

S. Accrued Liabilities and Long-Term Obligations

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

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

T. Health Insurance Plan

The School District provides health insurance benefits primarily through participation in the Fulmont Health Trust, (the Plan). The Plan was self-insured for the year ended June 30, 2025. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims, (including future claim adjustment expenses), that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The District pays an estimate of its actual claims and expenses monthly based on its experience in the Plan. The Plan has a stop loss policy to protect the School District from unusually high claims. Excess funds, if any, at the close of the Plan's year (December 31), would be used to pay subsequent assessments/premiums. If the Plan were to be discontinued and after exhausting its assets, each member would be responsible for its own liabilities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

U. Equity Classifications

District-Wide Statements

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

i) 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, constructions or improvements of those assets.

ii) Restricted Net Position

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

iii) Unrestricted Net Position

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

Funds Statements

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

1. Nonspendable

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Lunch Fund of $16,067.

2. 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 District has established the following restricted fund balances:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

U. Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District:

Capital

According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Liability Claims and Property Loss

According to Education Law §1709(8) (c)), must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts with a population under 125,000. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Workers' Compensation

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

Retirement Contributions

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

U. Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District: – (Continued)

Debt Service

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

Tax Certiorari

According to Education Law §3651.1-a, must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund under Restricted Fund Balance.

Unemployment Insurance

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

U. Equity Classifications – (Continued)

Funds Statements – (Continued)

3. Committed

Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the School Districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2025.

4. Assigned

Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

5. Unassigned

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

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the 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.

Order of Use of Fund Balance

The District's policy is to annually determine the appropriate use of fund balance upon recommendation of the Superintendent and Board of Education.

V. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2025, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025. This Statement amends the existing requirements related to Compensated Absences by updating the recognition and measurement guidance.

GASB has issued Statement No. 102, *Certain Risk Disclosures,* effective for the year ending June 30, 2025. This Statement's objective is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

W. Future Changes in Accounting Standards

GASB has issued Statement No. 103, *Financial Reporting Model Improvements,* effective for the year ending June 30, 2026. This Statement's objective is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assisting a government's accountability. Additionally, the statements also addresses certain application issues.

GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets,* effective for the year ending June 30, 2026. This statement's objective is to provide separate disclosure of lease assets, intangible right-to-use assets, subscription assets and capital assets held for sale.

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

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

A. Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities

Total fund balance of the District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

B. 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 five broad categories, described as follows:

i) Long-Term Revenue and Expense Differences

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

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS – (CONTINUED)

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

ii) Capital Related Differences

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

iii) Long-Term Debt Transaction Differences

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

iv) Pension Differences

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

v) OPEB Differences

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – (CONTINUED)

Budgets – (Continued)

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

Encumbrances

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

Fund Balance Deficit

Capital Fund:

The capital fund has a deficit fund balance of $(16,195). This will be funded when the District obtains permanent financing for its current capital projects.

NOTE 4 – CASH (AND CASH EQUIVALENTS) – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

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

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

Uncollateralized	$ 0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	26,142,769

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $15,676,296 within the governmental funds and $200,888 in fiduciary funds.

NOTE 5 – INVESTMENTS

The District has few investments (primarily donated scholarship funds) and chooses to disclose its investments by specifically identifying each. The District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value and are categorized as either:

a. Insured or registered, or investments held by the District or by the District's agent in the District's name, or

b. Uninsured and unregistered, with the investments held by the financial institution's trust department in the District's name, or

c. Uninsured and unregistered, with investments held by the financial institution or its trust department, but not in the District's name.

Investment

Fund	Private Purpose Trust	Private Purpose Trust	Private Purpose Trust
Carrying amount (fair value)	$ 20,571	$ 180,770	$ 76,621
Unrealized investment gain/loss	0	87,218	(4,243)
Type of investment	Money Market	Equities	Fixed Income
Category of investment	C	C	C

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk.

NOTE 6 – LEASE RECEIVABLE

The District began leasing the former Glebe Street Elementary School to HFM BOCES on July 1, 2020. The lease has a ten year term and HFM BOCES pays annual fixed rent of $142,893 for the term of the lease. The District has recognized a lease receivable of $700,011 as of June 30, 2025, as well as deferred inflows of $700,011, which represent the payments yet to be made over the course of the lease term.

The District recognized $137,157 of deferred inflows of resources in the current year.

NOTE 7 – CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025, were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 261,396	$ 0	$ 0	$ 261,396
Construction in process	42,819,301	6,071,036	0	48,890,337
Total nondepreciable historical cost	43,080,697	6,071,036	0	49,151,733
Capital assets that are depreciated:				
Land improvements	2,405,124	0	0	2,405,124
Buildings	27,047,969	0	0	27,047,969
Furniture and equipment	4,090,285	165,441	1,650,583	2,605,143
Total depreciable historical cost	33,543,378	165,441	1,650,583	32,058,236
Less accumulated depreciation:				
Buildings, furniture and equipment	24,849,550	476,292	1,566,913	23,758,929
Total accumulated depreciation	24,849,550	476,292	1,566,913	23,758,929
Net depreciable historical cost	8,693,828	(310,851)	83,670	8,299,307
Right to use assets that are amortized:				
Equipment	1,130,813	107,540	38,227	1,200,126
Less accumulated amortization:				
Equipment	870,212	89,835	38,227	921,820
Net amortizable historical cost	260,601	17,705	0	278,306
GRAND TOTAL	$ 52,035,126	$ 5,777,890	$ 83,670	$ 57,729,346

Depreciation and amortization were allocated to the following programs as follows:

General support	$ 94,672
Instruction	405,786
Pupil transportation	43,606
School lunch program	22,063
TOTAL	$ 566,127

NOTE 8 – SHORT-TERM DEBT

Interest paid on short-term debt for the year was $189,000.

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

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	6/26/2026	3.30%	$ 0	$ 3,305,000	$ 0	$ 3,305,000
BAN	6/26/2026	4.25%	0	10,000,000	0	10,000,000
BAN	6/27/2025	3.78%	5,000,000	0	5,000,000	0
TOTALS			$ 5,000,000	$ 13,305,000	$ 5,000,000	$ 13,305,000

NOTE 9 – LONG-TERM DEBT

Interest paid on long-term debt for the year was $816,950.

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds and notes payable					
General obligation debt	$ 26,645,000	$ 0	$ 3,040,000	$ 23,605,000	$ 3,135,000
Total bonds and notes payable	26,645,000	0	3,040,000	23,605,000	3,135,000
Other liabilities:					
Other post-employment benefits	43,238,328	1,617,246	0	44,855,574	0
Compensated absences, net	182,071	29,577	0	211,648	25,265
Total other liabilities	43,420,399	1,646,823	0	45,067,222	25,265
TOTAL LONG-TERM LIABILITIES	$ 70,065,399	$ 1,646,823	$ 3,040,000	$ 68,672,222	$ 3,160,265

The current portion (amount due within one year) of other post-employment benefits as of June 30, 2025, was not determinable.

NOTE 9 – LONG-TERM DEBT – (CONTINUED)

The following is a summary of maturity of indebtedness:

Description of Issue	Serial Bond	Serial Bond
Issue date	2016	2019
Final maturity	2028	2033
Interest rate	2.00-4.00%	3.000%
Outstanding at year end	$ 1,295,000	$ 22,310,000

	Principal	Interest	Total
Fiscal year ended June 30:			
2026	$ 3,135,000	$ 721,100	$ 3,856,100
2027	3,235,000	622,250	3,857,250
2028	3,130,000	520,200	3,650,200
2029	2,735,000	423,150	3,158,150
2030	2,815,000	341,100	3,156,100
2031 - 2033	8,555,000	506,400	9,061,400
TOTALS	$ 23,605,000	$ 3,134,200	$ 26,739,200

In the prior year, the District defeased certain general obligations 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 trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

NOTE 10 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	$ 8,720,158	$ 10,236,077	$ 0	$ 172,088
Special Aid Fund	200,452	915,212	22,088	0
School Lunch Fund	17,745	86,348	50,000	0
CM Miscellaneous Special Revenue Fund	0	1,545	0	0
Capital Projects Fund	4,883,799	2,582,972	100,000	0
Total Governmental Activities	13,822,154	13,822,154	172,088	172,088
Fiduciary Fund	0	0	0	0
TOTALS	$ 13,822,154	$ 13,822,154	$ 172,088	$ 172,088

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

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

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

NOTE 11 – PENSION PLANS

General Information

The District participates in the New York State Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Descriptions and Benefits Provided:

Teachers' Retirement System (TRS)

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

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The New York State Retirement and Social Security Law (NYSRSSL) govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Employees' Retirement System, Office of the State Comptroller, 110 State Street, Albany, NY 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

NOTE 11 – PENSION PLANS – (CONTINUED)

Plan Descriptions and Benefits Provided: - (Continued)

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year 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.

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

	NYSTRS	NYSERS
2025	$ 1,332,453	$ 366,610
2024	1,237,420	285,823
2023	1,189,917	203,756

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57 and 105.

Additional pension information can be found in Note 1 N.

NOTE 12 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information About the OPEB Plan:

Plan Description

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

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collected bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

NOTE 12 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

General Information About the OPEB Plan: - (Continued)

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

At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	204
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	258
Total	462

Net OPEB Liability:

The District's total OPEB liability of $44,855,574 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions and Other Inputs

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

Inflation	2.6%
Salary Increases	Varied by years of service and retirement system
Discount Rate	4.81%
Healthcare Cost Trend Rates - Medical	6.75% in 2025, decreasing to an ultimate rate of 4.04% by 2075

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Index.

Mortality rates were based on Pub-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS group) projected fully generationally using MP-2021.

NOTE 12 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

Changes in the Total OPEB Liability:

Balance at June 30, 2024	$ 43,238,328
Changes for the year:	
Service cost	1,733,783
Interest	1,852,093
Changes in benefit terms	(676,953)
Differences between expected and actual experience	3,824,829
Changes in assumptions or other inputs	(3,137,282)
Benefit payments	(1,979,224)
Net changes	1,617,246
Balance at June 30, 2025	$ 44,855,574

The plan had the following changes since the last valuation:

- Discount rate increased from 4.21% to 4.81%.
- Health care trend rates were updated.

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 (3.81%) or 1 percentage point higher (5.81%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	$ 51,962,170	$ 44,855,574	$ 39,129,327

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 (5.75% decreasing to 3.04%) or 1 percentage point higher (7.75% decreasing to 5.04%) than the current healthcare cost trend rate:

	1% Decrease (5.75% Decreasing to 3.04%)	Healthcare Cost Trend Rates (6.75% Decreasing to 4.04%)	1% Increase (7.75% Decreasing to 5.04%)
Total OPEB Liability	$ 38,029,781	$ 44,855,574	$ 53,637,909

NOTE 12 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

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

For the year ended June 30, 2025, the District recognized OPEB expense of $1,924,298. At June 30, 2025, 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	$ 6,837,556	$ 6,153,064
Changes of assumptions or other inputs	5,568,579	8,310,799
Total	$ 12,406,135	$ 14,463,863

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

Fiscal Year Ending June 30:	
2026	$ 1,127,328
2027	(1,465,512)
2028	(2,107,690)
2029	144,962
2030	144,963
Thereafter	98,221
Total	$ (2,057,728)

NOTE 13 – RISK MANAGEMENT

General

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, injuries to employees, errors and omissions and natural disasters, etc. The risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage.

Consortiums and Self Insured Plans

The District participates in Fulmont Workers Compensation Plan, a risk-sharing pool to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to workers' compensation claims. The District's share of liability for unbilled and open claims is $206,953.

For its employee health and accident insurance coverage, the District is a participant in the Fulmont Health Trust, a public entity risk pool operated for the benefit of seven individual school districts located within Montgomery and Fulton Counties.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

The District has received grants which are subject to audit by agencies of the federal and state governments. Such audits may result in disallowances and a request for a return of funds to the federal and state governments. The District's administration believes that disallowances, if any, would be immaterial.

The District is a party to tax certiorari cases filed for 2023, 2024 and 2025 by one District taxpayer. The District's exposure is limited to a refund of any school tax payments made in excess of that due under the assessed value determined by the Court or by settlement. The approximate total liabilities for the three years is $108,458.

NOTE 15 – FAIR VALUE MEASUREMENTS

As required by GASB 72 *Fair Value Measurements,* the District is required to value investment securities based on the valuation measurement techniques and hierarchy established by the FASB ASC.

There are three general valuation techniques that may be used to measure fair value, as described below:

(A) Market approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets. Prices may be indicated by pricing guides, sales transactions, market trades or other sources.

(B) Cost approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

(C) Income approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Fair values of assets measured on a recurring basis at June 30, 2025, are as follows:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Scholarship Funds	$ 277,962	$ 277,962	$ 0	$ 0

NOTE 16 – TAX ABATEMENTS

The District had no tax abatement agreements for the year ended June 30, 2025.

NOTE 17 – OTHER CHANGE IN FUND BALANCE/NET POSTION

Other change in fund balance in the special aid fund consists of $1,400 to clear prior year grant deficits.

NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the issuance date of the audit report. There were no issues to report that would have a material effect on the financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON–GAAP BASIS) AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Revenues	Final Budget Variance with Budgetary Actual Over (Under)
REVENUES:				
Local Sources				
Real property taxes	$ 12,265,659	$ 11,108,403	$10,533,599	$ (574,804)
Real property tax items	480,538	1,637,794	1,839,773	201,979
Charges for services	137,350	137,350	170,495	33,145
Use of money and property	168,200	168,200	983,629	815,429
Miscellaneous	708,000	708,000	1,156,406	448,406
Total Local Sources	13,759,747	13,759,747	14,683,902	924,155
State Sources	25,596,714	25,596,714	25,831,693	234,979
Federal Sources	120,000	120,000	148,271	28,271
Total Revenues	39,476,461	39,476,461	40,663,866	1,187,405
OTHER FINANCING SOURCES				
Transfers from other funds	59,737	59,737	0	(59,737)
Total Revenues	39,536,198	39,536,198	40,663,866	$ 1,127,668

See paragraph on supplementary schedules included in independent auditors' report.

GREATER JOHNSTOWN SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON–GAAP BASIS) AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Expenditures	Year End Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances (Over) Under
EXPENDITURES					
General Support					
Board of Education	91,703	90,900	81,919	$ 1,124	$ 7,857
Central administration	244,015	250,063	245,300	2,947	1,816
Finance	419,934	513,526	461,045	32,529	19,952
Staff	280,793	300,354	282,532	0	17,822
Central services	3,625,626	3,861,833	3,368,667	65,169	427,997
Special items	664,007	887,955	867,603	0	20,352
Instructional					
Instruction, administration and improvements	1,073,155	1,169,887	1,114,064	10,179	45,644
Teaching – regular school	10,588,611	10,607,944	10,320,697	80,935	206,312
Programs for children with handicapping conditions	5,581,568	5,400,579	5,051,269	0	349,310
Occupational education	1,350,811	1,260,350	1,161,600	0	98,750
Teaching - special school	0	24,965	24,965	0	0
Instructional media	1,321,531	1,355,536	1,275,646	1,843	78,047
Pupil services	1,876,865	2,032,032	1,941,781	2,405	87,846
Pupil Transportation	2,780,400	2,520,741	2,444,443	21,949	54,349
Community Services	7,000	5,050	4,867	0	183
Employee Benefits	9,071,006	9,031,444	8,678,872	0	352,572
Debt Service	4,341,950	4,341,950	4,045,950	0	296,000
Total Expenditures	43,318,975	43,655,109	41,371,220	219,080	2,064,809
Other Financing Uses					
Transfers to other funds	170,000	172,088	172,088	0	0
Total Expenditures and Other Uses	43,488,975	43,827,197	41,543,308	$ 219,080	$ 2,064,809
NET CHANGE IN FUND BALANCE	(3,952,777)	(4,290,999)	(879,442)		
FUND BALANCE – BEGINNING	23,418,259	23,418,259	23,418,259		
FUND BALANCE – ENDING	$ 19,465,482	$ 19,127,260	$ 22,538,817		

See paragraph on supplementary schedules included in independent auditors' report.

GREATER JOHNSTOWN SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS – CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

FOR THE YEARS ENDED JUNE 30, 2025, 2024, 2023, 2022, 2021, 2020, 2019 AND 2018

Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability								
Service cost	$ 1,733,783	$ 1,701,462	$ 1,688,616	$ 2,420,862	$ 4,799,743	$ 3,134,563	$ 1,521,254	$ 1,586,592
Interest	1,852,093	1,741,352	1,910,375	1,420,303	2,100,842	2,456,264	2,045,968	1,873,939
Change of benefit terms	(676,953)	0	(68,851)	0	(41,412,707)	0	0	0
Differences between expected and actual experience	3,824,829	852,609	(12,282,648)	230,281	3,496,511	(82,198)	8,434,615	0
Change of assumptions or other inputs	(3,137,282)	(525,421)	(1,233,254)	(13,353,986)	5,815,823	19,481,127	5,057,540	(2,667,769)
Benefit payments	(1,979,224)	(1,967,473)	(1,695,703)	(1,858,244)	(1,597,548)	(1,544,364)	(1,576,067)	(2,021,465)
Net change in total OPEB liability	1,617,246	1,802,529	(11,681,465)	(11,140,784)	(26,797,336)	23,445,392	15,483,310	(1,228,703)
Total OPEB Liability - beginning	43,238,328	41,435,799	53,117,264	64,258,048	91,055,384	67,609,992	52,126,682	53,355,385
Total OPEB Liability - ending	$ 44,855,574	$ 43,238,328	$ 41,435,799	$ 53,117,264	$ 64,258,048	$ 91,055,384	$ 67,609,992	$ 52,126,682
Covered-employee payroll	$ 14,813,881	$ 12,437,610	$ 11,801,322	$ 12,808,222	$ 9,741,379	$ 10,808,216	$ 12,073,210	$ 13,956,493
Total OPEB liability as a percentage of covered-employee payroll	302.79%	347.64%	351.11%	414.71%	659.64%	842.46%	560.00%	373.49%
Plan's fiduciary net position	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Net OPEB Liability	$ 44,855,574	$ 43,238,328	$ 41,435,799	$ 53,117,264	$ 64,258,048	$ 91,055,384	$ 67,609,992	$ 52,126,682

See paragraph on supplementary schedules included in independent auditors' report.

GREATER JOHNSTOWN SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE YEARS ENDED JUNE 30, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017 AND 2016

NYS Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0075032%	0.0073127%	0.0069773%	0.0060573%	0.0067375%	0.0073005%	0.0079615%	0.0083463%	0.0092817%	0.0087954%
District's proportionate share of the net pension liability (asset)	$ 1,286,484	$ 1,076,724	$ 1,496,219	$ (495,158)	$ 6,709	$ 1,933,212	$ 564,099	$ 269,373	$ 872,132	$ 1,411,681
District's covered-employee payroll	2,873,820	2,285,724	2,107,359	1,868,489	2,081,382	2,321,451	2,554,101	2,656,066	2,524,787	2,384,703
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	44.8%	47.1%	71.0%	26.5%	0.3%	83.3%	22.1%	10.1%	34.5%	59.2%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.2%	94.7%	90.7%

NYS Teachers' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.066562%	0.062627%	0.060821%	0.058056%	0.056381%	0.063476%	0.066171%	0.064136%	0.066097%	0.064083%
District's proportionate share of the net pension liability (asset)	$ (1,985,940)	$ 716,196	$ 1,167,080	$ (10,060,624)	$ 1,557,957	$ (1,649,098)	$ (1,196,549)	$ (487,497)	$ 707,926	$ (6,656,189)
District's covered-employee payroll	12,591,701	12,708,975	11,566,715	10,774,520	9,846,957	9,569,628	10,595,094	10,694,561	10,163,439	10,503,591
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-15.8%	5.6%	10.1%	-93.4%	15.8%	-17.2%	-11.3%	-4.6%	7.0%	-63.4%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.70%	99.00%	110.50%

See paragraph on supplementary schedules included in independent auditors' report.

GREATER JOHNSTOWN SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS

FOR THE YEARS ENDED JUNE 30, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017 AND 2016

NYS Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 366,610	$ 285,823	$ 203,756	$ 302,393	$ 289,945	$ 334,453	$ 364,321	$ 386,052	$ 380,417	$ 444,137
Contributions in relation to the contractually required contribution	366,610	285,823	203,756	302,393	289,945	334,453	364,321	386,052	380,417	444,137
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's covered-employee payroll	$ 2,873,820	$ 2,285,724	$ 2,107,359	$ 1,868,489	$ 2,081,382	$ 2,321,451	$ 2,554,101	$ 2,656,066	$ 2,524,787	$ 2,384,703
Contribution as a percentage of covered-employee payroll	12.76%	12.50%	9.67%	16.18%	13.93%	14.41%	14.26%	14.53%	15.07%	18.62%

NYS Teachers' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,273,021	$ 1,240,396	$ 1,190,215	$ 1,055,903	$ 938,415	$ 847,869	$ 1,125,199	$ 1,048,067	$ 1,191,155	$ 1,392,710
Contributions in relation to the contractually required contribution	1,273,021	1,240,396	1,190,215	1,055,903	938,415	847,869	1,125,199	1,048,067	1,191,155	1,392,710
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's covered-employee payroll	$ 12,591,701	$ 12,708,975	$ 11,566,715	$ 10,774,520	$ 9,846,957	$ 9,569,628	$ 10,595,094	$ 10,694,561	$ 10,163,439	$ 10,503,591
Contribution as a percentage of covered-employee payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%

See paragraph on supplementary schedules included in independent auditors' report.

GREATER JOHNSTOWN SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2025

ADOPTED BUDGET	$ 43,488,975
ADDITIONS:	
Prior year's encumbrances	136,978
Tax certiorari	200,044
Donations	1,200
FINAL BUDGET	$ 43,827,197

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

FOR THE YEAR ENDED JUNE 30, 2025

2025-2026 voter-approved expenditure budget	$ 45,156,817
Maximum allowed (4% of 2025-2026 budget)	1,806,273
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	5,136,688
Unassigned fund balance	1,787,653
Total unrestricted fund balance	6,924,341
Less:	
Appropriated fund balance and encumbrances	5,136,688
Total utilized	5,136,688
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	$ 1,787,653
Actual percentage	4.0%

See paragraph on supplementary schedules included in independent auditors' report.

GREATER JOHNSTOWN SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES

FOR THE YEAR ENDED JUNE 30, 2025

			Expenditures				Methods of Financing			
Project Title	Original Appropriation	Revised Appropriation	Prior Year	Current Year	Total	Unexpended Balance	Local Sources	State Aid	Proceeds of Obligations	Fund Balances
District Wide Capital Project	$ 39,600,000	$ 39,600,000	$ 37,687,707	$ 0	$ 37,687,707	$ 1,912,293	$ 3,267,010	$ 48,346	$ 37,539,520	$ 3,167,169
$15,000,000 District Wide Project	15,000,000	15,000,000	1,347,634	3,514,562	4,862,196	10,137,804	1,310,053	0	0	(3,552,143)
2022-23 Capital Outlay Project	100,000	100,000	43,268	0	43,268	56,732	100,000	0	0	56,732
2023-24 Capital Outlay Project	100,000	100,000	85,110	0	85,110	14,890	100,000	0	0	14,890
2024-25 Capital Outlay Project	100,000	100,000	0	100,000	100,000	0	100,000	0	0	0
Small Project (24-25)	5,000,000	5,000,000	64,262	438,407	502,669	4,497,331	5,000,000	0	0	4,497,331
Knox Turf	2,000,000	2,000,000	2,000,000	0	2,000,000	0	0	0	0	(2,000,000)
Energy Performance Contract	2,339,959	2,339,959	195,332	2,004,842	2,200,174	139,785	0	0	0	(2,200,174)
Smart Schools Bond Act	1,755,889	1,755,889	1,741,945	13,225	1,755,170	719	0	1,755,170	0	0
TOTALS	$ 65,995,848	$ 65,995,848	$ 43,165,258	$ 6,071,036	$ 49,236,294	$ 16,759,554	$ 9,877,063	$ 1,803,516	$ 37,539,520	$ (16,195)

See paragraph on supplementary schedules included in independent auditors' report.

GREATER JOHNSTOWN SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

NET INVESTMENT IN CAPITAL ASSETS

JUNE 30, 2025

CAPITAL ASSETS, NET		$ 57,729,346
DEDUCT:		
Bond anticipation notes payable	$ 13,305,000	
Less: Unspent bond anticipation note proceeds	(11,859,317)	
Short-term portion of bonds payable	3,135,000	
Long-term portion of bonds payable	20,470,000	
		25,050,683
NET INVESTMENT IN CAPITAL ASSETS		$ 32,678,663

See paragraph on supplementary schedules included in independent auditors' report.

GREATER JOHNSTOWN SCHOOL DISTRICT

FEDERAL AWARD PROGRAM INFORMATION
(SINGLE AUDIT)

(UNIFORM GUIDANCE)

JUNE 30, 2025

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

To the President and the Other Members
of the Board of Education of the
Greater Johnstown School District
Johnstown, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Greater Johnstown School District as of and for the year ended June 30, 2025, 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 1, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

WEST & COMPANY CPAs PC

Gloversville, New York
October 1, 2025

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the President and the Other Members
of the Board of Education of the
Greater Johnstown School District
Johnstown, New York

Report on Compliance for Each Major Federal Program

Qualified Opinion

We have audited Greater Johnstown School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the year ended June 30, 2025.

Basis for Qualified Opinion

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

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

Matters Giving Rise to Qualified Opinion on the Child Nutrition Cluster

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding the Child Nutrition Cluster, assistance listing 10.553 and 10.555 as described in finding number 2025-001 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

West & Company CPAs PC

Gloversville, New York
October 1, 2025

GREATER JOHNSTOWN SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program	Assistance Listing	Pass-through Grantor's Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
Passed Through NYS Education Department:				
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	0032250269	$ 27,012	$ 503,648
Special Education Preschool Grants	84.173	0033250269	4,448	16,695
Total Special Education Cluster (IDEA)			31,460	520,343
Covid-19 Education Stabilization Funds				
ARP, ESSER, Homeless Children and Youth	84.425W	5218210965	0	548
Total Covid-19 Education Stabilization Funds			0	548
Title I Grants to Local Educational Agencies	84.010	0021240965	0	4,789
Title I Grants to Local Educational Agencies	84.010	0021250965	0	365,036
Total Title I Grants to Local Educational Agencies			0	369,825
Supporting Effective Instruction State Grants	84.367	0147240965	0	6,615
Supporting Effective Instruction State Grants	84.367	0147250965	0	65,124
Total Supporting Effective Instruction State Grants			0	71,739
Student Support and Academic Enrichment Program	84.424	0204240965	0	2,576
Student Support and Academic Enrichment Program	84.424	0204250965	0	30,023
Total Student Support and Academic Enrichment Program			0	32,599
Total U.S. Department of Education			31,460	995,054
U.S. DEPARTMENT OF AGRICULTURE				
Farm to School Grant Program	10.575	Not Applicable	0	49,501
Passed Through NYS Education Department:				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution)				
National School Lunch Program	10.555	Not Applicable	0	30,969
Cash Assistance				
School Breakfast Program	10.553	Not Applicable	0	195,315
National School Lunch Program	10.555	Not Applicable	0	496,976
Covid-19 National School Lunch Program, Supply Chain Assistance	10.555	Not Applicable	0	4,872
Fresh Fruit and Vegetable Program	10.582	Not Applicable	0	34,800
Total Child Nutrition Cluster			0	762,932
Child Nutrition Discretionary Grants Limited Availability	10.579	0005240033	0	48,038
Total U.S. Department of Agriculture			0	860,471
TOTAL FEDERAL AWARDS EXPENDED			$ 31,460	$ 1,855,525

See notes to schedule of expenditures of federal awards.

GREATER JOHNSTOWN SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon an established rate applied to overall expenditures. There is no other indirect cost allocation plan in effect.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

NOTE 2 – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed. At June 30, 2025, the District had food commodities totaling $3,952 in inventory.

NOTE 3 – INDIRECT COST RATE

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District may charge federal award programs with indirect costs, based upon a 15% indirect cost rate calculated by the New York State Education Department. The District did not charge indirect costs to grants during the year ended June 30, 2025.

NOTE 4 – CLUSTERS

The Special Education Cluster (IDEA) consists of Special Education Grants to States and Special Education Preschool Grants. The Child Nutrition Cluster consists of Food Distribution, School Breakfast Program, Covid-19 National School Lunch Program, Supply Chain Assistance, Fresh Fruit and Vegetable Program and National School Lunch Program.

GREATER JOHNSTOWN SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

1. Type of auditors' report issued: unmodified
2. Internal control over financial reporting:
   a. Material weakness(es) identified? ___Yes _X_ No
   b. Significant deficiency(ies) identified? ___ Yes _X__No
3. Noncompliance material to financial statements noted? ___Yes _X_ No

Federal Awards

1. Internal control over major programs:
   a. Material weakness(es) identified? _X_ Yes __No
   b. Significant deficiency(ies) identified? ___Yes _X_ No
2. Type of auditors' report issued on compliance for major programs: qualified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516? _X_ Yes ____No
4. Identification of major programs:

Assistance Listing	**Name of Federal Program**
10.553, 10.555, 10.582	Child Nutrition Cluster

5. Dollar threshold used to distinguish between type A and B programs: $750,000.
6. Auditee qualified as low-risk auditee? _X_ Yes ___No

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

Finding 2025-001 – Reporting

Federal Award & Specific Award Identification

U.S. Department of Agriculture
Passed through the New York State Department of Education
Program Name: Child Nutrition Cluster
Assistance Listing: 10.553, 10.555 & 10.582

MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE

Reporting

Criteria

The National School Lunch & Breakfast Program requires monthly claims be reported to New York State Child Nutrition Management System (CNMS). These claims are based on the number of meals served during the month and determine the monthly reimbursement to the District.

Statement of Condition

During the audit, we found that for one month of claims the District did not submit the proper amount of meals for reimbursement for breakfast and lunch.

Cause

Human error in the input of meals served into the CNMS system. Also, the District does not have any procedures in place to verify that the correct counts are input into CNMS prior to submission.

Effect

The District received additional federal reimbursement that was not substantiated by actual meals for the month.

Questioned Costs

$12,296. This amount was determined by taking the actual number of meals served for breakfast and multiplying by the reimbursement rate per meal.

Context

Of the 10 months of claims for the school lunch & breakfast program, we examined 3 and determined that one month's breakfast and lunch claims were not submitted properly.

There have been no previous instances of non-compliance. This is not a repeat finding.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT – (CONTINUED)

Recommendation

We recommend that a secondary review of the manual inputs into the CNMS system is performed by another member of the District's staff prior to submission to CNMS.

View of Responsible Individuals

The District acknowledges the error was made, which was the result of booking one month of breakfast reimbursement using the number of lunches served. Prior to the issuance of the financial statements, the District corrected the May breakfast and lunch claim and re-submitted for reimbursement to CNMS, and has implemented a procedure to verify that correct amounts are inputted into CNMS monthly, prior to submission.

Greater Johnstown SCHOOL DISTRICT
Pleasant Avenue Elementary ● Warren Street Elementary ● Knox Middle School ● Johnstown High School

Alicia D. Koster
Superintendent of Schools

Scott M. Hale
Assistant Superintendent

1 Sir Bills Circle, Johnstown, New York 12095
Telephone: 518-762-4611; Fax: 518-762-5654

CORRECTIVE ACTION PLAN

Finding 2025-001 – Reporting

The District concurs with the finding 2025-001.

Corrective Action:

Moving forward, the District Treasurer will enter the monthly claims with the Food Service Director and will verify that the meal counts and the total claims are correct for both breakfast and lunch. The anticipated completion date of the corrective action is September 29, 2025.

Contact Person:

Alicia D. Koster, Superintendent of Schools
(518) 762-4611
akoster@johnstownschools.org

GREATER JOHNSTOWN SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

EXTRACLASSROOM ACTIVITY FUNDS

JUNE 30, 2025

WEST & COMPANY CPAs PC

INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Greater Johnstown School District
Johnstown, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Extraclassroom Activity Funds of Greater Johnstown School District (the District) as of June 30, 2025, and the related statement of revenues collected and expenses paid for the year then ended, and the related notes to the financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances of the Extraclassroom Activity Funds of the District as of June 30, 2025, and the revenues collected and expenses paid for the year then ended, on the basis of accounting described in Note 1.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Insufficient accounting controls are exercised over cash receipts at the point of collections to the time of submission to the Central Treasurer. Accordingly, it was impracticable to extend our audit of such receipts beyond the amounts recorded.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

West & Company CPAs PC

Gloversville, New York
October 1, 2025

GREATER JOHNSTOWN SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

JUNE 30, 2025

ASSETS	
Cash	$ 200,888
TOTAL ASSETS	$ 200,888
LIABILITIES AND CLUB BALANCES	
Club balances	$ 200,888
TOTAL LIABILITIES AND CLUB BALANCES	$ 200,888

See notes to financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

FOR THE YEAR ENDED JUNE 30, 2025

	Balance July 1, 2024	Receipts	Disbursements	Balance June 30, 2025
Johnstown High School				
Art Club	$ 36	$ 65	$ 0	$ 101
Baronet Yearbook	9,850	2,334	400	11,784
Bugle Newspaper	165	0	0	165
Cheerleading	0	4,771	4,496	275
Class of 2024	950	710	1,660	0
Class of 2025	18,423	33,672	45,833	6,262
Class of 2026	14,699	33,342	29,313	18,728
Class of 2027	4,003	5,076	1,469	7,610
Class of 2028	0	8,519	2,095	6,424
Drama Club	30,724	14,879	22,290	23,313
Gaming Club	114	0	0	114
Hiking Club	56	0	56	0
Interest on Account	7	27	0	34
International Club	1,712	9,719	10,843	588
Johnstown Equality Alliance	164	33	33	164
Key Club	211	846	874	183
Marching Band	4,407	0	0	4,407
Masterminds	2	0	0	2
Modern Day Art Club	0	118	118	0
National History Club	434	0	0	434
National Honor Society	2,195	577	784	1,988
Odyssey of the Mind	16,337	7,089	11,457	11,969
Photography Club	8	0	8	0
The Book Club	167	0	167	0
SADD - Post Prom	2,628	3,650	3,381	2,897
Science Club	4,002	1,366	1,269	4,099
Student Council	3,393	4,840	3,458	4,775
Winterguard	1,521	4,593	3,567	2,547
Tax Account	557	3,855	4,333	79
Total Johnstown High School	116,765	140,081	147,904	108,942
Knox Junior High School				
Art Club	118	352	423	47
Battle of the Books	31	165	190	6
Cooking Club	193	588	201	580
Foreign Language Club	726	0	25	701
Just Run	0	100	82	18
Kids with Heart	0	1,297	1,297	0
Music Club	4,494	150	4,555	89
Show choir	0	2,195	1,531	664
Student Council	2,939	1,236	470	3,705
Tax Account	0	92	92	0
Yearbook Club	2,071	0	0	2,071
Total Knox Junior High School	10,572	6,175	8,866	7,881

See notes to financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID – (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2025

	Balance July 1, 2024	Receipts	Disbursements	Balance June 30, 2025
Total Johnstown High School and Knox Junior High School (from previous page)	$ 127,337	$ 146,256	$ 156,770	$ 116,823
Athletic Clubs				
Boys Soccer	740	4,144	3,464	1,420
Girls Soccer	422	1,784	478	1,728
Volleyball	870	3,672	3,643	899
Weight lifting club	0	2,212	0	2,212
Football	369	31,689	17,592	14,466
Cross Country	5,085	4,967	7,839	2,213
Field Hockey	260	0	0	260
Golf	375	0	60	315
Cheerleading	1,904	0	1,904	0
Girls Tennis	119	0	119	0
Nordic Ski	1,005	0	520	485
Alpine Ski	241	4,930	3,255	1,916
Wrestling	8,856	12,237	12,837	8,256
Girls Basketball	3,749	5,551	6,067	3,233
Boys Basketball	9,185	18,025	11,772	15,438
Bowling	1,817	2,145	1,714	2,248
Boys Swimming	1,601	438	857	1,182
Baseball	2,815	12,712	11,239	4,288
Softball	1,468	1,348	1,358	1,458
Boys Tennis	312	0	312	0
Boys Lacrosse	3,129	8,290	1,934	9,485
Girls Lacrosse	1,228	1,185	588	1,825
Track	8,817	15,198	13,277	10,738
Total Athletic Clubs	54,367	130,527	100,829	84,065
TOTALS	$ 181,704	$ 276,783	$ 257,599	$ 200,888

See notes to financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Extraclassroom Activity Funds of the Greater Johnstown 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. However, since the Board of Education does exercise general oversight, these funds are reflected in the Custodial Fund of the basic financial statements of the District.

The books and records of the Greater Johnstown School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

NOTE 2 – MANAGEMENT LETTER

Management letter items associated with the Extraclassroom Activity Funds are included in the management letter associated with the District's basic financial statements.

October 1, 2025

To the President and the Other Members
of the Board of Education of the
Greater Johnstown School District
Johnstown, New York

Re: Management Letter
June 30, 2025

In planning and performing our audit of the basic financial statements of the Greater Johnstown School District for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and improving operating efficiency. The memorandum that follows summarizes our comments and recommendations regarding those matters. We previously reported on the District's internal control in our report dated October 1, 2025. This report does not affect our report dated October 1, 2025, on the financial statements of the Greater Johnstown School District.

Prior-Year Comments

1) Extraclassroom Activity Funds

Prior Condition: We noted the following items in regard to the District's Extraclassroom Activity Funds for the year ended June 30, 2024:

a) There were 9 fiscally inactive clubs in 2023-24 which should either become active to utilize the funds or the funds should be redistributed at the discretion of the Board of Education.

b) We noted 6 instances where sales tax was not collected of the 58 tested receipts and 5 instances where sales tax was not paid of the 41 tested disbursements.

c) We noted 14 fundraisers which did not prepare profit and loss statements.

d) In 2023-2024, there were 3 of 41 tested disbursements missing signatures and there were 16 out of 58 tested receipts missing signatures.

Status: These conditions remain unchanged as of June 30, 2025.

a) For the 2024-2025 year there were 7 fiscally inactive clubs.

b) We noted 7 instances where sales tax was not collected of the 67 tested receipts and 12 instances where sales tax was not paid of the 46 tested disbursements.

c) We noted 29 fundraiser receipts which did not have profit and loss statements.

d) In 2024-25, there were two out of 67 tested receipts missing signatures.

Recommendation: We recommend that the District and all the clubs review the NYS Pamphlet #2 and ensure all Extraclassroom Activity Funds are in compliance with these regulations.

2) Confirming Purchase Orders

Prior Condition: Through testing of a sample of 40 disbursements for our 2024 audit, we noted three instances of confirming purchase orders.

Status: This condition remains unchanged as of June 30, 2025. Our 2025 testing of a sample of 40 purchase orders noted five confirming purchase orders.

Recommendation: We recommend that the District ensure all purchases are made from proper purchase orders approved in advance of the purchase occurring, rather than confirming purchase orders created after an invoice is received.

3) Unassigned General Fund Balance

Prior Condition: The District's unassigned General Fund balance at June 30, 2024, was in excess of the New York State Real Property Tax Law limit, which restricts the balance to an amount not greater than 4% of the District's appropriation budget for the upcoming year.

Status: This condition has been corrected as of June 30, 2025.

4) Disbursement Testing

Prior Condition: Our 2024 testing of a sample of 40 District disbursements noted one instance of sales tax being paid.

Status: Our 2025 testing of a sample of 40 District disbursements noted one instance of sales tax being paid, one disbursement lacking the claims auditor's signoff and one disbursement lacking an invoice from the vendor.

Recommendation: We recommend that the District ensure that all purchasing and disbursement procedures and approvals are being followed.

5) Payroll Testing

Prior Condition: Our 2024 testing of 40 District paychecks noted one employee who did not sign and return their salary notice and two employees who had incomplete I-9s.

Status: This condition has been corrected as of June 30, 2025.

6) Reserve Balances

Prior Condition: The District has several reserves with high balances which could be questioned by the New York State Comptroller if they were to review the District's finances. In particular, the workers' compensation reserve, unemployment reserve and tax certiorari reserve balances are higher than ideal.

Status: As of June 30, 2025, the tax certiorari reserve balance is appropriate given current tax certiorari claims outstanding. The workers' compensation and unemployment reserve balances remain higher than ideal.

Recommendation: We recommend that the District review their reserves to ensure that the balances are reasonable and necessary.

Current-Year Comments

1) ACH Payments

Condition: The District's Internal Claims Auditor did not review and approve the ACH payments to HFM BOCES during the year.

Recommendation: We recommend that the District ensure that the Internal Claims Auditor is reviewing and approving all wire and ACH payments which are not for payroll prior to the payment being made.

2) Internal Claims Audit

Condition: The Board of Education approved a resolution authorizing the District Treasurer and/or Deputy Treasurer to pay invoices in the absence of the District's Internal Claims Auditor under conditions calling for immediate payment. The invoices to then be submitted to the Internal Claims Auditor for audit.

Recommendation: To maintain the independence of the claims auditing function, the Internal Claims Auditor should be independent of the purchasing and check signing functions. We recommend that the District appoint an individual who has no role in purchasing or treasury functions to the role of Deputy Internal Claims Auditor to handle any payments when the Internal Claims Auditor is unavailable.

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We appreciate the assistance and courtesies extended to us by your staff during our fieldwork.

Please let us know if you would like to discuss our comments and recommendations.

Very truly yours,

WEST & COMPANY CPAs PC

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