PRELIMINARY OFFICIAL STATEMENT

NEW/RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that 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 tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

The Notes will be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$6,785,000

STOCKBRIDGE VALLEY CENTRAL SCHOOL DISTRICT

MADISON AND ONEIDA COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$6,785,000 Bond Anticipation Notes, 2025

(referred to as the "Notes")

Dated: July 10, 2025 **Due: June 25, 2026**

The Notes are general obligations of the Stockbridge Valley Central School District, Madison and Oneida Counties, New York the "School District" or "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. The Notes will be issued without the option of prior redemption.

At the option of the purchaser, the Notes will be issued in (i) registered certificated form registered in the name of the successful bidder or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the District Clerk. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

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

The Notes are offered when, as and if issued and received by the Purchaser(s) and subject to the receipt of the respective approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York City. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or at such place as may be agreed upon with the Purchaser(s) on or about July 10, 2025.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on June 25, 2025 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

June 19, 2025

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

STOCKBRIDGE VALLEY CENTRAL SCHOOL DISTRICT
MADISON AND ONEIDA COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

JONATHAN STRAIN
President

KRISTIN GUINTO
Vice President

CAROL MARSHALL
JAIME RENNER
MICHAEL GOUGH
HERB BINGEL
DOUG REED

* * * * *

ADMINISTRATION

COREY GRAVES
Superintendent of Schools

BETH S. LAMB
Business Administrator

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

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PREPARED WITH THE ASSISTANCE OF

Fiscal Advisors & Marketing, Inc.
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OFFICIAL STATEMENT

of the

STOCKBRIDGE VALLEY CENTRAL SCHOOL DISTRICT

MADISON AND ONEIDA COUNTIES, NEW YORK

Relating To

$6,785,000 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page, has been prepared by the Stockbridge Valley Central School District, Madison and Oneida Counties, New York (the "School District" or "District", "County" or "Counties", and "State", respectively) in connection with the sale by the School District of $6,785,000 principal amount of Bond Anticipation Notes, 2025 (herein referred to as the "Notes").

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

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

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

The Notes are dated July 10, 2025 and mature, without option of prior redemption, on June 25, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form at the option of the Purchaser(s) either (i) registered in the name of the purchaser, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

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 resolution adopted by the Board of Education on March 21, 2023 authorizing the issuance of $6,785,000 obligations to finance a part of the cost of reconstruction of and improvements to various School District facilities at a maximum estimated cost not to exceed $6,995,000.

The proceeds of the Notes will fully redeem and renew the outstanding $2,500,000 bond anticipation notes maturing July 11, 2025 and will provide $4,285,000 of new money for the aforementioned purpose.

Nature of the Obligation

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

Holders of any series of notes or bonds of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or 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 INFORMATION - Tax Levy Limitation Law" herein.

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

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

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), Jersey City, NJ, 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 "banking organization" within the meaning of the New York Banking Law, is 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 ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The School District, with an estimated population of 2,392 and an approximate land area of 42.5 square miles, is located in the eastern portion of Madison County and on the western perimeter of Oneida County. It is located approximately 20 miles from the Cities of Syracuse, Utica and Rome.

Major highways within, and in close proximity to, the School District include State highways #5, and #46, as well as Interstate 90.

The School District is primarily residential and agricultural in character. Many of the residents are employed in, and in close proximity to, the Cities of Syracuse, Utica, Rome and Oneida. All commercial and professional services are afforded the residents within the School District, as well as within the aforementioned Cities.

The School District continues to encompass several small family farms along with large farms geared toward greater output. This type of employment currently provides challenges as a way of life for several families, as the small family dairy farm continues to struggle to remain competitive with larger farms geared for greater efficiency along with volatile milk market prices that impact profitable business operations, due to the high cost of inputs for production agriculture, resulting in poor cash flow, and creating economic hardships among the local agricultural sector of the community.

A local manufacturing company, Ferris Industries (originally a subsidiary of Briggs & Stratton, Inc.), relocated its operations (spring 2019) to the nearby City of Sherrill. As of March 2020, Briggs & Stratton, Inc. announced a divestiture of several subsidiaries including Ferris Industries, which filed a Chapter 11 Bankruptcy in July of 2020, and then proceeded with reorganization. Although this firm has relocated the majority of its operations, it continues to manufacture a small line of equipment in the facility within the District and is current with payment of tax obligations. At this time, the long-term operation of this facility is unknown and may have a financial impact for the District in the future. More recently, a commercial retail merchandise store, Dollar General, constructed a facility in the community and opened its doors for business in early 2020.

As of April 2022, Renesola Power Holdings finalized a PILOT (Payment in Lieu of Taxes) Agreement to build and operate a 1.925-Megawatt AC "Solar Energy System" within the district boundaries. As of June 2025, construction on this Solar Energy System Project has been completed.

Source: District officials.

District Population

The 2023 population of the District is estimated to be 2,427. (Source: 2023 U.S. Census Bureau estimates)

Larger Employers

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

Name	Type	Estimated Number of Employees
Oneida Nation Enterprises	Casino/Entertainment	4,600
Madison County Offices	Governmental	570
Ferris Industries (Munnsville, NY)	Manufacturing	120 (1)
Morrisville State College	Education	400
Oneida City Hospital	Healthcare	275
Colgate University	Education	345

(1) Ferris Industries relocated its manufacturing operations to the City of Sherrill (Spring 2019). As of July 2020, Ferris Industries filed a Chapter 11 Bankruptcy Case after the parent company, Briggs & Stratton, Inc. announced a divestiture in March 2020. A small line of equipment continues to be produced in the existing manufacturing facility within the District. Other long-term plans of the district facility remain unknown at this time. As of October 2024, tax obligations were paid, and are current on this property. The future of this manufacturing facility in the district (Munnsville, NY) is unknown at this time and may pose a revenue impact to the District in the future.

Source: School 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 includes the District, are the Towns and Counties listed below. The figures set below with respect to such Towns and Counties are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the Counties are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
City of:						
Oneida	$ 23,553	$ 29,279	$ 38,436	$ 58,078	$ 69,576	$ 87,070
Towns of:						
Eaton	13,946	18,680	23,145	53,458	60,429	72,083
Lincoln	30,055	33,207	43,154	67,321	73,558	94,250
Smithfield	19,704	30,380	38,034	54,559	79,375	87,330
Stockbridge	19,449	25,919	33,223	47,898	64,375	79,821
Augusta	21,270	30,405	39,220	53,900	74,073	87,222
Vernon	24,579	37,618	44,995	59,563	90,541	103,851
Counties of:						
Madison	24,311	32,443	39,904	61,828	78,812	94,317
Oneida	23,458	30,678	36,865	58,017	74,796	88,011
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

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

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

Unemployment Rate Statistics

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

	Annual Average						
	2018	2019	2020	2021	2022	2023	2024
Madison County	4.8%	4.3%	7.5%	4.6%	3.5%	3.7%	3.8%
Oneida County	4.4%	4.1%	7.8%	5.1%	3.6%	3.5%	3.7%
New York State	4.1%	3.8%	9.9%	7.0%	4.3%	4.1%	4.3%

	2025 Monthly Figures					
	Jan	Feb	Mar	Apr	May	Jun
Madison County	4.9%	5.0%	4.4%	3.2%	N/A	N/A
Oneida County	4.3%	4.6%	4.1%	3.2%	N/A	N/A
New York State	4.6%	4.3%	4.1%	3.6%	N/A	N/A

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

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

Form of School Government

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

Budgetary Procedures and Recent Budget Votes

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 fourteen days before the annual District meeting at which it is to be presented. Copies are available upon request to taxpayers within the School District, fourteen days preceding such meeting and at each such meeting. The Board must also give notice that a copy of the tentative budget may be obtained at each schoolhouse within the 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.

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

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the Tax 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 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 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). Clarification may be needed to determine whether a Board of Education must adopt a budget that requires the same tax levy amount as used in the prior fiscal year, or whether changes to the levy are permitted for such purposes as the permitted school district exclusions or the tax base growth factor. For a complete discussion of Chapter 97, see "Tax Levy Limitation Law" herein.

Recent Budget Vote Results

The budget for the 2024-25 fiscal year was adopted by the qualified voters on May 21, 2024 by a vote of 142 to 31. The budget included a tax levy increase of 2.99% which was less than the District's maximum allowable tax levy increase of 4.25% for the 2024-25 fiscal year.

The budget for the 2025-26 fiscal year was adopted by the qualified voters on May 20, 2025 by a vote of 131 to 35. The budget included a tax levy increase of 0.98% which was less than the District's maximum allowable tax levy increase of 4.89% for the 2025-26 fiscal year.

Investment Policy

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

The School District's current investment program is to invest in: (1) Savings Accounts, Now Accounts or Money Market Accounts of designated banks, (2) Certificates of Deposit issued by a bank or trust company authorized to do business in New York State, (3) Demand Deposit Accounts in a bank or trust company authorized to do business in New York State, (4) Obligations of New York State, (5) Obligations of the United States Government (U.S. Treasury Bills and Notes) and (6) Repurchase Agreements involving the purchase and sale of direct obligations of the United States. The School District's current investment program is consistent with its Investment Policy and New York State Law, including, but not limited to, third party hold and adequate collateralization.

State law and the District policy does not permit the District to enter into reverse repurchase agreements or make other derivative type investments.

State Aid

The District receives financial assistance from the State. In its budget for the 2025-2026 fiscal year, approximately 73.63% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner in any year municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

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

Federal aid received by the State

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

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 97.8% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

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

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

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

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

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

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

State Aid Litigation

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

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

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

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

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

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

State Aid Revenues

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

Fiscal Year	Total State Aid	Total Revenues	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 7,848,063	$ 10,602,676	74.02%
2020-2021	8,199,799	11,123,716	73.71
2021-2022	8,076,394	10,963,076	73.67
2022-2023	8,600,906	11,510,419	74.72
2023-2024	9,159,357	12,131,719	75.50
2024-2025 (Budgeted)	9,464,718	12,992,800	72.85
2024-2025 (Unaudited)	9,363,976	12,712,192	73.66
2025-2026 (Budgeted)	10,026,708	13,618,385	73.63

Note 2024-2025 unaudited projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

Source: Audited financial statements for the 2019-2020 through 2023-2024 fiscal years, budgeted and unaudited figures for the 2024-2025 fiscal year and the adopted budget for the 2025-2026 fiscal year. This table is not audited.

School Facilities

Name	Grades	Capacity	Year(s) Built/Additions/Renovation
Stockbridge Valley Central School	Pre-K, K-12	732	1997, ’00, ’12, ‘17

Source: School District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2020-21	448	2025-26	400
2021-22	448	2026-27	395
2022-23	451	2027-28	395
2023-24	424	2028-29	390
2024-25	415	2029-30	390

Source: School District officials.

Employees

The School District employs a total of approximately 83 full-time employees. Employees are represented by various unions as follows:

Employees Represented	Union Representation	Contract Expiration Date
21	CSEA Local 1000	June 30, 2029
50	Stockbridge Teachers’ Association	June 30, 2026

Source: School District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

The District's payments to ERS and TRS for the last four years, budgeted and unaudited contributions for 2024-2025 and the budgeted contributions for the 2025-2026 fiscal year are as follows:

Fiscal Year	ERS	TRS
2020-21	$118,483	$304,207
2021-22	114,260	330,902
2022-23	91,918	388,509
2023-24	116,856	378,447
2024-25 (Budgeted)	133,569	375,861
2024-25 (Unaudited)	133,569	374,733
2025-26 (Budgeted)	168,592	383,479

Note: Unaudited figures are subject to change.

Source: District officials.

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

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

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

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

*Estimated.

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

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

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

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

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are 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 and funded such a TRS Reserve, and has additionally established and funded an ERS Reserve.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The District implemented GASB 75. 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.

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The District contracted with Questar III BOCES, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2023 and 2024.

The following outlines the changes to the Total OPEB Liability during the past two fiscal years, by source:

Balance beginning at:	June 30, 2022	June 30, 2023
	$ 25,871,767	$ 22,785,873
Changes for the year:		
Service cost	933,174	914,213
Interest	938,188	852,552
Effect of liability gains or loses	(3,353,869)	(1,026,831)
Differences between expected and actual experience	-	-
Changes in assumptions or other inputs	(993,171)	-
Benefit payments	(610,216)	(691,105)
Net Changes	$ (3,085,894)	$ 48,829
Balance ending at:	June 30, 2023	June 30, 2024
	$ 22,785,873	**$ 22,834,702**

Note: The above table is not audited. For additional information see “APPENDIX - E” attached hereto.

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

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

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 notices with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

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

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024 and may be found attached hereto as “APPENDIX-E” to this Official Statement. Certain summary financial information of the School District can also be found attached as Appendices to this Official Statement.

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

The School District is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The School District is currently in full compliance with GASB Statement No. 34.

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

Based on preliminary estimates, the District ended the fiscal year ending June 30, 2025 with a cumulative unappropriated unreserved fund balance of $560,735.

Summary unaudited information for the General Fund for the period ending June 30, 2025 is as follows:

Revenues:	$ 12,737,192
Expenditures:	12,346,760
Excess (Deficit) Revenues Over Expenditures:	$ 390,432
Beginning Fund Balance June 30, 2024:	$ 4,451,581
Total Fund Balance (including reserves) June 30, 2025:	$ 4,842,013

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

New York State Comptroller Reports of Examination

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

The District had an Audit of its Tax Levy Limit Calculation in the spring of 2021, and, as of July 8, 2021, the District received communication that there were no findings.

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

Note: Reference to website implies no warranty of accuracy of information therein., nor inclusion herein by reference.

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	10.0
2023	No Designation	6.7
2022	No Designation	3.3
2021	No Designation	3.3

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

Note: Reference to website implies no warranty of accuracy of information therein. Information for the 2025 fiscal year is unavailable as of the date of this Official Statement.

TAX INFORMATION

Taxable Assessed Valuations

Years Ending June 30:	2021	2022	2023	2024	2025
City of:					
Oneida	$ 7,455,155	$ 7,463,153	$ 7,496,680	$ 7,476,401	$ 7,863,199
Towns of:					
Eaton	8,644,393	10,209,698	10,290,963	10,446,683	10,772,154
Lincoln	7,756,121	7,988,763	7,895,481	7,878,394	8,538,457
Smithfield	6,818,583	6,864,962	6,820,539	6,875,941	6,965,195
Stockbridge	81,678,022	81,972,508	81,616,598	82,009,667	83,070,147
Augusta	249,503	236,405	216,496	189,310	177,610
Vernon	2,749,970	2,749,705	2,748,202	2,741,255	2,753,569
Total Taxable Valuation	$ 115,351,747	$ 117,485,194	$ 117,084,959	$ 117,617,551	$ 120,140,331
Total Full Valuation	$ 123,665,891	$ 128,778,532	$ 148,894,614	$ 178,200,277	$ 195,176,336

Source: District Officials.

Tax Rate Per $1,000 (Assessed)

Years Ending June 30:	2021	2022	2023	2024	2025
City of:					
Oneida	$ 19.96	$ 20.42	$ 20.18	$ 18.97	$ 19.09
Towns of:					
Eaton	22.78	18.99	17.63	17.58	16.94
Lincoln	20.27	20.75	20.67	22.52	21.18
Smithfield	21.05	20.20	20.67	20.89	21.18
Stockbridge	20.27	20.75	21.58	22.35	22.86
Augusta	33.38	33.32	31.01	32.76	37.65
Vernon	30.02	31.13	32.21	30.34	28.72

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 31 days, and 3% penalty through November 2nd. On November 2nd, uncollected taxes are returnable to the Counties for collection. The School District receives this amount of uncollected taxes from said Counties prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually.

Tax Levy and Collection Record

Years Ending June 30:	2021	2022	2023	2024	2025
Tax Levy [(1)]	$ 2,393,352	$ 2,445,898	$ 2,493,904	$ 2,568,515	$ 2,645,430
Uncollected	204,123	244,000	244,618	240,488	254,671
% Uncollected [(2)]	8.5%	10.0%	9.8%	9.36%	9.62%

(1) Gross tax levy prior to adjustments (tax roll additions, shortages, cancellations and refunds). See "Tax Collection Procedure."
(2) Prior to return to Counties. See "Tax Collection Procedure" below.

Largest Taxpayers – 2024 assessment Roll for 2024-2025 Tax Roll

Name	Type	Taxable Assessed Valuation
Briggs & Stratton, LLL/Ferris Industries	Industrial Manufacturing	$ 3,000,000 [(1)]
National Grid	Utility	2,775,583
Garden Homes Green Acres	Mobile Home Park	1,854,200
Quiet Valley LLC	Farm	1,222,800
My Bar K. Meadows	Farm	1,132,700
Dominion Transmission	Utility	1,095,521
Wolf Oak Summit, LLC	Entertainment Facility	1,067,500
Otis Marshall Farms Inc.	Farm	843,000
Airtricity	Renewable Energy	771,560
Marshall Farms, Inc.	Farm	649,000

(1) Ferris Industries relocated its manufacturing operations to the City of Sherrill as of spring 2019. Any production to continue at the Munnsville manufacturing location (Briggs & Stratton, LLL facility) is a small line of equipment with any other production unknown at this time.

The largest taxpayers listed above have an estimated total taxable assessed valuation of $14,411,864 which represents approximately 7.38% of the tax base of the School District.

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

Real Property Taxes

The following table illustrates the percentage of total revenues of the District for the below fiscal years comprised of Real Property Taxes & Tax Items:

Fiscal Year	Total Real Property Taxes & Tax Items	Total Revenues	Percentage of Total Revenues Consisting of Real Property Taxes & Tax Items
2019-2020	$ 2,361,439	$ 10,602,676	22.27%
2020-2021	2,441,558	11,123,716	21.95
2021-2022	2,495,351	10,963,076	22.76
2022-2023	2,539,922	11,510,419	22.07
2023-2024	2,577,749	12,131,719	21.25
2024-2025 (Budgeted)	2,652,930	12,992,800	20.42
2024-2025 (Unaudited)	2,654,310	12,737,192	20.83
2025-2026 (Budgeted)	2,678,985	14,018,385	19.11

Note 2024-2025 unaudited projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

Source: Audited financial statements for the 2019-2020 through 2023-2024 fiscal years, budgeted and unaudited figures for the 2024-2025 fiscal year and the adopted budget for the 2025-2026 fiscal year. This table is not audited.

STAR – School Tax Exemption

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

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

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

The below table lists the basic and enhanced exemption amounts for the 2024-25 District tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Eaton	$ 68,880	$ 24,00	4/10/2025
Lincoln	55,100	19,350	4/10/2025
Smithfield	55,100	19,880	4/10/2025
Stockbridge	51,060	19,350	4/10/2025
Augusta	34,820	12,830	4/10/2025
Vernon	40,640	14,160	4/10/2025
City of:			
Oneida	63,840	22,800	4/10/2025

$383,754 of the District's $2,645,430 school tax levy for 2024-25 fiscal year is expected to be exempted by the STAR Program. The District expects to receive all such exempt taxes from the State in January, 2025.

Approximately $370,750 of the District's $2,671,485 school tax levy for 2025-2026 is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2026.

Additional Tax Information

Real property within the City of Oneida is assessed by the City. Real property within each township is assessed by the respective Towns.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the School District is estimated to be categorized as follows: Residential-62%; Agricultural-20% , Other-6%, and Commercial & Utilities - 12%.

The estimated total annual property tax bill of an $80,000 market value residential property located in the School District is approximately $2,860 including City, County, Town and School 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 unless extended; recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

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

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

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

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015, a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016, the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals. See also "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.

Chapter 20 of the Laws of 2015 ("Chapter 20") introduced a new real property tax rebate program that provides state-financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District ("MCTD") received $130, and eligible taxpayers who resided outside the MCTD received $185. Credits in 2017-2019 varied based on a taxpayer's personal income level and STAR tax savings; the program was fully phased in during 2019. Under Chapter 20 the eligibility of real property taxpayers in each year depends on the school district's compliance with the provisions of the Tax Levy Limitation Law. For taxpayers other than those living in one of the "Big 4" cities only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the "Big 4" cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law.

While the provisions of Chapter 20 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, and Chapter 20 does provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limitation Law.

See "THE SCHOOL DISTRICT – Budgetary Procedures and Recent Budget Votes" herein for additional information regarding the District's Tax Levy.

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.

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.

Debt Limit. The School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions and exclusions set forth in the Local Finance Law. The constitutional method for determining average full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services.

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

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

The School 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 School 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:	2020	2021	2022	2023	2024
Bonds	$ 5,630,000	$ 5,030,000	$ 5,140,000	$ 4,500,000	$ 3,800,000
Bond Anticipation Notes	790,464	775,000	745,000	0	0
Revenue Anticipation Notes	0	0	0	0	0
Total Debt Outstanding	$ 6,420,460	$ 5,805,000	$ 5,885,000	$ 4,500,000	$ 3,800,000

Note: Does not include energy performance contract financing which while not general obligation debt, does count toward the debt limit. See "Energy Performance Contracts" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the School District evidenced by bonds and notes as June 19, 2025:

Type of Indebtedness	Maturity		Amount Outstanding
Bonds	2025-2038		$ 3,085,000
Bond Anticipation Notes			
Capital Project	July 11, 2025		2,500,000 (1)
		Total Indebtedness	$ 5,585,000

(1) To be fully redeemed and renewed at maturity with the proceeds of the Notes.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 19, 2025:

Full Valuation of Taxable Real Property			$ 195,176,336
Debt Limit 10% thereof			19,517,633
Inclusions:			
Bonds	$ 3,085,000		
Bond Anticipation Notes (BANs):	2,500,000		
Total Inclusions prior to issuance of the Notes	5,585,000		
Less: BANs being redeemed from appropriations	0		
Add: New money proceeds of the Notes	4,285,000		
Total Net Inclusions after issuance of the Notes		$ 9,870,000	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness[2]			$ 9,870,000
Net Debt-Contracting Margin			$ 9,647,633
The percent of debt contracting power exhausted is[2]			50.57%

(1) Based on preliminary 2025-2026 building aid estimates, the District anticipates State Building aid of 97.8% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

(2) Does not include indebtedness related to the District's lease liabilities. See "Lease Obligations" herein.

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

Bonded Debt Service

A schedule of Bonded Debt Service may be found in "APPENDIX – B" to this Official Statement.

Cash Flow Borrowings

The School District historically does not issue revenue or tax anticipation notes, and does not have any plans at this time to issue any for the foreseeable future.

Energy Performance Contract

During the 2017-18 fiscal year, the District entered into an energy performance contract and lease purchase agreement to finance the purchase of equipment over a 15-year period. The remaining principal balance as of June 30, 2023 is $639,696. The capital lease obligation is due in annual principal installments through August 15, 2032 at an interest rate of 2.47%. The District has the option of early redemption on any payment date. Such financing is not general obligation debt but does count toward the debt limit.

The remaining payments of principal and interest as of June 30, 2024 are as follows:

Year	Principal	Interest	Total
2025	$ 54,953	$ 14,496.39	$ 69,449.39
2026-2033	529,793	61,215.89	591,008.89
Total	$ 584,746	$ 75,712.28	$ 660,458.28

Source: District officials.

Capital Project Plans and Financing

At a regular meeting held on December 13, 2022, the Board of Education approved a resolution for a Special School District Election to be held on March 14, 2023 for the purpose of voting on a proposed Capital Project at a maximum cost of $6,995,000, with the expenditure of $210,000 in Capital Reserve Fund monies. The District issued $2,500,000 bond anticipation notes on July 11, 2024 to provide $2,500,000 new money as the initial borrowing for the aforementioned purpose. The proceeds of the Notes will fully redeem and renew the outstanding notes and provide $4,285,000 new money for the aforementioned purpose.

There are presently no capital projects authorized and unissued by the School District, nor are any contemplated.

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness (1)	Exclusions (2)	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Madison	10/31/2024	$ 41,157,000 (3)	$ 925,000	$ 40,232,000	2.71%	$ 1,090,287
Oneida	6/28/2024	455,413,397 (3)	293,223,397	162,190,000	0.04%	64,876
Town of:						
Augusta	12/31/2023	321,748 (4)	- (5)	321,748	0.39%	1,255
Eaton	12/31/2023	- (4)	- (5)	-	4.33%	-
Lincoln	12/31/2023	410,000 (4)	- (5)	410,000	7.65%	31,365
Smithfield	12/31/2023	- (4)	- (5)	-	12.40%	-
Stockbridge	12/31/2023	- (4)	- (5)	-	97.71%	-
Vernon	12/31/2023	- (4)	- (5)	-	0.82%	-
City of:						
Oneida	3/7/2025	84,122,218 (3)	57,460,618	26,661,600	1.54%	410,589
					Total:	$ 1,598,372

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

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

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

(4) Gross indebtedness sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.

(5) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 19, 2025:

	Amount of Indebtedness	Per Capita [a]	Percentage of Full Valuation [b]
Net Indebtedness [c]	$ 9,870,000	$ 4,066.75	5.06%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	11,468,372	4,725.33	5.88

(a) The District's 2023 estimated population is 2,427. (See "District Population" herein.)
(b) The District's full valuation of taxable real estate for 2024-2025 fiscal year is $195,176,336. (See "TAXABLE INFORMATION –Valuations" herein.)
(c) See "Debt Statement Summary" herein.
(d) The District's estimated applicable share of net underlying indebtedness is $1,598,372. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General

Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

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

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

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

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

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

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.

CONTINUING DISCLOSURE COMPLIANCE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the District will enter into a Continuing Disclosure Undertaking, a description of which is attached hereto as “APPENDIX – C, MATERIAL EVENT NOTICES”.

Historical Compliance

The District was 7 days late in filing the Annual Financial Information and Operating Data (“AFIOD”) for the fiscal year ending June 30, 2022 as required by the continuing disclosure undertaking for the serial bonds issued through the Dormitory Authority of the State of New York in 2019 and 2022. The AFIOD was due to be filed to the MSRB EMMA System no later than December 27, 2022 (180 days after the fiscal year end). In addition, the District was 3 days late in filing the AFIOD for the fiscal year ending June 30, 2022 as required by the continuing disclosure undertaking for the District’s serial bonds issued in 2012. The AFIOD was due to be filed to the MSRB EMMA system no later than six months of the close of the succeeding fiscal year. The District’s AFIOD for the fiscal year ending June 30, 2022 was posted to the EMMA system on January 3, 2023. The District’s audited financial statements were filed timely on December 19, 2022.

Other than as stated above, the District has in the previous five years complied, in all material respects, with any previous undertakings pursuant to the Rule.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and 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 is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – D".

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Notes") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner's basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

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

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

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

Future legislative proposals, if enacted into law, 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 owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, 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 authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the District or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX – D".

LITIGATION

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

The District is subject to a claim filed under the New York State Child Victims Act. The claim is in the stages of discovery. It is anticipated the claim will not materially impact the District's financial condition.

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

The District is also indirectly involved in several Indian Land Claims which have been filed in Oneida County. A summary of the claims and the current status of the litigation is described as follows:

INDIAN LAND CLAIMS

1. Oneida Indian Nation of New York, et al. v. County of Oneida New York, et al.
Civil Action No. 70-CV-35

The County was a defendant in an action entitled, Oneida Indian Nation of New York, et al. v. County of Oneida New York, et al. This case was in the court system for over 30 years, having originally been brought in the United States District Court for the Northern District of New York in 1970. The claim sought monetary damages for the trespass by the County on land claimed to be owned by the successors of the Oneida Indian Nation for the years 1968 and 1969. It involved land that was purchased by the State from the Oneida Indian Nation in 1795. The case had an extensive court history culminating in a decision by the United States Supreme Court in March of 1985. That decision affirmed lower court findings to the effect that the 1795 purchase by the State was illegal because of the failure of the State to get permission from the federal government. As a result, a judgment against the County in the amount of $7,635, together with simple interest at the rate of 6% per annum from January 1, 1968, was affirmed.

On August 29, 2002, Judge Neal McCurn, United States District Court, Northern District of New York ruled that the County had acted as a good faith trespasser. The damage amount due from the County was recalculated to be $8,360 plus interest and a judgment was entered accordingly. The County satisfied the judgment with funds furnished by the State. This case is completed and is included here only for historical information.

2. The Oneida Indian Nation of New York State, et al. v. The County of Oneida New York and the County of Madison, New York
Civil Action No. 74-CV-187

The County of Oneida was a defendant in another Indian land claim entitled, The Oneida Indian Nation of New York State, The Oneidas of the Thames, and the Oneida Tribe of Indians of Wisconsin, Inc. vs. The County of Oneida, New York, and the County of Madison, New York, which was brought in the United States District Court for the Northern District of New York in 1974. This action asserted possessory rights by three Oneida tribes to approximately 250,000 acres acquired by the State from the Oneida Indian Nation between 1795 and 1846. In June, 1998, the United States intervened in the action on behalf of the Oneidas against the Counties. In December, 1998, both the Oneidas and the U. S. sought permission to amend their complaints by adding, as a plaintiff, the Oneida of the Thames, and as defendants, the State and a class of 20,000 private landowners to the action, seeking damages plus interest computed from the dates of multiple treaties entered into between 1795 and 1846, and seeking possession of the land. On September 25, 2000, Judge McCurn denied the applications to add the private landowners and to seek possession but granted the applications to add the Oneida of the Thames as a plaintiff and the State as a defendant. The case was thereafter transferred to U. S. District Court Judge Lawrence E. Kahn. The plaintiffs filed amended complaints adding the State and seeking (1) a declaration that the plaintiff tribes had possessory rights to the land claim area; (2) damages under multiple theories regarding the subject lands which were allegedly wrongfully acquired from the Oneidas. The defendants filed responsive pleadings on January 12, 2001, which asserted various defenses and counterclaims. The New York Brothertown Indian Nation moved to intervene in the case as a plaintiff, and its motion was granted. The plaintiffs and plaintiff-intervenors moved to strike and dismiss the defenses and counterclaims, and those motions were granted in part and denied in part. Discovery was had. In August 2006, defendants moved for summary judgment to dismiss the action. In May 2007, Judge Kahn granted dismissal of all claims against the County, leaving only a monetary claim against the State. Both the plaintiffs and the State have filed appeals, which were argued on June 3, 2008. In August 2010, the Second Circuit reversed Judge Kahn in part, and completely dismissed all of plaintiff's claims. The Supreme Court refused certiorari in October 2011. Therefore the case is now dismissed, with no liability against the County. The case is included here only for historical information.

3. Stockbridge-Munsee Community, et al. v. New York State, et al.
Civil Action No. 86-CV-1140

In addition to the litigation noted above, the County is also a defendant in another Indian claim entitled Stockbridge-Munsee Community, et al. v. New York State, et al. This case was filed in October of 1986 in the United States District Court for the Northern District of New York. It involves a claim by the Stockbridge-Munsee Indian Community to land located in parts of the Towns of Augusta and Vernon in Oneida County but not within the area claimed in The Oneida Indian Nation of New York State, et al. v. The County of Oneida, New York and the County of Madison, New York. The issues, in many respects, are similar to those in the Oneida cases described above. The Oneida Indian Nation of New York has intervened in this action, and the Court has pending before it cross-motions to dismiss the complaint and for summary judgment.

4. Oneida Indian Nation v. Madison County and Oneida County
Civil Action No. 05-6408-CV(L)

The County litigated its right to foreclose upon Oneida Indian Nation properties in the above case. Judge David Hurd ruled against the County in June 2006; an appeal was argued in November 2007 in the Second Circuit Court of Appeals. Judge Hurd was upheld in April 2010 by the Second Circuit; the Supreme Court granted the County's request to hear an appeal but, after the Nation waived one of its defenses, that Court sent the case back to the Second Circuit for further consideration. In October 2011, the Second Circuit reversed Judge Hurd and held in favor of the County on 3 of the 4 grounds his decision was based on and referred the 4th ground to State Courts. The claim was settled in 2014 with the land going into trust and the option for the Oneida Indian Nation to purchase up to another 8,000 acres. The land is no longer a part of Taxable Assessed Properties for the District. The case is included here only for historical information.

5. State of New York v. Salazar
Civil Action No. 6:08-CV-00644 (LEK) (GJD)

On May 20, 2008, the Department of the Interior issued its decision to take 8,833 acres of land in Oneida County as well as some land in Madison County, into trust for the Oneida Indian Nation. New York State and both counties filed the above-entitled suit to overturn that decision. In September 2009, Judge Kahn dismissed some of the County's causes of action; however, most remain and can be appealed. Additional summary judgment motions have been filed by both parties, and they are now pending. The case is still in its early stages and at this time it is not possible to predict the outcome of this litigation.

It is noted that the trust application may have indirect implications for the County with regard to future tax revenues, if the tribes succeed and thereafter remove land from the tax rolls. (Taxes have not been paid on these lands for many years.) However, the State has for years made impact payments to the County for such loss such impact payments may be a part of any eventual outcome of these matters, whether they are terminated by litigation or settlement. It is not possible to predict whether the County will ultimately lose tax revenues as a result of the trust application. For these reasons stated above, it is possible that this case will not have great financial impact on the County, but some impact is possible, and it is not possible to predict same at this time.

RATINGS

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

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their rating of "A+" with a stable outlook to the District's outstanding serial bonds. This reflects only the view of S&P and an explanation of the significance of such rating may be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

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

MUNICIPAL ADVISOR

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

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement 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.

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

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

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

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

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

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

The Stockbridge Valley Central School District contact information is as follows: Ms. Beth S. Lamb, Business Administrator, Stockbridge Valley Central School District, Administration Office, 6011 Williams Road, P.O. Box 732, Munnsville, New York 13409, Phone: (315) 495-4446, Telefax: (315) 495-1901, Email: blamb@stockbridgevalley.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., telephone number (315) 752-0051, or at www.fiscaladvisors.com

STOCKBRIDGE VALLEY CENTRAL SCHOOL DISTRICT

Dated: June 19, 2025

By: /s/ JONATHAN STRAIN
President of the Board of Education
and Chief Fiscal Officer

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Unrestricted Cash	$ 732,433	$ 760,147	$ 732,379	$ 392,090	$ 459,176
Restricted Cash	2,876,633	3,014,777	3,111,157	3,270,207	3,468,224
Prepaid Expenditures	-	4,468	1,532	-	-
Accounts receivable	1,194	21,301	3,271	42,175	41,798
Due from fiduciary funds	-	-	-	-	-
Other Receivables	-	-	-	-	-
State and Federal Aid Receivable	618,953	665,945	673,878	750,073	717,147
Due from Other Funds	122,895	188,404	246,369	391,144	367,422
Due from Other Governments	-	-	-	-	-
TOTAL ASSETS	$ 4,352,108	$ 4,655,042	$ 4,768,586	$ 4,845,689	$ 5,053,767
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 7,865	$ 6,406	$ 19,973	$ 33,021	$ 4,819
Accrued Liabilities	73	2,313	4,657	4,566	6,361
Notes Payable	-	-	-	-	-
Due to Other Funds	46,665	102,522	50,761	2,114	10,236
Due to Teachers' Retirement System	304,212	379,763	374,202	437,634	429,288
Due to Employees' Retirement System	30,722	33,630	21,519	27,506	33,392
Short Term Notes Payable	-	-	-	-	-
Other Liabilities	-	-	110,497	116,257	118,090
Unearned Revenues	112,591	107,011	-	-	-
TOTAL LIABILITIES	$ 502,128	$ 631,645	$ 581,609	$ 621,098	$ 602,186
FUND EQUITY					
Nonspendable	$ -	$ 4,468	$ 1,532	$ -	$ -
Restricted	2,876,633	3,014,777	3,111,157	3,270,207	3,468,224
Assigned	506,534	443,384	436,627	443,538	446,418
Unassigned	466,813	560,768	637,661	510,846	536,939
TOTAL FUND EQUITY	$ 3,849,980	$ 4,023,397	$ 4,186,977	$ 4,224,591	$ 4,451,581
TOTAL LIABILITIES and FUND EQUITY	$ 4,352,108	$ 4,655,042	$ 4,768,586	$ 4,845,689	$ 5,053,767

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
REVENUES					
Real Property Taxes	$ 1,753,030	$ 1,819,491	$ 1,897,042	$ 1,966,001	$ 2,039,992
Real Property Tax Items	575,558	541,948	544,516	529,350	502,930
Charges for Services	51,881	44,528	51,780	79,891	22,408
Use of Money & Property	11,884	22,389	5,234	5,830	67,977
Sale of Property and Compensation for Loss	12,337	41,365	24,501	1,168	22,620
Miscellaneous	222,420	236,100	359,545	218,728	239,849
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	7,704,895	7,848,063	8,199,799	8,076,394	8,600,906
Revenues from Federal Sources	15,121	48,792	41,299	85,714	13,737
Total Revenues	$ 10,347,126	$ 10,602,676	$ 11,123,716	$ 10,963,076	$ 11,510,419
Other Sources:					
Lease obligations as lessee	$ -	$ -	$ -	$ 107,123	$ -
Interfund Transfers	3,712	2	30,018	1	1
Total Revenues and Other Sources	$ 10,350,838	$ 10,602,678	$ 11,153,734	$ 11,070,200	$ 11,510,420
EXPENDITURES					
General Support	$ 1,193,696	$ 1,224,748	$ 1,283,787	$ 1,227,541	$ 1,370,913
Instruction	4,723,050	4,902,548	5,332,561	5,283,572	5,511,238
Pupil Transportation	657,215	709,905	668,389	758,068	895,786
Community Services	430	81	-	-	-
Employee Benefits	2,521,929	2,531,826	2,765,039	2,605,094	2,723,147
Debt Service	1,040,562	1,036,669	918,434	973,841	957,604
Total Expenditures	$ 10,136,882	$ 10,405,777	$ 10,968,210	$ 10,848,116	$ 11,458,688
Other Uses:					
Interfund Transfers	113,543	37,654	12,107	58,504	14,118
Total Expenditures and Other Uses	$ 10,250,425	$ 10,443,431	$ 10,980,317	$ 10,906,620	$ 11,472,806
Excess (Deficit) Revenues Over Expenditures	100,413	159,247	173,417	163,580	37,614
FUND BALANCE					
Fund Balance - Beginning of Year	3,590,320	3,690,733	3,849,980	4,023,397	4,186,977
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 3,690,733	$ 3,849,980	$ 4,023,397	$ 4,186,977	$ 4,224,591

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2024			2025	2026
	Original Budget	Final Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 2,136,015	$ 2,136,015	$ 2,142,645	$ 2,249,930	$ 2,300,735
Real Property Tax Items	440,000	440,000	435,104	403,000	378,250
Charges for Services	25,008	22,400	45,465	25,008	33,730
Use of Money & Property	9,365	11,973	110,697	4,927	67,912
Sale of Property and Compensation for Loss	5,750	5,750	17,449	5,250	33,300
Miscellaneous	108,250	108,250	176,512	102,967	67,000
Interfund Revenues	579,400	-	-	715,000	688,750
Revenues from State Sources	9,013,368	9,013,368	9,159,357	9,464,718	10,026,708
Revenues from Federal Sources	20,000	20,000	44,490	22,000	22,000
Total Revenues	$ 12,337,156	$ 11,757,756	$ 12,131,719	$ 12,992,800	$ 13,618,385
Other Sources:					
Lease obligations as lessee	-	-	-	-	-
Interfund Transfers	-	-	1	-	-
Total Revenues and Other Sources	$ 12,337,156	$ 11,757,756	$ 12,131,720	$ 12,992,800	$ 13,618,385
EXPENDITURES					
General Support	$ 1,544,083	$ 1,547,109	$ 1,371,631	$ 1,617,161	$ 1,680,649
Instruction	6,245,042	6,371,254	5,841,408	6,697,388	6,944,913
Pupil Transportation	917,768	917,768	549,766	1,053,985	1,094,209
Community Services	800	800	-	800	800
Employee Benefits	3,043,938	2,933,238	2,627,646	3,048,222	3,091,848
Debt Service	988,925	988,925	988,924	978,644	1,183,966
Total Expenditures	$ 12,740,556	$ 12,759,094	$ 11,379,375	$ 13,396,200	$ 13,996,385
Other Uses:					
Interfund Transfers	21,600	231,600	225,355	21,600	22,000
Total Expenditures and Other Uses	$ 12,762,156	$ 12,990,694	$ 11,604,730	$ 13,417,800	$ 14,018,385
Excess (Deficit) Revenues Over Expenditures	(425,000)	(1,232,938)	526,990	(425,000)	(400,000)
FUND BALANCE					
Fund Balance - Beginning of Year	425,000	1,232,938	4,224,591	425,000	400,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 4,751,581	$ -	$ -

Source: Audited financial report and 2025 budget of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ 715,000	$ 166,812.50	$ 881,812.50
2026	295,000	140,850.00	435,850.00
2027	310,000	126,100.00	436,100.00
2028	325,000	110,600.00	435,600.00
2029	340,000	94,350.00	434,350.00
2030	355,000	77,350.00	432,350.00
2031	380,000	59,600.00	439,600.00
2032	390,000	47,200.00	437,200.00
2033	400,000	34,500.00	434,500.00
2034	55,000	14,500.00	69,500.00
2035	60,000	11,750.00	71,750.00
2036	65,000	8,750.00	73,750.00
2037	65,000	5,500.00	70,500.00
2038	45,000	2,250.00	47,250.00
TOTALS	$ 3,800,000	$ 900,112.50	$4,700,112.50

Note: Figures do not include EPC or Lease Agreements. See "Energy Performance Contracts" herein.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2012 Capital Project Principal	2012 Capital Project Interest	2012 Capital Project Total	2019 DASNY-Capital Project Principal	2019 DASNY-Capital Project Interest	2019 DASNY-Capital Project Total	2022 DASNY-Capital Project Principal	2022 DASNY-Capital Project Interest	2022 DASNY-Capital Project Total
2025	$ 435,000	$ 11,962.50	$ 446,962.50	$ 245,000	$ 120,100.00	$ 365,100.00	$ 35,000	$ 34,750.00	$ 69,750.00
2026	-	-	-	255,000	107,850.00	362,850.00	40,000	33,000.00	73,000.00
2027	-	-	-	270,000	95,100.00	365,100.00	40,000	31,000.00	71,000.00
2028	-	-	-	280,000	81,600.00	361,600.00	45,000	29,000.00	74,000.00
2029	-	-	-	295,000	67,600.00	362,600.00	45,000	26,750.00	71,750.00
2030	-	-	-	310,000	52,850.00	362,850.00	45,000	24,500.00	69,500.00
2031	-	-	-	330,000	37,350.00	367,350.00	50,000	22,250.00	72,250.00
2032	-	-	-	340,000	27,450.00	367,450.00	50,000	19,750.00	69,750.00
2033	-	-	-	345,000	17,250.00	362,250.00	55,000	17,250.00	72,250.00
2034	-	-	-	-	-	-	55,000	14,500.00	69,500.00
2035	-	-	-	-	-	-	60,000	11,750.00	71,750.00
2036	-	-	-	-	-	-	65,000	8,750.00	73,750.00
2037	-	-	-	-	-	-	65,000	5,500.00	70,500.00
2038	-	-	-	-	-	-	45,000	2,250.00	47,250.00
TOTALS	$ 435,000	$ 11,963	$ 446,963	$ 2,670,000	$ 607,150	$ 3,277,150	$ 695,000	$ 281,000	$ 976,000

Note: Figures do not include EPC or Lease Agreements. See "Energy Performance Contracts" herein.

APPENDIX – C

MATERIAL EVENT NOTICES

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) defeasances

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

(k) rating changes

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

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

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

(o) incurrence of a "financial obligation" (as defined in the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Note 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 Note.

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.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the 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 Note; 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 Note 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 Note (including holders of beneficial interests in the Note). The right of holders of the Note 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 Note nor entitle any holder of the Note 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 at closing.

FORM OF BOND COUNSEL'S OPINION

July 10, 2025

Stockbridge Valley Central School District,
Counties of Madison and Oneida,
State of New York

Re: Stockbridge Valley Central School District, Madison and Oneida Counties, New York
$6,785,000 Bond Anticipation Notes, 2025

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of $6,785,000 Bond Anticipation Notes, 2025 (the "Obligation"), of the Stockbridge Valley Central School District, Madison and Oneida Counties, New York (the "Obligor"), dated July 10, 2025, numbered 1, of the denomination of $6,785,000, bearing interest at the rate of ___% per annum, payable at maturity, and maturing June 25, 2026.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax on individuals. Interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

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

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP

STOCKBRIDGE VALLEY CENTRAL SCHOOL DISTRICT
MADISON AND ONEIDA COUNTIES, NEW YORK

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2024

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

STOCKBRIDGE VALLEY CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2024

STOCKBRIDGE VALLEY CENTRAL SCHOOL DISTRICT

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Independent Auditors' Report

To the Board of Education
Stockbridge Valley Central School District
Munnsville, NY

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 Stockbridge Valley Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the 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 Stockbridge Valley Central School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Stockbridge Valley Central School District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Stockbridge Valley Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stockbridge Valley Central School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pages 4 - 18, and budgetary comparison information on pages 61 - 62, schedule of change in total OPEB liability and related ratios on page 63, and schedule of district's proportionate share of net pension liability and district's contributions on pages 64-67 be presented to supplement the basic financial statements. Such information, 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 Stockbridge Valley Central School District's basic financial statements. Schedules of changes from adopted budget to final budget and the real property tax limit, schedule of capital projects fund expenditures and resources, invested in capital assets, net of related debt and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of changes from adopted budget to final budget and the real property tax limit, schedule of capital projects fund expenditures and resources, invested in capital assets, net of related debt was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information on pages 69 - 71 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The schedule of expenditures of federal awards 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 on page 77 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 15, 2024, on our consideration of the Stockbridge Valley Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stockbridge Valley Central School District's internal control over financial reporting and compliance.

Cwynar, Farrow & Locke, CPAs

October 15, 2024
Norwich, NY

Management's Discussion and Analysis

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2024. The section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-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

Stockbridge Valley C. S. started the 2023-2024 school year with a positive financial outlook given a 5.7% revenue increase in Foundation Operating Aid, per the final NYS Legislative Budget, approved in April 2023. Given the current economic inflation and Consumer Price Index of 8.0%, the proposed revenue projection for the district was truly welcomed. Although economic inflation posed challenges in developing the district budget for 2023-2024, the Board of Education remained within the allowed Tax Cap Levy Increase of 3.99% by gaining voter approval with a proposed 2.99% increase on the levy, while also offering a comprehensive instructional and extracurricular program for students, and planning opportunities to meet Pre-K through twelfth grade needs relating to student academic and social development.

In commencing the 2023-2024 school year, the district also experienced an 11.5% transition in personal services of instructional staff. Fortunately, through the hiring process, the district was able to secure 80% of new staff with previous instructional experience, affording students a strong academic program. The recent contract settlement between the district and the Stockbridge Valley Teacher's Association in the spring of 2023 extending competitive salaries supported the district in attracting experienced, highly qualified, instructional staff. Additionally, the contract agreement (valid through June 2026) between the district and the Stockbridge Valley Teacher's Association introduced a change and transition to a market Medal Level Plan for Health Insurance Benefits. Given this change, the district also realized significant savings in Health Plan expenditures throughout the 2023-2024 year for this bargaining group, as several staff opted out of district provided coverage, accepted a buyout contribution, and obtained coverage for health benefits elsewhere.

Federal Aid resources related to the American Rescue Plan (ARP) ESSER III, and American Rescue Plan (ARP) State Reserve Funds continued to be implemented by the district for the final full year of eligibility during the 2023-2024 school year, as the district also recognized that these resources would expire in September 2024. These resources continued to afford the district with additional instructional staff supports to address student learning and social/emotional needs of students. Collectively, the Federal Aid from these grant resources provided $490,260 of district staffing and programmatic expenditures throughout the 2023-2024 school year. Funds available from the ARP ESSER III and ARP State Reserves Grants afforded the district opportunities to support on-going counseling, academic intervention services, afterschool high impact tutoring and programming, additional staffing to meet needs of special education students, opportunities for summer enrichment programs for students, as well as, professional staff development to advance content knowledge, delivery, and strategies for student learning and engagement. The use of these Federal Grant resources to also pay for staffing obligations, further allowed the district to plan for long-term financial stability by transferring other resources at the end of the year to restricted reserves, to meet future financial needs of the district. In anticipation of these resources ending in September 2024, the district also planned and gradually budgeted specific staffing positions over the last two years to continue instructional supports for students as deemed necessary by the district.

In November 2023, the BOE authorized a resolution for a special referendum in March 2024, for the purpose of seeking voter approval to purchase a thirty passenger and sixty-five passenger bus to upgrade the district's transportation fleet and continue the district's capital equipment replacement plan. This special referendum was approved by voters with 92% in favor. The Capital Project approved by voters in the prior year special referendum (March 2023), was submitted to NYSED Facilities Planning in October 2023, approved as of May 7, 2024, and advertised for Bids in June 2024, with Bids to be awarded at the July 2024 regular BOE meeting. In addition to district residents supporting the March 2024 Special Referendum, voters also showed their support of district instructional programs at the May 2024 annual meeting and budget vote approving a proposed district expenditure of $13,417,800, for the 2024-2025 school year.

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 fund financial statements concentrate on the School District's most significant funds with all other non-major funds listed in total in one column.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others.

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

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

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 not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and 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/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of 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 Financial 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 and deferred outflows of resources and the School District's 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.
- To assess the School District's overall health, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

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

Fund Financial Statements

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 School 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 that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements or in schedules immediately following the balance sheet and revenues and expenditures statement explains the relationship (or differences) between them.
- Fiduciary Funds: The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities 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.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Condensed Statement of Net Position (in Thousands)

	Governmental Activities and Total School District 2023	2024	Percent Change
Assets & Deferred Outflows			
Current and Other Assets	$ 6,210	$ 6,222	0.2%
Capital Assets	19,109	18,923	-1.0%
Deferred Outflows of Resources	5,661	4,210	-25.6%
	30,980	29,355	-5.2%
Liabilities & Deferred Inflows			
Current Liabilities	1,825	1,618	-11.3%
Long-Term Liabilities	29,297	28,134	-4.0%
Deferred Inflows of Resources	11,121	9,816	-11.7%
	42,243	39,568	-6.3%
Net Position			
Invested in Capital Assets,			
Net of Related Debt	13,553	14,870	9.7%
Restricted	4,123	3,263	-20.9%
Unrestricted	(28,939)	(28,345)	-2.1%
Total Net Position	$ (11,263)	$ (10,212)	-9.3%

Analysis of Net Position

Net Position may serve as a useful indicator of the district's financial position. At the end of fiscal year 2024, the District's total liabilities exceeded assets by $10.2 million.

The largest portion of the Net Position reflects the District's $13.5 million investment in capital assets. This is substantially all the District's Net Position, this is an increase of $1.3 million from the prior year. Since the district uses capital assets to provide services, they are not available for future spending. Further, the resources required to pay this debt must come from other sources since the capital assets themselves cannot be liquidated to pay that liability.

Long-term bonds payable decreased by $700 thousand. Net pension liabilities decreased $259 thousand.

The district records an obligation to pay long-term post employment benefit to comply with accounting standards, however the policy of the State of New York to not allow the district to fund the obligation. The total OPEB liability recorded on the statement of Net Position is $22.8 million.

The net impact of changes in deferred outflows and inflows from the actuarial calculation in accordance with GASB 68 and 75 was a $362 thousand decrease in net position.

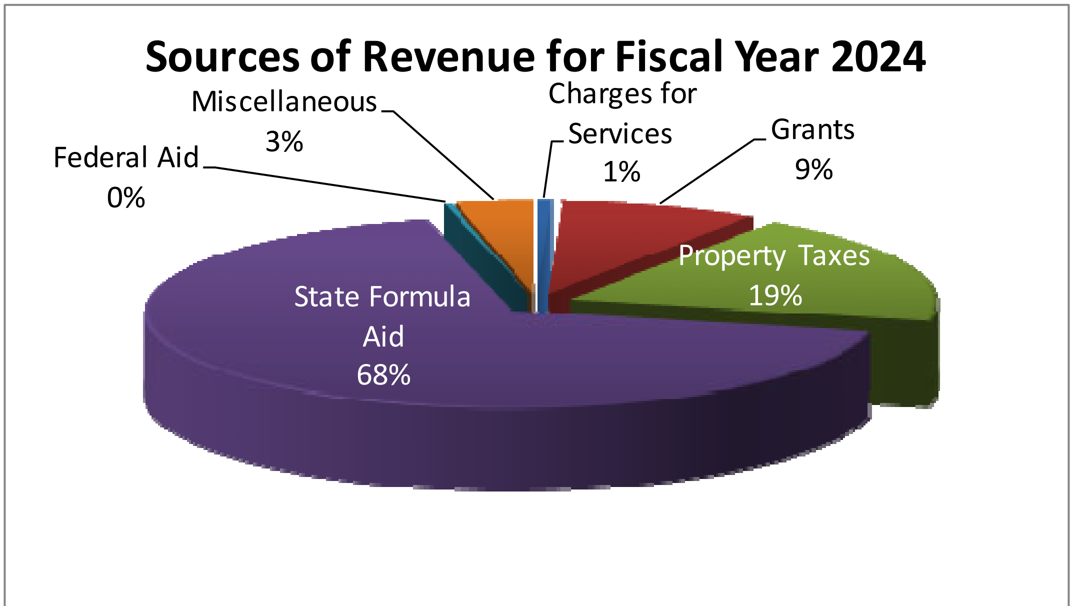
Condensed Changes in Net Position from Operating Results (in Thousands)

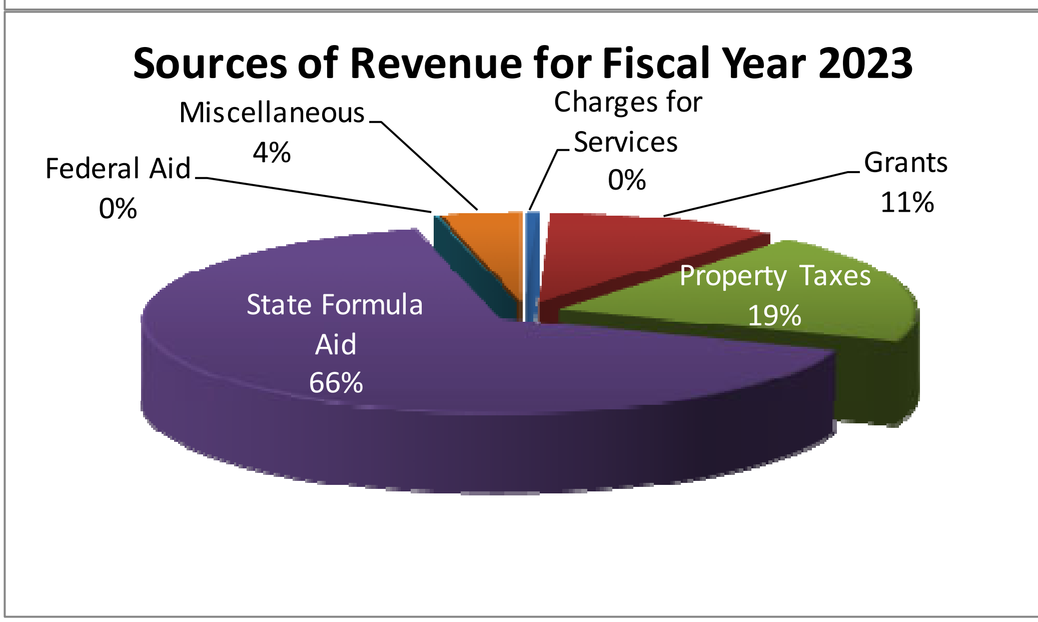
	Governmental Activities and Total School District 2023	Governmental Activities and Total School District 2024	Change
Revenues			
Program Revenues			
Charges for Services	$ 68	$ 81	19.1%
Grants	1,393	1,192	-14.4%
General Revenues			
Property Taxes and tax items	2,543	2,578	1.4%
State Formula Aids	8,601	9,159	6.5%
Federal Aid	14	44	214.3%
Interest Earnings	100	135	35.0%
Miscellanous	386	330	-14.5%
Total Revenue	13,105	13,519	3.2%
Expenses			
General Support	1,747	1,728	-1.1%
Instruction	8,997	8,316	-7.6%
Pupil Transportation	975	931	-4.5%
Depreciation and Amortization	898	925	3.0%
Debt Service	172	145	-15.7%
School Lunch Program	373	424	13.7%
Total Expenses	13,162	12,469	-5.3%
Change in Net Position	$ (57)	$ 1,050	

Analysis of Changes in Net Position

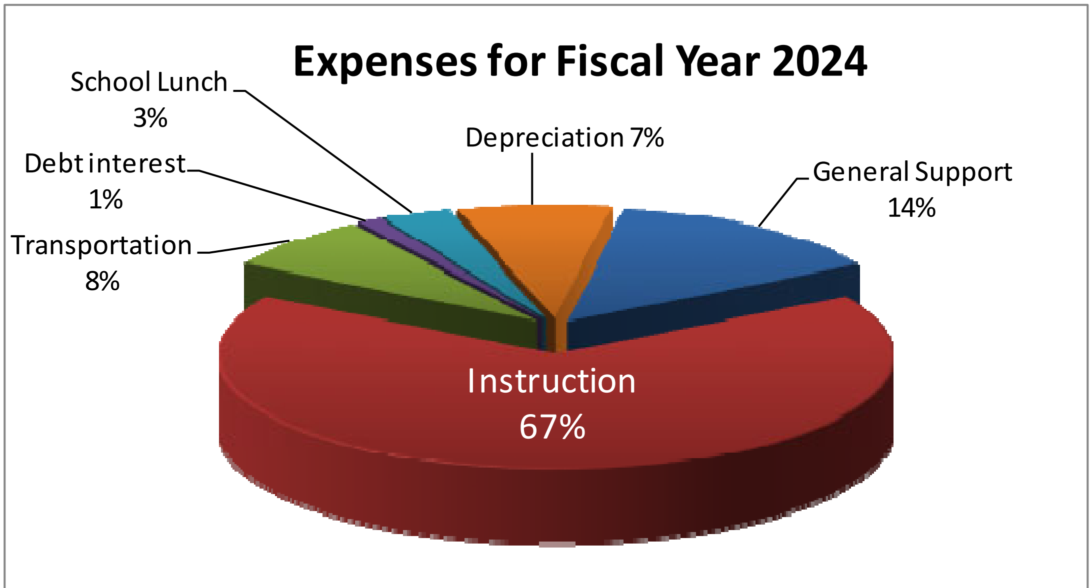
The District's total Net Position increased by $1 million during 2024. The most significant expense for the district was in providing for instructional services. Instructional expenditures decreased 7.6% mainly due to decreaes in net pension and OPEB liabilities. School lunch program expenses increased $51 thousand due to rising food costs and equipment purchases. Grant revenues decreased nearly $200 thousand due to the expiration of federal pandemic recovery funds.

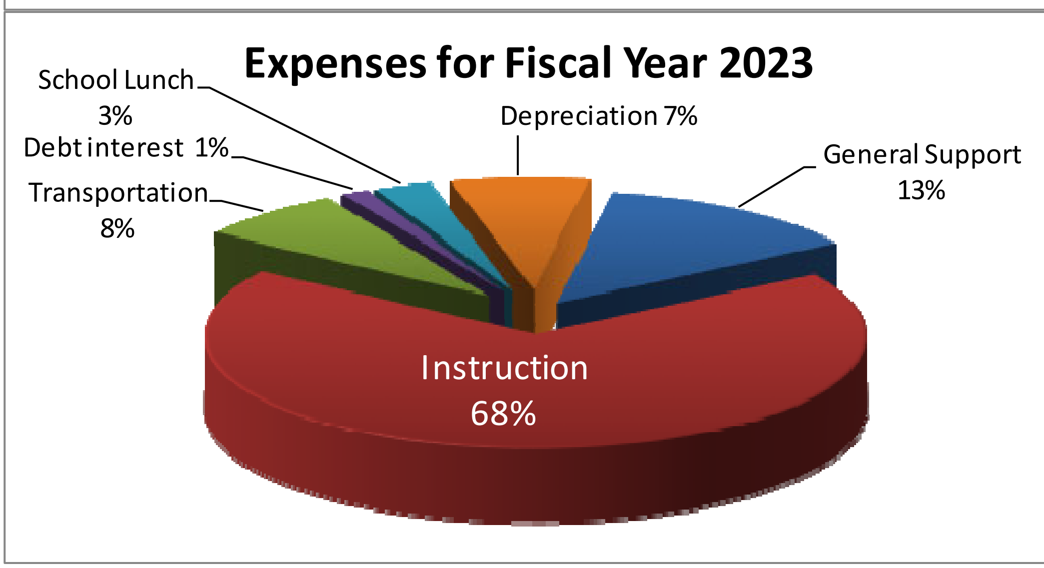
A graphic display of the distribution of revenues for the two years as follows:





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





FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2024, the District governmental funds reported a combined fund balance of $4.7 million, which is a decrease of $428 thousand from the prior year. A summary of the change in fund balance is as follows:

	2023	2024	Increase (Decrease)
General Fund			
Restricted for:			
Unemployment insurance	$ 221,765	$ 224,460	$ 2,695
Retirement contributions - ERS	510,360	425,429	(84,931)
Retirement contributions - TRS	242,546	320,711	78,165
Liability claims and property loss	430,329	435,554	5,225
Insurance	10,150	10,273	123
Tax certiorari	845,443	875,376	29,933
Employee benefit accrued liability	617,370	624,864	7,494
Capital	341,627	500,324	158,697
Repairs	50,618	51,233	615
Nonspendable	-	-	-
Assigned to:			
Encumbrances	18,538	21,418	2,880
Subsequent year's expenditures	425,000	425,000	-
Unassigned	510,845	536,939	26,094
	4,224,591	4,451,581	226,990
Miscellaneous Special Revenue Fund			
Restricted for:			
Extraclassroom activities	94,801	105,308	10,507
Scholarships	43,758	40,766	(2,992)
	138,559	146,074	7,515
School Lunch Fund			
Nonspendable:			
Inventory	28,300	18,887	(9,413)
Assigned to:			
School food service	81,649	62,918	(18,731)
	109,949	81,805	(28,144)
Debt Service Fund			
Restricted for:			
Debt	320,596	343,303	22,707
	320,596	343,303	22,707
Capital Projects Fund			
Restricted for:			
Capital	393,398	-	(393,398)
Unassigned	-	(264,186)	(264,186)
	393,398	(264,186)	(657,584)
Total Fund Balance	$ 5,187,093	$ 4,758,577	$ (428,516)

Combined increases of $198 thousand to the general fund restricted fund balances during the year ended June 30, 2024, includes $158 thousand of net additions to the capital reserves.

Change in General Fund's Unassigned Fund Balance

Opening, Unassigned Fund Balance	$ 510,845
Revenues	12,131,719
Expenditures	(11,679,375)
Other financing sources	1
Other financing uses	(225,355)
Net (increase) decrease in Restricted Funds	(198,015)
Net (increase) decrease in Nonspendable Funds	-
Net (increase) decrease in Assigned Funds	(2,880)
Closing, Unassigned Fund Balance	$ 536,940

The opening unassigned fund balance is the portion of the District's June 30, 2023 carryover funds that were not specifically identified to a budget category. This was 4.00% percent of the District's approved 2023-2024 operating budget.

Based on the summary of changes shown above, the District will begin the subsequent fiscal year with an unassigned fund balance of $536,940 thousand or 4.00% percent of the next approved operating budget.

GENERAL FUND BUDGETARY HIGHLIGHTS

The actual revenue reported by the District was $286 thousand higher than anticipated from external sources. The contributing factors were higher than anticipated BOCES refunds, interest earnings and state aid payments received.

Actual expenditures came in approximately $1 million less than the final budget. Increases in employee benefits were $3305 thousand less than anticipated. Pupil services and regular education expenditures were $156 thousand and $129 thousand less than budgeted, respectively.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the district had invested $19.5 million in a broad range of capital assets, including land, land improvements, buildings, furniture, equipment and vehicles, and intangible lease assets. Depreciation expense for the year was $773 thousand and amortization expense was $151 thousand. The following schedule is the net value of these assets, which includes additions, deletions and depreciation. Additional detail information is included in *Note 5* to the financial statement.

	Governmental Activities and Total School District		Total Percentage
	2023	2024	Change
Land	$ 128	$ 128	0.0%
Outdoor improvements	494	441	-10.7%
Buildings and improvements	11,182	10,737	-4.0%
Furniture, equipment and vehicles	2,057	2,057	0.0%
Construction in progress	4,737	5,561	17.4%
Intangible lease assets, net	511	662	29.5%
	$ 19,109	$ 19,586	2.5%

Debt Administration

The district has outstanding debt in serial bonds of $3.8 million. Additional detail information is included in *Note 7* to the financial statement.

	Total School District		
	2023	2024	Change
General Obligation Bonds, net	$ 4,500	$ 3,800	-15.6%
Installment Purchase Debt	640	585	-8.6%
Unamortized Bond Premiums	366	305	-16.7%
Leases Payable	50	25	-50.0%
Compensated Absences	837	742	-11.4%
Other Post Employment Benefits	22,786	22,835	0.2%
Net Pension Liability - Proportionate Share	897	638	n/a
Total	$ 30,076	$ 28,930	-3.8%

Total long-term debt includes all bonds, installment loans, bond premiums, leases, and actuarial accrued liabilities. The district has paid $700 thousand in bond principal, $25 thousand on lease liabilities and $55 thousand in principal on its outstanding installment purchases. The district issued no long-term bonds during the year. The constitutional debt limit allows the district to have outstanding debt equal to or less than 5 percent of the full value on the most recent tax roll. At June 30, 2024 the outstanding debt of the district represented approximately 54 percent the debt limit. Other debt represents employee compensated absences, and other post-employment benefits.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Foundation Operating Aid and "Save Harmless" were major points of interest in determining educational funding to school districts throughout the NYS Budget development process, from the Executive Budget Proposal in January 2024, to the final aid allocations authorized by the Legislature in April 2024. Declining student enrollments in school districts across NYS was the major impetus for this focus, raising questions of the need for NYS to maintain educational aid levels, and/or expected aid increases to school districts experiencing such declines. Stockbridge Valley is no exception to declining enrollment, and as a high needs district, with over 70% of revenue received in state aid resources to support operations, immediately recognized the potential impact discussions of this nature could pose on the district's future funding levels. Given current law, and existing aid formula's, however, the Executive Budget initially provided the district with a 4.4% increase in Foundation Operating Aid for the 2024-2025 school year, and the final budget adopted by the Legislature resulted in a slight increase to 4.75%, as a change in an inflation factor was applied in the formula used to calculate final Foundation Operating Aid to districts.

Federal Aid received, as part of the Covid-19 health pandemic relief, and allocated as ARP (American Rescue Plan) ESSER III Aid, and ARP-ESSER State Reserves Aid, will expire as of September 2024. These resources provided to the district, allowed the district to hire additional personnel to meet needs of students, and address learning loss experienced during Covid-19. As the district was fully aware of these resources coming to an end during the 2024-2025 school year, the district planned accordingly in preparing prior annual budgets, to gradually include staffing positions deemed necessary, to provide ongoing support of students.

Student enrollment for Stockbridge Valley C.S. has been gradually declining by approximately 1% to 2% per year, and an estimated 10% over the course of the last ten years. As the district is very cognizant of this declining enrollment, and given the retirement of an instructional staff member as of June 30th, the district reviewed staffing needs during the budget development process for the 2024-2025 year, and determined that this position would be able to be abolished through this attrition. This decision contributed to the district remaining within the allowed Tax Levy Cap increase of 4.25%, presenting a 2.99% to voters. Given that the district anticipates enrollments to continue to decline at approximately 2% per year, a careful and ongoing review of staffing needs will be a high priority in planning future budgets, especially in lite of current NYSED statewide discussions and initiatives regarding "regionalization" and "Save Harmless."

Providing for special education programming within the Pre-K through 12th grade building, continues to be a priority for the district allowing for more direct teacher/student time spent on learning, and students spending less time being transported to out of district placements. For special education students needing out of district programs, securing appropriate educational placements remains as an on-going challenge with escalating costs, as well as, in providing transportation to numerous other district or BOCES locations, with varying start and end times of such instructional programs. The district is acutely aware of the constant oversight and attention that these programs require to monitor expenditures, yet meet the needs and supports in providing for a Free and Appropriate Education for these students.

Stockbridge Valley C. S. settled a contract agreement with The Stockbridge Valley Teacher's Association in the spring of 2023 and the current contract extends through June 30, 2026. Through this contract agreement, a transition to a market Medal Level Plan for Health Insurance Benefits was achieved by the district, supporting a greater share of health care expenditures paid by the employees. Similarly, the contract between the Stockbridge Valley C. S. and the CSEA, Local 1000 Unit, remains active, however, is due to expire at the end of the 2024-2025 school year on June 30, 2025. The district plans to commence negotiations for this contract in January 2025, in anticipation of reaching an agreement prior to the current contract expiring, yet realizes the challenges of the continued global economic inflation impacting these wage earners, which will need to be addressed.

With the contract settlement with The Stockbridge Valley Teacher's Association and the increased share of health care expenditures shared by the employees, overall district share of employee benefits were reduced by 1%, and currently represent 23% of the district's total budget. Given the obligation of this expenditure to residents, the district continually works to balance salaries and benefits of employees recognizing market and economic trends within the region. Ultimately, the goal of the district is to balance the financial burden of these benefits to taxpayers while remaining competitive as a district to attract highly qualified staff. As the district has now successfully transitioned all employee groups to a Market Medal Level Standard Platinum PPO Plan, employees will continue to contribute a greater share of health related costs, and provide some tax relief for residents. This health insurance plan continues to provide employees with a premium health coverage of at least 90% actuarial value, while reducing premium costs to the district. Additionally, as a member of the Madison-Oneida-Herkimer (MOH) Healthcare Consortium, the district continues to experience less than market share annual premium increases, with a 3.0% premium increase applied for the 2024-2025 year, and averaging 4.3% per year over the last five years. These minimal premium increases continue as a result of the Consortium developing a strong financial position during the Covid-19 years, when projected claims were considerably less than budgeted. As a result, this allowed the MOH Consortium to mitigate future high cost claims by developing appropriate reserves, and protecting the long-term fiscal health of the Consortium for years to come. The financial position of the MOH Consortium, along with NYS Legislation in 2021, extending the law for ten years, allowing small group employers to remain in Health Consortiums, versus applying a Community-Rated Health Insurance rate increase, supports the district in providing affordable health benefits for employees. Although this legislation provides a status quo position granting the district to maintain membership with the M-O-H Consortium as a small group employer, the district remains aware of the impact a Community Rated Program would have on providing health benefits for employees. Absent this legislation or future legislation grandfathering school districts to remain in such Consortiums as small group employers, the district could face significant increases on future health insurance annual premiums. The district will continue to seek the support of elected officials relative to this legislation in the future, and in providing health care benefits for employees.

Recently, and in planning for the 2024-2025 school year, the district acknowledges that, the NYS Education Department has initiated a "Regionalization" planning effort to develop means of sharing services, while also providing equitable educational opportunities for students. Sharing services is a means that the Stockbridge Valley C. S., and the Board of Education support to efficiently utilize taxpayer funds. In this respect, the district makes every effort to share services and contract with the Madison-Oneida BOCES when in the district's financial best interest. These services currently represent 22.5% of the district's budget and are projected in excess of three million dollars as a means of efficiently providing for instructional programs, professional development for staff, technology infrastructure and network services, and career technical education program opportunities for students.

As a small, rural, high needs, upstate school district, with a combined wealth ratio (0.374) less than half of the average combined wealth of all schools in NYS, the district remains highly dependent on state aid, as well as local economics in supporting the tax levy to operate the desired educational programs. Maintaining compliance with the Tax Levy Cap and appropriating fund balance to reduce the obligation to taxpayers, remains as a high priority for the Board of Education. With the district well aware of Federal ARP Grants coming to an end in September 2024, added staffing and instructional opportunities provided over the last two years, will need to be continually reviewed to determine necessary levels of staffing with district declining enrollment, and, as a district dependent on State Aid, given the Executive's Budget position to remove "Save Harmless" from aid projections.

The district closed the 2023-2024 fiscal year utilizing all funds in the 2008 Capital Reserve to meet initial expenditures authorized by voters in the 2023 Capital Project, however, maintained a strong financial position, as the BOE also authorized excess fund balance to be allocated back to the 2022 Capital Reserve and other reserves, to support long-range financial planning for the district. The 2023 capital project was approved by NYSED Facilities planning in May 2024, bid, and contracts awarded with construction work to be planned throughout the 2024-2025 school year and into the summer of 2025. The mandate from NYS

(2023 Legislative Budget) to transition to Electric Vehicle (EV) buses continues to move forward, and the current capital project will provide the initial resources to install the infrastructure to prepare for, and meet this EV mandate. Future requirements of this mandate, including the actual purchase of EV buses and charging units, will require the district to prioritize resources, continually seek efficiencies, plan fund balances, and monitor the use of reserves to finance and sustain district operations in the coming years.
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REQUESTS FOR INFORMATION

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

Business Administrator
Stockbridge Valley Central School District
PO Box 732 6011 Williams Rd.
Munnsville, NY 13409

Basic Financial Statements

Stockbridge Valley Central School District

Statement of Net Position
June 30, 2024

ASSETS	
Cash	
Unrestricted	$ 1,250,904
Restricted	3,262,518
Receivables	
Accounts receivable	44,631
State and federal aid	983,399
Due from fiduciary funds	-
Due from other governments	-
Inventories	18,887
Capital assets:	
Not Being Depreciated	5,688,227
Being Depreciated, net of accumulated depreciation	13,235,053
Intangible Lease Assets, net of accumulated amortization	661,703
Total Assets	25,145,322
DEFERRED OUTFLOW OF RESOURCES	
OPEB	2,209,922
Pensions	2,000,130
Total Deferred Outflows of Resources	4,210,052
LIABILITIES	
Payables	
Accounts payable	195,343
Accrued liabilities	20,850
Accrued interest	20,196
Due to other governments	4,794
Other liabilities	118,090
Long-term liabilities	
Due and payable within one year	
Due to teachers' retirement system	429,288
Due to employees' retirement system	33,392
Bonds payable, net	715,000
Installment purchase debt payable	54,953
Leases Payable	25,448
Due and payable after one year	
Bonds payable, net	3,085,000
Unamortized bond premiums	304,629
Compensated absences payable	742,092
Installment purchase debt payable	529,793
Other postemployment benefits payable	22,834,702
Net pension liability - proportionate share	637,794
Total Liabilities	29,751,364
DEFERRED INFLOWS OF RESOURCES	
Pensions	445,804
OPEB	9,370,631
Total Deferred Inflows of Resources	9,816,435
NET POSITION	
Net investment in capital assets	14,870,160
Restricted	3,262,518
Unrestricted (deficit)	(28,345,103)
Total Net Position	$ (10,212,425)

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

Stockbridge Valley Central School District

Statement of Activities and Changes in Net Position
For the year ended June 30, 2024

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General support	$ 1,899,761	$ -	$ -	$ (1,899,761)
Instruction	8,865,203	45,465	911,372	(7,908,366)
Pupil transportation	1,104,242	-	-	(1,104,242)
Debt service - interest	144,617	-	-	(144,617)
Food service	454,694	35,754	280,698	(138,242)
Total Functions and Programs	$ 12,468,517	$ 81,219	$ 1,192,070	(11,195,228)
GENERAL REVENUES				
Real property taxes				$ 2,142,645
Other tax items				435,104
Use of money and property				134,634
Gain (loss) on disposal of assets				13,623
State sources				9,159,463
Federal sources				44,490
Miscellaneous				316,174
Total General Revenues				12,246,133
Change in Net Position				1,050,905
Total Net Position - Beginning of year				(11,263,330)
Total Net Position - End of year				$ (10,212,425)

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

Stockbridge Valley Central School District

Balance Sheet – Governmental Funds
June 30, 2024

	General	Special Aid	School Food Service
ASSETS			
Cash			
Unrestricted	$ 459,176	$ 24,025	$ 54,369
Restricted	3,468,224	-	-
Receivables			
Accounts receivable	41,798	-	2,832
State and federal aid	717,147	245,976	20,276
Due from other funds	367,422	9,760	476
Inventories	-	-	18,887
Total Assets	$ 5,053,767	$ 279,761	$ 96,840
LIABILITIES			
Payables			
Accounts payable	$ 4,819	$ 2,900	$ 195
Accrued liabilities	6,361	-	14,489
Due to other funds	10,236	272,403	15
Due to other governments	-	4,458	336
Due to Teachers' Retirement System	429,288	-	-
Due to Employees' Retirement System	33,392	-	-
Other liabilities	118,090	-	-
Total Liabilities	602,186	279,761	15,035
FUND BALANCES			
Nonspendable	-	-	18,887
Restricted	3,468,224	-	-
Assigned			
Appropriated	425,000	-	-
Unappropriated	21,418	-	62,918
Unassigned	536,939	-	-
Total Fund Balances	4,451,581	-	81,805
Total Liabilities, Deferred Inflows and Fund Balances	$ 5,053,767	$ 279,761	$ 96,840

See Independent Auditor's Report
See Accompanying Notes to the Financial Statements

Debt Service	Capital Projects	Miscellaneous Special Revenue	Total Governmental Funds
$ -	$ 18,262	$ -	$ 555,832
343,291	-	146,074	3,957,589
-	-	-	44,630
-	-	-	983,399
12	-	-	377,670
-	-	-	18,887
$ 343,303	$ 18,262	$ 146,074	$ 5,938,007
$ -	$ 187,432	$ -	$ 195,346
-	-	-	20,850
-	95,016	-	377,670
-	-	-	4,794
-	-	-	429,288
-	-	-	33,392
-	-	-	118,090
-	282,448	-	1,179,430
-	-	-	18,887
343,303	-	146,074	3,957,601
-	-	-	425,000
-	-	-	84,336
-	(264,186)	-	272,753
343,303	(264,186)	146,074	4,758,577
$ 343,303	$ 18,262	$ 146,074	$ 5,938,007

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

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Reconciliation of Governmental Funds Balance Sheet
To the Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the statement of Net Position are different due to the following:

Total fund balances - governmental funds	$ 4,758,577
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	18,923,280
Intangible lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	661,703
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds:	
Compensated Absences	(742,092)
Serial Bonds	(3,800,000)
Installment Purchase Debt	(584,746)
Accrued Interest on Long Term Debt	(20,196)
Lease Liability	(25,448)
Unamortized Bond Premiums	(304,628)
Proportionate share of long-term asset and liability associated with participation in other postemployment benefits plan are not current financial resources or obligations and are not reported in the funds.	(29,995,411)
Proportionate share of long-term asset and liability associated with participation in state retirement system are not current financial resources or obligations and are not reported in the funds.	
Teachers' Retirement System	1,198,521
Employees' Retirement System	(281,985)
Net Position of Governmental Activities:	$ (10,212,425)

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

Stockbridge Valley Central School District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the year ended June 30, 2024

	General	Special Aid	School Food Service
REVENUES			
Real property taxes	$ 2,142,645	$ -	$ -
Other tax items	435,104	-	-
Charges for services	45,465	-	-
Use of money and property	110,697	-	722
Sale of property and compensation for loss	17,449	-	-
State sources	9,159,357	86,299	70,567
Federal sources	44,490	824,772	210,131
Sales - school lunch	-	-	35,754
Miscellaneous	176,512	301	28,774
Total Revenues	$ 12,131,719	$ 911,372	$ 345,948
EXPENDITURES			
General support	$ 1,371,631	$ -	$ 193,154
Instruction	5,841,408	908,300	-
Pupil transportation	849,766	7,286	-
Employee benefits	2,627,646	-	47,567
Debt service			
Principal	779,734	-	-
Interest	209,190	-	-
Cost of sales	-	-	144,511
Capital outlay	-	-	-
Total Expenditures	11,679,375	915,586	385,232
Excess (Deficiency) of Revenues over Expenditures	452,344	(4,214)	(39,284)
OTHER FINANCING SOURCES AND (USES)			
Transfers In	1	4,215	11,140
Transfers Out	(225,355)	(1)	-
Total Other Sources (Uses)	(225,354)	4,214	11,140
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	226,990	-	(28,144)
Fund Balances - Beginning of year	4,224,591	-	109,949
Fund Balances - End of year	$ 4,451,581	$ -	$ 81,805

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

Debt Service	Capital Projects	Miscellaneous Special Revenue	Total Governmental Funds
$ -	$ -	$ -	$ 2,142,645
-	-	-	435,104
-	-	-	45,465
22,707	-	211	134,337
-	-	-	17,449
-	-	-	9,316,223
-	-	-	1,079,393
-	-	-	35,754
-	-	111,185	316,772
$ 22,707	$ -	$ 111,396	$ 13,523,142
$ -	$ -	$ -	$ 1,564,785
-	-	103,881	6,853,589
-	-	-	857,052
-	-	-	2,675,213
-	-	-	779,734
-	-	-	209,190
-	-	-	144,511
-	867,584	-	867,584
-	867,584	103,881	13,951,658
22,707	(867,584)	7,515	(428,516)
-	210,000	-	225,356
-	-	-	(225,356)
-	210,000	-	-
22,707	(657,584)	7,515	(428,516)
320,596	393,398	138,559	5,187,093
$ 343,303	$ (264,186)	$ 146,074	$ 4,758,577

See Independent Auditor's Report
See Accompanying Notes to the Financial Statements

Stockbridge Valley Central School District

Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the year ended June 30, 2024

Net Changes in Fund Balance - Total Governmental Funds		$ (428,516)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, these costs are shown in the statement of net position and allocated over their useful lives as depreciation expense in the statement of activities. This is the amount by which depreciation expense and cost of assets disposed exceeded capital outlays in the period.		
Depreciation Expense	(773,591)	
Amortization Expense - Leases	(151,804)	
Retirement/Disposal of Capital Assets	(3,826)	
Capital Outlays	1,405,075	475,854
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of Net Position. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position. This is the amount by which repayment of bond principal exceeded (was less than) the proceeds from issuance of debt for the period.		
Repayment of Bond Principal	700,001	
Amortization of Bond premiums	61,814	
Long-term Lease Principal Payments	24,785	
Installment Purchase Debt Principal Payments	54,949	841,549
Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in Compensated Absences	94,813	
Change in Other Post Employment Benefits Payable	362,026	
Change in Accrued Interest	2,757	459,596
(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Teachers' Retirement System	(215,852)	
Employees' Retirement System	(81,726)	(297,578)
Change in Net Position - Governmental Activities		$ 1,050,905

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Stockbridge Valley Central School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as apply to governmental units. Those principles are prescribed by the Governmental Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A) Reporting Entity

The Stockbridge Valley Central School District is governed by the laws of New York State. The district is an independent entity governed by an elected Board of Education consisting of seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the district. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the district is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity, as amended by GASB Statement 39, Component Units. 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 are included with this report. The district accounts for assets held as an agent for various student organizations in an agency fund.

ii) Scholarship Funds

The Scholarship Funds of the District represent funds of donors. The Board of Education exercises general oversight of these funds. These funds are independent of the district with respect to its financial transactions. Separate audited fiduciary schedules of the Scholarship Funds are included with this report.

B) Joint Venture

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

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

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

During the year, the District was billed $2,707,026 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $1,057,711. Financial statements for BOCES are available from the BOCES administrative office at 4937 Spring Road, Verona, New York 13478.

C) Basis of Presentation

i) District-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the district's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and 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 Activities presents a comparison between direct expenses and program revenues for each function of the district's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ii) Fund financial statements:

The fund 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. If some funds are treated as non-major, add "All remaining governmental funds are aggregated and reported as non-major funds."

The district reports the following major governmental funds:

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources, such as federal and State grants, which are legally restricted to expenditures for specified purposes, school lunch operations, 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 Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

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

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

Private purpose trust funds: These funds are used to account for trust arrangements in which principal and income benefits annual third-party awards and scholarships for students. Established criteria govern the use of the funds and members of the district or representatives of the donors may serve on committees to determine who benefits.

Custodial funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

D) <u>Measurement focus and basis of accounting</u>

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, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

E) Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1st, and become a lien on August 31st. Taxes are collected during the period September 2nd to October 31st.

Uncollected real property taxes are subsequently enforced by the County in which the district's taxpayer is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the district no later than the following April 1st.

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 with one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities 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 9 for 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, other postemployment benefits, potential contingent liabilities and useful lives of long-lived assets.

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.

J) Investments in Marketable Securities

Investments are accounted for in the fiduciary funds. The district carries investments in marketable securities and all debt securities with readily determinable fair values at their fair values based on quoted prices in active markets (all Level 1 measurements) in the Statement of Fiduciary Net Position. Unrealized gains and losses are included in the change in Net Position in the accompanying Statement of Changes in Fiduciary Net Position

K) Receivable (or Accounts receivable)

Receivables (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.

L) 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 amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

M) Intangible lease and subscription assets

Intangible lease and subscription assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease or subscription agreement, or if not readily determinable, the District's estimated incremental borrowing rate. The intangible lease and subscription assets are amortized over the shorter of the lease term or the useful life of the underlying asset..

Capitalization thresholds (the dollar value above which intangible lease and subscription asset acquisitions are added to the intangible lease and subscription asset accounts), amortization methods, and estimated useful lives of intangible lease and subscription assets reported in the District-Wide Financial Statements follow the same thresholds as noted for capital assets.

N) Capital assets

Capital assets are reported at actual cost for acquisitions subsequent to December 29, 2009. For assets acquired prior to this date, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

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:

Classes of Capital Assets	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land Improvements	$1,000	Straight Line	20 – 50 Years
Buildings and Improvements	$1,000	Straight Line	20 – 50 Years
Furniture, Equipment and Vehicles	$1,000	Straight Line	8 – 12 Years

Capital assets that are not depreciated include land and construction in progress. Certain infrastructure capital assets are accounted for using the modified approach permitted for eligible assets under GASB 34. The modified approach requires that an asset management system be established which assures that an expenditure amount sufficient to preserve the assets in good condition for proper and efficient functioning is budgeted each year in lieu of depreciation. Accordingly, all expenditures made for those assets, other than additions and improvements that increase capacity or efficiency, are charged to expense in the period incurred instead of calculating depreciation. The school district is required to conduct a condition assessment of these assets at least once every three years.

O) Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the district's proportion of the collective net pension asset or liability and difference during the measurement period between the district's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Lastly is the district contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The district has three items that qualify for reporting in this category. 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 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.

P) Deferred revenues and unearned credits

Deferred revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when the district receives resources before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the district has legal claim to the resources, the liability for deferred revenues is removed and revenues are recorded.

Statute provides the authority for the district to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year, rather than when measurable and available.

Many deferred revenues recorded in governmental funds are not recorded in the district-wide statements.

Q) Vested employee benefits

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

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

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

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

In the funds 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.

R) 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 district recognizes the cost of providing health insurance by recording its share of insurance premiums as an expense.

S) Short-term debt

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

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

The district may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's 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.

T) Accrued liabilities and long-term obligations

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the 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.

U) Net Position/Fund Balance

Net Position Flow Assumption:

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. In the absence of a specifically identified use of restricted net position, the district's policy is to use unrestricted net position available prior to using restricted net position.

Fund Balance Flow Assumption:

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

Order of Use of Fund Balance:

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

In the district-wide statements there are three classes of Net Position:

Invested in capital assets, net of related debt – 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.

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

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

Fund statements:

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

Non-spendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes School Lunch Fund inventory of $18,887.

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

Capital Reserve Fund
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.

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

Employee Benefit Accrued Liability Reserve Fund
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.

Tax Certiorari Reserve Fund
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.

Retirement Contributions Reserve Fund
According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub- fund of up to 2% of the total covered salaries paid during the preceding fiscal year, 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.

Liability Claims and Property Loss Reserve Fund
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, except city school districts with a population greater than 125,000.

Workers' Compensation Reserve Fund
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.

Insurance Reserve Fund
According to General Municipal Law §6-n, must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval.

Unemployment Insurance Payment Reserve Fund
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.

Debt Service Reserve Fund
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 School District property or capital improvement.

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

Restricted fund balance includes the following:		
General Fund		
Unemployment insurance	$	224,460
Retirement contributions - ERS		425,429
Retirement contributions - TRS		320,711
Liability claims and property loss		435,554
Insurance		10,273
Tax certiorari		875,376
Employee benefit accrued liability		624,864
Capital		500,324
Repairs		51,233
Debt Service Fund		343,303
Extraclassroom activities		105,308
Scholarships		40,766
Total restricted funds	$	3,957,601

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, 2024.

Assigned - Includes amounts that are constrained by the school district’s intent to be used for specific purposes but are neither restricted nor committed. 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.

Reserve for Insurance Recoveries
Reserve for Insurance Recoveries (Education Law §1718(2)) is used at the end of the fiscal year to account for unexpended proceeds of insurance recoveries. They will be held there pending action by the Board on their disposition. This reserve will not be used if the insurance recovery is expended in the same fiscal year in which it was received. The reserve is accounted for in the general fund.

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

Reserve for Tax Reduction
Reserve for Tax Reduction (Education Law §1604(36) and §1709(37)) is used for the gradual use of the proceeds of the sale of District real property where such proceeds are not required to be placed in a mandatory reserve for debt service. Specifically, the District is permitted to retain the proceeds of the sale for a period not to exceed ten years, and to use them during that period for tax reduction. The reserve is accounted for in the general fund.

Unassigned Fund Balance
NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the district's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

V) New Accounting Standards

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

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

GASB has issued Statement No. 100, Accounting Changes and Error Corrections. This statement provides clarification and guidance for accounting and financial reporting related to accounting changes and error corrections ("ACEC"). GASB 100 also addresses disclosure requirements for ACEC, and how these items should be presented in Required Supplementary Information and Supplementary Information. The requirements of this statement are effective for ACECs made for fiscal year ending June 30, 2024.

W) Future Changes in Accounting Standards

GASB has issued Statement No. 101, Compensated absences, effective for the year ending June 30, 2025. This Statement requires that a liability for certain types of compensated absences – including parental leave, military leave, and jury duty leave – not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

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

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

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

The school 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 governmental fund statements and the district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

A) Total fund balances of governmental funds vs. net position of governmental activities:

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

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

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

i) Long-term revenue differences:

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

ii) Capital related differences:

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

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:

- General Fund

The voters of the district approved the proposed appropriation budget for the general fund.

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.:

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

- Capital Project

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the district's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

- Special Aid Funds

Budgets are established by grantors and used for individual program fund expenditures. The maximum program amount authorized is based upon the grantor contracts and agreements not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the program.

Encumbrances

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

The district's unassigned fund balance was not in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the district's budget for the upcoming school year.

The following funds had a deficit fund balance at the end of the year:

- Capital Projects fund has a negative fund balance of $264,186. This will be eliminated upon receipt of long-term bond proceeds.

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

Cash

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

Undercollateralized	$	-
Collateralized with securities held by the pledging financial institution, or it's trust department or agent, in the District's name	$	4,041,803

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 $3,957,589 within the governmental funds.

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2024 all deposits were fully insured and collateralized by the District's agent in the District's name.

Investment and Deposit Policy

The district follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the District.

Interest Rate Risk

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

Credit Risk
The district's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The district's investment and deposit policy authorize the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk
Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the district's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

Note 5 CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 127,648	-	-	$ 127,648
Construction in progress	4,737,346	823,233	-	5,560,579
Total nondepreciable historical cost	4,864,994	823,233	-	5,688,227
Capital assets that are depreciated:				
Outdoor Improvements	2,473,863	-	-	2,473,863
Buildings and Improvements	20,316,438	-	-	20,316,438
Furniture, Equipment and Vehicles	4,941,416	278,921	141,796	5,078,541
Total depreciable historical cost	27,731,717	278,921	141,796	27,868,842
Less accumulated depreciation and amortization:				
Outdoor Improvements	1,979,773	53,415	-	2,033,188
Buildings and Improvements	9,134,000	445,557	-	9,579,557
Furniture, Equipment and Vehicles	2,884,395	274,619	137,970	3,021,044
Total accumulated depreciation	13,998,168	773,591	137,970	14,633,789
Total depreciable and non-depreciable historical cost, net	$ 18,598,543			$ 18,923,280

Depreciation expense was charged to governmental functions as follows:	
General support	$ 172,181
Instuctional	397,534
Transportation	172,933
School food service	30,943
	$ 773,591

The district does not have infrastructure assets as defined by GASB publications.

Intangible lease asset balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Intangible lease assets that are amortized:				
Furniture, Equipment and Vehicles	905,496	302,814	-	1,208,310
Total amortizable historical cost	905,496	302,814	-	1,208,310
Less accumulated amortization:				
Furniture, Equipment and Vehicles	394,803	151,804	-	546,607
Total accumulated amortization	394,803	151,804	-	546,607
Total amortizable historical cost, net	$ 510,693			$ 661,703

Amortization expense was charged to governmental functions as follows:	
Instuctional	151,804
	$ 151,804

Note 6 SHORT-TERM DEBT

The district may issue Revenue Anticipation Notes and Tax Anticipation Notes, 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 an insufficient or no provision is made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The district may issue Bond Anticipation Notes, 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.

There were no short-term debt transactions during the year.

Note 7 LONG-TERM DEBT

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

	Beginning Balance	Addition/ Issued	Deletion/ Redeemed	Ending Balance	Amounts Due Within One Year
Government activities:					
Debt Issue:					
Energy Performance Contract 9/12/2017	$ 639,696	-	54,950	584,746	$ 54,953
Building Bond Serial 6/15/2012	865,000	-	430,000	435,000	435,000
2015 Capital Project DASNY 6/17/19	2,905,000	-	235,000	2,670,000	245,000
Building Bond Serial 6/15/2022	730,000	-	35,000	695,000	35,000
Total bonds and contracts payable	$ 5,139,696	-	754,950	4,384,746	$ 769,953
Other liabilities					
Unamortized bond premiums	366,444	-	61,815	304,629	-
Lease liability	50,233	-	24,785	25,448	25,448
Compensated absences	836,905	-	94,813	742,092	-
Other postemployment benefits	22,785,872	739,935	691,105	22,834,702	-
Net pension liability - proportionate share	897,097	-	259,303	637,794	-
Total	$ 30,076,247	739,935	1,886,771	28,929,411	$ 795,401

The following is a summary of maturity of bond indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2024
Installment Purchase	9/12/17	8/15/32	2.47%	$ 584,746
Serial Bond	6/15/12	6/15/25	2.00 - 2.75%	435,000
Serial Bond	6/17/19	6/15/33	3.00 - 5.00%	2,670,000
Serial Bond	6/15/22	6/15/38	5.00%	695,000
				$ 4,384,746

Principal and interest payments due on bonds payable is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Premium
2025	$ 769,953	$ 181,308	$ (56,591)
2026	354,957	153,984	(51,131)
2027	369,961	137,748	(45,390)
2028	389,966	120,761	(39,413)
2029	404,971	102,901	(33,095)
2030 - 2034	1,859,938	250,872	(74,003)
2035 - 2038	235,000	28,250	(5,006)
Total	$ 4,384,746	$ 975,824	$ (304,629)

Interest paid	207,997
Less interest accrued in the prior year	(21,760)
Less amortzation of bond premium	(61,815)
Plus interest accrued in the current year	19,666
Total interest expense	$ 144,088

Compensated Absences - Compensated absences represent the value of earned and unused portion of the liability for compensated absences.

Debt Limit- Pursuant to the Local Finance Law, the School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed five per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions such as State aid for building purposes. The Constitutional and statutory method for determining full valuation consist of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

The following table sets forth the computation of the debt limit of the School District and its debt contracting margin:

Five-Year Average Full Valuation of Taxable Real Property	$ 140,416,901
Debt Limit (5% of Full Valuation)	$ 7,020,845
Outstanding Indebtedness (principal portion)	
Serial Bonds	3,800,000
Net Debt-Contracting Margin	$ 3,220,845
Percentage of Debt-Contraction Power Exhausted	54.1%

Note 8 LEASES

The district leases instructional and other equipment under noncancelable operating leases. These leases generally fall under two lease models: 1) Single purchase lease with 5-year amortization, 2) asset(s) purchased through installment purchase agreement (IPA) with 5-year amortization. Payments under these leases totaled $24,785 in 2024.

Below is a schedule of lease liability activity during the year:

	Beginning Balance	Addition/ Issued	Deletion/ Redeemed	Ending Balance	Amounts Due Within One Year
Government activities:					
Lease liability:					
BOCES Instructional technology services contract No. 29	$ 50,233	-	24,785	25,448	$ 25,448
	-	-	-	-	-
Total	$ 50,233	-	24,785	25,448	$ 25,448

Below is a description of lease liabilities by contract:

Lease	Lease Start	Lease End	Rate	June 30, 2024
BOCES Instructional technology services contract No. 29	7/1/21	7/1/24	2.37%	$ 25,448
				$ 25,448

Below is a schedule of maturities of lease liabilities:

Fiscal Year Ending June 30,	Principal	Interest
2025	$ 25,448	$ 530
Thereafter	-	-

Interest expense incurred on lease liabilities in 2024 totaled:

Interest paid	$ 1,193
Less interest accrued in the prior year	(1,193)
Plus interest accrued in the current year	530
Total interest expense	$ 530

Note 9 INTERFUND BALANCES AND EQUITY

	Receivable	Payable	Revenue	Expense
General Fund	$ 367,422	10,236	$ 1	225,355
School Food Service Fund	476	15	11,140	-
Special Aid Fund	9,760	272,403	4,215	1
Miscellaneous Fund	-	-	-	-
Capital Projects Fund	-	95,016	210,000	-
Debt Service Fund	12	-	-	-
Total	$ 377,670	377,670	$ 225,356	225,356

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

Note 10 PENSION PLANS

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

Provisions and administration: A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). 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. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 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.

ERS 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. 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. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

Funding policies: The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute 3.0% to 3.5% 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 TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The district paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years.

The district's share of the required contributions, based on covered payroll paid for the district's year ended June 30, was:

Contributions	ERS	TRS
2024	$ 116,855	$ 388,509
2023	$ 91,918	$ 330,902
2022	$ 114,261	$ 334,198

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

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERED OUTFLOWS OF RESOURCES AND DEFERED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2024, the District reported the following asset/(liability) for its proportionate share of the net pension asset /(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2023 for ERS and June 30, 2022 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
Actuarial valuation date	3/31/2023	6/30/2022
Net pension asset/(liability)	$ (404,014)	$ (233,780)
District's portion of the Plan's total net pension asset/(liability)	0.0027%	0.0204%

For the year ended June 30, 2024, the District's recognized pension expense of $116,855 for ERS and the actuarial value $388,509 for TRS. At June 30, 2024 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 130,133	$ 566,855	$ 11,016	$ 1,401
Changes of assumptions	152,749	503,322	-	109,696
Net difference between projected and actual earnings on pension plan investments	-	119,504	197,359	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	57,601	81,457	10,079	116,253
District's contributions subsequent to the measurement date	-	388,509	-	-
	$ 340,483	$ 1,659,647	$ 218,454	$ 227,350

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

	ERS	TRS
Year ended:		
2024	$ -	$ 478,557
2025	(54,755)	(126,593)
2026	85,388	934,846
2027	127,949	64,712
2028	(36,554)	53,574
Thereafter	-	27,201

ACTUARIAL ASSUMPTIONS

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/2024	6/30/2023
Actuarial valuation date	4/1/2023	6/30/2022
Inflation	2.9%	2.40%
Salary increases	4.4%	1.95 - 5.18%
Investment rate of return	0.059	0.0695
Cost-of-living adjustment	1.5%	1.30%
Decrement tables	MP2021	MP2021

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements. For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2021.

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

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

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

	ERS		TRS	
Measurement date	3/31/2024		6/30/2023	
Asset Class:	Target allocation	long-term expected real rate of return	Target allocation	long-term expected real rate of return
Domestic equities	32.0%	4.0%	33.0%	6.8%
International equities	15.0%	6.7%	15.0%	7.6%
Global equities	0.0%	n/a	4.0%	7.2%
Private equity	10.0%	7.3%	9.0%	10.1%
Real estate	9.0%	4.6%	11.0%	3.2%
Opportunistic portfolio	3.0%	5.3%	0.0%	n/a
Credit	4.0%	5.4%	0.0%	n/a
Real assets	3.0%	5.8%	0.0%	n/a
Fixed income	23.0%	1.5%	16.0%	2.2%
Private debt	0.0%	n/a	2.0%	6.0%
Global bond income	0.0%	n/a	2.0%	1.6%
High-yield bond income	0.0%	n/a	1.0%	4.4%
Cash	1.0%	0.3%	1.0%	0.3%
	100%		100%	

DISCOUNT RATE

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

SENISITIVITY OF THE PROPORTIONATE SHARE FO THE NET PENSION LIABILITY TO THE DISCOUNT RATE ASSUMPTION

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

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	$ (1,270,263)	$ (404,014)	$ 319,483

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	$ (3,560,590)	$ (233,780)	$ 2,564,211

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
Valuation date	4/1/2023	6/30/2022	
Employers' total pension liability	$ 240,696,851	$ 138,365,122	$ 379,061,973
Plan Net Position	225,972,801	137,221,537	363,194,338
Employers' net pension asset/(liability)	$ 14,724,050	$ 1,143,585	$ 15,867,635
Ratio of plan net position to the Employers' total pension asset/(liability)	93.88%	99.2%	95.8%

PAYABLES TO THE PENSION PLAN

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to $33,392.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to $429,288.

Note 11 POST-EMPLOYMENT BENEFITS

The district provides post- employment coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the district's contractual agreements.

General Information about the OPEB Plan

Plan Description - The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the district. The plan is a single-employer defined benefit OPEB plan administered by the district. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided - The school district provides medical, dental and vision benefits to its retired employees and their spouses. Employees are eligible for these benefits upon retirement at age 55 or over with at least 10 to 20 years of service. The school district pays from 80% to 83% of the cost of individual coverage and 55% to 83% of the cost spouse or dependent coverage.

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

Actives	61
Retirees	51
Beneficiaries	1
Spouses of Retirees	22
	135

Total OPEB Liability

The District's total OPEB liability of $22,834,702 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2022.

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:

Discount Rate:
A discount rate of 3.93% was used based on the Bond Buyer General Obligation 20-Bond Municipal Index as of June 30, 2024.

Since the OPEB plan is not funded, the selection of the discount rate is consistent with the GASB 75 standards discounting unfunded liabilities based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Inflation
2.40%

Medical Trend:
Variable ranging 6.8% to 3.8% over the next 50 years.

Changes in Total OPEB Liability

	June 30, 2024
Total OPEB Liability Beginning of Year	$ 22,785,873
Changes in total OPEB Liability:	
Service cost	914,213
Interest	852,552
Effect of assumptions changes or inputs	(1,026,831)
Benefit payments	(691,105)
Total OPEB Liability End of Year	$ 22,834,702

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the district, as well as what the district's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current discount rate:

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

	Discount Rate		
	1% Decrease	3.93%	1% Increase
Total OPEB Liability	$ 26,827,167	$ 22,834,702	$ 19,650,280

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 or 1 percentage point higher than the current healthcare cost trend rate:

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

	Healthcare Cost Trend Rates		
		Baseline Rate	
	1% Decrease	Variable%	1% Increase
Total OPEB Liability	$ 18,937,670	$ 22,834,702	$ 27,938,483

<u>OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u>

For the year ended June 30, 2024, the District recognized OPEB expense of $329,079. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 237,304	$ 3,283,830
Changes of assumptions	1,972,618	6,086,801
Employer contributions subsequent to measurement date	-	-
	$ 2,209,922	$ 9,370,631

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

Fiscal Year Ending June 30,	Amount
2025	$ 1,437,687
2026	(1,431,114)
2027	(1,895,382)
2028	(1,538,561)
2029	(778,978)
Thereafter	(78,987)
	$ (7,160,709)

Note 12 RISK MANAGEMENT

The district is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

Note 13 CONTINGENCIES AND COMMITMENTS

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

Contingent Liability for Sick Leave:
The district does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness). The district reports $103,557 for accumulating, non-vesting sick leave.

Potential Liability to New York State:
The district has received state aid revenue sharing and grants, which are subject to audit by New York State Comptroller's Office. Such audits may result in adjustments to revenues. Based on prior audits, the district's administration believes any adjustments will be immaterial.

Note 14 EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

None of the funds had an excess of actual expenditures over budget for the year.

Note 15 DONOR RESTRICTED ENDOWMENTS

The district administers endowment funds, which are restricted by the donor for the purposes of student scholarships. Donor-restricted endowments are $43,534 and are reported at fair value. The amount of donor-restricted endowments that is available for authorization for expenditure by the district is $43,534. The district authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donors.

Note 16 TAX ABATEMENTS

The district did not have any PILOT (payment in lieu of taxes) tax abatement agreements in effect during the fiscal year.

Note 17 SUBSEQUENT EVENTS

The district has evaluated events through the date which the financial statements were available to be issued. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure.

Required Supplementary Information

Stockbridge Valley Central School District

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (non-GAAP basis) and Actual – General Fund For the year ended June 30, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	$ 2,136,015	$ 2,136,015	$ 2,142,645	$ 6,630
Other tax items	440,000	440,000	435,104	(4,896)
Charges for services	22,400	22,400	45,465	23,065
Use of money and property	11,973	11,973	110,697	98,724
Sale of property and compensation for loss	5,750	5,750	17,449	11,699
Miscellaneous	108,250	108,250	176,512	68,262
Total Local Sources	2,724,388	2,724,388	2,927,872	203,484
State Sources	9,013,368	9,013,368	9,159,357	145,989
Federal Sources	20,000	20,000	44,490	24,490
Total Revenues	11,757,756	11,757,756	12,131,719	373,963
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	1	
Appropriated reserves	579,400	789,400	-	
Appropriated fund balance	425,000	443,538	-	
Total Other Financing Sources	1,004,400	1,232,938	1	
Total Revenues & Other Financing Sources	$ 12,762,156	$ 12,990,694	$ 12,131,720	

Stockbridge Valley Central School District

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (non-GAAP basis) and Actual – General Fund
For the year ended June 30, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances
EXPENDITURES					
General Support					
Board of education	$ 13,405	$ 13,881	$ 9,570	$ 279	$ 4,032
Central administration	204,100	204,100	202,392	701	1,007
Finance	282,299	282,299	263,511	-	18,788
Staff	66,700	66,700	61,919	-	4,781
Central services	825,758	833,008	698,319	1,079	133,610
Special items	151,821	147,121	135,920	-	11,201
Total General Support	1,544,083	1,547,109	1,371,631	2,059	173,419
Instruction					
Instruction, administration and improvement	401,519	406,919	378,601	-	28,318
Teaching - regular school	2,773,158	2,824,748	2,694,765	800	129,183
Programs for children with handicapping conditions	1,386,531	1,385,531	1,324,407	-	61,124
Occupational education	643,308	643,308	592,620	-	50,688
Teaching - special school	69,170	131,170	89,499	-	41,671
Instructional media	421,747	421,747	378,268	-	43,479
Pupil services	549,609	557,831	383,248	18,559	156,024
Total Instruction	6,245,042	6,371,254	5,841,408	19,359	510,487
Pupil Transportation	917,768	917,768	849,766	-	68,002
Community services	800	800	-	-	800
Employee Benefits	3,043,938	2,933,238	2,627,646	-	305,592
Debt Service Principal	779,735	779,735	779,734	-	1
Debt Service Interest	209,190	209,190	209,190	-	-
Total Expenditures	12,740,556	12,759,094	11,679,375	21,418	1,058,301
OTHER FINANCING USES					
Transfers to other funds	21,600	231,600	225,355	-	6,245
Total Other Financing Uses	21,600	231,600	225,355	-	6,245
Total Expenditures and Other Uses	$ 12,762,156	$ 12,990,694	$ 11,904,730	$ 21,418	$ 1,064,546
Net change in fund balances			226,990		
Fund balance - beginning			4,224,591		
Fund balance - ending			$ 4,451,581		

Stockbridge Valley Central School District

Changes in Total OPEB Liability and Related Ratios
For the year ended June 30, 2024

	6/30/24	6/30/23	6/30/22	6/30/21	6/30/20
Total OPEB Liability Beginning of Year	$ 22,785,873	$ 25,871,767	$ 31,426,590	$ 30,250,272	$ 24,281,047
Changes in total OPEB Liability:					
Service cost	914,213	933,174	1,587,337	1,469,436	1,019,922
Interest	852,552	938,188	705,885	694,042	874,853
Effect of demographic gains or losses	-	(3,353,869)	-	(1,998,469)	-
Effect of assumptions changes or inputs	(1,026,831)	(993,171)	(7,176,335)	1,645,023	4,690,095
Benefit payments	(691,105)	(610,217)	(671,710)	(633,714)	(615,645)
Total OPEB Liability End of Year	$ 22,834,702	$ 22,785,873	$ 25,871,767	$ 31,426,590	$ 30,250,272
Covered payroll	$ 3,242,224	$ 3,242,224	$ 3,167,075	$ 3,167,075	$ 3,049,593
Net OPEB Liability as a percentage of Covered payroll	704.29%	702.79%	816.90%	992.29%	991.94%

	6/30/19	6/30/18
Total OPEB Liability Beginning of Year	$ 24,647,606	$ 23,342,688
Changes in total OPEB Liability:		
Service cost	1,230,941	1,098,232
Interest	767,678	723,782
Effect of plan changes	-	-
Effect of demographic gains or losses	1,100,981	117,300
Effect of assumptions changes or inputs	(2,883,303)	-
Benefit payments	(582,856)	(634,396)
Total OPEB Liability End of Year	$ 24,281,047	$ 24,647,606
Covered payroll	$ 3,049,593	$ 4,067,343
Net OPEB Liability as a percentage of Covered payroll	796.21%	605.99%

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

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

Stockbridge Valley Central School District

Schedule of District's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2024

NYSLRS PENSION PLAN

	6/30/24	6/30/23	6/30/22	6/30/21
District's proportion of the net pension liability (asset)	0.0027%	0.0025%	0.0023%	0.0025%
District's proportionate share of the net pension liability (asset)	$ 404,014	$ 531,354	$ (184,235)	$ 2,508
District's covered-employee payroll	$ 1,068,817	$ 927,861	$ 809,546	$ 910,243
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.80%	57.27%	-22.76%	0.28%
Plan fiduciary net position as a percentage of total pension liability	93.88%	90.78%	103.65%	99.95%

TRS PENSION PLAN

	6/30/24	6/30/23	6/30/22	6/30/21
District's proportion of the net pension liability (asset)	0.0204%	0.0191%	0.0207%	0.0181%
District's proportionate share of the net pension liability (asset)	$ 233,780	$ 365,743	$ (3,580,313)	$ 501,415
District's covered-employee payroll	$ 3,775,598	$ 3,376,551	$ 3,506,800	$ 3,079,898
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	6.19%	10.83%	-102.10%	16.28%
Plan fiduciary net position as a percentage of total pension liability	99.17%	98.57%	113.20%	97.80%

Schedule of District's Proportionate Share of Net Pension Liability (continued)
For the Year Ended June 30, 2024

6/30/20	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15
0.0022%	0.0024%	0.0025%	0.0028%	0.0027%	0.0026%
$ 571,829	$ 166,587	$ 79,301	$ 263,397	$ 430,805	$ 89,148
$ 854,165	$ 856,193	$ 852,562	$ 850,424	$ 797,486	$ 795,459
66.95%	19.46%	9.30%	30.97%	54.02%	11.21%
86.39%	96.30%	98.24%	94.70%	90.70%	97.90%

6/30/20	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15
0.0186%	0.0185%	0.0186%	0.0190%	0.0196%	0.0193%
$ (482,664)	$ (334,962)	$ (141,659)	$ 203,095	$ (2,038,480)	$ (2,153,795)
$ 3,101,010	$ 3,017,347	$ 2,953,338	$ 2,926,092	$ 2,953,416	$ 2,934,129
-15.56%	-11.10%	-4.80%	6.94%	-69.02%	-73.40%
102.17%	101.50%	100.66%	99.01%	110.46%	111.50%

Stockbridge Valley Central School District

Schedule of District's Contributions
For the year ended June 30, 2024

NYSLRS PENSION PLAN

	6/30/24	6/30/23	6/30/22
Contractually required contribution	$ 116,855	$ 91,918	$ 114,261
Contributions in relation to the contractually required contribution	$ 116,855	$ 91,918	$ 114,261
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 1,068,817	$ 927,861	$ 809,546
Contributions as a percentage of covered-employee payroll	10.93%	9.91%	14.11%

TRS PENSION PLAN

	6/30/24	6/30/23	6/30/22
Contractually required contribution	$ 388,509	$ 330,902	$ 334,198
Contributions in relation to the contractually required contribution	$ 388,509	$ 330,902	$ 334,198
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 3,775,598	$ 3,376,551	$ 3,506,800
Contributions as a percentage of covered-employee payroll	10.29%	9.80%	9.53%

Stockbridge Valley Central School District

Schedule of District's Contributions (continued)
For the year ended June 30, 2024

6/30/21	6/30/20	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15
$ 111,483	$ 117,482	$ 122,850	$ 123,982	$ 127,356	$ 150,272	$ 156,522
$ 111,483	$ 117,482	$ 122,850	$ 123,982	$ 127,356	$ 150,272	$ 156,522
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 910,243	$ 854,165	$ 856,193	$ 852,562	$ 850,424	$ 797,486	$ 795,459
12.25%	13.75%	14.35%	14.54%	14.98%	18.84%	19.68%

6/30/21	6/30/20	6/30/19	6/30/18	6/30/17	6/30/16	6/30/15
$ 272,879	$ 329,327	$ 295,700	$ 346,131	$ 388,000	$ 516,791	$ 464,112
$ 272,879	$ 329,327	$ 295,700	$ 346,131	$ 388,000	$ 516,791	$ 464,112
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 3,079,898	$ 3,101,010	$ 3,017,347	$ 2,953,338	$ 2,926,092	$ 2,953,416	$ 2,934,129
8.86%	10.62%	9.80%	11.72%	13.26%	17.50%	15.82%

Supplementary Information

Stockbridge Valley Central School District

Schedule of Change from Original Budget to Revised Budget
And Section 1318 of Real Property Tax Law Limit Calculation
For the year ended June 30, 2024

Change from Adpoted Budget to Revised Budget

Adopted Budget	$	12,762,156
Add: Prior year's encumbrances		18,538
Original Budget		12,780,694
Budget revision:		
Bond resolution use of capital reserve		210,000
Final budget	$	12,990,694

Next year's budget is a voter approved budget of	*$*	*13,417,800*

Section 1318 of Real Property Tax Law Limit Calculation

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

Subsequent year's voter-approved budget	$	13,417,800
Maximum allowed percentage		4%
Limit of unexpended surplus funds	$	536,712
General fund balance		
Restricted	$	3,468,224
Assigned		446,418
Unassigned		536,939
Total governmental - general fund balance	$	4,451,581
Less:		
Restriced not subject to the law		(3,468,224)
Appropriated for subsequent year's budget in assigned		(425,000)
Encumbrances included in assigned		(21,418)
		(3,914,642)
General fund balance subject to limit	$	536,939
Calculated actual precentage		4.00%

Stockbridge Valley Central School District

Schedule of Capital Projects
Project Expenditures and Financing Resources
For the year ended June 30, 2024

	Original Appropriation	Revised Appropriation	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Unexpended Balance
PROJECT TITLE						
Reconstruction	$ 6,995,000	6,995,000	6,396	578,922	585,318	$ 6,409,682
Building Renovation	5,400,000	5,400,000	5,333,396	-	5,333,396	66,604
Smart Bond Technology	635,106	635,106	322,129	244,311	566,440	68,666
Maintenance Truck	44,351	44,351	-	44,351	44,351	-
	$ 13,074,457	13,074,457	5,661,921	867,584	6,529,505	6,544,952

	Methods of Financing: Proceeds of Obligations	Methods of Financing: Federal and State Aid	Methods of Financing: Local Sources	Methods of Financing: Total	Fund Balance 6/30/24
PROJECT TITLE					
Reconstruction	$ -	-	210,000	210,000	$ (375,318)
Building Renovation	5,250,000	287,190	196,000	5,733,190	399,794
Smart Bond Technology	-	314,429	7,700	322,129	(244,311)
Maintenance Truck	-	-	-	-	(44,351)
	$ 5,250,000	601,619	413,700	6,265,319	(264,186)

Stockbridge Valley Central School District

Invested in Capital Assets, Net of Related Debt
June 30, 2024

Capital assets, net		$ 19,584,983
Deduct:		
Unamortized bond premiums	304,629	
Short-term portion of leases payable	25,448	
Short-term portion of installment purchase debt	54,953	
Long-term portion of installment purchase debt	529,793	
Short-term portion of bonds payable	715,000	
Long-term portion of bonds payable	3,085,000	4,714,823
Investment in capital assets, net of related debt		$ 14,870,160

Report on Internal Control and Compliance in Accordance with Government Auditing Standards

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

To the Board of Education
Stockbridge Valley Central School District
Munnsville, NY

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 Stockbridge Valley Central School District as of and for the year ended June 30, 2024, which collectively comprise the School District's basic financial statements and have issued our report thereon dated **October 15, 2024**.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Coughlan, Farrow & Locke, CPAs

October 15, 2024
Norwich, New York

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Stockbridge Valley Central School District
Munnsville, NY

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Stockbridge Valley Central School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (CONTINUED)

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Cusyman, Farrow & Locke, CPAs

Norwich, New York
October 15, 2024

Stockbridge Valley Central School District

Schedule of Expenditures of Federal Awards
For the Year Ended
June 30, 2024

Federal Grantor/Pass-through Grantor Program Title	Assistance Listing	Agency or Pass-through Number	Total Federal Expenditure
United States Department of Agriculture			
Passed through New York State Education Department			
Child Nutrition Cluster:			
Cash Assistance			
National School Lunch Program…	10.555		$ 167,449
National School Breakfast Program…	10.553		49,347
Cash Assistance subtotal…			216,796
Noncash Assistance			
National School Lunch Program (food distribution)…	10.555		9,373
Total Passed through New York State Education Department…			226,169
Total Child Nutrition Cluster…			226,169
Total U.S. Department of Agriculture…			$ 226,169
United States Department of Education			
Passed through New York State Education Department			
Special Education Cluster:			
Special Education–Grants to States (IDEA, Part B)…	84.027A	0032-24-0352	145,063
Special Education - Preschool Grants (IDEA Preschool)…	84.173A	0033-24-0352	3,963
Total Special Education Cluster…			149,026
Education Stabilization Funds:			
ESF Section 1 - Elementary and Secondary Education:			
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP-ESSER)…	84.425U	5880-21-1320	90,023
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP-ESSER)…	84.425U	5882-21-1320	52,206
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP-ESSER)…	84.425U	5883-21-1320	68,887
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP-ESSER)…	84.425U	5884-21-1320	279,145
Total ESF Section 1 - Elementary and Secondary Education…			490,261
Total Education Stabilization Funds…			490,261
Title I Grants to Local Educational Agencies (LEAs)…	84.010A	0021-24-1320	118,411
Title I Grants to Local Educational Agencies (LEAs)…	84.010A	0021-23-1320	470
Supporting Effective Instruction State Grants…	84.367A	0147-24-1320	9,325
Student Support and Academic Enrichment Program…	84.424A	0204-24-1320	10,844
Total Passed through New York State Education Department…			778,337
Direct Program			
Small, Rural School Achievement Program…	84.358A	S358A232795	37,200
Total U.S. Department of Education…			$ 815,537
Total Expenditures of Federal Awards			$ 1,041,706

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended
June 30, 2024

1. **Basis of Presentation**
The accompanying Schedule of Expenditures of Federal Awards (the Schedule) 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. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District's financial statements. 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 presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

2. **Summary of Certain Significant Accounting Policies**
Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. 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. The federal expenditures are recognized under the Uniform Guidance.

3. **Scope of Audit**
The District is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

4. **Non-Cash Assistance**
Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2024, the District received food commodities totaling $9,373.

5. **Indirect Cost Rate**
The District did not elect to use the 10% de minimis 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's policy is not to charge federal award programs with indirect costs.

6. **Other Disclosures**
No insurance is carried specifically to cover equipment purchased with federal funds. Equipment purchased with federal funds is covered by the District's casualty insurance policies. There were no loans or loan guarantees outstanding at year-end.

Schedule of Findings and Questioned Costs
For the Year Ended
June 30, 2024

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued…… Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?...... No
- Significant deficiency(ies) identified?...... No

Noncompliance material to financial statements noted…… No

Federal Awards:

Internal Control over major programs:

- Material weakness(es) identified?...... No
- Significant deficiency(ies) identified?...... No

Type of auditor's report issued on compliance for major programs…… Unmodified

Any audit findings relative to major federal award programs in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Controls Over Compliance in Accordance with Section 2 CFR-200.516(a)?
...... No

The threshold for distinguishing Types A and B programs was $750,000.

Stockbridge Valley Central School District did not qualify as a low-risk auditee.

Identification of Major Programs:	**CFDA Number**
Education Stabilization Funds……	84.425
Assistance listing No. with Alpha:	
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP-ESSER)……	84.425U

Section II – Financials Statement Findings

There were no compliance findings relating to the financial statements audit required to be reported are in the schedule of findings and responses.

Section III – Federal Award Findings and Questioned Costs

There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR-200.516(9).

Section IV – Summary Schedule of Prior Audit Findings

There were no prior findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR-200.516(9).

Extra Classroom Activity Funds

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Independent Auditors' Report

Board of Education
Extraclassroom Activity Funds of Stockbridge Valley Central School District

We have audited the accompanying financial statements of the Extraclassroom Activity Funds of Stockbridge Valley Central School District (a New York State School District), which comprise the statement of assets, liabilities, and fund equity—cash basis as of June 30, 2024 and the related statement of cash receipts and disbursements—cash basis for the year then ended, and the related note to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Basis for Qualified Opinion

Due to the fact that accounting controls generally are not exercised by students over cash receipts at the point of collection to the time of submission to the central treasurer, it was impracticable to extend our audit of such receipts beyond amounts recorded.

Qualified Opinion

In our opinion, except for the effects of any adjustments which might have resulted had the cash collections referred to above been susceptible to satisfactory audit tests, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Extraclassroom Activity Funds of Stockbridge Valley Central School District as of June 30, 2024, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 1.

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 that matter.

Norwich, NY
October 15, 2024

Extra Classroom Activity Funds
Statement of Assets and Liabilities Arising from Cash Transactions
June 30, 2024

ASSETS	
Restricted Cash	$ 102,540
LIABILITIES AND FUND BALANCE	
Fund Balance	$ 102,540

Stockbridge Valley Central School District

Extra Classroom Activity Funds
Statement of Revenues Collected and Expenses Paid
For the year ended June 30, 2024

Activity	Balance July 01, 2023	Receipts	Disbursements	Balance June 30, 2024
Art Club	$ 1,489	16	425	$ 1,080
Class of 2022	348	1	349	-
Class of 2023	398	141	30	509
Class of 2024	2,366	6,833	8,245	954
Class of 2025	2,199	6,848	5,008	4,039
Class of 2026	2,345	1,006	729	2,622
Class of 2027	-	1,792	21	1,771
Clay Target	5,377	561	302	5,636
Culinary Club	3,268	1,701	2,758	2,211
Drama Club	13,244	10,834	9,474	14,604
FFA	42,927	53,663	51,289	45,301
Library Club	1,886	3,232	2,320	2,798
Marching Band	3,841	43	-	3,884
Math Club	1,020	70	122	968
Band/Music	1,253	150	298	1,105
Newspaper	750	2,128	1,662	1,216
National Honor Society	123	2	-	125
Junior National Honor Society	419	5	-	424
Rose for Honor Society	387	4	102	289
Science Club	2,320	2,196	3,509	1,007
Spanish Club	1,682	875	826	1,731
Student Council	2,086	3,089	3,664	1,511
Varsity Baseball Club	691	103	-	794
Varsity G Basketball	9	-	-	9
Varsity Soccer	-	242	-	242
Varsity Softball	349	104	-	453
Yearbook	2,356	6,274	1,373	7,257
Totals	$ 93,133	101,913	92,506	$ 102,540

See Independent Auditors’ Report
See Accompanying Note to the Financial Statement

Extra Classroom Activity Funds
Note to the Financial Statement

Note 1 ACCOUNTING POLICY

The Extraclassroom Activity Funds of the Stockbridge Valley Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions, and the designation of student management. However, since the Board of Education does exercise general oversight, these funds are reflected in the Special Revenue Fund of the basic financial statements of the District.

The books and records of the Stockbridge Valley Central 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.