

## PRELIMINARY OFFICIAL STATEMENT

### **NEW ISSUE**

### **BOND ANTICIPATION NOTES**

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

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

# \$8,950,000



## **TOWN OF WEBB UNION FREE SCHOOL DISTRICT HERKIMER AND ONEIDA COUNTIES, NEW YORK GENERAL OBLIGATIONS**

### **\$8,950,000 Bond Anticipation Notes, 2025** (the "Notes")

**Dated: July 16, 2025**

**Due: July 16, 2026**

The Notes are general obligations of the Town of Webb Union Free School District, Herkimer and Oneida Counties, New York (the "District"), all of the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation as to rate or amount. See "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued as registered notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof, as may be determined by such successful bidder(s).

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), or about July 16, 2025.

**ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.FiscalAdvisorsAuction.com](http://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 18, 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 ENUMERATED EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX C – MATERIAL EVENT NOTICES" HEREIN.

**TOWN OF WEBB UNION FREE SCHOOL DISTRICT  
HERKIMER AND ONEIDA COUNTIES, NEW YORK**



**DISTRICT OFFICIALS**

**2024-2025 BOARD OF EDUCATION**

DIANE HEROUX  
President

HOLLY ARMENDOLA  
Vice President

JEN LIS  
MARGARET MORELLI  
MARISSA VAN VALKENBURG

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Superintendent of Schools

MARY KATE RUSSELL  
District Clerk

JESSICA PASHLEY  
District Treasurer

D'IMPERIO LAW OFFICES  
School District Attorney



FISCAL ADVISORS & MARKETING, INC.  
Municipal Advisor

**BOND** SCHOENECK  
& KING  
BOND SCHOENECK & KING PLLC.  
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF



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

**OFFICIAL STATEMENT  
OF THE  
TOWN OF WEBB UNION FREE SCHOOL DISTRICT  
HERKIMER AND ONEIDA COUNTIES, NEW YORK  
RELATING TO  
\$8,950,000 Bond Anticipation Notes, 2025**

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of Webb Union Free School District, Herkimer and Oneida Counties, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$8,950,000 principal amount of Bond Anticipation Notes, 2025 (the "Notes").

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

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

**NATURE OF OBLIGATION**

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

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

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

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

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

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

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

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

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

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

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

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

## THE NOTES

### Description of the Notes

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

The Notes are dated July 16, 2025 and mature, without option of prior redemption, on July 16, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes will be issued either as (i) registered in the name of the purchaser(s), in denominations of \$5,000 each or multiples thereof, with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) registered notes, and, if so issued, registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

## **No Optional Redemption**

The Notes are not subject to redemption prior to maturity.

## **Purpose of Issue**

On December 13, 2023, the qualified voters of the District approved a proposition authorizing the District to construct improvements and renovate the District's main building at a maximum estimated cost of \$9,950,000. The District will finance the project with the expenditure of \$1,000,000 of capital reserve funds and the proceeds of \$8,950,000 of the District's serial bonds and bond anticipation notes. The Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on January 11, 2024. The proceeds of the Notes will provide \$8,950,000 of new monies for the aforementioned project.

## **BOOK-ENTRY-ONLY SYSTEM**

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 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](http://www.dtcc.com) and [www.dtc.org](http://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.

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

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, 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, established in 1894, is in the hamlet of Old Forge and serves the Town of Webb in Herkimer County and the Town of Forestport in Oneida County. The District encompasses 566 square miles and has an estimated population of 1,790 (U.S. Census Bureau, 5-Year American Community Survey estimate). Major expressways in and around the District include State highways #12, #28. The School District is approximately 70 miles southeast of the City of Watertown and 50 miles northeast of the City of Utica.

The School District provides public education for grades PK-12. Higher education is available through the Mohawk Valley Community College, Colgate University, Utica University, SUNY Polytechnic Institute, Hamilton College and Herkimer County Community College.

Air transportation is located at Griffiss International Airport and Syracuse Hancock International Airport. Amtrak services are also located in the nearby Cities of Rome and Utica.

Residents in the area include business owners, professionals and service workers. From a year-round population of less than 2000 people, the area receives a significant influx of seasonal visitors and second homeowners.

Tourism is a major industry in the District. The region is the home of various recreational facilities. Among these is McCauley Mountain Ski Resort, which operates its chair lift during the summer and fall months providing a fantastic view of the region. The Old Forge area also has an Enchanted Forest Water Park / Water Safari, Adirondack Scenic Railroad – which connects the Town with the City of Utica, Old Forge Lake Cruises, Thendara Golf Club, The Arts Center of Old Forge, one miniature golf course, a movie theater, public swimming beach, white water rafting, canoeing and kayaking. Sportsmen have ideal hunting for big and small game. Winter activities include skiing, ice skating, snowboarding, snowshoeing and ice fishing.

Also, during the winter snowmobiles can access trails in Old Forge. These trails provide hundreds of miles of groomed trails and snow from early December until March.

Source: District officials.

### Population

The current estimated population of the District is 1,790.

Source: 2023 U.S. Census Bureau, 5-Year American Community Survey estimate.

### Larger Employers

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

<u>Name</u>	<u>Business</u>	<u>Approximate Number of Employees</u>
IAM Water Safari	Amusement Park, etc.	70
Town of Webb	Local Government	49
Webb School District	Education	87
Adirondack League Club	Private Resort	30
Old Forge Camping Resort	Camping, etc.	30
Kinney Drug Store	Retail	20

Source: Town of Webb Annual Continuing Disclosure Filing submitted to the MSRB EMMA system Dated June 26, 2024.



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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Towns of:						
Forestport	\$ 22,062	\$ 31,367	\$ 38,437	\$ 49,732	\$ 79,792	\$ 96,250
Webb	29,153	43,079	46,414	53,558	92,623	107,517
County of:						
Herkimer	21,908	29,540	35,959	53,288	75,594	88,417
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 District as such. The smallest areas for which such statistics are available (which includes the District) are the Counties of Herkimer and Oneida and the State of New York. The information set forth below with respect to the Counties and State is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the Counties or State, are necessarily representative of the District, or vice versa.

	<u>Annual Average</u>						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Herkimer County	4.7%	4.5%	7.7%	5.7%	3.8%	3.8%	4.2%
Oneida County	4.3%	4.0%	7.7%	5.1%	3.6%	3.5%	3.7%
New York State	4.1%	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%

  

	<u>2025 Monthly Figures</u>			
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>
Herkimer County	5.4%	5.7%	4.8%	3.6%
Oneida County	4.3%	4.6%	4.1%	3.2%
New York State	4.6%	4.3%	4.1%	3.6%

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

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

## Form of School Government

The Board of Education which is the policy-making body of the School District, consists of five members with overlapping five 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**

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budget amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 (“Chapter 97”), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the “School District Tax Cap”), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the District to exceed the School District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

### *Recent Budget Vote Results*

The District's budget for the 2024-2025 fiscal year was adopted by the qualified voters on May 21, 2024 by a vote of 183 to 51. The budget for the 2024-2025 fiscal year called for a tax levy increase of 3.68% which was equal to the District's maximum allowable tax levy increase of 3.68% for the 2024-2025 fiscal year.

The District's budget for the 2025-2026 fiscal year was adopted by the qualified voters on May 20, 2025 by a vote of 301 to 86. The budget for the 2025-2026 fiscal year calls for a tax levy increase of 2.76% which is equal to the District's maximum allowable tax levy increase of 2.76% for the 2025-2026 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.

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## State Aid

The District receives financial assistance from the State. In its budget for the 2025-2026 fiscal year, approximately 10.4% 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 10.0% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

## *State aid history*

*School district fiscal year (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 2025-26 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 below completed fiscal years and budgeted figures for the 2024-2025 and 2025-2026 fiscal years comprised of State aid.

<u>Fiscal Year</u>	<u>Total State Aid</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2019-2020	\$ 1,057,196	\$ 8,571,565	12.33%
2020-2021	1,027,730	8,733,330	11.77
2021-2022	1,111,395	8,760,995	12.69
2022-2023	1,116,255	9,071,037	12.31
2023-2024	1,108,340	10,090,059	10.98
2024-2025 (Budgeted)	1,085,469	10,006,758	10.85
2025-2026 (Budgeted)	1,062,506	10,211,780	10.40

<sup>(1)</sup> General fund only, does not include interfund transfers and use of appropriated fund balance, where applicable.

Source: Audited financial statements for the 2019-2020 through the 2023-2024 fiscal years and the adopted budgets for the 2024-2025 and 2025-2026 fiscal years. This table is not audited.

## District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built</u>
Town of Webb UFSD – Main Building	PK-12	425	1918, 1938, 1962, 2000

Source: District officials.

## Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2020-2021	257	2025-2026	236
2021-2022	258	2026-2027	224
2022-2023	245	2027-2028	228
2023-2024	234	2028-2029	223
2024-2025	235	2029-2030	223

Source: District officials.

## Employees

The District provides services through 69 full-time and 36 part-time employees with the majority represented by the various bargaining units listed below:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
38	Teachers' Association	June 30, 2025 <sup>(1)</sup>
28	Civil Service	June 30, 2026

<sup>(1)</sup> Currently in negotiation.

Source: District officials.

## Status and Financing of Employee Pension Benefits

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

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

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

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Effective April 20, 2024, this final average salary calculation for ERS Tier VI members has been changed from five years to the three highest consecutive years of earnings. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2019-2020	\$ 142,285	\$ 301,018
2020-2021	145,397	265,599
2021-2022	161,117	297,370
2022-2023	125,815	308,285
2023-2024	152,660	349,397
2024-2025 (Budgeted)	220,000	405,000
2025-2026 (Budgeted)	230,000	410,000

Source: District records.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. 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:

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

\*Estimated.

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

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

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

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

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

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District's employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits,



cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year.

## Other Post Employee Benefits

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

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

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

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

Summary of Changes from the Last Valuation. The District contracted with Armory Associates, LLC, an actuarial firm, to calculate its actuarial valuation under GASB 75. The table below outlines the changes to the Total OPEB Liability during the fiscal years ending June 30, 2023 and June 30, 2024, by source.

	Balance at June 30:	2022	2023
		\$ 25,519,112	\$ 23,886,746
<u>Changes for the year:</u>			
Service cost		1,016,617	716,712
Interest		559,527	856,605
Differences between expected and actual experience		-	(1,370,286)
Changes in assumptions or other inputs		(2,429,304)	(269,589)
Benefit payments		(779,206)	(811,186)
Net Changes		\$ (1,632,366)	\$ (877,744)
	Balance at June 30:	2023	2024
		\$ 23,886,746	\$ 23,009,002

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

The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the District's audited financial statements for the fiscal years ending June 30, 2023 and June 30, 2024.

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

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

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

## **Other Information**

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

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

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

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

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

## **Financial Statements**

The District retains independent Certified Public Accountants. The last audit report covers the period ended June 30, 2024 and is attached hereto as "APPENDIX – C". In addition, the State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. Certain financial information of the District can be found attached as Appendices to the Official Statement.

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

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

## **Unaudited Results for Fiscal Year Ending June 30, 2025**

The District expects to conclude the fiscal year ending June 30, 2025 with an unassigned fund balance of approximately \$538,573.

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

Projected Revenues:	\$ 10,144,160
Projected Expenditures:	<u>10,831,622</u>
Projected Excess (Deficit) Revenues Over Expenditures:	<u>\$ (687,462)</u>
Total General Fund Balance at June 30, 2024:	\$ 4,553,689
Total Projected General Fund Balance at June 30, 2025:	\$ 3,866,227

The audited financial statements for the fiscal year ending June 30, 2025 are expected to be available on or about August 30, 2025.

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

## New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on July 8, 2022. The purpose of the audit was to determine whether the District Board and District officials adopted realistic budgets and properly managed fund balance in accordance with statute for the period July 1, 2018-September 30, 2021.

Key findings and recommendations of the audit report are summarized below:

### Key Findings:

- The Board and District officials did not adopt realistic budgets and did not properly manage fund balance.
- The Board consistently overestimated appropriations in the 2018-19 through 2020-21 budgets by a total of \$3.7 million (16 percent) and appropriated fund balance totaling \$3.5 million that was not needed.
- Officials improperly overstated fiscal year-end encumbrances by approximately \$974,000 from 2018-19 through 2020-21.
- When unused appropriated fund balance and invalid encumbrances are added back to surplus fund balance, surplus fund balance increased to approximately 26 percent, as of June 30, 2021, exceeding the four percent statutory limit.

Despite reporting excess surplus fund balance, the Board increased the real property tax levy by 6.8 percent from 2017-18 through 2021-22 and levied more taxes than needed to fund operations.

### Key Recommendations:

- Develop budgets with reasonable appropriation estimates, only appropriate fund balance when needed and ensure encumbrances are for valid commitments.
- Comply with the statutory surplus fund balance limit.

District officials generally agreed with the State Comptroller's recommendation and indicated the District would take corrective action.

The District provided a complete response to the State Comptroller's office on July 17, 2022. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no other recent State Comptrollers audits of the District nor any that are currently in progress or pending release.

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

## The State Comptroller's Fiscal Stress Monitoring System

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

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

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

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2020	No Designation	0.0
2021	No Designation	0.0
2022	No Designation	0.0
2023	No Designation	6.7
2024	No Designation	6.7

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

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

## TAX INFORMATION

### Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>
Towns of:					
Webb	\$ 1,729,492,338	\$ 1,736,577,837	\$ 1,752,450,112	\$ 1,771,180,582	\$ 1,781,833,342
Forestport	150,169,759	150,848,422	153,113,269	154,938,377	156,390,226
Total Taxable Assessed Valuation	<u>\$ 1,879,662,097</u>	<u>\$ 1,887,426,259</u>	<u>\$ 1,905,563,381</u>	<u>\$ 1,926,118,959</u>	<u>\$ 1,938,223,568</u>
State Equalization Rates					
Towns of:					
Webb	88.00%	88.00%	82.50%	71.70%	60.25%
Forestport	83.00%	80.00%	78.00%	68.00%	60.00%

### Taxable Full Valuations

Towns of:					
Webb	\$ 1,965,332,202	\$ 1,973,383,906	\$ 2,124,181,954	\$ 2,470,265,805	\$ 2,957,399,738
Forestport	180,927,420	188,560,528	196,299,063	227,850,554	260,650,377
Total Taxable Full Valuation	<u>\$ 2,146,259,623</u>	<u>\$ 2,161,944,433</u>	<u>\$ 2,320,481,017</u>	<u>\$ 2,698,116,359</u>	<u>\$ 3,218,050,114</u>

### Tax Rates Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>
Towns of:					
Webb	\$ 3.47	\$ 3.49	\$ 3.56	\$ 3.92	\$ 3.93
Forestport	3.67	3.84	3.76	4.13	3.95

### Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>
Total Tax Levy	\$ 6,545,075	\$ 6,646,855	\$ 6,819,773	\$ 7,574,474	\$ 7,935,382
Amount Uncollected <sup>(1)</sup>	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

<sup>(1)</sup> School District taxes are made whole by the County. See "Tax Collection Procedure" hereunder.

### Tax Collection Procedure

School taxes are due September 1. If paid by September 30, no penalty is imposed. There is a 2% penalty if paid by the end of October. On November 1, a list of all unpaid taxes is given to the Counties for relevy on County/Town tax rolls. The School District is reimbursed by the Counties for all unpaid taxes the first week of April in each year and is thus assured of 100% collection of its annual levy.

## Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Real Property Taxes</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Total Revenues Consisting of Real Property Taxes</u>
2019-2020	\$ 6,247,739	\$ 8,571,565	72.89%
2020-2021	6,254,510	8,733,330	71.62
2021-2022	6,363,420	8,760,995	72.63
2022-2023	6,539,534	9,071,037	72.09
2023-2024	7,298,016	10,090,059	72.33
2024-2025 (Budgeted)	7,625,307	10,006,758	76.20
2025-2026 (Budgeted)	7,835,931	10,211,780	76.73

<sup>(1)</sup> General fund only, does not include inter-fund transfers or use of reserve funds.

Source: Audited financial statements for the 2019-2020 through 2023-2024 fiscal years and the adopted budgets for the 2024-2025 and 2025-2026 fiscal years. This table is not audited.

## Ten Largest Taxpayers – 2024 Assessment Roll for 2024-2025 District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
ADK League Club	Private	\$ 11,693,262
Erie Hydropower	Utility	10,650,000
National Grid	Utility	8,131,923
Citizens Communications	Utility	5,397,823
Niagara Mohawk	Utility	4,190,488
Sandra Barrett	Private	3,950,100
NYS DEC	State Land	3,473,848
EPR Water	Utility	2,411,150
New York State	Government	1,487,800
State of New York	Government State Land	<u>1,056,468</u>
	Total	<u>\$ 52,442,862</u>

The ten largest taxpayers listed above have a total taxable assessed valuation of \$52,442,862 which represents 2.71% of the tax base of the District.

The District does not currently have any pending or outstanding tax certioraris that are known or expected to have a material impact on the finances of the District.

Source: District Tax Rolls.

## STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$98,700 or less in the 2024-2025 school year and \$107,300 or less in the 2025-2026 school year, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$84,000 of the full value of a home for the 2024-2025 school year and the first \$86,100 of the full value of a home for the 2025-2026 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

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

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

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

<b><u>Towns of:</u></b>	<b><u>Enhanced Exemption</u></b>	<b><u>Basic Exemption</u></b>	<b><u>Date Certified</u></b>
Webb	\$ 53,600	\$ 19,610	4/10/2025
Forestport	51,660	18,540	4/10/2025

\$56,385 of the District's \$7,574,474 school tax levy for the 2023-2024 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2024.

\$63,753 of the District's \$7,625,307 school tax levy for the 2024-2025 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

#### **Additional Tax Information**

Real property located in the School District is assessed by the 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-65% and Commercial-35%..

The estimated total annual property tax bill of a typical \$200,000 market value residential property located in the School District is approximately \$2,578 including County, Town, School District and Fire District taxes.

#### **TAX LEVY LIMITATION LAW**

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

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

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

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

the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

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

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

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

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

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

## **STATUS OF INDEBTEDNESS**

### **Constitutional Requirements**

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

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

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

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

### **Statutory Procedure**

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

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

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

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

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

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

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

#### **Debt Outstanding End of Fiscal Year**

<u>Fiscal Year Ending June 30<sup>th</sup>:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Bond Anticipation Notes	0	0	0	0	0
Leases Obligations <sup>(1)</sup>	<u>1,946</u>	<u>1,135</u>	<u>0</u>	<u>58,892</u>	<u>63,729</u>
Total Debt Outstanding	<u>\$ 1,946</u>	<u>\$ 1,135</u>	<u>\$ 0</u>	<u>\$ 58,892</u>	<u>\$ 63,729</u>

<sup>(1)</sup> In 2022, the District implemented GASB Statement No. 87 for accounting and reporting leases. See “Lease Obligations” herein.

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

#### **Details of Outstanding Indebtedness**

The District currently does not have serial bonds or bond anticipation notes outstanding.

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## Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 18, 2025:

Full Valuation of Taxable Real Property .....	\$ 3,218,050,114
Debt Limit 10% thereof .....	321,805,011

### Inclusions:

Bonds.....	\$ 0	
Bond Anticipation Notes .....	0	
Total Inclusions prior to issuance of the Notes .....	0	
Add: New money proceeds of the Notes .....	8,950,000	
Total Net Inclusions after issuance of the Notes .....		\$ 8,950,000

### Exclusions:

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

Total Net Indebtedness after issuance of the Notes <sup>(2)</sup> ..... \$ 8,950,000

Net Debt-Contracting Margin ..... \$ 312,855,011

The percent of debt contracting power exhausted is <sup>(2)</sup> ..... 2.78%

- <sup>(1)</sup> Based on preliminary 2025-2026 building aid estimates, the District anticipates State Building aid of 10.0% 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.

- <sup>(2)</sup> Does not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the District.

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.

## Capital Project Plans

On December 13, 2023, District voters approved a capital project in the amount of \$9,950,000 consisting of the renovation and improvements of the District's main building. The District will finance the project with the expenditure of \$1,000,000 of capital reserve funds and the proceeds of \$8,950,000 of the District's serial bonds and bond anticipation notes. The proceeds of the Notes will provide \$8,950,000 of new monies as the first borrowing against said authorization.

Other than as stated above, there are currently no other capital projects authorized or contemplated at this time.

## Cash Flow Borrowings

The District has not issued any revenue or tax anticipation notes in the past five fiscal years and does not anticipate issuing either tax anticipation notes or revenue anticipation notes in the foreseeable future.

## Lease Obligations

The District has entered into various leases for certain equipment. As of June 30, 2024, the District had \$63,729 outstanding for said leases. For additional details regarding leases of the District outstanding as of June 30, 2024, see "APPENDIX – C" herein.

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## Estimated Overlapping Indebtedness

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

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Exclusions</u> <sup>(2)</sup>	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Herkimer	6/28/2024 <sup>(3)</sup>	\$ 14,455,000	\$ 1,925,000	\$ 12,530,000	41.78%	\$ 5,235,034
Oneida	2/5/2025 <sup>(3)</sup>	452,167,139	308,527,139	143,640,000	1.57%	2,255,148
Town of:						
Forestport	12/31/2023 <sup>(4)</sup>	642,664	- <sup>(5)</sup>	642,664	55.16%	354,493
Webb	6/26/2024 <sup>(3)</sup>	4,447,740	55,854	4,391,886	97.50%	4,282,089
Total:						<u>\$ 12,126,764</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

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

<sup>(4)</sup> 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.

<sup>(5)</sup> Information regarding excludable debt not available.

## Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 18, 2025:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 8,950,000	\$ 5,000.00	0.28%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	21,076,764	11,774.73	0.65

<sup>(a)</sup> The current estimated population of the District is 1,790. (See "THE SCHOOL DISTRICT – Population" herein.)

<sup>(b)</sup> The District's full value of taxable real estate for the 2024-2025 fiscal year is \$3,218,050,114. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

<sup>(c)</sup> See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.

<sup>(d)</sup> Estimated net overlapping indebtedness is \$12,126,764. (See "Estimated Overlapping Indebtedness" herein.)

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

## SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

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

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

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

**Default Litigation.** In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future

events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

**No Past Due Debt.** No principal of or interest on School District indebtedness is past due.

## **MARKET AND RISK FACTORS**

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

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

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

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

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

### *Cybersecurity*

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

## **TAX MATTERS**

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excludable from gross income for federal income tax purposes. These requirements include provisions which prescribe yield and other limits relative to the investment and expenditures of the proceeds of the Notes and other amounts and require that certain earnings be rebated to the federal government. The District will agree to comply with certain provisions and procedures, pursuant to which such requirements can be satisfied. Non-compliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to the date of issuance thereof, irrespective of the date on which non-compliance is ascertained.

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

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

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

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

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

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

## **LEGAL MATTERS**

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amounts (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City of New York; and (iii) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed under the Code; however, interest on the Notes that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. The opinions of Bond Counsel set forth in (iii) above are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes to be retroactive to the date of issuance of the Notes. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes. It is to be understood that the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be also subject to exercise of judicial discretion in appropriate cases.

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

## **LITIGATION**

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

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

## **CONTINUING DISCLOSURE**

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

### **Historical Compliance**

The District has not entered into undertakings made pursuant to the Rule 15c2-12 within the last five years.

## **MUNICIPAL ADVISOR**

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

## **CUSIP IDENTIFICATION NUMBERS**

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

## **RATING**

The Notes are not rated. The purchaser(s) of the Notes may choose to request that a rating be assigned after the sale at the expense of the purchaser(s) pending the approval of the District and applicable rating agency, including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX – B", attached hereto).

The District currently does not have an underlying rating by S&P Global Services or Moody's Investors Service, Inc.

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 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.

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

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

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

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

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

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

The District's contact information is as follows: Jennifer R. Dunn, Superintendent, Town of Webb Union Free School District, 3002 State Route 28, Old Forge, New York 13420, Phone: (315) 369-3222 x 2101, Email: [jdunn@towschool.org](mailto:jdunn@towschool.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](http://www.fiscaladvisors.com).

**TOWN OF WEBB UNION FREE SCHOOL DISTRICT**

**Dated: June 18, 2025**

**/s/**  
**PRESIDENT OF THE BOARD OF EDUCATION AND**  
**CHIEF FISCAL OFFICER**

**GENERAL FUND**

**Balance Sheets**

Fiscal Years Ending June 30:	<u><b>2020</b></u>	<u><b>2021</b></u>	<u><b>2022</b></u>	<u><b>2023</b></u>	<u><b>2024</b></u>
<u><b>ASSETS</b></u>					
Unrestricted Cash	\$ 2,989,477	\$ 3,533,599	\$ 2,867,640	\$ 2,641,261	\$ 2,974,140
Restricted Cash	2,213,499	2,421,718	1,963,564	2,093,976	1,742,574
Taxes Receivable	19,770	18,393	19,296	18,902	65,727
Accounts Receivable	98,372	108,056	148,800	55,873	111,025
Due from Other Funds	36,267	74,049	297,017	123,597	233,085
Due from Fiduciary Funds	307,205	-	-	-	-
State and Federal Aid Receivable	109,671	72,158	136,892	79,440	75,997
<b>TOTAL ASSETS</b>	<u><u>\$ 5,774,261</u></u>	<u><u>\$ 6,227,973</u></u>	<u><u>\$ 5,433,209</u></u>	<u><u>\$ 5,013,049</u></u>	<u><u>\$ 5,202,548</u></u>
<u><b>LIABILITIES</b></u>					
Accounts Payable	\$ 8,497	\$ 13,566	\$ 27,646	\$ 66,125	\$ 21,840
Accrued Liabilities	17,035	10,566	9,625	13,000	77,949
Due to Teachers' Retirement System	267,149	297,370	309,100	351,626	338,497
Due to Employees' Retirement System	37,299	41,708	30,635	37,532	48,792
Compensated Absences	160,724	147,739	153,259	151,340	161,781
<b>TOTAL LIABILITIES</b>	<u>490,704</u>	<u>510,949</u>	<u>530,265</u>	<u>619,623</u>	<u>648,859</u>
<u><b>FUND BALANCES</b></u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:	2,213,499	2,421,718	1,963,564	2,093,976	1,742,574
Assigned	2,059,810	2,301,637	2,355,205	1,735,496	2,124,484
Unassigned	1,010,248	993,669	584,175	563,954	686,631
<b>TOTAL FUND BALANCES</b>	<u>5,283,557</u>	<u>5,717,024</u>	<u>4,902,944</u>	<u>4,393,426</u>	<u>4,553,689</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 5,774,261</u></u>	<u><u>\$ 6,227,973</u></u>	<u><u>\$ 5,433,209</u></u>	<u><u>\$ 5,013,049</u></u>	<u><u>\$ 5,202,548</u></u>

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



**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance**

Fiscal Years Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>REVENUES</b>					
Real Property Taxes	\$ 6,247,739	\$ 6,254,510	\$ 6,363,420	\$ 6,539,534	\$ 7,298,016
Other Tax Items	90,097	82,936	75,045	71,988	69,799
Charges for Services	1,028,548	1,042,818	1,130,520	1,173,492	1,281,456
Use of Money & Property	15,892	9,412	2,534	33,015	90,776
Sale of Property and Compensation for Loss	6,765	17,117	-	3,000	48,000
Miscellaneous	101,682	244,634	65,846	115,613	169,348
Revenues from State Sources	1,057,196	1,027,730	1,111,395	1,116,255	1,108,340
Revenues from Federal Sources	-	28,352	-	-	-
Medicaid Reimbursement	23,646	25,821	12,235	18,140	24,324
Total Revenues	<u>\$ 8,571,565</u>	<u>\$ 8,733,330</u>	<u>\$ 8,760,995</u>	<u>\$ 9,071,037</u>	<u>\$ 10,090,059</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Sources	<u>8,571,565</u>	<u>8,733,330</u>	<u>8,760,995</u>	<u>9,071,037</u>	<u>10,090,059</u>
<b>EXPENDITURES</b>					
General Support	\$ 1,748,767	\$ 1,758,504	\$ 1,779,026	\$ 2,241,131	\$ 1,689,313
Instruction	3,428,496	3,638,712	3,978,982	4,102,883	4,200,518
Pupil Transportation	495,260	500,077	553,510	555,994	642,250
Community Services	9,235	7,818	8,969	10,864	6,830
Employee Benefits	2,113,997	2,254,752	2,444,588	2,524,683	2,756,885
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 7,795,755</u>	<u>\$ 8,159,863</u>	<u>\$ 8,765,075</u>	<u>\$ 9,435,555</u>	<u>\$ 9,295,796</u>
Other Uses:					
Interfund Transfers	<u>130,000</u>	<u>140,000</u>	<u>810,000</u>	<u>145,000</u>	<u>634,000</u>
Total Expenditures and Other Uses	<u>7,925,755</u>	<u>8,299,863</u>	<u>9,575,075</u>	<u>9,580,555</u>	<u>9,929,796</u>
Excess (Deficit) Revenues Over Expenditures	<u>645,810</u>	<u>433,467</u>	<u>(814,080)</u>	<u>(509,518)</u>	<u>160,263</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	4,637,747	5,283,557	5,717,024	4,902,944	4,393,426
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 5,283,557</u>	<u>\$ 5,717,024</u>	<u>\$ 4,902,944</u>	<u>\$ 4,393,426</u>	<u>\$ 4,553,689</u>

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

**GENERAL FUND**

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

Fiscal Years Ending June 30:	<b>2024</b>			<b>2025</b>	<b>2026</b>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Audited Actual</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>
<b><u>REVENUES</u></b>					
Real Property Taxes	\$ 7,354,399	\$ 7,298,014	\$ 7,298,016	\$ 7,625,307	\$ 7,835,931
Other Tax Items	8,338	64,723	69,799	-	-
Charges for Services	1,109,000	1,109,000	1,281,456	1,135,800	1,139,064
Use of Money & Property	7,425	7,425	90,776	-	-
Sale of Property and Compensation for Loss	40,000	40,000	48,000	-	-
Miscellaneous	51,000	51,000	169,348	160,182	174,279
Revenues from State Sources	1,122,683	1,122,683	1,108,340	1,085,469	1,062,506
Revenues from Federal Sources	-	-	-	-	-
Medicaid Reimbursement	10,000	10,000	24,324	-	-
Total Revenues	<u>\$ 9,702,845</u>	<u>\$ 9,702,845</u>	<u>\$ 10,090,059</u>	<u>\$ 10,006,758</u>	<u>\$ 10,211,780</u>
Other Sources:					
Prior Year Surplus	\$ 1,500,000	\$ 2,080,000	\$ -	\$ 1,433,683	\$ 1,519,351
Prior Year Encumbrances	-	235,496	-	-	-
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	<u>11,202,845</u>	<u>12,018,341</u>	<u>10,090,059</u>	<u>11,440,441</u>	<u>11,731,131</u>
<b><u>EXPENDITURES</u></b>					
General Support	\$ 2,092,250	\$ 2,519,312	\$ 1,689,313	\$ 2,086,710	\$ 2,113,100
Instruction	5,074,500	4,879,464	4,200,518	5,202,500	5,250,100
Pupil Transportation	705,875	724,345	642,250	731,431	744,931
Community Services	22,300	22,300	6,830	16,000	16,000
Employee Benefits	3,162,920	3,227,920	2,756,885	3,263,800	3,467,000
Debt Service	-	-	-	-	-
Total Expenditures	<u>\$ 11,057,845</u>	<u>\$ 11,373,341</u>	<u>\$ 9,295,796</u>	<u>\$ 11,300,441</u>	<u>\$ 11,591,131</u>
Other Uses:					
Interfund Transfers	145,000	645,000	634,000	140,000	140,000
Total Expenditures and Other Uses	<u>11,202,845</u>	<u>12,018,341</u>	<u>9,929,796</u>	<u>11,440,441</u>	<u>11,731,131</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>160,263</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCE</u></b>					
Fund Balance - Beginning of Year	-	-	4,393,426	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,553,689</u>	<u>\$ -</u>	<u>\$ -</u>

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

**MATERIAL EVENT NOTICES**

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

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, 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 Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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**TOWN OF WEBB UNION FREE SCHOOL DISTRICT  
HERKIMER AND ONEIDA COUNTIES, NEW YORK**

**FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2024**

Such Financial Statement 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.

Stackel & Navarra, C.P.A., P.C., the District's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Stackel & Navarra, C.P.A., P.C also has not performed any procedures relating to this Official Statement.

**Town of Webb Union Free School District**

**Financial Statements with  
Independent Auditors' Report**

**Year Ended June 30, 2024**

**Town of Webb Union Free School District**  
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**June 30, 2024**

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**STACKEL & NAVARRA, C.P.A., P.C.**  
*CERTIFIED PUBLIC ACCOUNTANTS*

COMMUNITY BANK BUILDING – 216 WASHINGTON STREET  
WATERTOWN, NEW YORK 13601-3336  
TELEPHONE 315/782-1220  
FAX 315/782-0118

Robert F. Stackel, C.P.A.  
Jacob Navarra, C.P.A.  
Mark B. Hills, C.P.A.

**Independent Auditors' Report**

To the Board of Education  
Town of Webb Union Free School District  
Old Forge, New York

**Report on the Audit of the Financial Statements**

***Opinions***

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

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

***Basis for Opinions***

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



***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Webb Union Free School District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Webb Union Free 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, the schedule of funding progress - other post-employment benefits - last 7 fiscal years, the schedule of revenue, expenditures and changes in fund balance - budget and actual - general fund, the schedules of District contributions - NYSTRS & NYSERS pension plans - last 10 fiscal years, and the schedules of District's proportionate share of the net pension liability - NYSTRS & NYSERS pension plans - last 10 fiscal years on pages 5-12 and 56-59 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Webb Union Free School District's basic financial statements. The accompanying schedule of change from adopted budget to final budget and the real property tax limit - general fund and schedule of project expenditures - Capital Projects Fund, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

**STACKEL & NAVARRA, C.P.A., P.C**

*CERTIFIED PUBLIC ACCOUNTANTS*

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 change from adopted budget to final budget and the real property tax limit – general fund and schedule of project expenditures – Capital Projects Fund, are 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 September 30, 2024, on our consideration of Town of Webb Union Free School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Webb Union Free School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Webb Union Free School's internal control over financial reporting and compliance.

*Stackel & Navarra, CPA, PC*

Watertown, NY  
September 30, 2024

**Town of Webb Union Free School District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

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

**Financial Highlights**

- Overall revenues were \$10,542,549, \$1,521,469 less than expenses. Revenues increased \$1,036,811 or 11% greater than last year's total.
- The total cost of basic programs increased .09% to \$12,064,018.
- Net position of our District-wide activities totaled \$(9,063,052) at year-end compared to \$(7,541,583) at June 30, 2023.
- General Fund revenues totaled \$10,090,059 in 2023-2024, an increase of \$1,019,022.
- Food Service revenues this year totaled \$175,951 and a transfer in of \$34,000 was made from the General Fund. Total Food Service revenue increased \$5,249 from 2022-2023. The Food Service Fund ended the fiscal year with a \$49,368 loss before the addition of the transfer.
- The District currently has no outstanding bonds payable.
- The District has maintained its 'A' Standard and Poor's underlying rating (SPUR) and stable outlook. The stable outlook reflects that the district will maintain its healthy outlook.

**Overview of 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 District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements. The fund financial statements concentrate on the 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 District acts solely as a trustee or agent for the benefit of others.



**Town of Webb Union Free School District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

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 (RSI) that further explains and supports the financial statements with a comparison of the School District's budget and actual for the year.

Figure A-1 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.

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

	Fund Financial Statements		
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are 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	<ul style="list-style-type: none"> <li>•Statement of net position</li> <li>•Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>•Balance sheet</li> <li>•Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>•Statement of fiduciary net position</li> <li>•Statement of changes in fiduciary net position</li> </ul>
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, liabilities, and deferred inflows of resources both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during 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

**Town of Webb Union Free School District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

**District-Wide Statements**

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall financial health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

**Fund Financial Statements**

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

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

The District has two kinds of funds:

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

**Town of Webb Union Free School District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

**Financial Analysis of the School District as a Whole**

The largest portion of the School District's net position, \$8,840,310, reflects its investment in capital assets. The School District uses capital assets to provide services; consequently, these assets are not available for future spending.

The following schedule summarizes the School District's net position. The complete Statement of Net Position can be found in the School District's basic financial statements.

**Changes in Assets, Liabilities, and Net Position**

	<u>Governmental Activities and Total School District</u>			
	<u>Beginning</u>	<u>Ending</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
Current and Other Assets	\$ 5,385,682	\$ 5,713,936	\$ 328,254	6.09%
Capital Assets, Net	<u>8,622,507</u>	<u>8,840,310</u>	<u>217,803</u>	2.53%
Total Assets	14,008,189	14,554,246	546,057	3.90%
Deferred Outflows of Resources	<u>6,397,595</u>	<u>4,386,224</u>	<u>(6,397,595)</u>	-100.00%
Total Assets and Deferred Outflows of Resources	<u>20,405,784</u>	<u>18,940,470</u>	<u>(5,851,538)</u>	-28.68%
Long-term Liabilities	24,038,399	24,036,966	(1,433)	-0.01%
Other Liabilities	<u>1,705,393</u>	<u>580,405</u>	<u>(1,124,988)</u>	-65.97%
Total Liabilities	<u>25,743,792</u>	<u>24,617,371</u>	<u>(1,126,421)</u>	-4.38%
Deferred Inflows of Resources	<u>2,203,575</u>	<u>3,386,151</u>	<u>1,182,576</u>	53.67%
Total Liabilities and Deferred Inflows of Resources	<u>27,947,367</u>	<u>28,003,522</u>	<u>56,155</u>	0.20%
Net Position				
Net Investment in Capital Assets	8,622,507	8,840,310	217,803	2.53%
Restricted	<u>2,137,777</u>	<u>1,799,384</u>	<u>(338,393)</u>	-15.83%
Unrestricted	<u>(18,301,867)</u>	<u>(19,702,746)</u>	<u>(1,400,879)</u>	7.65%
Total Net Position	<u>\$ (7,541,583)</u>	<u>\$ (9,063,052)</u>	<u>\$ (1,521,469)</u>	20.17%

In general, current assets are those assets that are available to satisfy current obligations and current liabilities and those liabilities that will be paid within one year. Current assets consist primarily of cash of \$5,191,340 and state, federal and other receivables of \$467,841.

Current liabilities consist principally of accounts payable and accrued expenses totaling \$192,920. There was no long-term debt at year end.

The Statement of Activities shows the cost of program services net of charges for services and grants offsetting those services. General revenues, including tax revenue, investment earnings and unrestricted state and federal aid, must support the net cost of the School District's programs.

**Town of Webb Union Free School District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

The following schedule summarizes the School District's activities. The complete Statement of Activities can be found in the School District's basic financial statements.

**Changes in Net Position from Operating Results**

**Financial Analysis of the District's Funds**

	<u>2023</u>	<u>2024</u>	<u>Increase/ Decrease</u>	<u>Percent Change</u>
Revenues				
Charges for services	\$ 1,236,170	\$ 1,309,838	\$ 73,668	5.96%
Operating Grants and Contributions	299,757	398,031	98,274	32.78%
General Revenues				
Property Taxes	6,539,534	7,298,016	758,482	11.60%
State Aid	1,101,803	1,108,340	6,537	0.59%
Interest Earnings	33,015	90,776	57,761	174.95%
Other	295,459	337,548	42,089	14.25%
Total revenue	<u>9,505,738</u>	<u>10,542,549</u>	<u>1,036,811</u>	10.91%
Expenses				
General Support	3,018,927	2,749,364	(269,563)	-8.93%
Instruction	8,031,330	8,254,150	222,820	2.77%
Pupil Transportation	907,300	968,914	61,614	6.79%
Community Services	11,192	7,100	(4,092)	-36.56%
Cost of Sales - Food	84,877	84,490	(387)	-0.46%
Total expenses	<u>12,053,626</u>	<u>12,064,018</u>	<u>10,392</u>	0.09%
Increase/(Decrease) in Net Position	<u>\$ (2,547,888)</u>	<u>\$ (1,521,469)</u>	<u>\$ 1,026,419</u>	-40.29%

The governmental fund balances increased by \$221,746. The unassigned portion of the General Fund balance changed from \$563,954 to \$686,631 at June 30, 2024. General Fund restricted fund balance decreased from \$2,093,976 to \$1,742,574 at June 30, 2024.

School Food Service fund balance decreased from \$46,095 to \$30,727 at June 30, 2024. Nonspendable fund balance was \$13,716.

Capital fund balance was \$289,485 at June 30, 2024.

***General Fund Budgetary Highlights***

The General Fund budget passed by voters for 2023-2024 was \$11,202,845. A voter approved transfer to the capital account and encumbrances from June 30, 2023 increased the budget to \$12,018,341. Total expenditures and other financing uses for the year ended June 30, 2024 totaled \$9,929,796, encumbrances were \$690,799 and unexpended budget was \$1,397,746.

The School District's budget of \$11,440,441 for 2024-2025 was passed by the District voters in May 2024. The budgeted increase totaled \$237,596 or 2.1% more than the original 2023-2024 budget.



**Town of Webb Union Free School District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

The School District assigned \$1,433,685 from unassigned fund balance to reduce the tax levy for the upcoming year.

General funds are used to operate the schools daily educational and transportation programs and maintain the buildings and grounds of the facility for continued use. This is the only fund that relies on real property taxes for a portion of the funding. Property taxes account for roughly 75% of the General Fund revenues.

**Special Aid Fund**

The School District receives State and Federal grants, which fund specific academic activities. These grants are written for specific purposes and include reading improvement, staff development, technology improvements, and need related to students with disabilities.

It is important to note that most of these grants have a fiscal year that runs from September 1 to August 31, which differs from the July 1 to June 30 school year. Therefore, there are funds being spent during the summer months that results in carry over amounts as of the June 30, 2024 school year.

The following listings show the grant amounts recorded in the Special Aid Fund:

Title I ESEA - Basic Grant	\$ 66,792
IDEA Part B Section 611	65,858
Title IIA	15,391
SDA Grant Rural Schools	29,246
Title IV	2,000
ARP and ESSER	22,596
Private Grants	2,500
IDEA Part B Section 619	321
Universal Pre-K	<u>51,300</u>
Total Special Aid Funds	<u>\$ 256,004</u>

**Food Service Fund**

The Food Service fund is funded through Federal and State Aid reimbursements together with the sale of breakfast and lunch items. The Food Service Fund ended the fiscal year with a deficiency of revenues and other sources over expenditures and other uses of \$15,368. During the year a transfer of \$34,000 from the General Fund was made to the Food Service Fund.

***Capital Asset and Debt Administration***

**Capital Assets**

The Town of Webb UFSD had invested \$8,840,310 as of June 30, 2024 in a broad range of capital assets including school buildings, athletic facilities, computer, and transportation equipment. Current year depreciation totaled \$461,949 bringing the accumulated depreciation amount to \$6,113,817.

**Town of Webb Union Free School District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

	<u>6/30/2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>6/30/2024</u>
Land	\$ 190,800	\$ -	\$ -	\$ 190,800
Construction in progress	500,711	312,400	500,711	312,400
Buildings and improvements	12,373,547	724,470	-	13,098,017
Vehicles and equipment	1,323,046	175,465	145,601	1,352,910
Less - accumulated depreciation	<u>(5,765,597)</u>	<u>461,949</u>	<u>113,729</u>	<u>(6,113,817)</u>
Net Capital Assets	<u>\$ 8,622,507</u>	<u>\$ 750,386</u>	<u>\$ 532,583</u>	<u>\$ 8,840,310</u>

**Long-Term Debt**

At year-end, the district had no long-term debt outstanding.

***Factors Bearing on the District's Future***

Town of Webb UFSD's struggles with a very volatile enrollment every year. In the 2024-2025 school year we anticipate opening with 237 students PK-12. This includes the student's tuition to us from both Inlet Common School and Raquette Lake UFSD who both send all their students to us.

Housing continues to be a problem regionally and solutions are desperately needed regarding both homeownership as well as rentals for families to move in or maintain residency in the area. Although progress is being made, recreational, medical, and housing facilities remain as a huge detraction. High speed internet availability is slowly improving especially with some of the new regional availability.

The Town of Webb UFSD faces issues that are often unlike those that other Districts face and that has not been different this year. Our property wealth remains high due to the second home price drive and our waterfront properties. In fact, this value increase has again caused a change in our equalization rate. We expect the Town to take action to resolve this soon. The actual poverty level, free and reduced lunch program participation and the lower percentage of home ownership by year-round residents remains indicative of the true story of our community and those that rely on and benefit from this area during every month of the year.

The District successfully passed a capital project for the Heating and Ventilation of the building. Expenses of the project are being projected already to be higher than budgeted for and the district looks to see what they can mitigate until another project can be approved. The District continues to use available funds to accomplish maintenance tasks annually that in another school would be packaged into a larger capital project.

The school is impacted by the state's designation as a High Wealth/Low Need District based on our property wealth and associated tax base. Our tax rate per thousand is the twelfth lowest rate in the state which further compounds our ability to raise the necessary capital to complete necessary repairs of a larger magnitude without an approved capital project. The tax levy limit puts a stranglehold on our ability to truly raise the funds necessary to make significant repairs without looking for a super majority of voters to agree with our need and approach to the situation.

**Town of Webb Union Free School District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

Our task of educating all students by providing a rich academic program despite our small size is our constant focus. Mental health needs and special education needs continue to skyrocket and exceed what is normally anticipated. This trend is likely to continue for the foreseeable future. The school has a much larger responsibility to our community than one might expect, and we rely heavily on our taxpayers due to the lack of financial support from the state of New York.

The District utilized fund balance to both stabilize the tax rates within the District and provide the ability to accomplish some larger maintenance tasks annually. We must be responsible to our students while also being responsible to our taxpayers with each decision we make.

**Contacting the School District's Financial Management**

This financial report is designed to provide the district's citizens, taxpayers, customers, investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Superintendent – Town of Webb UFSD, PO Box 38, Old Forge, NY 13420 315-369-3222 or [rgermer@towschool.org](mailto:rgermer@towschool.org).

**Town of Webb Union Free School District**  
**Statement of Net Position**  
**Governmental Activities**  
**June 30, 2024**

**Assets**

Cash

Unrestricted \$ 3,391,956

Restricted 1,799,384

Receivables

Taxes receivable 65,727

Accounts receivable 111,045

State and Federal aid 291,069

Inventories 13,716

Capital assets, net 8,840,310

Right-to-use assets, net 41,039

Total Assets \$ 14,554,246

**Deferred Outflow of Resources**

Pensions \$ 2,279,512

Other postemployment benefits 2,106,712

Total deferred outflow of resources \$ 4,386,224

**Liabilities**

Payables

Accounts payable \$ 114,665

Accrued liabilities 78,255

Due to other governments 196

Due to teachers' retirement system 338,497

Due to employees' retirement system 48,792

Long-term liabilities

Compensated absences payable 161,781

Other post employment benefits payable 23,009,002

Net pension liability - proportionate share 866,183

Total Liabilities \$ 24,617,371

**Deferred Inflow of Resources**

Pensions \$ 530,119

Other postemployment benefits 2,856,032

Total deferred outflow of resources \$ 3,386,151

**Net Position**

Net investment in capital assets \$ 8,840,310

Restricted for:

Workers' compensation 20,020

Unemployment insurance 34,077

Retirement contributions 276,476

Capital reserves 1,042,203

Repairs 369,798

Student activities 56,810

Unrestricted (deficit) (19,702,746)

Total Net Position \$ (9,063,052)

**Town of Webb Union Free School District**  
**Statement of Activities and Changes in Net Position**  
**Governmental Activities**  
**For the Year Ended June 30, 2024**

		Program Revenues		Net (Expense)
	Expenses	Charges for Services	Operating Grants	Revenue and Changes in Net Position
<b>Functions/Programs</b>				
General support	\$ 2,566,634	\$ -	\$ -	\$ (2,566,634)
Instruction	8,254,150	1,281,456	256,004	(6,716,690)
Pupil transportation	968,914	-	-	(968,914)
Community service	7,100	-	-	(7,100)
School lunch program	267,220	28,382	142,027	(96,811)
Total Functions and Programs	<u>\$ 12,064,018</u>	<u>\$ 1,309,838</u>	<u>\$ 398,031</u>	<u>(10,356,149)</u>
<b>General Revenues</b>				
Real property taxes				7,298,016
Other tax items				69,799
Use of money and property				90,776
State sources				1,108,340
Medicaid reimbursement				24,324
Miscellaneous				227,298
Gain on sale of fixed assets				16,127
Total General Revenues				<u>8,834,680</u>
Change in Net Position				(1,521,469)
Total Net Position - Beginning of year				<u>(7,541,583)</u>
Total Net Position - End of year				<u>\$ (9,063,052)</u>

See notes to financial statements.

**Town of Webb Union Free School District**  
**Balance Sheet - Governmental Funds**  
**June 30, 2024**

	General	Special Aid	School Food Service	Capital	Miscellaneous Special Revenue	Total Governmental Funds
<b>Assets</b>						
Cash						
Unrestricted	\$ 2,974,140	\$ 1,191	\$ 12,222	\$ 404,097	\$ 306	\$ 3,391,956
Restricted	1,742,574	-	-	-	56,810	1,799,384
Receivables						
Taxes receivable	65,727	-	-	-	-	65,727
Accounts receivable	111,025	-	20	-	-	111,045
Due from other funds	233,085	-	-	-	-	233,085
State and Federal aid	75,997	204,236	10,836	-	-	291,069
Inventories	-	-	13,716	-	-	13,716
Total Assets	<u>\$ 5,202,548</u>	<u>\$ 205,427</u>	<u>\$ 36,794</u>	<u>\$ 404,097</u>	<u>\$ 57,116</u>	<u>\$ 5,905,982</u>
<b>Liabilities</b>						
Payables						
Accounts payable	\$ 21,840	\$ -	\$ 5,871	\$ 86,954	\$ -	\$ 114,665
Accrued liabilities	77,949	-	-	-	306	78,255
Due to other funds	-	205,427	-	27,658	-	233,085
Due to other governments	-	-	196	-	-	196
Due to teachers' retirement system	338,497	-	-	-	-	338,497
Due to employees' retirement system	48,792	-	-	-	-	48,792
Compensated absences	161,781	-	-	-	-	161,781
Total Liabilities	<u>648,859</u>	<u>205,427</u>	<u>6,067</u>	<u>114,612</u>	<u>306</u>	<u>975,271</u>
<b>Fund Balances</b>						
Nonspendable	-	-	13,716	-	-	13,716
Restricted	1,742,574	-	-	-	56,810	1,799,384
Assigned	2,124,484	-	17,011	289,485	-	2,430,980
Unassigned	686,631	-	-	-	-	686,631
Total Fund Balances	<u>4,553,689</u>	<u>-</u>	<u>30,727</u>	<u>289,485</u>	<u>56,810</u>	<u>4,930,711</u>
Total Liabilities and Fund Balance	<u>\$ 5,202,548</u>	<u>\$ 205,427</u>	<u>\$ 36,794</u>	<u>\$ 404,097</u>	<u>\$ 57,116</u>	<u>\$ 5,905,982</u>

See notes to financial statements.



**Town of Webb Union Free School District**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2024**

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>Assets</b>				
Cash				
Unrestricted	\$ 3,391,956	\$ -	\$ -	\$ 3,391,956
Restricted	1,799,384	-	-	1,799,384
Receivables				
Taxes receivable	65,727	-	-	65,727
Accounts receivable	111,045	-	-	111,045
Due from other funds	233,085	-	(233,085)	-
State and Federal aid	291,069	-	-	291,069
Inventories	13,716	-	-	13,716
Right-to-use assets (net)	-	41,039	-	41,039
Land, buildings and equipment (net)	-	8,840,310	-	8,840,310
<b>Total Assets</b>	<b>\$ 5,905,982</b>	<b>\$ 8,881,349</b>	<b>\$ (233,085)</b>	<b>\$ 14,554,246</b>
Deferred outflow of resources				
Pensions	\$ -	\$ 2,279,512	\$ -	\$ 2,279,512
Other postemployment benefits	-	2,106,712	-	2,106,712
<b>Total deferred outflow of resources</b>	<b>\$ -</b>	<b>\$ 4,386,224</b>	<b>\$ -</b>	<b>\$ 4,386,224</b>
<b>Liabilities</b>				
Accounts payable	\$ 114,665	\$ -	\$ -	\$ 114,665
Accrued liabilities	78,255	-	-	78,255
Due to other funds	233,085	-	(233,085)	-
Due to other governments	196	-	-	196
Due to teachers' retirement system	338,497	-	-	338,497
Due to employees' retirement system	48,792	-	-	48,792
Compensated absences	161,781	-	-	161,781
Other postemployment benefits payable	-	23,009,002	-	23,009,002
Net pension liability - proportionate share	-	866,183	-	866,183
<b>Total Liabilities</b>	<b>975,271</b>	<b>23,875,185</b>	<b>(233,085)</b>	<b>24,617,371</b>
Deferred inflow of resources				
Pensions	-	530,119	-	530,119
Other postemployment benefits	-	2,856,032	-	2,856,032
<b>Total deferred inflow of resources</b>	<b>-</b>	<b>3,386,151</b>	<b>-</b>	<b>3,386,151</b>
<b>Fund Balance/Net Position</b>				
<b>Total Fund Balance/Net Position</b>	<b>4,930,711</b>	<b>(13,993,763)</b>	<b>-</b>	<b>(9,063,052)</b>
<b>Total Liabilities, Deferred Inflow of Resources,         and Fund Balance/Net Position</b>	<b>\$ 5,905,982</b>	<b>\$ 13,267,573</b>	<b>\$ (233,085)</b>	<b>\$ 18,940,470</b>

See notes to financial statements.

**Town of Webb Union Free 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	Capital	Miscellaneous Special Revenue	Total Governmental Funds
<b>Revenues</b>						
Real property taxes	\$ 7,298,016	\$ -	\$ -	\$ -	\$ -	\$ 7,298,016
Other tax items	69,799	-	-	-	-	69,799
Charges for services	1,281,456	-	-	-	-	1,281,456
Use of money and property	90,776	-	-	-	-	90,776
Sale of property and compensation for loss	48,000	-	-	-	-	48,000
State sources	1,108,340	51,300	45,608	-	-	1,205,248
Sales	-	-	28,382	-	-	28,382
Miscellaneous	169,348	2,500	5,542	-	52,408	229,798
Medicaid reimbursement	24,324	-	-	-	-	24,324
Federal sources	-	202,204	88,202	-	-	290,406
Surplus food	-	-	8,217	-	-	8,217
<b>Total Revenues</b>	<b>10,090,059</b>	<b>256,004</b>	<b>175,951</b>	<b>-</b>	<b>52,408</b>	<b>10,574,422</b>
<b>Expenditures</b>						
General support	1,689,313	-	118,573	-	39,399	1,847,285
Instruction	4,200,518	256,004	-	-	-	4,456,522
Pupil transportation	642,250	-	-	-	-	642,250
Community service	6,830	-	-	-	-	6,830
Employee benefits	2,756,885	-	22,256	-	-	2,779,141
Cost of sales	-	-	84,490	-	-	84,490
Capital outlay	-	-	-	536,158	-	536,158
<b>Total Expenditures</b>	<b>9,295,796</b>	<b>256,004</b>	<b>225,319</b>	<b>536,158</b>	<b>39,399</b>	<b>10,352,676</b>
Excess (Deficiency) of Revenues Over Expenditures	794,263	-	(49,368)	(536,158)	13,009	221,746
<b>Other Sources and (Uses)</b>						
Operating transfers in	-	-	34,000	600,000	-	634,000
Operating transfers (out)	(634,000)	-	-	-	-	(634,000)
<b>Total Other Sources and (Uses)</b>	<b>(634,000)</b>	<b>-</b>	<b>34,000</b>	<b>600,000</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	160,263	-	(15,368)	63,842	13,009	221,746
Fund balance - Beginning of year	4,393,426	-	46,095	225,643	43,801	4,708,965
Fund balance - End of year	\$ 4,553,689	\$ -	\$ 30,727	\$ 289,485	\$ 56,810	\$ 4,930,711



**Town of Webb Union Free School District**  
**Reconciliation of Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Governmental Funds**  
**to the Statement of Activities**  
**June 30, 2024**

Net change in fund balances - total governmental funds \$ 221,746

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 711,625	
Depreciation expense	<u>(461,949)</u>	249,676

Governmental funds report capital outlays under a right-to-use agreement for a period of time as expenditures. However, in the Statement of Net Position, right-to-use assets are reported at cost, net of amortization, over the term of the leases:

Right-to-use leases additions	4,837	
Amortization expense	<u>(15,328)</u>	(10,491)

Gain on sale of fixed assets in the Statement of Activities differs from the amount reported in the governmental funds because only the sale price is recognized in the funds. In the Statement of Activities, however, the gain, sale price less net basis of fixed assets is reported. (31,873)

On the Statement of Activities, the actual and projected long term expenditures for post employment benefits are reported whereas in the governmental funds only the actual expenditures are recorded for post employment benefits. (1,623,702)

(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	\$ (204,379)	
Employees' retirement system	<u>(122,446)</u>	(326,825)

Change in net position of governmental activities \$ (1,521,469)

See notes to financial statements.

**Town of Webb Union Free School District**  
**Statement of Fiduciary Net Position**  
**June 30, 2024**

	Private Purpose Trusts
<b>Assets</b>	
Cash	\$ 4,475
 Total Assets	 <u>\$ 4,475</u>
<b>Net Position</b>	
Reserved for scholarships	<u>\$ 4,475</u>

**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2024**

	Private Purpose Trusts
<b>Additions</b>	
Interest income	\$ -
 Net Position - Beginning of year	 <u>4,475</u>
 Net Position - End of Year	 <u>\$ 4,475</u>

See notes to financial statements.

**Town of Webb Union Free School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**1 – Summary of significant accounting policies:**

The financial statements of Town of Webb Union Free School District (the “District”) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are described below:

**A) Reporting entity:**

The 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 five 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*, GASB 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB No. 14 and No. 39*, GASB Statement 80 – *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*, GASB No. 84 *Fiduciary Activities and GASB No. 97 Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. 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.

**Town of Webb Union Free School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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i) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District's business office. The District accounts for assets held as an agent for various student organizations in a miscellaneous special revenue fund.

B) Joint venture:

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

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

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

During the year, the District was billed \$704,354 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$131,680.

**Town of Webb Union Free School District**  
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Financial statements for the BOCES are available from the BOCES administrative office.

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 non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and 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) Funds statements:

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

The District reports the following major governmental funds:

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



**Town of Webb Union Free School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

**Special Revenue Funds:** These funds account for the proceeds of specific revenue sources such as federal and state grants, that are legally restricted to expenditures for specified purposes, child nutrition and school store operations or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

The Special Revenue Funds classified as major are:

Special Aid Funds: Used to account for special operating projects or programs supported in whole, or in part, with federal funds or state or local grants.

School Food Service Fund: Used to account for transactions of the lunch and breakfast programs.

Miscellaneous Special Revenue Fund: This fund is used to account for transactions of activities for which the District has administrative control, but the activities are not part of the District's operations. Included in this fund is the extraclassroom activity fund.

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

The District reports the following fiduciary funds:

**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 is one class of fiduciary funds:

Private Purpose Trust Funds: These funds are used to account for trust arrangements under which principal and income benefit individuals, private organizations or other governments. A scholarship is an example of a Private-Purpose Trust Fund. 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.

**Town of Webb Union Free School District**  
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**For the Year Ended June 30, 2024**

**D) Measurement focus and basis of accounting:**

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year as it matches the liquidation of related obligations.

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

**E) Property taxes:**

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

**Town of Webb Union Free School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

Uncollected real property taxes are subsequently enforced by the Counties in which the District is located. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1.

**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) Inter-fund transactions:**

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

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

The governmental funds report all inter-fund transactions as originally recorded. Inter-fund 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 a detailed disclosure by individual fund for inter-fund 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



**Town of Webb Union Free School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

estimates and assumptions that affect the reported amount of assets, deferred outflow of resources, liabilities, and deferred inflow of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, useful lives of capital assets, intangible lease assets, and intangible subscription 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) Accounts Receivable:**

Receivables are shown net of an allowance for uncollectible accounts, when applicable. An allowance for uncollectible accounts represents the portion of accounts receivable that is not expected to be collected within 365 days. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

**K) Inventories and prepaid items:**

Inventories of food in the School Food Service 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 inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

**Town of Webb Union Free School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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 receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

**L) Capital assets:**

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2002. For assets acquired prior to July 1, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

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

	Capitalization <u>Threshold</u>	Depreciation <u>Method</u>	Estimated <u>Useful Life</u>
Buildings and improvements	\$ 25,000	SL	20-50 years
Vehicles and equipment	\$ 5,000	SL	5-10 years

**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 with 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),

**Town of Webb Union Free School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

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 or capital assets.

**N) Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. 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 District has three items that qualify for reporting in this category. First is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the district wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. First 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 and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect on the net changes of assumptions or other inputs.

**O) Unearned credits**

The District reports unearned credits on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned credits arise when resources are received by the District before it has legal claim to them, as when grant monies are

**Town of Webb Union Free School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned credits are removed and revenue is recorded.

**P) Vested employee benefits:**

**Compensated absences**

Compensated absences consist of unpaid accumulated annual sick leave and vacation 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 fund statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources.

**Q) Other benefits:**

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

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

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



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

**R) 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 RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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

The District may issue Bond Anticipation Notes (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 BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

On June 30, 2024, the District had no outstanding debt.

**S) Accrued liabilities and long-term obligations:**

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

**Town of Webb Union Free School District**  
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**For the Year Ended June 30, 2024**

obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

**T) Pension Obligations**

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

**Plan Descriptions and Benefits Provided**

**Teachers' Retirement System (TRS)**

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

**Employees' Retirement System (ERS)**

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides

**Town of Webb Union Free School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

retirement benefits, as well as, death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). 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. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index/php](http://www.osc.state.ny.us/retire/publications/index/php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

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

		<u>ERS</u>		<u>TRS</u>
2023-2024	\$	163,921	\$	308,397
2022-2023	\$	122,539	\$	308,286
2021-2022	\$	165,465	\$	297,370

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

**Town of Webb Union Free School District**  
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**Pension Liabilities, Pension Expense (Credit), and Deferred Outflows of Resources and Deferred 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, 2024 for ERS and June 30, 2023 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	April 1, 2023	June 30, 2022
Net pension asset/(liability)	\$ (674,305)	\$ (191,878)
District's portion of the Plan's total net pension asset/(liability)	0.0045796%	0.0167790%

For the year ended June 30, 2024, the District recognized its proportionate share of pension expense of \$290,580 for ERS and the actuarial value \$318,873 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:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Difference between expected and actual experience	\$ 217,193	\$ 465,253	\$ 18,387	\$ 1,150
Changes of assumptions	254,940	413,107	-	90,034
Net difference between projected and actual earnings on pension plan investments	-	98,084	329,305	-
Changes in proportion and difference between the District's contributions and proportionate share of contributions	41,604	52,644	43,783	47,460
District's contributions subsequent to the measurement date	48,793	687,894	-	-
Total	<u>\$ 562,530</u>	<u>\$ 1,716,982</u>	<u>\$ 391,475</u>	<u>\$ 138,644</u>



**Town of Webb Union Free School District**  
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**For the Year Ended June 30, 2024**

District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>NYSERS</u>	<u>NYSTRS</u>
Year ended:		
2025	(126,788)	85,908
2026	128,272	(91,650)
2027	193,107	768,206
2028	(72,417)	57,060
2029	-	45,151
Thereafter	-	25,769

**Actuarial Assumptions**

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Interest rate	5.90%	6.95%
Salary scale	4.40%	1.95% - 5.18%
Decrement tables	April 1, 2015 - March 31, 2020	July 1, 2015 - June 30, 2020
Inflation rate	2.90%	2.40%
Projected cost of living adjustments	1.50%	1.30%

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

For ERS, the actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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

<u>ERS</u>	<u>Target Allocation</u>	<u>Long-term expected Real rate of return*</u>
Asset class:		
Domestic equities	32%	4.00%
International equities	15%	6.65%
Private equity	10%	7.25%
Real estate equities	9%	4.60%
Opportunistic/Absolute return (1)	3%	5.25%
Real assets	3%	5.79%
Fixed income	23%	1.50%
Cash	1%	0.25%
Credit	<u>4%</u>	5.40%
Total	<u>100%</u>	

\*Real rates of return are net of the long-term inflation assumption of 2.9%.

(1)Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equities and international equities, respectively.

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<u>TRS</u>	<u>Target allocation</u>	<u>Long-term expected Real rate of return *</u>
Asset class:		
Domestic equities	33%	6.80%
International equities	15%	7.60%
Private equities	9%	10.10%
Domestic fixed income securities	16%	2.20%
Real estate equities	11%	6.30%
Global bonds	2%	1.60%
Private debt	2%	6.00%
Real estate debt	6%	3.20%
Global equities	4%	7.20%
Cash equivalents	1%	0.30%
High-yield bonds	<u>1%</u>	4.40%
Total	<u>100%</u>	

\*Real rates of return are net of the long-term inflation assumption of 2.9%.

*Discount Rate*

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

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

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2024 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:

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ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset/(liability)	\$ (2,120,085)	\$ (674,305)	\$ 533,220
TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset/(liability)	\$ (2,922,398)	\$ (191,878)	\$ 2,104,607

*Changes of Assumptions*

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 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 \$48,792.

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 \$338,497.

**U) Equity classifications:**

**District-wide statements:**

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

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

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

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

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

**Non-spendable** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes inventory recorded in the School Food Service Fund of \$13,716.

**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. The District has established the following restricted fund balances:

**Unemployment Insurance Payment Reserve Fund**

According to General Municipal Law §6-m, all expenditures made from the unemployment insurance payment reserve fund 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 District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.



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**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 payments 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.

**Capital Reserve Fund**

According to Education Law §3651, expenditures made from the capital reserve fund 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.

**Repair Reserve Fund**

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

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**Workers' Compensation Reserve Fund**

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

**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	\$ 34,077
Retirement contributions	276,476
Capital	1,042,203
Repairs	369,798
Workers' compensation	<u>20,020</u>
Total General Fund	1,742,574
Miscellaneous Special Revenue	<u>56,810</u>
	<u>\$ 1,799,384</u>

**Committed** – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2024.

**Assigned** – Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the

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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. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$690,799. Appropriated fund balance in the General Fund amounted to \$1,433,685. Any remaining fund balance in other funds is considered assigned. As of June 30, 2024, the District's General Fund encumbrances were classified as follows:

General support	\$	606,236
Instruction		65,027
Pupil Transportation		19,536
Total	\$	<u>690,799</u>

**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. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

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

**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.

**Fund Balance Flow Assumption:** Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance the governmental fund financial



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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:** In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (e.g., expenditures related to reserves) the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or board approved budget revision and then from the unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be applied first to the assigned fund balance to the extent that there is an assignment and then to the unassigned fund balance.

**V) Implementation of 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 standard 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 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 –

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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 addresses 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.

**2 – Explanation of certain differences between fund statements and District-wide statements:**

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

**A) Total fund 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 long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

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

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

i) Long-term revenue and expense differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports 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 fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii) 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.

iv) 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.

**3 – Changes in Accounting Principles:**

For the fiscal year ended June 30, 2024, the District implemented GASB Statement No. 99, *Omnibus 2022* and GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of these statements had no financial statement impact.

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**4 - Stewardship, compliance and accountability:**

**Budgets**

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

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

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) 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 amount of encumbrances carried forward from the prior year.

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2024.

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

**Encumbrances**

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations.

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Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year. Actions the District plans to pursue to address this issue include appropriation of fund balance to subsequent years' budgets. The District will look for one-time expenditures to repair and improve aging facilities. It will look to appropriately replenish reserves and increase funds available within the Capital Reserve while further developing the capital project plan.

**5 – 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:

Uncollateralized	\$ <u>          -</u>
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	<u>\$ 4,691,340</u>

Restricted cash represents cash 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 \$1,742,574 restricted for various fund balance reserves in the general fund, \$56,810 restricted for extraclassroom activities in the miscellaneous special revenue fund and \$4,475 restricted for scholarships in the fiduciary funds.

**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.



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**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 authorizes 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. The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

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**6 – Receivables:**

Receivables at year-end for individual major funds are as follows:

<u>Description</u>	<u>Governmental Activities</u>			<u>Total</u>
	<u>General</u>	<u>Special Aid</u>	<u>Food Service</u>	
Accounts receivable	\$ 111,025	\$ -	\$ 20	\$ 111,045
Taxes receivable	65,727	-	-	65,727
State and federal aid	75,997	204,236	10,836	291,069
	<u>\$ 252,749</u>	<u>\$ 204,236</u>	<u>\$ 10,856</u>	<u>\$ 467,841</u>

District management has deemed the amounts to be fully collectible.

**7 – Capital assets and intangible lease assets:**

**A. Capital Assets**

Capital asset balances for the year ended June 30 are as follows:

	<u>7/1/2023</u>		<u>Retirements/</u>	<u>6/30/2024</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reclassifications</u>	<u>Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 190,800	\$ -	\$ -	\$ 190,800
Construction in progress	500,711	312,400	500,711	312,400
Total nondepreciable assets	691,511	312,400	500,711	503,200
Capital assets being depreciated				
Buildings	12,373,547	724,470	-	13,098,017
Vehicles and equipment	1,323,046	175,465	145,601	1,352,910
Total depreciated assets	13,696,593	899,935	145,601	14,450,927
Less accumulated depreciation for:				
Buildings	5,017,758	300,971		5,318,729
Vehicles and equipment	747,839	160,978	113,729	795,088
Total accumulated depreciation	5,765,597	461,949	113,729	6,113,817
Total depreciated assets, net	7,930,996	437,986	31,872	8,337,110
Capital assets, net	<u>\$ 8,622,507</u>	<u>\$ 750,386</u>	<u>\$ 532,583</u>	<u>\$ 8,840,310</u>



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**B. Intangible Lease Assets**

In accordance with the provisions of GASB Statement No. 87, *Leases*, the District has recognized a lease liability obligation and an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's use for a period of one year or greater. The District has entered into such lease agreements for various items and other equipment. Full payment for all leases was made at the inception of the leases. The following schedule summarizes the District's lease asset activity for the fiscal year ended June 30, 2024:

<u>Fiscal Year</u> <u>Obtained</u>	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Leases</u> <u>Ended</u>	<u>Ending</u> <u>Balance</u>
6/30/2023	\$ 58,892	\$ -	\$ -	\$ 58,892
6/30/2024	-	4,837	-	4,837
Total leases	58,892	4,837	-	63,729
Less amortization	7,362	15,328	-	22,690
	<u>\$ 51,530</u>	<u>\$ (10,491)</u>	<u>\$ -</u>	<u>\$ 41,039</u>

Amortization expense was charged to governmental functions as follows:

Instruction      \$15,328

**9 – Interfund transactions – governmental funds:**

		<u>Interfund</u>		
	<u>Receivable</u>	<u>Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 233,085	\$ -	\$ -	\$ 634,000
Special Aid	-	205,427	-	-
School Food Service	-	-	34,000	-
Capital Projects	-	27,658	600,000	-
Total Governmental Funds	<u>233,085</u>	<u>233,085</u>	<u>\$ 634,000</u>	<u>\$ 634,000</u>

The District typically transfers from the General Fund to the Capital Fund, to fund small capital projects.

The District also made a transfer of \$34,000 from the General Fund to the School Food Service Fund. This amount was used to eliminate a deficit in the School Food Service Fund.

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**10 – Long-Term Obligations:**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Compensated absences payable	\$ 151,653	\$ 10,128	\$ -	\$ 161,781
Other postemployment benefits obligation	23,886,746	-	877,744	23,009,002
Net pension liability - proportionate share	1,231,859	-	365,676	866,183
Total	<u>\$ 25,270,258</u>	<u>\$ 10,128</u>	<u>\$ 1,243,420</u>	<u>\$24,036,966</u>

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

**11 – Post-Employment Benefits Obligation Payable:**

*Plan Description*

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

*Funding Policy*

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 3 to 15 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2024 approximately \$712,991 was paid on behalf of 70 retirees.

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*Benefits Provided*

The District provides for continuation of medical and/or Medicare Part B benefits for certain retirees and their spouses. The benefit terms are dependent on which contract each employee falls under, retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the District offices and are available upon request.

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

Inactive plan members or beneficiaries	
currently receiving benefit payments	74
Active plan members	<u>61</u>
Total plan members	<u>135</u>

*Net OPEB Liability*

The District's total OPEB liability of \$23,009,002 was measured as of July 1, 2023 and was determined by an actuarial valuation as of July 1, 2023.

*Actuarial Assumptions and Other Inputs*

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

Inflation	2.70%
Salary increases	3.00%
Discount rate	3.65% (Bond buyer weekly 20-Bond GO Index)
Healthcare cost trend rates	
Medical	6.8% for 2025 decrease to an ultimate rate of 4.14% by 2094
Part B reimbursement	5.00%
Excise tax limits	2.50%

Mortality rates for members were based on the sex-distinct job category – specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees, and healthy retirees adjusted for the mortality improvements with Scale MP-2021 mortality improvement scale on a generational basis. This assumption was based on review of published mortality tables and the demographics of the plan.

**Town of Webb Union Free School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

Retirement participation rate assumed that 100% of eligible employees will elect medical coverage at retirement age, 80% of retired member's spouses will elect medical coverage and 10% of surviving spouses will elect medical coverage. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System for employees. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

The discount rate was based on the Bond Buyer Weekly 20 – Bond GO Index.

*Changes in the Total OPEB Liability*

Changes in the District's net OPEB liability were as follows:

	Total OPEB Liability
Balances at June 30, 2023	\$ 23,886,746
Changes for the year:	
Service cost	716,712
Interest	856,605
Difference between expected and actual experience	(1,370,286)
Changes of assumptions or other inputs	(269,589)
Benefit payments	(811,186)
Net changes	(877,744)
Balance at June 30, 2024	\$ 23,009,002

No changes have been made to the benefit terms.

*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%) or 1 percentage point higher (4.65%) than the current discount rate:

**Town of Webb Union Free School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

	1% Decrease <u>2.65%</u>	Discount Rate <u>3.65%</u>	1% Increase <u>4.65%</u>
Total OPEB Liability	<u>\$ 26,902,671</u>	<u>\$23,009,002</u>	<u>\$ 19,897,681</u>

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	<u>\$ 19,549,072</u>	<u>\$23,009,002</u>	<u>\$ 27,497,883</u>

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$2,509,205. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of <u>Resources</u>	Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 185,917	\$ 1,129,885
Changes of assumptions	1,077,039	1,726,147
Contributions subsequent to the measurement period	<u>843,756</u>	<u>-</u>
Total	<u>\$ 2,106,712</u>	<u>\$ 2,856,032</u>

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

**Town of Webb Union Free School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

For the year ended:

2025	249,612
2026	(519,791)
2027	(718,131)
2028	(403,376)
2029	(201,390)
Thereafter	-

**12 – 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. See footnote 1 for further details.

**13 – Unrestricted Net Position:**

Unrestricted net position in the general fund consists of the following at June 30, 2024:

Designated for subsequent year's expenditures	\$ 1,433,685
Reserve for encumbrances	690,799
Unreserved	<u>686,631</u>
Total unrestricted net position general fund	<u><u>\$ 2,811,115</u></u>

**14 – Risk management:**

General

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.

**15 – Commitments and contingencies:**

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



**Town of Webb Union Free School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2024**

on prior years' experience, the District's administration believes disallowances, if any, will be immaterial.

**16 - Subsequent Events:**

The District has evaluated events and transactions that occurred between June 30, 2024 and September 30, 2024, which is the date the financial statements were available to be issued.



**Town of Webb Union Free School District**  
**Required Supplementary Information**  
**Schedule of Funding Progress -**  
**Other Post Employment Benefits Plan**  
**Last 7 Fiscal Years**  
**For the Year Ended June 30, 2024**

Supplemental Schedule #1

Measurement date	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
<b>Total OPEB Liability</b>	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Service cost	\$ 716,712	\$ 1,016,617	\$ 797,380	\$ 575,491	\$ 428,827	\$ 548,434	\$ 775,634
Interest	856,605	559,527	533,304	665,424	598,480	595,457	601,287
Changes in benefit terms	-	-	-	-	-	-	2,018,429
Differences between expected and actual experience in the measurement of the total OPEB liability	(1,370,286)	-	446,548	-	2,248,816	-	(225,240)
Changes of assumptions or other inputs	(269,589)	(2,429,304)	738,898	4,306,883	715,506	(1,563,741)	(2,933,324)
Benefit payments	<u>(811,186)</u>	<u>(779,206)</u>	<u>(662,031)</u>	<u>(638,808)</u>	<u>(542,705)</u>	<u>(530,159)</u>	<u>(469,907)</u>
Net change in total OPEB liability	(877,744)	(1,632,366)	1,854,099	4,908,990	3,448,924	(950,009)	(4,299,979)
Total OPEB liability - beginning	<u>23,886,746</u>	<u>25,519,112</u>	<u>23,665,013</u>	<u>18,756,023</u>	<u>15,307,099</u>	<u>16,257,108</u>	<u>20,557,087</u>
Total OPEB liability - ending	<u>\$ 23,009,002</u>	<u>\$ 23,886,746</u>	<u>\$ 25,519,112</u>	<u>\$ 23,665,013</u>	<u>\$ 18,756,023</u>	<u>\$ 15,307,099</u>	<u>\$ 16,257,108</u>
Covered payroll	<u>\$ 4,347,346</u>	<u>\$ 4,247,034</u>	<u>\$ 3,937,226</u>	<u>\$ 3,671,309</u>	<u>\$ 3,464,793</u>	<u>\$ 3,472,998</u>	<u>\$ 3,690,169</u>
Total OPEB liability as a percentage of covered payroll	529.00%	562.00%	648.00%	644.59%	541.33%	440.75%	440.55%

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.

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

**Town of Webb Union Free School District**

Supplemental Schedule #2

**Required Supplementary Information**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -**

**Budget (Non-GAAP Basis) and Actual - General Fund**

**For the Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual (Budgetary Basis)		Final Budget Variance With Budgetary Actual
<b>Revenues</b>					
Local Sources					
Real property taxes	\$ 7,354,399	\$ 7,298,014	\$ 7,298,016		\$ 2
Other tax items	8,338	64,723	69,799		5,076
Charges for services	1,109,000	1,109,000	1,281,456		172,456
Use of money and property	7,425	7,425	90,776		83,351
Sale of property and compensation for loss	40,000	40,000	48,000		8,000
Miscellaneous	51,000	51,000	169,348		118,348
Total Local Sources	8,570,162	8,570,162	8,957,395		387,233
State Sources	1,122,683	1,122,683	1,108,340		(14,343)
Medicaid Reimbursement	10,000	10,000	24,324		14,324
Total Revenues	9,702,845	9,702,845	10,090,059		\$ 387,214
Appropriated Fund Balance					
Prior years' surplus	1,500,000	2,080,000			
Prior years' encumbrances	-	235,496			
Total Appropriated Fund Balance	1,500,000	2,315,496			
Total Revenues and Appropriated Fund Balance	\$ 11,202,845	\$ 12,018,341			
<b>Expenditures</b>					
General Support					
Board of education	\$ 26,550	\$ 26,550	\$ 21,471	\$ -	\$ 5,079
Central administration	225,000	279,608	272,814	1,482	5,312
Finance	290,000	215,239	196,261	14,082	4,896
Staff	63,200	80,708	66,495	-	14,213
Central services	1,317,500	1,755,107	979,810	590,672	184,625
Special items	170,000	162,100	152,462	-	9,638
Total General Support	2,092,250	2,519,312	1,689,313	606,236	223,763
Instruction					
Instruction, administration and improvement	262,500	287,035	259,093	-	27,942
Teaching - regular school	2,616,000	2,390,722	2,080,110	20,713	289,899
Programs for children with handicapping conditions	1,172,600	1,018,928	874,949	22,860	121,119
Occupational education	65,000	40,000	31,053	-	8,947
Instructional media	383,000	555,926	497,891	3,022	55,013
Pupil services	575,400	586,853	457,422	18,432	110,999
Total Instruction	5,074,500	4,879,464	4,200,518	65,027	613,919
Pupil Transportation	705,875	724,345	642,250	19,536	62,559
Community Services	22,300	22,300	6,830	-	15,470
Employee Benefits	3,162,920	3,227,920	2,756,885	-	471,035
Total Expenditures	11,057,845	11,373,341	9,295,796	690,799	1,386,746
<b>Other Financing Uses</b>					
Transfers to other funds	145,000	645,000	634,000	-	11,000
Total Expenditures and Other Financing Uses	\$ 11,202,845	\$ 12,018,341	9,929,796	\$ 690,799	\$ 1,397,746
Net change in fund balances			160,263		
Fund balance - beginning			4,393,426		
Fund balance - ending			\$ 4,553,689		

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

**Town of Webb Union Free School District**  
**Required Supplementary Information**  
**Schedules of District Contributions**  
**NYSTRS Pension Plan**  
**Last 10 Fiscal Years**  
**For the Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 308,397	\$ 320,151	\$ 283,295	\$ 271,516	\$ 245,098	\$ 291,802	\$ 316,611	\$ 344,470	\$ 348,460	\$ 450,055
Contributions in Relation to the Contractually Required Contribution	<u>308,397</u>	<u>320,151</u>	<u>283,295</u>	<u>271,516</u>	<u>245,098</u>	<u>291,802</u>	<u>316,611</u>	<u>344,470</u>	<u>348,460</u>	<u>450,055</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 3,181,968	\$ 3,118,699	\$ 2,890,768	\$ 2,899,370	\$ 2,776,793	\$ 2,810,752	\$ 2,701,459	\$ 2,751,119	\$ 2,626,700	\$ 2,566,181
Contributions as a Percentage of Covered-Employee Payroll	9.69%	10.27%	9.80%	9.36%	8.83%	10.38%	11.72%	12.52%	13.27%	17.54%

**Schedules of District Contributions**  
**NYSERS Pension Plan**  
**Last 10 Fiscal Years**  
**For the Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 163,921	\$ 132,712	\$ 150,044	\$ 149,807	\$ 144,825	\$ 144,744	\$ 133,853	\$ 148,183	\$ 180,438	\$ 176,011
Contributions in Relation to the Contractually Required Contribution	<u>163,921</u>	<u>132,712</u>	<u>150,044</u>	<u>149,807</u>	<u>144,825</u>	<u>144,744</u>	<u>133,853</u>	<u>148,183</u>	<u>180,438</u>	<u>176,011</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 1,320,466	\$ 1,298,295	\$ 875,256	\$ 1,116,639	\$ 1,041,633	\$ 1,004,083	\$ 972,200	\$ 968,014	\$ 923,518	\$ 887,007
Contributions as a Percentage of Covered-Employee Payroll	12.41%	10.22%	17.14%	13.42%	13.90%	14.42%	13.77%	15.31%	19.54%	19.84%

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

**Town of Webb Union Free School District**  
**Required Supplementary Information**  
**Schedules of District's Proportionate Share of the Net Pension Liability**  
**NYSTRS Pension Plan**  
**Last 10 Fiscal Years**  
**For the Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability (Asset)	0.016799%	0.016271%	0.016881%	0.016257%	0.015821%	0.017021%	0.017047%	0.016743%	0.017084%	0.017355%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 191,878	\$ 312,222	\$(2,925,399)	\$ 449,220	\$ (411,039)	\$ (307,780)	\$ (129,578)	\$ 179,328	\$ (1,774,436)	\$(1,933,284)
District's Covered-Employee Payroll	\$ 3,186,968	\$ 3,118,699	\$ 2,890,768	\$2,899,370	\$2,776,793	\$2,810,752	\$ 2,701,459	\$ 2,751,119	\$ 2,626,700	\$ 2,566,181
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	6.03%	-10.01%	101.20%	-15.49%	14.80%	10.95%	4.80%	-6.52%	67.55%	75.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	-100.66%	99.01%	110.46%	88.00%

**Schedules of District's Proportionate Share of the Net Pension Liability**  
**NYSERS Pension Plan**  
**Last 10 Fiscal Years**  
**For the Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability (Asset)	0.004580%	0.004289%	0.004124%	0.003757%	0.003793%	0.003899%	0.003714%	0.003611%	0.003445%	0.003401%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 290,580	\$ 919,637	\$ (337,136)	\$ 3,741	\$1,004,384	\$ 180,948	\$ 119,879	\$ 339,335	\$ 552,935	\$ 153,696
District's Covered-Employee Payroll	\$ 1,320,466	\$ 1,298,295	\$ 875,256	\$1,116,639	\$1,041,633	\$1,004,083	\$ 972,200	\$ 968,014	\$ 923,518	\$ 887,007
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	22.01%	-70.83%	38.52%	-0.34%	-96.42%	-18.02%	-12.33%	-35.05%	-59.87%	-17.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	100.00%

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

**Town of Webb Union Free School District**  
**Supplementary Information**  
**Schedule of Change from Adopted Budget to Final Budget**  
**And the Real Property Tax Limit - General Fund**  
**For the Year Ended June 30, 2024**

Supplemental Schedule #5

**Change from Adopted Budget to Final Budget**

Adopted Budget	\$ 11,202,845
Add: Prior years' encumbrances	235,496
Voter approved transfer to Capital Fund	<u>580,000</u>
Final budget	<u>\$ 12,018,341</u>

**Section 1318 of Real Property Tax Law Limit Calculation**

Maximum allowed (4% of 2024-2025 budget of \$11,440,441)	<u>\$ 457,618</u>
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General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:

Unrestricted fund balance:	
Assigned fund balance	2,124,484
Unassigned fund balance	<u>686,631</u>
Total unrestricted fund balance	<u>\$ 2,811,115</u>

Less:	
Appropriated fund balance	1,433,685
Encumbrances included in assigned fund balance	<u>690,799</u>
Total adjustments	<u>\$ 2,124,484</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 686,631</u>
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Actual percentage	<u>6.00%</u>
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See paragraph on supplementary schedules included in independent auditors' report.

**Town of Webb Union Free School District**  
**Supplementary Information**  
**Schedule of Project Expenditures -**  
**Capital Projects Fund**  
**For the Year Ended June 30, 2024**

Supplemental Schedule #6

Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2024
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Bathroom Project III	\$ 100,000	\$ 100,000	\$ 93,561	\$ -	93,561	\$ 6,439	\$ -	\$ -	\$ 100,000	\$ 100,000	6,439
Locker Room Project	210,000	210,000	150,860	21,151	172,011	37,989			210,000	210,000	37,989
Roof Project II	460,000	460,000	349,851	110,149	460,000	-	-	-	460,000	460,000	-
Cafeteria Project	100,000	100,000	-	92,458	92,458	7,542			100,000	100,000	7,542
HV Project	500,000	500,000	-	312,400	312,400	187,600			500,000	500,000	187,600
Bathroom Project	100,000	100,000	96,871	-	96,871	3,129	-	-	100,000	100,000	3,129
Bathroom Project II	100,000	100,000	96,233	-	96,233	3,767	-	-	100,000	100,000	3,767
Roof Project	250,000	250,000	208,673		208,673	41,327			250,000	250,000	41,327
PA/P home Project	100,000	100,000	98,308	-	98,308	1,692	-	-	100,000	100,000	1,692
	<u>\$ 1,920,000</u>	<u>\$ 1,920,000</u>	<u>\$ 1,094,357</u>	<u>\$ 536,158</u>	<u>\$ 1,630,515</u>	<u>\$ 289,485</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,920,000</u>	<u>\$ 1,920,000</u>	<u>\$ 289,485</u>



**STACKEL & NAVARRA, C.P.A., P.C.**  
*CERTIFIED PUBLIC ACCOUNTANTS*

COMMUNITY BANK BUILDING – 216 WASHINGTON STREET  
WATERTOWN, NEW YORK 13601-3336  
TELEPHONE 315/782-1220  
FAX 315/782-0118

Robert F. Stackel, C.P.A.  
Jacob Navarra, C.P.A.  
Mark B. Hills, C.P.A.

**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Education  
Town of Webb Union Free School District  
Old Forge, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the 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 Town of Webb Union Free School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Town of Webb Union Free School District's basic financial statements, and have issued our report thereon dated September 30, 2024.

**Report on Internal Control Over Financial Reporting**

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

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



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

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Town of Webb Union Free School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs.

#### **Town of Webb Union Free School District's Response to Findings**

Town of Webb Union Free School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. Town of Webb Union Free School District's response was not subjected to the auditing procedures applied in the audit of financial statements and, accordingly, we express no opinion on it.

#### **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.

*Stackel + Navarra, CPA, PC*

Stackel & Navarra, C.P.A., P. C.  
Watertown, New York  
September 30, 2024

**Town of Webb Union Free School District  
Schedule of Findings and Responses  
Year Ended June 30, 2024**

**2024-1:** Undesignated fund balance exceeds the four percent limitation.

**Finding:** At June 30, 2024, the School District appropriated \$1,433,685 of General Fund fund balance for the 2024-2025 fiscal year and encumbrances were \$690,799 leaving a balance of \$686,631 unassigned. The amount left unappropriated is in excess of four percent of the ensuing fiscal year budget by \$229,013.

**Management's Response:** The District will look for one-time expenditures to repair and improve aging facilities and will look to appropriately replenish reserves and increase funds available within the Capital Reserve while further developing a capital project plan.

**Town of Webb Union Free School District**  
**Schedule of Prior Audit Findings**  
**Year Ended June 30, 2024**

Finding: Undesignated fund balance exceeded the four percent limitation.

Status: Noted again in current year.