

RENEWAL ISSUE

BOND ANTICIPATION NOTES

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

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



\$5,655,000
SCIO CENTRAL SCHOOL DISTRICT
ALLEGANY COUNTY, NEW YORK
GENERAL OBLIGATIONS
\$5,655,000 Bond Anticipation Notes, 2025 (Renewals)
(the "Notes")

Dated: July 10, 2025

Due: June 25, 2026

The Notes will constitute general obligations of the Scio Central School District, Allegany County, New York (the "District"), will contain a pledge of its faith and credit for the punctual payment of the principal of and interest on the Notes and will be payable from ad valorem taxes, which may be levied all the taxable real property within the School District, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. The Notes are not subject to redemption prior to maturity.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser, 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 with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate.

Alternatively, if the Notes are issued as registered 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 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. 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 the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of Barclay Damon LLP, Bond Counsel, Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, in Albany, New York, or as may be agreed upon with the purchaser on or about July 10, 2025.

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

June __, 2024

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 BIDDERS, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE NOTES AS DESCRIBED IN THE RULE, SEE "APPENDIX - C, MATERIAL EVENT NOTICES" HEREIN" HEREIN.

SCIO CENTRAL SCHOOL DISTRICT ALLEGANY COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

LOREN KNAPP
President



MELANIE RYAN
Vice President

HENRY (PETE) FARWELL
DANIEL FULLER
ROBERT THOMPSON
ADAM WIECH
ERIN CLINE

* * * * *

JENNIFER O. CAPPELLETTI
Superintendent of Schools

JONATHAN CUCCHIARO
Business Administrator

JENNIFER NOLAN
District Treasurer

CATHERINE LAW
School District Clerk



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

**BARCLAY
DAMON**

BARCLAY DAMON LLP
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF



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

OFFICIAL STATEMENT
of the
SCIO CENTRAL SCHOOL DISTRICT
ALLEGANY COUNTY, NEW YORK

Relating To
\$5,655,000 Bond Anticipation Notes, 2025 (Renewals)

This Official Statement, which includes the cover page and appendices, has been prepared by the Scio Central School District, Allegany County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$5,655,000 principal amount of Bond Anticipation Notes, 2025 (Renewals) (the "Notes").

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

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

NATURE OF OBLIGATION

The Notes when duly issued and paid for will constitute a contract between the School District and the holder thereof.

Holders of any series of notes or bonds of the School 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 School District and will contain a pledge of the faith and credit of the School 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 School District has power and statutory authorization to levy ad valorem taxes on all real property within the School District subject to such taxation by the School District, without limitation as to rate or amount.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). 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 School 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 School 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 will be general obligations of the School District and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated July 10, 2025 and mature, without option of prior redemption, on June 25, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes will be issued in either (i) registered form registered in the name of the purchaser(s), with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate, and the School District will act as paying agent or, at the option of the noteholder, 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 a fiscal agent by the District with any paying agent fees paid by the purchaser; or (ii) at the option of the purchaser(s), as book-entry-only notes, and, if so issued, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among other things, the Education Law and the Local Finance Law, and a bond resolution adopted by the Board of Education on January 11, 2023 authorizing the issuance of \$5,750,000 general obligation serial bonds to finance the reconstruction of various District buildings and athletic facilities, site work, and the acquisition of original furnishings, equipment, machinery, and apparatus.

On July 12, 2023 the District issued \$1,350,000 bond anticipation notes (the "2023 Notes") to mature on July 12, 2024 as the initial borrowing against the aforementioned authorization. On July 11, 2024 the District issued \$5,675,000 bond anticipation notes (the "2024 Notes") to mature on July 11, 2025, the proceeds of which, along with \$75,000 available funds of the District, partially redeemed and renewed the 2023 Notes and provided \$4,400,000 in new monies for the aforementioned project. The proceeds of the Notes, along with \$20,000 available funds of the District, will partially redeem and renew the outstanding 2024 Notes.

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 and www.dtc.org.

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

The Notes will be issued in registered form with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount held by the noteholder. Principal of and interest on the Notes will be payable at the offices of the School District or at the option of the noteholder, 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 a fiscal agent by the District. Paying agent fees, if any, will be paid by the noteholder. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is located in the southwest portion of upstate New York in the County of Allegany. The City of Olean is approximately 35 miles west and the City of Buffalo is approximately 80 miles northwest. Major highways bisecting the District include New York State Routes 19 and 417. An exchange to the Southern Tier Expressway (I86) is located 8 miles north of the District.

The land area of the District is approximately 125 square miles, the District has an estimated population of 1,915 and is residential and agricultural in nature. Many of the residents are employed in and around the Olean metropolitan area as well as in the Village of Wellsville, which is located within five minutes of the District.

Source: District officials.

Population

The current estimated population of the District is 1,915. (Source: 2023 U.S. Census Bureau estimate)

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Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which include the District, are the Towns and the County listed below. The figures set below with respect to such Towns and County 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 County are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Town of:						
Alma	\$ 18,727	\$ 32,019	\$ 35,559	\$ 28,884	\$ 60,000	\$ 65,893
Anity	20,820	25,172	27,755	30,783	57,917	80,000
Andover	19,274	30,472	31,477	33,942	69,375	77,321
Bolivar	19,329	23,641	29,068	31,835	56,635	60,417
Friendship	17,218	24,801	27,771	29,319	59,531	79,135
Scio	20,782	23,866	28,493	31,341	63,676	86,711
Ward	22,207	29,706	34,996	37,982	63,438	83,750
Wellsville	21,322	38,220	37,920	39,079	72,791	83,828
Wirt	19,454	21,113	23,235	23,304	49,444	57,583
County of:						
Allegany	20,058	26,030	28,506	30,016	65,372	80,013
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Note: 2019-2023 American Community Survey estimates are not available as of the date of this Official Statement.

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

Five Largest Employers

The larger employers located within the area in and around the District include:

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Jones Memorial Hospital	Hospital	700
Allegany County	Government	570
Alstom	Manufacturing	500
Wellsville Central School	Government	280
Saputo – Friendship Diaries	Manufacturing	270

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Unemployment Rate Statistics

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

	<u>Annual Averages</u>						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Allegany County	5.6%	5.3%	7.7%	5.0%	4.0%	4.2%	4.3%
New York State	4.1%	3.8%	9.9%	7.0%	4.3%	4.1%	4.3%

	<u>2025 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Allegany County	5.3%	5.3%	4.7%	3.5%	N/A	N/A
New York State	4.6%	4.3%	4.1%	3.6%	N/A	N/A

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

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

Form of School Government

The Board of Education, which is the policy-making body of the District, consists of seven members with overlapping 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 District and no Board member may hold certain other District offices or positions, while serving on the Board of Education. The President and the Vice President are selected by the Board members.

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 School 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 third Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

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

Recent Budget Vote Results

The budget for the 2024-25 fiscal year was adopted by the qualified voters on May 21, 2024 by a vote of 71 to 30. The District's adopted budget for the 2024-25 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 1.27%, which was equal to the District's tax levy limit.

The budget for the 2025-26 fiscal year was adopted by the qualified voters on May 20, 2025 by a vote of 69 to 46. The District's adopted budget for the 2025-26 fiscal year remains within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget calls for a total tax levy increase of 1.75%, which is below the District's tax levy limit of 3.28%.

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposit 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 of 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, school district or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments for the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits in excess of the amount insured under the Federal Deposit Insurance Act be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations of agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third-party custodian.

State Aid

The District receives financial assistance from the State. In its proposed budget for the 2025-2026 fiscal year, approximately 77.91% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner in any year municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

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

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

Federal Aid Received by the State

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

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 97.0% 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 provided \$35.9 billion in State funding to school districts for the 2024-25 school year. This represented an increase of \$1.3 billion compared to the 2023-24 school year and included a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Budget maintained the "save harmless" provision, which ensured a school district received at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

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

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

State Aid Litigation

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

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

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

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

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

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

State Aid Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total State Aid</u> ⁽¹⁾	<u>Percentage of Total Revenues Consisting of State Aid</u>
2019-2020	\$ 10,433,293	\$ 7,812,965	74.88%
2020-2021	10,111,127	7,402,182	73.21
2021-2022	10,334,573	7,755,295	75.04
2022-2023	10,670,457	8,002,311	75.00
2023-2024	10,808,428	8,397,495	77.69
2024-2025 (Budgeted)	11,755,945	8,252,556	70.19
2025-2026 (Budgeted)	12,579,026	8,929,269	70.98

⁽¹⁾ General Fund only.

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

District Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built</u>
Scio Central School	K-12	588	1938, '51, '79, '87, '95, '99

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2020-2021	347	2025-2026	270
2021-2022	292	2026-2027	275
2022-2023	291	2027-2028	283
2023-2024	298	2028-2029	280
2024-2025	278	2029-2030	280

Source: District officials.

Employees

The District employs a total of 90 full-time and 4 part-time employees with representation by the various bargaining units listed below:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
49	Scio Central School Teachers' Association	June 30, 2025 ⁽¹⁾
38	Scio Central School C.S.E.A.	June 30, 2026

⁽¹⁾ Currently under negotiations

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contributions for the fiscal years 2019-2020 through and including 2023-2024 and budgeted 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	\$ 130,627	\$ 302,322
2020-2021	137,533	266,941
2021-2022	160,327	266,228
2022-2023	118,149	293,043
2023-2024	149,873	317,079
2024-2025 (Budgeted)	227,514	285,694
2025-2026 (Budgeted)	232,052	295,413

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 offered an early retirement incentive during the 2017-2018 fiscal year in which 2 employees participated for an estimated five-year savings of \$303,500. The District offered an early retirement incentive during the 2018-2019 fiscal year in which 2 employees participated for an estimated four-year savings of \$181,000. The District offered an early retirement incentive during the 2019-2020 fiscal year in which 4 employees participated for an estimated three-year savings of \$1,300,000. The District offered an early retirement incentive during the 2022-2023 fiscal year in which 5 employees participated for an estimated three-year savings of \$336,280. The District did not offer early retirement incentives in the 2024-2025 fiscal year and is not planning on offering early retirement incentives for the 2025-2026 fiscal year.

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 (2020-21 to 2025-26) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	14.6%	9.53%
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 ⁽¹⁾

⁽¹⁾ Estimated, final contribution rate expected to be adopted July 31, 2025 at the TRS Reserve board meeting.

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, included a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are authorized to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established such a fund.

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

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The District contracted with Nyhart Actuary and Employee Benefits, an actuarial firm, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2023 and 2024.

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

	Balance beginning at July 1:	2022	2023
<u>Changes for the year:</u>		<u>\$ 709,079</u>	<u>\$ 583,072</u>
Service cost		38,886	34,441
Interest		15,703	25,036
Differences between expected and actual experience		(102,403)	15,012
Changes in assumptions or other inputs		(15,962)	31,808
Changes of benefit terms		-	-
Benefit payments		<u>(62,231)</u>	<u>(10,898)</u>
Net Changes		<u>\$ (126,007)</u>	<u>\$ 95,399</u>
	Balance ending at June 30:	2023	2024
		<u>\$ 583,072</u>	<u>\$ 678,471</u>

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

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

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

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

Other Information

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

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024 and is attached hereto as “APPENDIX – D”. Certain financial information of the District can be found attached in the appendices to the Official Statement.

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

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

Based on preliminary estimates, the District projects it will end the fiscal year ending June 30, 2025 with a cumulative unappropriated unreserved fund balance of \$1,406,222.

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

Revenues:	\$ 10,976,995
Expenditures:	11,172,992
Excess (Deficit) Revenues Over Expenditures:	(195,997)
Beginning Fund Balance June 30, 2024:	<u>\$ 4,064,891⁽¹⁾</u>
Total Fund Balance (including reserves) June 30, 2025:	<u>\$ 3,868,894⁽²⁾</u>

⁽¹⁾ Includes \$ 192,763 of employee benefit reserve.

⁽²⁾ Includes \$ 196,770 of employee benefit reserve.

Note: These 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 Office of the State Comptroller's Office released an audit of the District on July 3, 2024. The purpose of the audit was to determine whether District officials maintained complete and accurate capital asset records.

Key Findings:

District officials did not maintain complete and accurate capital asset records. As a result, of the 100 capital assets with a total recorded replacement cost of approximately \$113,000 reviewed, 51 assets with a total replacement cost of approximately \$38,000 could not be located. The missing assets included laptops, digital cameras, computer monitors and televisions.

- For all 100 capital assets, certain key information such as the initial cost, current value, salvage value or the individual assigned custody of the asset was not recorded
- 38 capital assets with a total recorded replacement cost of approximately \$47,000 did not have their location listed.
- Although required annually, the last physical inventory was conducted in 2017.

The audit concluded that the Superintendent of Schools and former Business Administrator (Administrator), while familiar with the District's asset policy and procedures, did not comply with them. Had the Board of Education (Board) ensured that the Superintendent and former Administrator complied with the District's policy, complete and accurate assets records may have been maintained.

Key Recommendations:

- Maintain capital asset records that comply with District asset policy and procedures.
- Conduct an annual physical inventory of capital assets.

The District provided a complete response to the State Comptroller's office on June 24, 2024 and performed a complete capital asset inventory in October 2024 and implemented new procedures to perform an inventory annually. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

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 three fiscal years of the District are as follows:

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

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

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

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Alma	\$ 7,231,252	\$ 7,256,977	\$ 7,366,857	\$ 7,579,567	\$ 10,970,735
Amity	5,004,474	5,092,614	8,590,608	8,359,769	8,415,035
Andover	245,142	246,175	247,004	248,736	484,969
Bolivar	3,331,277	3,307,106	3,267,432	3,340,317	3,387,313
Friendship	24,047	24,047	24,048	36,076	36,092
Scio	61,771,820	70,503,611	70,529,307	71,823,762	71,764,428
Ward	12,169,761	12,264,649	12,806,581	12,924,675	12,966,060
Wellsville	95,164	95,156	95,156	99,788	99,432
Wirt	3,454,250	3,442,887	3,424,493	3,526,161	3,610,985
Total Assessed Values	<u>\$ 93,327,187</u>	<u>\$ 102,233,222</u>	<u>\$ 106,351,486</u>	<u>\$ 107,938,851</u>	<u>\$ 111,735,049</u>

State Equalization Rates

Towns of:					
Alma	88.00%	76.00%	75.00%	71.00%	100.00%
Amity	77.00%	80.00%	100.00%	93.00%	82.70%
Andover	95.00%	93.00%	83.00%	76.00%	100.00%
Bolivar	97.00%	96.00%	83.00%	71.00%	68.00%
Friendship	82.00%	80.00%	72.00%	100.00%	99.70%
Scio	89.00%	100.00%	94.00%	83.50%	74.84%
Ward	100.00%	97.00%	91.00%	85.50%	76.94%
Wellsville	80.00%	76.00%	73.00%	72.00%	67.88%
Wirt	93.00%	90.00%	88.00%	77.00%	70.00%
Total Taxable Full Valuation	<u>\$ 103,847,827</u>	<u>\$ 106,752,301</u>	<u>\$ 115,806,908</u>	<u>\$ 130,583,562</u>	<u>\$ 144,696,295</u>

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Alma	\$ 25.48	\$ 26.90	\$ 29.21	\$ 24.32	\$ 15.78
Amity	27.14	25.56	19.68	18.57	19.08
Andover	21.99	21.98	25.05	22.72	15.78
Bolivar	21.54	21.30	24.81	24.32	23.20
Friendship	25.48	25.55	28.99	17.27	15.82
Scio	23.48	20.44	19.46	20.68	21.08
Ward	20.89	21.08	23.04	20.20	20.51
Wellsville	26.12	26.90	29.39	23.98	23.24
Wirt	22.47	22.72	24.06	22.43	22.54

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 2nd to October 31st. On November 1st, all unpaid taxes are turned over to the County for re-levy on the following year's town and county tax bills. The District is reimbursed by the County for all unpaid taxes in April of each year and is thus assured of 100% collection of its annual tax levy.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy	\$ 2,182,454	\$ 2,182,454	\$ 2,225,012	\$ 2,254,930	\$ 2,282,929
Amount Uncollected ⁽¹⁾	226,893	200,849	237,707	197,949	236,189
% Uncollected	10.40%	9.20%	10.68%	8.78%	10.35%

⁽¹⁾ See "Tax Collection Procedure" herein.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the previous five completed fiscal years and budgeted figures for the 2024-25 and 2025-26 fiscal years comprised of Real Property Taxes.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes & Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2019-2020	\$ 10,433,293	\$ 2,145,726	20.57%
2020-2021	10,111,127	2,189,006	21.65
2021-2022	10,334,573	2,188,153	21.17
2022-2023	10,670,457	2,229,752	20.90
2023-2024	10,808,428	2,256,394	20.88
2024-2025 (Budgeted)	11,755,945	3,336,989	28.38
2024-2025 (Budgeted)	12,579,026	3,441,357	27.36

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

Larger Taxpayers 2024 Tax Roll for 2024-25

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
National Grid (Niagara Mohawk)	Utility	\$ 4,390,803
Eastern Gas Transmission	Utility	3,367,714
State of New York	Government	2,345,600
Armstrong Telecommunications	Business	2,111,329
National Fuel	Utility	1,492,040
Middaugh, Constance	Private Property/Business	914,500
Ackerman Land and Mineral	Private Property/Business	782,300
Rochester Gas & Electric	Utility	675,035
Nickerson, Daniel	Private Property/Business	624,200
JOPO Farms, LLC	Business	618,400

The ten larger taxpayers listed have a total full valuation of \$17,4321,921, which represents 11.97% of the tax base of the District.

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

Source: District tax rolls.

STAR – School Tax Exemption

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

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

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

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

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

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Alma	\$ 86,100	\$ 30,000	4/10/2025
Amity	71,200	24,830	4/10/2025
Andover	86,100	30,360	4/10/2025
Bolivar	58,550	20,400	4/10/2025
Friendship	85,840	29,910	4/10/2025
Scio	64,440	22,450	4/10/2025
Ward	86,100	30,000	4/10/2025
Wellsville	86,100	30,000	4/10/2025
Wirt	60,270	21,000	4/10/2025

\$356,387 of the District's \$2,282,929 school tax levy for the 2024-25 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2025.

Approximately \$350,000 of the District's \$2,322,880 school tax levy for the 2025-26 fiscal year is expected to be exempt by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State by January 2026.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Agricultural-10%, Residential-70% and Commercial-20%.

The estimated total annual property tax bill of a \$55,000 market value residential property located in the District is approximately \$2,500 including County, Town or Village, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

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

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STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. The School District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its Notes.

Statutory Procedure

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

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

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

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

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

- (1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations

and an action contesting such validity, is commenced within twenty days after the date of such publication or,

- (3) Such obligations are authorized in violation of the provisions of the Constitution.

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

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

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30th:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 2,964,219	\$ 6,678,290	\$ 5,745,688	\$ 5,461,022	\$ 5,085,040
Bond Anticipation Notes	<u>5,559,271</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,350,000</u>
Total Debt Outstanding	<u>\$ 8,523,490</u>	<u>\$ 6,678,290</u>	<u>\$ 5,745,688</u>	<u>\$ 5,461,022</u>	<u>\$ 6,435,040</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 18, 2025.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2025-2035	\$ 4,896,171
<u>Bond Anticipation Notes</u>		
Capital Project	July 11, 2025	<u>5,675,000</u> ⁽¹⁾
	Total Indebtedness	\$ 10,571,171

⁽¹⁾ To be partially redeemed and renewed at maturity with the proceeds of the Notes and \$20,000 available funds of the District.

Debt Statement Summary

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

Full Valuation of Taxable Real Property	\$ 144,696,295
Debt Limit – 10% thereof	14,469,629
<u>Inclusions:</u>	
Bonds.....	\$ 4,896,171
Bond Anticipation Notes (BANs):.....	<u>5,675,000</u>
Total Inclusions prior to issuance of the Notes	<u>10,571,171</u>
Less: BANs being redeemed from appropriations	(20,000)
Add: New money proceeds of the Notes	<u>0</u>
Total Net Inclusions after issuance of the Notes	<u>\$ 10,551,171</u>
<u>Exclusions:</u>	
State Building Aid ⁽¹⁾	\$ <u>0</u>
Total Exclusions	<u>\$ 0</u>
Total Net Indebtedness <u>after issuance of the Notes</u>	<u>\$ 10,551,171</u>
Net Debt-Contracting Margin	<u>\$ 3,918,458</u>
The percent of debt contracting power exhausted is	72.92%

⁽¹⁾ Based on 2025-2026 preliminary building aid estimates, the District anticipates State Building aid of 97.0% 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.

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

Bonded Debt Service

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

Capital Project Plans

The District issues obligations annually for the purchase of school buses. On May 20, 2025 the qualified voters of the District approved a proposition authorizing the purchase and financing of one school bus at a cost not to exceed \$175,600. The District plans to issue serial bonds in the 2025-26 fiscal year to finance such purchase.

On October 18, 2022 the qualified voters of the District voters a \$5,750,000 capital project consisting of alterations, renovations and improvements to the District's school buildings and associated facilities. On July 12, 2023 the District issued \$1,350,000 bond anticipation notes (the “2023 Notes”) to represent the first borrowing against this authorization. On July 11, 2024, the District issued \$5,675,000 bond anticipation notes (the “2024 Notes”) , the proceeds of which, along with \$75,000 available funds of the District, partially redeemed and renewed the 2023 Notes and provided \$4,400,000 in new monies to fully exhaust the borrowing authorization for the aforementioned project. The proceeds of the Notes, along with \$20,000 in available funds of the District, will partially redeem and renew the outstanding 2024 Notes that mature on July 11, 2025.

The District is also planning a \$100,000 capital outlay project consisting of alterations, renovations and improvements to school buildings. It is anticipated that the project will be funded from the 2021 capital reserve fund.

Cash Flow Borrowings

The District has borrowed for cash flow purposes through the issuance of revenue anticipation notes in the past, but does not reasonably expect to issue revenue anticipation notes or tax anticipation notes in the current fiscal year or in the foreseeable future.

Estimated Overlapping Indebtedness

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

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Allegany	6/28/2024	\$ 14,950,000 ⁽³⁾	\$ 1,185,000	\$ 13,765,000	4.58%	\$ 630,437
Town of:						
Alma	12/31/2023	-	-	-	15.84%	-
Amity	12/31/2023	-	-	-	6.89%	-
Andover	12/31/2023	-	-	-	0.33%	-
Bolivar	12/31/2023	206,143	-	206,143	4.33%	8,926
Friendship	12/31/2023	809,782 ⁽⁴⁾	- ⁽⁵⁾	809,782	0.04%	324
Scio	12/31/2023	830,264 ⁽⁴⁾	- ⁽⁵⁾	830,264	90.60%	752,219
Ward	12/31/2023	-	-	-	38.37%	-
Wellsville	12/31/2023	460,000 ⁽⁴⁾	- ⁽⁵⁾	460,000	0.04%	184
Wirt	12/31/2023	-	-	-	6.43%	-
Total:						<u>\$ 1,392,090</u>

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

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

(3) Gross Indebtedness, Exclusions, and Net Indebtedness sourced from annual financial information & operating data filings and/or official statements of the respective municipality.

(4) Gross Indebtedness sourced from local government data provided by the State Comptroller's office dated as of February 13, 2024.

(5) Information regarding excludable debt not available.

Debt Ratios

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

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 10,551,171	\$ 5,509.75	7.30%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	11,943,261	6,236.69	8.27

(a) The current estimated population of the District is 1,915. (See "THE SCHOOL DISTRICT – Population" herein.)

(b) The District's full value of taxable real estate for the 2024-2025 fiscal year is \$144,469,629. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

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

(d) Estimated net overlapping indebtedness is \$1,392,090. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept for School Districts. In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes 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 Notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the Notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

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

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The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the State's ability to borrow funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the impact to the State's economy and financial condition due to the novel coronavirus ("COVID-19") outbreak and other circumstances, including State fiscal stress. In several recent years, the District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid. (See also "THE SCHOOL DISTRICT - State Aid").

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

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

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

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

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

TAX MATTERS

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

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

General

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

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

Certain Collateral Federal Income Tax Consequences

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

Backup Withholding and Information Reporting

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

Legislation

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

The Notes will be designated or deemed designated by the District as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Barclay Damon LLP, Bond Counsel, Albany, New York to the effect that the Notes are valid and legally binding obligations of the District, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Notes and the interest thereon without limitation as to rate or amount, that under existing law and assuming compliance with certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code and interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, interest on the Notes that is included in the “adjusted financial statement income” of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code and that interest on the Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Such opinion also will state that: (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity; (b) Bond Counsel expresses no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes; and (c) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may occur thereafter.

LITIGATION

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

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

CONTINUING DISCLOSURE

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

Historical Compliance

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATING

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

The District does not currently have any obligations with an underlying rating from any rating agency.

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.

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

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

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

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

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

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

The District's contact information is as follows: Mr. Jonathan Cucchiaro, Business Administrator, Administration Offices, 3968 Washington Street, Scio, New York 14880 telephone (585) 596-6313, fax (585) 593-3468, email jcucchiaro@sciocsd.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

SCIO CENTRAL SCHOOL DISTRICT

Dated: June _____, 2025

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

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 2,252,114	\$ 2,618,023	\$ 3,180,410	\$ 3,129,853	\$ 3,264,286
Accounts Receivable	-	-	-	-	-
State and Federal Aid Receivable	307,670	376,098	87,496	142,182	96,877
Due From Other Funds	1,186,998	1,923,955	973,914	1,706,180	1,588,808
Due From Other Governments	-	-	-	-	-
Other Receivables	15,057	15,236	16,909	47,525	2,166
Inventories	-	-	-	-	-
TOTAL ASSETS	<u>\$ 3,761,839</u>	<u>\$ 4,933,312</u>	<u>\$ 4,258,729</u>	<u>\$ 5,025,740</u>	<u>\$ 4,952,137</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 32,451	\$ 21,729	\$ 27,457	\$ 39,946	\$ 277,435
Accrued Liabilities	129,638	93,255	48,872	3,563	20,648
Due to Other Funds	757,711	1,434,484	317,987	494,724	175,252
Due to Other Governments	13,473	13,473	-	-	-
Due To Teachers' Retirement System	301,120	306,899	345,538	385,853	362,912
Due To Employees' Retirement System	41,905	49,747	36,364	52,345	50,999
TOTAL LIABILITIES	<u>\$ 1,276,298</u>	<u>\$ 1,919,587</u>	<u>\$ 776,218</u>	<u>\$ 976,431</u>	<u>\$ 887,246</u>
<u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	608,794	958,794	1,308,794	1,458,932	1,458,932
Assigned	674,697	652,768	789,737	752,908	1,119,739
Unassigned	1,202,050	1,402,163	1,383,980	1,837,469	1,486,220
TOTAL FUND EQUITY	<u>\$ 2,485,541</u>	<u>\$ 3,013,725</u>	<u>\$ 3,482,511</u>	<u>\$ 4,049,309</u>	<u>\$ 4,064,891</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 3,761,839</u>	<u>\$ 4,933,312</u>	<u>\$ 4,258,729</u>	<u>\$ 5,025,740</u>	<u>\$ 4,952,137</u>

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 1,618,088	\$ 1,673,654	\$ 1,732,011	\$ 1,754,760	\$ 1,833,922
Other Tax Items	486,105	472,072	456,995	433,393	395,830
Charges for Services	56,927	43,818	64,726	80,199	93,119
Use of Money & Property	92,955	95,940	79,660	79,761	81,997
Sale of Property and				-	
Compensation for Loss	405	68	20,593	25,889	5,351
Miscellaneous	239,905	231,499	224,103	166,495	217,126
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	7,237,973	7,812,965	7,402,182	7,755,295	8,002,311
Revenues from Federal Sources	44,656	43,277	130,857	38,781	40,801
Total Revenues	<u>\$ 9,777,014</u>	<u>\$ 10,373,293</u>	<u>\$ 10,111,127</u>	<u>\$ 10,334,573</u>	<u>\$ 10,670,457</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>60,000</u>	<u>255,433</u>		
Total Revenues and Other Sources	<u>\$ 9,777,014</u>	<u>\$ 10,433,293</u>	<u>\$ 10,366,560</u>	<u>\$ 10,334,573</u>	<u>\$ 10,670,457</u>
<u>EXPENDITURES</u>					
General Support	\$ 1,561,111	\$ 1,506,601	\$ 1,602,214	\$ 1,732,767	\$ 1,893,107
Instruction	4,830,645	4,813,436	4,745,469	4,928,906	4,819,646
Pupil Transportation	489,721	457,909	480,391	521,781	595,424
Community Services	1,000	-	-	-	-
Employee Benefits	1,707,170	1,701,773	1,660,492	1,614,815	1,807,084
Debt Service	982,348	1,291,932	1,346,432	1,067,518	901,837
Total Expenditures	<u>\$ 9,571,995</u>	<u>\$ 9,771,651</u>	<u>\$ 9,834,998</u>	<u>\$ 9,865,787</u>	<u>\$ 10,017,098</u>
Other Uses:					
Interfund Transfers	<u>25,000</u>	<u>-</u>	<u>3,378</u>		<u>86,561</u>
Total Expenditures and Other Uses	<u>\$ 9,596,995</u>	<u>\$ 9,771,651</u>	<u>\$ 9,838,376</u>	<u>\$ 9,865,787</u>	<u>\$ 10,103,659</u>
Excess (Deficit) Revenues Over Expenditures	<u>180,019</u>	<u>661,642</u>	<u>528,184</u>	<u>468,786</u>	<u>566,798</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	\$ 1,643,880	1,823,899	2,485,541	3,013,725	3,482,511
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 1,823,899</u>	<u>\$ 2,485,541</u>	<u>\$ 3,013,725</u>	<u>\$ 3,482,511</u>	<u>\$ 4,049,309</u>

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

GENERAL FUND

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

Fiscal Years Ending June 30:

	2024			2025	2026
	Adopted Budget	Modified Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 1,804,389	\$ 1,804,389	\$ 1,871,836	\$ 1,832,929	\$ 1,972,880
Other Tax Items	1,335,364	453,000	384,558	1,504,060	1,468,477
Charges for Services	5,500	5,500	9,185	5,500	8,500
Use of Money & Property	76,000	76,000	3,530	76,000	115,000
Sale of Property and Compensation for Loss	900	900	35,666	900	900
Miscellaneous	57,000	57,000	66,734	57,000	57,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	8,268,775	8,268,775	8,397,495	8,252,556	8,929,269
Revenues from Federal Sources	27,000	27,000	39,424	27,000	27,000
Total Revenues	\$ 11,574,928	\$ 10,692,564	\$ 10,808,428	\$ 11,755,945	\$ 12,579,026
Other Sources:					
Appropriated Reserves	-	13,294	-	-	-
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	\$ 11,574,928	\$ 10,705,858	\$ 10,808,428	\$ 11,755,945	\$ 12,579,026
EXPENDITURES					
General Support	\$ 1,784,226	\$ 1,946,322	\$ 1,945,799	\$ 1,884,180	\$ 1,980,491
Instruction	6,087,824	6,024,993	5,222,310	5,934,670	6,019,999
Pupil Transportation	683,692	683,965	683,597	712,264	773,093
Community Services	-	-	-	-	-
Employee Benefits	2,095,785	2,023,681	2,193,998	2,199,513	2,324,885
Debt Service	823,401	809,261	747,142	925,318	1,380,558
Total Expenditures	\$ 11,474,928	\$ 11,488,222	\$ 10,792,846	\$ 11,655,945	\$ 12,479,026
Other Uses:					
Interfund Transfers	100,000	100,000	-	100,000	100,000
Total Expenditures and Other Uses	\$ 11,574,928	\$ 11,588,222	\$ 10,792,846	\$ 11,755,945	\$ 12,579,026
Excess (Deficit) Revenues Over Expenditures	-	(882,364)	15,582	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	882,364	4,049,309	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 4,064,891	\$ -	\$ -

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Adopted Budgets

Fiscal Years Ending June 30:	2022	2023	2024	2025	2026
	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 1,736,887	\$ 1,779,445	\$ 1,804,389	\$ 1,832,929	\$ 1,972,880
Other Tax Items	448,567	1,228,829	1,335,364	1,504,060	1,468,477
Charges for Services	5,500	3,500	5,500	5,500	8,500
Use of Money & Property	76,000	76,000	76,000	76,000	115,000
Sale of Property and Compensation for Loss	-	900	900	900	900
Miscellaneous	57,900	57,000	57,000	57,000	57,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	7,777,019	8,041,433	8,268,775	8,252,556	8,929,269
Revenues from Federal Sources	27,000	27,000	27,000	27,000	27,000
Total Revenues	<u>\$ 10,128,873</u>	<u>\$ 11,214,107</u>	<u>\$ 11,574,928</u>	<u>\$ 11,755,945</u>	<u>\$ 12,579,026</u>
Other Sources:					
Interfund Transfers	<u>640,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Sources	<u>\$ 10,769,401</u>	<u>\$ 11,214,107</u>	<u>\$ 11,574,928</u>	<u>\$ 11,755,945</u>	<u>\$ 12,579,026</u>
EXPENDITURES					
General Support	\$ 1,592,282	\$ 1,644,904	\$ 1,784,226	\$ 1,884,180	\$ 1,980,491
Instruction	5,376,016	5,878,941	6,087,824	5,934,670	6,019,999
Pupil Transportation	611,016	626,819	683,692	712,264	773,093
Community Services	-	-	-	-	-
Employee Benefits	2,119,145	2,009,770	2,095,785	2,199,513	2,324,885
Debt Service	1,070,942	953,673	823,401	925,318	1,380,558
Total Expenditures	<u>\$ 10,769,401</u>	<u>\$ 11,114,107</u>	<u>\$ 11,474,928</u>	<u>\$ 11,655,945</u>	<u>\$ 12,479,026</u>
Other Uses:					
Interfund Transfers	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total Expenditures and Other Uses	<u>\$ 10,769,401</u>	<u>\$ 11,214,107</u>	<u>\$ 11,574,928</u>	<u>\$ 11,755,945</u>	<u>\$ 12,579,026</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	-	-	-
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: 2021-2025 Adopted budgets of the School District. This Appendix is not itself audited.

APPENDIX - B
Scio CSD

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	\$ 511,629	\$ 241,961.99	\$ 753,590.70
2026	568,127	231,339.53	799,466.32
2027	571,904	206,663.49	778,567.43
2028	568,070	179,072.07	747,142.21
2029	598,070	150,982.91	749,053.05
2030	600,000	121,537.50	721,537.50
2031	560,000	93,550.00	653,550.00
2032	460,000	65,550.00	525,550.00
2033	375,000	42,550.00	417,550.00
2034	395,000	23,800.00	418,800.00
2035	200,000	8,000	208,000.00
TOTALS	\$ 5,407,800	\$ 1,365,007.49	\$ 6,772,807.21

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

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2018 Purchase of Buses					
	Principal	Interest	Total			
2025	\$ 21,262	\$ 574.07	\$ 21,835.99			
TOTALS	\$ 21,262	\$ 574.07	\$ 21,835.99			
Fiscal Year Ending June 30th	2017 Reconstruction			2020 Purchase of Buses		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 165,000	\$ 72,750.00	\$ 237,750.00	\$ 23,463	\$ 891.59	\$ 24,354.44
2026	175,000	64,500.00	239,500.00	23,463	445.79	23,908.64
2027	185,000	55,750.00	240,750.00	-	-	-
2028	190,000	46,500.00	236,500.00	-	-	-
2029	200,000	37,000.00	237,000.00	-	-	-
2030	210,000	27,000.00	237,000.00	-	-	-
2031	220,000	16,500.00	236,500.00	-	-	-
2032	110,000	5,500.00	115,500.00	-	-	-
TOTALS	\$ 1,455,000	\$ 325,500.00	\$1,780,500.00	\$ 46,926	\$ 1,337.38	\$ 48,263.08

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2021 Purchase of Buses			2021 2021A DASNY (2017 Capital Project)		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 23,834	\$ 1,394.28	\$ 25,228.08	\$ 255,000	\$ 160,250.00	\$ 415,250.00
2026	23,834	929.52	24,763.32	265,000	150,050.00	415,050.00
2027	23,834	464.76	24,298.56	280,000	136,800.00	416,800.00
2028	-	-	-	290,000	122,800.00	412,800.00
2029	-	-	-	305,000	108,300.00	413,300.00
2030	-	-	-	320,000	93,050.00	413,050.00
2031	-	-	-	340,000	77,050.00	417,050.00
2032	-	-	-	350,000	60,050.00	410,050.00
2033	-	-	-	375,000	42,550.00	417,550.00
2034	-	-	-	395,000	23,800.00	418,800.00
2035	-	-	-	200,000	8,000.00	208,000.00
TOTALS	\$ 71,501	\$ 2,788.56	\$ 74,289.96	\$ 3,375,000	\$ 982,700.00	\$4,357,700.00

Fiscal Year Ending June 30th	2023 Purchase of Buses			2025 Purchase of Buses		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 23,070	\$ 6,102.05	\$ 29,172.19	\$ -	\$ -	\$ -
2026	23,070	4,881.64	27,951.78	57,760	10,532.58	68,292.58
2027	23,070	3,661.23	26,731.37	60,000	9,987.50	69,987.50
2028	23,070	2,440.82	25,510.96	65,000	7,331.25	72,331.25
2029	23,070	1,220.41	24,290.55	70,000	4,462.50	74,462.50
2030	-	-	-	70,000	1,487.50	71,487.50
2031	-	-	-	-	-	-
TOTALS	\$ 115,351	\$ 18,306.15	\$ 133,656.85	\$ 322,760	\$ 33,801.33	\$ 356,561.33

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 Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, the School District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

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

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

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

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

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

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

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

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

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

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**SCIO CENTRAL SCHOOL DISTRICT
ALLEGANY COUNTY, NEW YORK**

**FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

JUNE 30, 2024

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

Scio Central School District

**Basic Financial Statements,
Required Supplementary Information,
Supplementary Information, and
Federal Awards Information
As of June 30, 2024
Together With
Independent Auditor's Report**

SCIO CENTRAL SCHOOL DISTRICT

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SCIO CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Scio Central School District
Scio, 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 Scio Central School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Scio Central School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

BUFFALO
501 John James Audubon
Suite 390
Amherst, NY 14228
P: (716) 694-0336

COOPERSTOWN
55-57 Grove Street
Cooperstown, NY 13326
P: (607) 282-4161

ONEONTA
189 Main Street, Suite 302
Oneonta, NY 13820
P: (607) 432-3462

PERRY
199 S. Main Street, PO Box 1
Perry, NY 14530
P: (585) 237-3896

ROCHESTER
90 Linden Oaks, Suite 100
Rochester, NY 14625
P: (585) 410-6733

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedules of Changes in the District's Total OPEB Liability and Related Ratios, Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund, Schedule of District Contributions, and Schedule of District's Proportionate Share of the Net Pension Liability be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Scio Central 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, Schedule of Project Expenditures – Capital Projects Fund, Net Investment in Capital Assets and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed above, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2024, on our consideration of Scio Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Scio Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Scio Central School District's internal control over financial reporting and compliance.

Allied CPAs, P.C.

Amherst, New York
October 2, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

SCIO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

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

FINANCIAL HIGHLIGHTS

The District's total net position at the close of this fiscal year was \$7,345,629.

Total net position decreased from \$7,866,455 due to a decrease in net position of \$520,826.

The District's total combined fund balance at the close of this fiscal year was \$2,403,572.

The District's total combined fund balance decreased from \$4,067,965 due to an decrease of revenues over expenditures of \$1,664,393. The decrease was due to the issuance of a BAN.

Total long-term debt was \$6,916,759 on June 30, 2024, a decrease of \$537,817 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operation in *more detail* than the district-wide statements. The fund financial statements concentrate on the School District's most significant funds.
- 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.
- The *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

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

SCIO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Major Features of the District-Wide and Fund Financial Statements

	Fund Financial Statements		
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	•Statement of net position •Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/ deferred outflows of resources/ liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities 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

SCIO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

District-Wide Statements

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

The two district-wide statements report the School District's net assets and how they have changed. Net position – the difference between the School District's assets and liabilities – is one way to measure the School District's financial health or position.

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

SCIO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$7,345,629 at the close of the most recent fiscal year.

Summary of Condensed Statement of Net Position

		<u>Governmental Activities and Total School District</u>		
	<u>2023</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>				
<u>ASSETS</u>				
Current and other assets	\$ 4,676,538	\$ 4,720,523	\$ 43,985	-0.94%
Capital assets and right-to-use assets	9,571,006	10,814,389	1,243,383	-12.99%
TOTAL ASSETS	14,247,544	15,534,912	1,287,368	-9.04%
Deferred outflows of resources	2,087,498	1,644,466	(443,032)	21.22%
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 16,335,042	\$ 17,179,378	\$ 844,336	-5.17%
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>				
<u>LIABILITIES</u>				
Long-term debt outstanding	\$ 7,454,576	\$ 6,916,759	\$ (537,817)	7.21%
Other liabilities	616,707	2,331,769	1,715,062	-278.10%
TOTAL LIABILITIES	8,071,283	9,248,528	1,177,245	-14.59%
Deferred inflows of resources	397,304	585,221	187,917	-47.30%
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	8,468,587	9,833,749	1,365,162	-16.12%
<u>NET POSITION</u>				
Net investment in capital assets	4,109,984	4,292,083	182,099	-4.43%
Restricted	2,542,845	2,533,257	(9,588)	0.38%
Unrestricted	1,213,626	520,289	(693,337)	57.13%
TOTAL NET POSITION	7,866,455	7,345,629	(520,826)	6.62%
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 16,335,042	\$ 17,179,378	\$ 844,336	-5.17%

The largest portion of the District's net position reflects its investment in capital assets of \$4,292,083 (e.g. land, buildings, machinery, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding.

The restricted portion of the District's net position of \$2,533,257 represents resources that are subject to external restrictions on how they may be used, which include Board of Education established reserves, and funds designated for capital projects and debt service.

The remaining balance of unrestricted net position of \$520,289 may be used to meet the District's ongoing obligations to students and creditors.

SCIO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Changes in Net Position from Operating Results

<u>Governmental Activities and Total School District</u>				
	<u>2023</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<u>REVENUES:</u>				
PROGRAM REVENUES:				
Charges for services	\$ 117,491	\$ 39,587	\$ (77,904)	66.31%
Operating grants and contributions	1,651,564	1,480,461	(171,103)	10.36%
GENERAL REVENUES:				
Property taxes and tax items	2,229,752	2,256,394	26,642	-1.19%
State and federal sources	8,020,569	8,412,947	392,378	-4.89%
Other	369,332	208,562	(160,770)	43.53%
TOTAL REVENUES	<u>12,388,708</u>	<u>12,397,951</u>	<u>9,243</u>	-0.07%
<u>EXPENSES:</u>				
General support	2,549,741	2,752,010	202,269	-7.93%
Instruction	7,665,747	8,314,917	649,170	-8.47%
Pupil transportation	939,584	1,234,732	295,148	-31.41%
Debt service - interest	274,477	257,942	(16,535)	6.02%
School lunch expenditures	340,949	359,176	18,227	-5.35%
TOTAL EXPENSES	<u>11,770,498</u>	<u>12,918,777</u>	<u>1,148,279</u>	-9.76%
Changes in net position	618,210	(520,826)	(1,139,036)	184.25%
NET POSITION - BEGINNING	<u>7,248,245</u>	<u>7,866,455</u>	<u>618,210</u>	-8.53%
NET POSITION - ENDING	<u>\$ 7,866,455</u>	<u>\$ 7,345,629</u>	<u>\$ (520,826)</u>	6.62%

SCIO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Statement of Revenues, Expenditures and Changes in Fund Balance

	Governmental Funds						Total
	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital	Debt Service	
FUND BALANCE AT JUNE 30, 2022	\$ 3,482,511	\$ -	\$ 93,865	\$ 84,085	\$ (715,997)	\$ 989,271	\$ 3,933,735
Revenues	10,670,458	1,314,607	339,260	63,534	62	788	12,388,709
Expenditures	(10,017,099)	(1,314,607)	(369,465)	(53,765)	(499,543)	-	(12,254,479)
Other financing sources (uses)	(86,561)	-	-	-	86,561	-	-
FUND BALANCE AT JUNE 30, 2023	\$ 4,049,309	\$ -	\$ 63,660	\$ 93,854	\$ (1,128,917)	\$ 990,059	\$ 4,067,965
Revenues	10,808,428	1,106,508	388,127	66,102	23,347	5,439	12,397,951
Expenditures	(10,792,846)	(1,106,508)	(391,581)	(81,129)	(1,805,631)	-	(14,177,695)
Other financing sources (uses)	-	-	-	-	115,351	-	115,351
FUND BALANCE AT JUNE 30, 2024	\$ 4,064,891	\$ -	\$ 60,206	\$ 78,827	\$ (2,795,850)	\$ 995,498	\$ 2,403,572

SCIO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

GENERAL FUND BUDGETARY HIGHLIGHTS

The following changes were made to the original budget in the General Fund as follows:

- General support was increased by \$162,096.
- Instruction was decreased by \$63,811.
- Employee benefits decreased by \$72,104.
- Debt services decreased by \$14,140.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets and Right-to-Use Assets

The District's investment in capital assets as of June 30, 2024, amounted to \$10,814,389 (net of accumulated depreciation and amortization). The investment in capital assets and right-to-use assets includes land, buildings, equipment, vehicles, and infrastructure.

The following table lists the capital assets and right-to-use assets:

Asset	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
Land	\$ 1,376	\$ -	\$ -	\$ 1,376
Work in progress	366,292	1,648,759	-	2,015,051
Buildings	16,350,631	-	-	16,350,631
Building improvements	1,397,445	1,704	-	1,399,149
Equipment and vehicles	2,666,413	-	-	2,666,413
Right-to-use assets	559,477	198,958	(138,493)	619,942
TOTAL CAPITAL ASSETS AND RIGHT-TO-USE ASSETS	21,341,634	1,849,421	(138,493)	23,052,562
Depreciation and Amortization	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
Buildings	\$ 8,419,504	\$ 326,981	\$ -	8,746,485
Building improvements	1,317,823	11,034	-	1,328,857
Equipment and vehicles	1,835,750	144,545	-	1,980,295
Right-to-use assets	197,551	95,494	(110,509)	182,536
TOTAL DEPRECIATION AND AMORTIZATION	11,770,628	578,054	(110,509)	12,238,173
TOTAL CAPITAL ASSETS, NET	\$ 9,571,006	\$ 1,271,367	\$ (27,984)	\$ 10,814,389

SCIO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONT.)

Long-Term Debt

Summary of Outstanding Long-Term Debt

	Total School District	
	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Serial bonds	\$ 5,461,022	\$ 5,085,040
Compensated absences	342,848	275,100
Lease payable	-	87,266
OPEB	583,072	678,471
Net pension liability	1,067,634	790,882
TOTAL	<u>\$ 7,454,576</u>	<u>\$ 6,916,759</u>

At June 30, 2024, the School District had long-term serial bonds outstanding of \$5,085,040 as compared to \$5,461,022 in the prior year. During the year, retirement of serial bonds debt amounted to \$491,333. The constitutional debt limit for the district is contained in Section 104.00 of the Local Finance Law. The limit is 10% of the full value on the most recent tax roll. The debt limit for the District is over the 4% debt contracting power.

Bond Rating

The District's Moody's bond rating is Baa1 and their S&P rating is A.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- Uncertainties regarding Aid from New York State may adversely affect the District's programs and financial position.
- The 2% tax cap may adversely affect the District's programs and financial position.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Office, Scio Central School District, Scio, New York, 3968 Washington, Scio, New York 14880.

BASIC FINANCIAL STATEMENTS

SCIO CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

Unrestricted cash	\$ 3,570,849
Restricted cash	78,827
State and federal aid receivable	1,045,031
Other receivables	7,633
Due from fiduciary fund	2,105
Due from other governments	406
Inventories	15,672
Capital assets, net of depreciation	10,376,983
Right of use assets, net of amortization	437,406
TOTAL ASSETS	15,534,912

DEFERRED OUTFLOWS OF RESOURCES

Pensions	1,493,938
OPEB	150,528
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,644,466

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES \$ 17,179,378

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

LIABILITIES

Accounts payable	\$ 523,931
Accrued liabilities	22,553
Accrued interest on obligations	14,818
Bond anticipation notes payable	1,350,000
Due to other governments	2,043
Due to employees' retirement system	50,999
Due to teachers' retirement system	362,912
Deferred revenues	4,513
Long-term liabilities:	
Due in less than one year:	
Bonds payable	511,629
Lease payable	41,905
Due in more than one year:	
Bonds payable	4,573,411
Lease payable	45,361
Compensated absences	275,100
Net other postemployment benefits liability	678,471
Net pension liability - proportionate share	790,882
TOTAL LIABILITIES	9,248,528

DEFERRED INFLOWS OF RESOURCES

Pensions	452,563
OPEB	132,658
TOTAL DEFERRED INFLOWS OF RESOURCES	585,221

NET POSITION

Net investment in capital assets	4,292,083
Restricted	2,533,257
Unrestricted	520,289
TOTAL NET POSITION	7,345,629

TOTAL LIABILITIES AND NET POSITION \$ 17,179,378

The accompanying notes are an integral part of the basic financial statements

SCIO CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

		<u>Program Revenue</u>		<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants</u>	<u>Changes in</u>
<u>FUNCTIONS / PROGRAMS</u>				<u>Net Position</u>
General support	\$ (2,752,010)	\$ -	\$ -	\$ (2,752,010)
Instruction	(8,314,917)	9,185	1,125,013	(7,180,719)
Pupil transportation	(1,234,732)	30,402	-	(1,204,330)
Debt service - interest	(257,942)	-	355,448	97,506
School lunch	(359,176)	-	-	(359,176)
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ (12,918,777)</u>	<u>\$ 39,587</u>	<u>\$ 1,480,461</u>	<u>(11,398,729)</u>
<u>GENERAL REVENUES:</u>				
Real property tax				1,871,836
Real property tax items				384,558
Use of money and property				9,257
Sale of property				35,666
Miscellaneous				163,639
State sources				8,373,523
Federal sources				39,424
TOTAL GENERAL REVENUES				<u>10,877,903</u>
Change in net position				(520,826)
Total net position - beginning of year				<u>7,866,455</u>
Total net position - end of year				<u>\$ 7,345,629</u>

The accompanying notes are an integral part of the basic financial statements

SCIO CENTRAL SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2024

ASSETS

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
<u>ASSETS</u>							
Unrestricted cash	\$ 3,264,286	\$ 63,713	\$ 36,913	\$ -	\$ -	\$ 205,937	\$ 3,570,849
Restricted cash	-	-	-	78,827	-	-	78,827
State and federal aid receivable	96,877	948,154	-	-	-	-	1,045,031
Other receivables	2,166	5,467	-	-	-	-	7,633
Due from other funds	1,588,808	1,124,201	43,364	-	86,561	789,561	3,632,495
Due from other governments	-	-	406	-	-	-	406
Inventories	-	-	15,672	-	-	-	15,672
TOTAL ASSETS	\$ 4,952,137	\$ 2,141,535	\$ 96,355	\$ 78,827	\$ 86,561	\$ 995,498	\$ 8,350,913

LIABILITIES AND FUND BALANCE

<u>LIABILITIES</u>							
Accounts payable	\$ 277,435	\$ 1,874	\$ 13,219	\$ -	\$ 231,403	\$ -	\$ 523,931
Accrued liabilities	20,648	1,254	651	-	-	-	22,553
Due to other funds	175,252	2,132,877	21,253	-	1,301,008	-	3,630,390
Due to other governments	-	2,043	-	-	-	-	2,043
Bond anticipation notes payable	-	-	-	-	1,350,000	-	1,350,000
Due to employees' retirement system	50,999	-	-	-	-	-	50,999
Due to teachers' retirement system	362,912	-	-	-	-	-	362,912
Deferred revenues	-	3,487	1,026	-	-	-	4,513
TOTAL LIABILITIES	887,246	2,141,535	36,149	-	2,882,411	-	5,947,341

FUND BALANCE

Non-spendable	-	-	15,672	-	-	-	15,672
Restricted	1,458,932	-	-	78,827	-	995,498	2,533,257
Assigned	1,119,739	-	44,534	-	-	-	1,164,273
Unassigned	1,486,220	-	-	-	(2,795,850)	-	(1,309,630)
TOTAL FUND BALANCE	4,064,891	-	60,206	78,827	(2,795,850)	995,498	2,403,572

TOTAL LIABILITIES, DEFERRED INFLOWS

AND FUND BALANCE	\$ 4,952,137	\$ 2,141,535	\$ 96,355	\$ 78,827	\$ 86,561	\$ 995,498	\$ 8,350,913
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The accompanying notes are an integral part of the basic financial statements

SCIO CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Fund Balances - Total Governmental Funds **\$ 2,403,572**

Amounts reported for Governmental Activities in the Statement of Net Position are:

Capital assets, net of accumulated depreciation, are not current financial resources
and are not reported in the funds. 10,376,983

Right of use assets, net of accumulated amortization, are not reported in the funds 437,406

The District's proportionate share of the teacher and employee retirement system's
net pension (liability) asset are not reported in the funds.
 TRS net pension (liability) asset (190,798)
 ERS net pension (liability) asset (600,084)

Deferred outflows of resources, including OPEB and pensions, represent a consumption
of net position that applies to future periods and is not reported in the funds. Deferred
inflows of resources, including OPEB and pensions, represent an acquisition of net
position that applies to future periods and is not reported in the funds.
 ERS and TRS deferred outflows of resources - pensions 1,493,938
 OPEB deferred outflows of resources 150,528
 ERS and TRS deferred inflows of resources - pensions (452,563)
 OPEB deferred inflows of resources (132,658)

Long term liabilities are not due and payable in the current period and are not reported
in the funds.
 Bonds payable (5,085,040)
 Lease payable (87,266)
 Compensated absences (275,100)
 Other post employment benefits liability (678,471)

Interest is accrued on outstanding balances of debt obligations in the
District-wide financial statements.
 Accrued interest on obligations (14,818)

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 7,345,629**

SCIO CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
<u>REVENUES:</u>							
Real property tax	\$ 1,871,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,871,836
Real property tax items	384,558	-	-	-	-	-	384,558
Charges for services	9,185	-	-	-	-	-	9,185
Use of money and property	3,530	-	6	-	282	5,439	9,257
Sale of property	35,666	-	-	-	-	-	35,666
Miscellaneous	66,734	5,467	2,271	66,102	23,065	-	163,639
State sources	8,397,495	139,872	88,811	-	-	-	8,626,178
Federal sources	39,424	961,169	266,637	-	-	-	1,267,230
Sales - food service	-	-	30,402	-	-	-	30,402
TOTAL REVENUES	10,808,428	1,106,508	388,127	66,102	23,347	5,439	12,397,951
<u>EXPENDITURES:</u>							
General support	1,945,799	193,041	-	-	1,648,759	-	3,787,599
Instruction	5,222,310	808,506	-	81,129	-	-	6,111,945
Pupil transportation	683,597	13,732	-	-	156,872	-	854,201
Community services	-	-	-	-	-	-	-
Employee benefits	2,193,998	91,229	32,405	-	-	-	2,317,632
Debt service - principal	491,334	-	-	-	-	-	491,334
Debt service - interest	255,808	-	-	-	-	-	255,808
Cost of sales	-	-	359,176	-	-	-	359,176
TOTAL EXPENDITURES	10,792,846	1,106,508	391,581	81,129	1,805,631	-	14,177,695
Excess (deficiency) of revenues over expenditures	15,582	-	(3,454)	(15,027)	(1,782,284)	5,439	(1,779,744)
<u>OTHER FINANCING SOURCES (USES):</u>							
Proceeds from bond issuance	-	-	-	-	115,351	-	115,351
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	115,351	-	115,351
Excess (deficiency) of revenues and other sources over expenditures and other (uses)	15,582	-	(3,454)	(15,027)	(1,666,933)	5,439	(1,664,393)
Fund balance - beginning of year	4,049,309	-	63,660	93,854	(1,128,917)	990,059	4,067,965
Fund balance - end of year	\$ 4,064,891	\$ -	\$ 60,206	\$ 78,827	\$ (2,795,850)	\$ 995,498	\$ 2,403,572

The accompanying notes are an integral part of the basic financial statements

SCIO CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - Total governmental funds \$ (1,664,393)

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital outlay expenditures for capital assets are recorded in governmental funds as expenditures. Such expenditures are not recorded in the Statement of Activities because they are recorded as capital assets. 1,734,171

Depreciation and amortization is recorded on the Statement of Activities but not in the governmental funds. (578,054)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made. 375,982

Change in accrued interest on obligations are not reported in the governmental funds. (2,134)

Changes in accrued compensated absences reported in the Statement of Activities do not provide for or require the use of current financial resources and are not reported as expenditures in the governmental funds. 67,748

Changes in the proportionate share of the net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and are not reported as expenditures in the governmental funds:

Employees' retirement system liability 143,653

Teachers' retirement system liability 133,099

The Statement of Activities shows the actual and projected long term expenditures for postemployment benefits are reported, whereas, on the governmental funds only the actual expenditures are recorded. (95,399)

Deferred outflows and deferred inflows are not reported in the governmental funds:

Change in deferred outflows of employees retirement system 18,346

Change in deferred outflows of teacher retirement system (497,194)

Change in deferred outflows of other post-employment benefits 35,816

Change in deferred inflows of employees retirement system (283,544)

Change in deferred inflows of teacher retirement system 57,567

Change in deferred inflows of other post-employment benefits 33,510

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (520,826)

SCIO CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

ASSETS

	Private Purpose Trust Fund
<u>ASSETS</u>	
Unrestricted cash	\$ 38,673
TOTAL ASSETS	\$ 38,673

LIABILITIES AND NET POSITION

<u>LIABILITIES</u>	
Due to other funds	\$ 2,105
<u>NET POSITION</u>	
Endowment scholarships	36,568
TOTAL LIABILITIES AND NET POSITION	\$ 38,673

The accompanying notes are an integral part of the basic financial statements

SCIO CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Private Purpose Trust Fund</u>
<u>ADDITIONS:</u>	
Contributions	\$ 4,429
Use of money	<u>439</u>
TOTAL ADDITIONS	<u>4,868</u>
<u>DEDUCTIONS:</u>	
Scholarship expenses	<u>2,900</u>
TOTAL DEDUCTIONS	<u>2,900</u>
Change in net position	1,968
Net position - beginning of year	<u>34,600</u>
Net position - end of year	<u>\$ 36,568</u>

The accompanying notes are an integral part of the basic financial statements

NOTES TO THE FINANCIAL STATEMENTS

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Summary of Certain Significant Accounting Policies

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

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 seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity, as amended by GASB Statement 39, Component Units, 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. 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, no entities are included in the District's reporting entity.

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 district accounts for assets for various student organizations in the miscellaneous special revenue fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District's business office.

Joint Venture

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

BOCES is organized under §1950 of the New York State Education Law. The 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 students participate.

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

During the year, the District was billed \$2,928,769 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,619,968. Financial statements for BOCES are available from the BOCES administrative office.

Basis of Presentation:

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 program expenses and revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenue includes 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Funds Statements

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

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund. It accounts for all financial transactions except those required to be accounted for in another fund.

Special Revenue Funds - These funds account for the proceeds of specific revenue sources, such as Federal and State Grants, that are legally restricted to expenditures for specified purposes. Special revenues funds include the following:

- **Special Aid Fund** - Used to account for proceeds received from State and Federal grants that are restricted for specific educational programs.
- **School Food Service Fund** - Used to account for child nutrition activities whose funds are restricted as to use.
- **Miscellaneous Special Revenue Fund** - Used to account for Extraclassroom activities whose funds are restricted for various student activities.

Capital Projects Fund - These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

Funds Statements (Cont.)

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

Fiduciary Fund

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 fund:

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

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, 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 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 365 days after the end of the fiscal year, except for real property taxes which are considered to be available if they are collected within 60 days after the end of the fiscal year.

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

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on August 15. Taxes are collected during the period September 1 to November 1.

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

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.

Interfund Transactions

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

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

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

Refer to the notes to the financial statements for a detailed disclosure by individual fund for interfund receivables, payables, revenues, and expenditures activity.

Estimates

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

Subsequent Events

The District has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 2, 2024, the date the financial statements were available to be issued.

Subsequent to year end, The School issued an additional BAN for \$5.675 million for the purpose of alternations, renovations and improvements to the District's School buildings and associated facilities.

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

Cash (and Cash Equivalents)

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; obligations of the State and its municipalities and Districts and 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 (if permitted by the District's policy).

Receivables

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

Inventories and Prepaid Items

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

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. These non-liquid assets (inventories and prepaid items) have been recognized as non-spendable fund balances to signify that a portion of fund balance is not available for other subsequent expenditures.

Capital Assets

Capital assets should be accounted for at historical (actual) cost or, if the cost is not practicably determinable, at estimated cost. The cost of the capital asset should include ancillary charges necessary to place the asset into use. Donated capital assets and capital assets acquired in a service concession arrangement should be recorded at acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date, or the amount at which a liability could be liquidated with the counter party at the acquisition.

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:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 1,500	Straight-line	30 - 40 years
Equipment and vehicles	1,500	Straight-line	5 - 20 years

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

Deferred Outflows and Inflows of Resources

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

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

Deferred Revenues

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

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 No. 16, Accounting for Compensated Absences, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

Other Benefits

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

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

Short-Term Debt

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date. The District did issue a BAN for the year ended June 30, 2024 of \$1,350,000.

Accrued Liabilities and Long-Term Obligations

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

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

Order of Use of Fund Balance

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

Equity Classifications

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

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions 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 other net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Funds 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 in the School Lunch Fund of \$15,672.

Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or law or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The School District has established the following restricted fund balances:

Debt Service - According to General Municipal Law §6-1, the mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability Reserve Fund - According to General Municipal Law §6-p, expenditures made from the employee benefit accrued liability reserve fund must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

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 payment of expenses of administering this self-insurance program. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

Restricted Fund Balance (Cont.)

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

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. This reserve is accounted for in the General Fund.

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.

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

Repair Reserve Funds - 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.

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

Restricted fund balance includes the following:

GENERAL FUND:

Capital reserve	\$ 863,439
Employee benefit liability	178,804
TRS reserve	137,403
Liability claims and property loss	70,800
Bus reserve	66,977
Retirement contributions	55,360
Repairs	53,971
Unemployment insurance	22,005
Debt	8,516
Equipment reserve	<u>1,657</u>
TOTAL GENERAL FUND	<u>1,458,932</u>

MISCELLANEOUS SPECIAL REVENUE FUND:

Extraclassroom activities	74,761
Other	<u>4,066</u>
TOTAL MISC SPECIAL REVENUE FUND	<u>78,827</u>

DEBT SERVICE FUND:

Debt service - fund balance	<u>995,498</u>
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TOTAL RESTRICTED FUND BALANCE \$ 2,533,257

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

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

GENERAL FUND:

Designated for subsequent years' expenditures	\$ 908,952
Encumbrances	<u>210,787</u>
TOTAL GENERAL FUND	<u>1,119,739</u>

SCHOOL LUNCH FUND:

Fund balance	<u>44,534</u>
TOTAL SCHOOL LUNCH FUND	<u>44,534</u>

TOTAL ASSIGNED FUND \$ 1,164,273

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

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. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

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 statements a flow assumption must be made about the order in which the resources are considered to be applied.

Note 2 - Explanation of Certain Differences between Governmental Fund Statements and District-Wide Statements

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

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

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

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

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

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

Capital Related Differences - Capital related differences include the difference between proceeds for the sale of capital assets reported on funds 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 funds statements and depreciation expense on those items as recorded in the Statement of Activities.

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 2 - Explanation of Certain Differences between Governmental Fund Statements and District-Wide Statements (Cont.)

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

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.

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.

Budgets

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved 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.

Budgets are established and used for individual capital project fund 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.

Certain Special Revenue Funds have not been included in the comparison because they do not have legally authorized (appropriated) budgets.

Note 3 - Stewardship, Compliance, and Accountability

Encumbrances

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

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 4 - Cash and Cash Equivalents

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

	<u>Bank Balance</u>	<u>Carrying Amount</u>
FDIC Insured	\$ 500,000	\$ 500,000
Collateralized with securities held by the pledging financial institution, or its trust department or agent in the District's name:	<u>3,494,472</u>	<u>3,188,349</u>
TOTAL DEPOSITS	<u>\$ 3,994,472</u>	<u>\$ 3,688,349</u>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$78,827 in the Miscellaneous Special Revenue Fund, \$74,761 of the restricted cash is for Student's Extraclassroom activities and \$4,066 is restricted for the Backpack Program.

Deposits

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

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

Note 5 - Receivables

Receivables at year-end for individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>		
<u>Description</u>	<u>General</u>	<u>Special Aid</u>	<u>Total</u>
State and Federal aid receivable	\$ 96,877	\$ 948,154	\$ 1,045,031
Other receivables	<u>2,166</u>	<u>5,467</u>	<u>7,633</u>
Total	<u>\$ 99,043</u>	<u>\$ 953,621</u>	<u>\$ 1,052,664</u>

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 6 - Capital Assets and Right of Use Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
<u>GOVERNMENTAL ACTIVITIES:</u>				
<u>CAPITAL ASSETS NOT BEING DEPRECIATED:</u>				
Land	\$ 1,376	-	-	\$ 1,376
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	\$ 1,376	\$ -	\$ -	\$ 1,376
<u>CAPITAL ASSETS BEING DEPRECIATED:</u>				
Buildings	\$ 16,350,631	\$ -	\$ -	\$ 16,350,631
Building improvements	1,397,445	-	-	1,397,445
Vehicles	1,148,557	-	-	1,148,557
Equipment	1,517,856	1,704	-	1,519,560
Work in progress	366,292	1,648,759	-	2,015,051
TOTAL CAPITAL ASSETS BEING DEPRECIATED	20,780,781	1,650,463	-	22,431,244
<u>LESS: ACCUMULATED DEPRECIATION</u>				
Buildings	8,419,504	326,981	-	8,746,485
Building improvements	1,317,823	11,034	-	1,328,857
Vehicles	678,652	105,105	-	783,757
Equipment	1,157,098	39,440	-	1,196,538
TOTAL ACCUMULATED DEPRECIATION	11,573,077	482,560	-	12,055,637
Total capital assets being depreciated, net	9,207,704	1,167,903	-	10,375,607
TOTAL CAPITAL ASSETS, NET	\$ 9,209,080	\$ 1,167,903	\$ -	\$ 10,376,983

Depreciation expense charged to governmental functions as follows:

Instruction	\$ 328,141
Pupil Transportation	154,419
TOTAL	\$ 482,560

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
<u>RIGHT-TO-USE LEASE ASSETS</u>				
Equipment	\$ 559,477	\$ 198,958	\$ (138,493)	\$ 619,942
Less: accumulated amortization	197,551	95,494	(110,509)	182,536
TOTAL RIGHT TO USE ASSETS, NET	\$ 361,926	\$ 103,464	\$ (27,984)	\$ 437,406

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 7 - Short-term Debt

The District had the following bond anticipation notes outstanding at the end of the year:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Deletions</u>	<u>Ending Balance</u>
2023 BAN	\$ -	\$ 1,350,000	\$ -	\$ 1,350,000
TOTAL BAN PAYABLE	\$ -	\$ 1,350,000	\$ -	\$ 1,350,000

Note 8 - Long-Term Debt

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enable the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

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

	<u>Balance at June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2024</u>	<u>Amounts Due Within One Year</u>
<u>LONG-TERM LIABILITIES</u>					
Bonds payable	\$ 5,461,022	\$ -	\$ (375,982)	\$ 5,085,040	\$ 511,629
Lease payable	-	125,977	(38,711)	87,266	41,905
Compensated absences	342,848	-	(67,748)	275,100	-
OPEB	583,072	95,399	-	678,471	-
Net pension liability	1,067,634	-	(276,752)	790,882	-
TOTAL LONG-TERM LIABILITIES	\$ 7,454,576	\$ 221,376	\$ (759,193)	\$ 6,916,759	\$ 553,534

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

Serial Bond obligations are composed of the following at June 30, 2024:

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Serial bonds	6/2017	6/2032	5.00%	\$ 1,455,000
Statutory installment bond	9/2019	9/2024	2.70%	21,262
Serial bonds	6/2021	6/2036	4.00 - 5.00%	3,375,000
Statutory installment bond	6/2021	6/2026	1.90%	46,926
Statutory installment bond	10/2021	10/2026	1.95%	71,501
Statutory installment bond	7/2023	8/2028	5.29%	115,351
Total				\$ 5,085,040

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 8 - Long-Term Debt (Cont.)

The following is a summary of debt service requirements for bonds payable:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 511,629	\$ 241,962	\$ 753,591
2026	510,366	220,807	731,173
2027	511,903	196,676	708,579
2028	503,070	171,741	674,811
2029	528,070	146,520	674,590
2030 - 2034	2,320,000	345,500	2,665,500
2035 - 2039	200,002	8,001	208,003
Total	\$ 5,085,040	\$ 1,331,207	\$ 6,416,247

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

Interest paid	\$ 255,808
Less: Interest accrued in prior year	(12,684)
Add: Interest accrued in current year	14,818
TOTAL INTEREST EXPENSE	\$ 257,942

Lease Liability

The District has entered into a lease agreement with a vendor to lease certain equipment such as equipment. This lease agreement qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreement was executed in 2024 and the term is for 3 years. The annual lease payment for this agreement is \$49,104. The lease liability is measured at borrowing rate of 8.25%.

The following is a summary of capital lease obligations:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 41,905	\$ 7,199	\$ 49,104
2026	45,361	3,743	49,104
Total	\$ 87,266	\$ 10,942	\$ 98,208

Note 9 – Pension Plans

Plan Description

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.

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 9 – Pension Plans (Cont.)

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.

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (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 or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Funding Policies

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

The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years and were as follows:

	<u>NYSERS</u>	<u>NYSTRS</u>
2024	\$ 149,873	\$ 317,079
2023	118,149	293,043
2022	160,327	266,228

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 9 – Pension Plans (Cont.)

Pension Liabilities, Pension Expense, 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 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 projects contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the School District.

For the year ended June 30, 2024, the districted recognized a pension expense of \$269,033 for ERS and \$560,252 for TRS. At June 30, 2024, the district's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 193,287	\$ 462,634	\$ 16,363	\$ 1,143
Changes of Assumptions	226,878	410,782	-	89,528
Net difference between projected and actual earnings on pension plan investments	-	97,532	293,138	-
Changes in proportion and differences between District contributions and proportionate share of contributions	57,184	70,292	16,189	36,202
District's contributions subsequent to the measurement date	(1,710)	(22,941)	-	-
TOTAL	\$ 475,639	\$ 1,018,299	\$ 325,690	\$ 126,873

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

Year Ended	ERS	TRS
2024	\$ -	\$ 95,798
2025	(99,582)	(84,657)
2026	124,538	768,081
2027	181,668	60,662
2028	(54,965)	44,849
Thereafter	-	29,634

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 9 – Pension Plans (Cont.)

Actuarial Assumptions

The total pension (asset) liability at March 31, 2024, was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward total pension liability to March 31, 2024. The actuarial valuations 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%
Inflation Rate	2.90%	2.90%
Salary scale	4.40%	4.40%
Cost of living adjustment	1.50%	1.50%
Decrement Tables	April 1, 2015 - March 31, 2020 System's experience	July 1, 2015 - June 30, 2020 System's experience

For ERS, annuitant mortality rates are based on April 1, 2015- March 31, 2020, System's experience with adjustments for mortality improvements based on MP-2020. For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020, System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2020.

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

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 9 – Pension Plans (Cont.)

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

<u>ERS</u>		
Measurement date	March 31, 2024	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
<u>ASSET TYPE:</u>		
Domestic equity	32.00%	4.00%
International equity	15.00%	6.65%
Private equity	10.00%	7.25%
Real estate	9.00%	4.60%
Opportunistic/ARS portfolio	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	3.00%	5.79%
Domestic fixed income securities	23.00%	1.50%
Cash	<u>1.00%</u>	0.25%
	<u>100.00%</u>	

<u>TRS</u>		
Measurement date	June 30, 2023	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
<u>ASSET TYPE:</u>		
Domestic equity	32.00%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Opportunistic/ARS portfolio	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed income	23.00%	1.50%
Cash	<u>1.00%</u>	0.00%
	<u>100.00%</u>	

Discount Rate

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

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 9 – Pension Plans (Cont.)

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

The following presents the District's proportionate share of the net pension (asset) liability calculated using the discount rate of 5.90 percent for ERS and 6.95 percent 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 (4.90% for ERS and 5.95% for TRS) or 1-percentage point higher (6.90% for ERS and 7.95% for TRS), than the current rate:

	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
ERS			
Employer's proportionate share of the net pension liability (asset)	\$ 1,886,727	\$ 600,084	\$ (474,529)
	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
TRS			
Employer's proportionate share of the net pension liability (asset)	\$ 2,905,948	\$ 190,798	\$ (2,092,761)

Pension Plan Fiduciary Net Position

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

	ERS	TRS
Employers' total pension liability (asset)	\$ 240,696,851	\$ 138,365,122
Fiduciary net position	225,972,801	137,221,537
Employers' net position liability (asset)	\$ 14,724,050	\$ 1,143,585
Ration of fiduciary net position to the Employers' total pension liability (asset)	93.88%	99.17%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024, represent the projected employer contribution for the period of April 1, 2024, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions, as of June 30, 2024, amounted to \$50,998.

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 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 \$362,912.

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 10 - Post-Employment (Health Insurance) Benefits (GASB 75)

General Information about the OPEB Plan

Plan Description

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

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 employees or beneficiaries currently receiving benefit payments	14
Active employees	<u>90</u>
Total employees	<u>94</u>

Total OPEB Liability

The District's total OPEB liability of \$678,471 was measured as of July 1, 2023, and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary scale	3.30% - 8.80%
Discount rate	4.13%
Healthcare cost trend rates	8.0% for 2024, decreasing to an ultimate rate of 4.50%

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 10 - Post-Employment (Health Insurance) Benefits (GASB 75) (Cont.)

Actuarial Assumptions and Other Inputs (Cont.)

The discount rate was selected from a range of indices for 20-year tax-exempt general obligation municipal bonds as of July 1, 2023 (measurement date).

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2022.

Changes in the Total OPEB Liability

Balance at June 30, 2023	\$ 583,072
<u>Changes for the year:</u>	
Service cost	34,441
Interest	25,036
Changes in assumptions or other inputs	31,808
Differences between expected and actual experience	15,012
Benefit payments	<u>(10,898)</u>
Net changes	<u>95,399</u>
 Balance at June 30, 2024	 <u><u>\$ 678,471</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.13 percent in 2023 to 4.09 percent in 2024.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13 percent) or 1 percentage point higher (5.13 percent) than the current discount rate:

	<u>1% Decrease</u> <u>(3.13%)</u>	<u>Discount</u> <u>Rate</u> <u>(4.13%)</u>	<u>1% Increase</u> <u>(5.13%)</u>
Total OPEB Liability	\$ <u>726,956</u>	\$ <u>678,471</u>	\$ <u>632,840</u>

Sensitivity to 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 a healthcare cost trend rate that is 1 percentage point lower (7.00 percent) or 1 percentage point higher (9.00 percent) than the current healthcare cost trend rate:

	<u>1% Decrease</u> <u>(7.00%</u> <u>Decreasing</u> <u>to 3.50%)</u>	<u>Healthcare</u> <u>Cost trend rates</u> <u>(8.00%</u> <u>Decreasing</u> <u>to 4.50%)</u>	<u>1% Increase</u> <u>(9.00%</u> <u>Decreasing</u> <u>to 5.50%)</u>
Total OPEB Liability	\$ <u>608,527</u>	\$ <u>678,471</u>	\$ <u>759,594</u>

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 10 - Post-Employment (Health Insurance) Benefits (GASB 75) (Cont.)

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 \$52,999. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 44,632	\$ (112,885)
Changes of assumptions or other inputs	78,970	(19,773)
Contributions subsequent to the measurement period	<u>26,926</u>	<u>-</u>
	<u>\$ 150,528</u>	<u>\$ (132,658)</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (6,479)
2026	2,025
2027	2,688
2028	5,619
2029	(9,811)
Thereafter	(3,098)

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 11 - Interfund Transactions – Governmental Funds

Interfund transactions and balances at June 30, 2024, were as follows:

	Interfund	
	Receivable	Payable
<u>GOVERNMENTAL FUNDS:</u>		
General Fund	\$ 1,588,808	\$ 175,252
Special Aid Fund	1,124,201	2,132,877
School Lunch Fund	43,364	21,253
Capital Projects Fund	86,561	1,301,008
Debt Service Fund	789,561	-
TOTAL GOVERNMENTAL FUNDS	<u>3,632,495</u>	<u>3,630,390</u>
<u>FIDUCIARY FUNDS:</u>		
Private Purpse Trust Fund	-	2,105
TOTAL FIDUCIARY FUNDS	<u>-</u>	<u>2,105</u>
TOTAL GOVERNMENTAL AND FIDUCIARY FUNDS	<u>\$ 3,632,495</u>	<u>\$ 3,632,495</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of net position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Note 12 - 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 on prior years' experience, the district's administration believes disallowances, if any, will be immaterial.

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

The District participates in a risk sharing pool, Allegany Cattaraugus Workmen's Compensation, to insure workers' compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risk related to Workers' Compensation claims. For the year ended June 30, 2024, the District paid incurred premiums or contribution expenditures totaling \$40,437.

For its employee health and accident insurance coverage, injuries to employees, the District is a participant in the Allegany/Cattaraugus Medical Plan, a public entity risk pool operated for the benefit of 21 individual government units located within the Allegany/Cattaraugus area. The District pays an annual premium to the plan for this medical coverage, which totaled \$1,339,633 for the year ended June 30, 2024. The Allegany/Cattaraugus Medical Plan is considered a self-sustaining risk pool that will provide unlimited coverage for its members per insured event. The Allegany/Cattaraugus Medical Plan obtains coverage for insured events in excess of the \$250,000 limit and the District has essentially transferred all related risk to the pool.

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 13 - Risk Management

The District is exposed to various risks of loss related to the 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.

REQUIRED SUPPLEMENTARY INFORMATION

SCIO CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES:</u>				
<u>LOCAL SOURCES:</u>				
Real property taxes	\$ 1,804,389	\$ 1,804,389	\$ 1,871,836	\$ 67,447
Non-property tax items	453,000	453,000	384,558	(68,442)
Charges for services	5,500	5,500	9,185	3,685
Use of money and property	76,000	76,000	3,530	(72,470)
Sale of property	900	900	35,666	34,766
Miscellaneous	57,000	57,000	66,734	9,734
<u>STATE SOURCES:</u>				
Basic formula aid	6,842,890	6,842,890	5,923,378	(919,512)
Lottery aid	-	-	838,897	838,897
BOCES aid	1,399,044	1,399,044	1,611,248	212,204
Textbook aid	21,450	21,450	13,806	(7,644)
Computer software	5,391	5,391	8,819	3,428
Library A/V loan program	-	-	1,347	1,347
Federal sources	27,000	27,000	39,424	12,424
TOTAL REVENUES	<u>10,692,564</u>	<u>10,692,564</u>	<u>\$ 10,808,428</u>	<u>\$ 115,864</u>
<u>APPROPRIATED FUND BALANCE:</u>				
Prior year designated fund balance	882,364	882,364		
Appropriated reserves - prior year encumbrances	<u>13,294</u>	<u>13,294</u>		
TOTAL REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE	<u>\$ 11,588,222</u>	<u>\$ 11,588,222</u>		

See independent auditor's report

SCIO CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

EXPENDITURES:	Original Budget	Final Budget	Actual	Encumbrances	Variance
<u>GENERAL SUPPORT:</u>					
Board of education	\$ 15,850	\$ 15,850	\$ 12,796	\$ -	\$ 3,054
Central administration	222,191	227,168	224,103	1,250	1,815
Finance	192,895	206,355	196,088	-	10,267
Staff	266,805	262,572	271,243	-	(8,671)
Central services	958,290	1,075,827	1,082,954	13,199	(20,326)
Special items	137,630	158,550	158,615	-	(65)
TOTAL GENERAL SUPPORT	1,793,661	1,946,322	1,945,799	14,449	(13,926)
<u>INSTRUCTION:</u>					
Instruction, administration and improvement	370,124	323,288	252,807	103	70,378
Teaching - regular school	2,967,181	2,949,013	2,275,650	22,665	650,698
Programs for children with disabilities	1,538,303	1,525,881	1,576,432	45	(50,596)
Occupational education	363,062	363,062	358,367	1,978	2,717
Teaching - special schools	10,660	9,530	9,530	-	-
Instructional media	387,877	383,955	327,884	7,007	49,064
Pupil services	454,476	470,264	421,640	-	48,624
TOTAL INSTRUCTION	6,091,683	6,024,993	5,222,310	31,798	770,885
Pupil transportation	683,692	683,965	683,597	-	368
Employee benefits	2,095,785	2,023,681	2,193,998	164,540	(334,857)
<u>DEBT SERVICE:</u>					
Debt service - principal	561,334	549,694	491,334	-	58,360
Debt service - interest	262,067	259,567	255,808	-	3,759
TOTAL DEBT SERVICE	823,401	809,261	747,142	-	62,119
TOTAL EXPENDITURES	11,488,222	11,488,222	10,792,846	210,787	484,589
<u>OTHER FINANCING USES:</u>					
Operating transfers out	100,000	100,000	-	-	100,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 11,588,222	\$ 11,588,222	\$ 10,792,846	\$ 210,787	\$ 584,589
Net change in fund balance			15,582		
Fund balance - beginning of year			4,049,309		
Fund balance - end of year			\$ 4,064,891		

See independent auditor's report

SCIO CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY
NYSLRS PENSION PLAN
FOR THE YEAR ENDED JUNE 30, 2024

New York State Teachers' Retirement System								
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension liability (asset)	0.016684%	0.016879%	0.016459%	0.017751%	0.017055%	0.018442%	0.018970%	0.018951%
District's proportionate share of the net pension liability (asset)	\$ 190,798	\$ 323,897	\$ (2,852,147)	\$ 490,504	\$ (443,084)	\$ (333,478)	\$ (144,190)	\$ 202,976
District's covered-employee payroll	\$ 3,355,638	\$ 3,427,172	\$ 2,990,231	\$ 2,979,892	\$ 3,165,118	\$ 3,011,272	\$ 3,136,484	\$ 3,006,098
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	5.69%	9.45%	-95.38%	16.46%	-14.00%	-11.07%	-4.60%	6.75%
New York State Employees' Retirement System								
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement Date	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
District's proportion of the net pension liability (asset)	0.0040755%	0.003468%	0.003640%	0.003476%	0.003405%	0.003467%	0.003586%	0.003764%
District's proportionate share of the net pension liability (asset)	\$ 600,084	\$ 743,737	\$ (297,587)	\$ 3,461	\$ 901,720	\$ 245,649	\$ 115,719	\$ 353,630
District's covered-employee payroll	\$ 1,430,827	\$ 1,238,700	\$ 1,078,154	\$ 1,050,059	\$ 1,013,734	\$ 987,635	\$ 920,148	\$ 1,008,385
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	41.94%	60.04%	-27.60%	0.33%	88.95%	24.87%	12.58%	35.07%

See independent auditor's report

SCIO CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
NYSLRS PENSION PLAN
FOR THE YEAR ENDED JUNE 30, 2024

New York State Teachers' Retirement System									
	2024	2023	2022	2021	2020	2019	2018	2017	
Contractually required contribution	\$ 317,079	\$ 293,043	\$ 266,228	\$ 266,941	\$ 302,322	\$ 294,390	\$ 352,315	\$ 387,772	
Contributions in relation to the contractually required contribution	\$ 317,079	\$ 293,043	\$ 266,228	\$ 266,941	\$ 302,322	\$ 294,390	\$ 352,315	\$ 387,772	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered-employee payroll	\$ 3,355,638	\$ 3,427,172	\$ 2,990,231	\$ 2,979,892	\$ 3,165,118	\$ 3,011,272	\$ 3,136,484	\$ 3,006,098	
Contributions as a percentage of covered-employee payroll	9.45%	8.55%	8.90%	8.96%	9.55%	9.78%	11.23%	12.90%	

New York State Employees' Retirement System									
	2024	2023	2022	2021	2020	2019	2018	2017	
Contractually required contribution	\$ 149,873	\$ 118,149	\$ 160,327	\$ 137,533	\$ 130,627	\$ 136,808	\$ 144,018	\$ 155,294	
Contributions in relation to the contractually required contribution	\$ 149,873	\$ 118,149	\$ 160,327	\$ 137,533	\$ 130,627	\$ 136,808	\$ 144,018	\$ 155,294	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered-employee payroll	\$ 1,430,827	\$ 1,238,700	\$ 1,078,154	\$ 1,050,059	\$ 1,013,734	\$ 987,635	\$ 920,148	\$ 1,008,385	
Contributions as a percentage of covered-employee payroll	10.47%	9.54%	14.87%	13.10%	12.89%	13.85%	15.65%	15.40%	

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SCIO CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

Measurement date, June 30	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:							
Service cost	\$ 34,441	\$ 38,886	\$ 36,238	\$ 26,035	\$ 25,169	\$ 28,032	\$ 31,687
Interest	25,036	15,703	19,584	22,164	26,710	26,235	24,950
Changes of assumptions or other inputs	31,808	(15,962)	20,850	66,634	12,773	(17,704)	(27,000)
Differences between expected and actual experience						-	
in the measurement of the total OPEB liability	15,012	(102,403)	(27,809)	56,814	(36,193)	12,361	(41,017)
Benefit payments	<u>(10,898)</u>	<u>(62,231)</u>	<u>(79,042)</u>	<u>(74,943)</u>	<u>(100,877)</u>	<u>(84,987)</u>	<u>(119,856)</u>
Net change in total OPEB liability	\$ 95,399	(126,007)	(30,179)	96,704	(72,418)	(36,063)	(131,236)
Total OPEB - beginning	<u>583,072</u>	<u>709,079</u>	<u>739,258</u>	<u>642,554</u>	<u>714,972</u>	<u>751,035</u>	<u>882,271</u>
Total OPEB - ending	<u>\$ 678,471</u>	<u>\$ 583,072</u>	<u>\$ 709,079</u>	<u>\$ 739,258</u>	<u>\$ 642,554</u>	<u>\$ 714,972</u>	<u>\$ 751,035</u>
Covered payroll	<u>\$ 4,192,884</u>	<u>\$ 4,090,619</u>	<u>\$ 3,930,990</u>	<u>\$ 3,835,112</u>	<u>\$ 3,731,731</u>	<u>\$ 3,640,713</u>	<u>\$ 3,778,097</u>
Total OPEB liability as a percentage of covered payroll	16.2%	14.3%	18.04%	19.3%	17.2%	19.6%	19.9%

See independent auditor's report

SUPPLEMENTARY INFORMATION

SCIO CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 11,574,928
Additions:	
Prior year's encumbrances	<u>13,294</u>
Final Budget	<u>\$ 11,588,222</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024 - 25 voter approved expenditure budget	<u>\$ 11,755,945</u>
Maximum allowed (4% of 2024 - 25 budget)	<u>\$ 470,238</u>

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

Unrestricted fund balance:	
Assigned fund balance	1,119,739
Unassigned fund balance	<u>1,486,220</u>
TOTAL UNRESTRICTED FUND BALANCE	<u>2,605,959</u>

Less:	
Appropriated fund balance	908,952
Encumbrances	<u>210,787</u>
TOTAL ADJUSTMENTS	<u>1,119,739</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 1,486,220</u>
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Actual Percentage	12.64%
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SCIO CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES – CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2024

<u>PROJECT TITLE:</u>			<u>Expenditures</u>			<u>Unexpended Balance</u>	<u>Proceeds of Obligations</u>	<u>Methods of Financing</u>			<u>Fund Balance 6/30/2024</u>
	<u>Original Appropriation</u>	<u>Revised Appropriation</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>			<u>State Aid</u>	<u>Local Sources</u>	<u>Total</u>	
Emergency Project	\$ 200,000	\$ 150,000	\$ 140,171	\$ -	\$ 140,171	\$ 9,829	\$ -	\$ -	\$ 150,074	\$ 150,074	\$ 9,903
Buses	133,251	133,251	599,592	156,872	756,464	(623,213)	547,022	-	69,592	616,614	(139,850)
Renovation Project	2,715,171	2,715,171	2,891,856	-	2,891,856	(176,685)	2,799,063	131,938	103,611	3,034,612	142,756
2019 Capital Project	5,731,700	5,731,700	5,731,904	-	5,731,904	(204)	4,915,522	-	-	4,915,522	(816,382)
2022 Capital Project	5,750,000	5,750,000	366,292	1,648,759	2,015,051	3,734,949	86,561	-	344	86,905	(1,928,146)
Contingency	<u>99,100</u>	<u>99,100</u>	<u>64,131</u>	<u>-</u>	<u>64,131</u>	<u>34,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(64,131)</u>
Total	<u>\$ 14,629,222</u>	<u>\$ 14,579,222</u>	<u>\$ 9,793,946</u>	<u>\$ 1,805,631</u>	<u>\$ 11,599,577</u>	<u>\$ 2,979,645</u>	<u>\$ 8,348,168</u>	<u>\$ 131,938</u>	<u>\$ 323,621</u>	<u>\$ 8,803,727</u>	<u>\$ (2,795,850)</u>

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SCIO CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

Capital assets and right-to-use assets, net	\$ 10,814,389
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Deduct:

BANs payable	(1,350,000)	
Short-term portion of bonds payable	(511,629)	
Short-term portion of lease payable	(41,905)	
Long-term portion of lease payable	(45,361)	
Long-term portion of bonds payable	<u>(4,573,411)</u>	
TOTAL DEDUCTIONS		<u>(6,522,306)</u>

NET INVESTMENT IN CAPITAL ASSETS	<u>\$ 4,292,083</u>
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Education
Scio Central School District
Scio, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Scio Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Scio Central School District's basic financial statements, and have issued our report thereon October 2, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

BUFFALO
501 John James Audubon
Suite 390
Amherst, NY 14228
P: (716) 694-0336

COOPERSTOWN
55-57 Grove Street
Cooperstown, NY 13326
P: (607) 282-4161

ONEONTA
189 Main Street, Suite 302
Oneonta, NY 13820
P: (607) 432-3462

PERRY
199 S. Main Street, PO Box 1
Perry, NY 14530
P: (585) 237-3896

ROCHESTER
90 Linden Oaks, Suite 100
Rochester, NY 14625
P: (585) 410-6733

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.

Allied CPAs, P.C.

Amherst, New York
October 2, 2024

**SINGLE AUDIT
WITH
INDEPENDENT AUDITOR'S REPORT**



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

To the Board of Education
Scio Central School District
Scio, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

BUFFALO
501 John James Audubon
Suite 390
Amherst, NY 14228
P: (716) 694-0336

COOPERSTOWN
55-57 Grove Street
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Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Scio Central School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Scio Central School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Scio Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Allied CPAs, P.C.

Amherst, New York
October 2, 2024

SCIO CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identification Number	Total Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>			
<u>Passed through New York State Department of Education:</u>			
<i>Child Nutrition Cluster:</i>			
National School Breakfast Program	10.553	N/A	\$ 86,568
National School Lunch Program	10.555	N/A	170,962
Summer Food Service Program for Children	10.559	N/A	9,107
Total U.S. Department of Agriculture			<u>266,637</u>
<u>U.S. Department of Education:</u>			
<u>Pass-through New York State Department of Education</u>			
E.S.E.A. Title I - Improved Basic Skills through Remediation	84.010	0021-23-0130	<u>159,679</u>
<i>Special Education Cluster (IDEA):</i>			
IDEA Part B - Section 611	84.027	0032-23-0045	92,353
IDEA Part B - Section 619	84.173A	0033-23-0045	3,636
Total Special Education Cluster			<u>95,989</u>
Rural Education Achievement Program	84.358A	N/A	<u>36,907</u>
E.S.E.A. Title II - Supporting Effective Instruction State Grant	84.367	0147-24-0130	<u>30,737</u>
E.S.E.A. Title IV - Student Support and Academic Enrichment Grants	84.424	0204-24-0130	<u>12,188</u>
Other Federal Grant. Title IV, Part B Grant	84.287	0006-24-0130	<u>7,516</u>
<i>American Rescue Plan - Elementary and Secondary School</i>			
<i>Emergency Relief:</i>			
ARP - ESSER 3	84.425U	5880-21-0130	100,389
ARP - SLR Summer Enrichment	84.425U	5882-21-0130	3,725
ARP - SLR Comprehensive After School	84.425U	5883-21-0130	52,608
ARP - SLR Learning Loss	84.425U	5884-21-0130	461,432
Total American Rescue Plan - Elementary and Secondary			
School Emergency Relief			<u>618,154</u>
Total Department of Education			<u>953,654</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
<u>Direct Program:</u>			
Medicaid	93.778	N/A	<u>39,424</u>
Total Department of Health and Human Services			<u>39,424</u>
Total Expenditures of Federal Awards			<u>\$ 1,267,231</u>

See Report on Compliance with Requirements Applicable to each Major Program
and Internal Control Over Compliance in Accordance with the Uniform Guidance.

SCIO CENTRAL SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 – Summary of Certain Significant Accounting Principles

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

The District did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance. Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge Federal award programs with indirect costs.

Note 2 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Scio Central School District and presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Federal grants received by the District are subject to audit and adjustment. If any expenditure is disallowed by the grantor agencies as a result of such audit, the grantor agencies could make claims to reimbursement, which would become a liability of the District.

Various reimbursement procedures are used for Federal Awards received by the District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balance at year end represents an excess of expenditures over cash reimbursements received to date. Deferred balances at year end represent an excess of cash reimbursements received over reimbursable expenditures to date. Generally, accrued, or deferred balances are caused by differences in the timing of cash reimbursements and expenditures and will be reversed in the remaining grant period.

Note 3 – Non-Cash Assistance

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2024, the District received food commodities totaling \$12,689.

SCIO CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results:

Financial Statements:

Type of Auditor's Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material weaknesses identified? _____ Yes X No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X None reported

Federal Awards:

Internal control over major programs:

Material weaknesses identified? _____ Yes X No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes X No

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

Any audit findings disclosed that are required to be reported in
accordance with section 2 CRF §200.516(a) _____ Yes X No

Identification of Major Programs:

Assistance

<u>Listing No.</u>	<u>Name of Federal Program</u>
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as a low-risk auditee? X Yes _____ No

Section II – Findings Related to Financial Statements

As of and for the year ended June 30, 2024, Scio Central School District had no findings that were required to be reported in accordance with GAGAS.

Section III – Federal Award Findings and Questioned Costs:

As of and for the year ended June 30, 2024, Scio Central School District had no findings that were required to be reported in accordance with the Uniform Guidance.