PRELIMINARY OFFICIAL STATEMENT DATED MAY 27, 2025

NEW ISSUE | **BOND ANTICIPATION NOTES**

In the opinion of Bond Counsel, under the existing statutes, regulations and court decisions, interest on the Notes is excludable from gross income for Federal income tax purposes, and, under the existing statutes, interest on the Bonds and Notes is exempt from New York State and New York City personal income taxes. In the opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of Federal alternative minimum tax; interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. No opinion is expressed regarding other Federal tax consequences arising with respect to the Notes. See "Tax Exemption" herein.

The Notes will be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 as amended.

PARISHVILLE-HOPKINTON CENTRAL SCHOOL DISTRICT
ST. LAWRENCE COUNTY, NEW YORK

$5,800,000
Bond Anticipation Notes, 2025

Dated: June 26, 2025 | **Due: June 26, 2026**

The Notes are general obligations of the Parishville-Hopkinton Central School District, St. Lawrence County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount, subject to applicable statutory limitations. See "Nature of the Obligation" and "Tax Levy Limitation Law" herein. The Notes will be issued without the option of prepayment, with interest payable at maturity.

The Notes will be dated June 26, 2025 and will mature, without option of prior redemption, on June 26, 2026.

At the option of the Purchaser(s), the Notes will be issued as registered notes payable to the Purchaser(s) or registered in the names 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.

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, one fully registered note certificate will be issued for each maturity of the Notes.

If the Notes are issued in registered in book-entry form, 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. Such Notes will be issued in denominations of $5,000 or integral multiples thereof except one odd denomination as needed, and payment of 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 Participants, subject to any statutory and regulatory requirements as may be in the 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(s) and subject to the receipt of an unqualified legal opinion as to the validity of the Notes of Timothy R. McGill, Esq., Fairport, New York. It is anticipated that the Notes will be available for delivery on or about June 26, 2025

Facsimile or telephone bids will be received THURSDAY, June 5, 2025 until 11:30 a.m. Prevailing Time, pursuant to the terms of the Notice of Sale.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12, 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 NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE NOTES. THE SCHOOL DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS REQUIRED BY SAID RULE.

DATED: May 23, 2025

PARISHVILLE-HOPKINTON CENTRAL SCHOOL DISTRICT
ST. LAWRENCE COUNTY, NEW YORK

School District Officials

2024-25 BOARD OF EDUCATION

Heather Liebfred - President
Tim Zellweger Vice President

April Fullerton
Thomas Morrison
Jared Remington
Christina Snell
Janine Sullivan
Matthew Wendig
Jeffrey Yette

Steven Coffin – Superintendent of Schools
Colleen Ayers – Business Manager
Stefanie Latimer - School District Treasurer/Clerk

School District Attorney

Linden Law Firm

BOND COUNSEL

Timothy R. McGill, Esq.

MUNICIPAL ADVISOR

RGT
R.G. TIMBS INC.

R. G. Timbs, Inc.

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

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PREPARED WITH THE ASSISTANCE OF:

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OFFICIAL STATEMENT

PARISHVILLE-HOPKINTON CENTRAL SCHOOL DISTRICT
ST. LAWRENCE COUNTY, NEW YORK

Relating To

$5,800,000
Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page, has been prepared by the Parishville-Hopkinton Central School District, St. Lawrence County, New York (the "District" or "School District", "County" and "State," respectively) in connection with the sale by the District of its $5,800,000 Bond Anticipation Notes, 2025 (the "Notes").

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District's 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 form of the Notes and such proceedings.

THE NOTES

Description of the Note

The Notes are general obligations of the District and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the 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.

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

The Notes will be issued as registered notes and, at the option of the purchaser, may be registered to the Depository Trust Company ("DTC") or may be registered in the name of the purchaser.

If the Notes are issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Notes. Payments of principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes.

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds by the District.

Authority for and Purpose of the Notes

The Notes are authorized to be issued pursuant to the Constitution and laws of the State of New York, including among others, the Education Law, the Local Finance Law, and pursuant to a Bond Resolution dated January 29, 2024 authorizing the issuance of up to $8,158,000 in Bond Anticipation Notes or Bonds for the financing of certain capital improvements consisting of construction and reconstruction of school buildings and facilities. This issue will provide the District with $5,800,000 of new money.

Nature of the Obligation

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

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

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

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

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

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

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

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

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

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

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

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

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered Notes 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, only if requested by the purchaser prior to the initial issuance of Notes. One fully-registered note certificate will be issued for each of the notes 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, National Securities Clearing Corporation 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 affect 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 of them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults and proposed amendments to the Notes 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 not 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 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-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

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

In the event the purchaser does not request the DTC book-entry-only system apply to the Notes on the date of initial issuance thereof, or in the event that book-entry only system is requested but subsequently discontinued by either DTC or the District, the following provisions will apply: The Notes will be issued registered in the name of the purchaser in denominations of $5,000 each or integral multiples thereof, except for any necessary odd denomination. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as a fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The Parishville-Hopkinton Central School District encompasses an area of approximately 180 square miles. The character of the District is primarily rural with the majority of homes being single family. The District is situated in the northwest corner of New York State in the northeastern sector of St. Lawrence County. The City of Potsdam is located 12 miles to the west of the District. The District is located 30 miles south of the United States/Canadian border.

Major roadways of the District include NYS Routes #11, #11B, and #72, all of which essentially transect the District in a north/south direction. Population clusters and commercial development activity are concentrated along these transportation corridors. Also, these highways provide easy access to the Potsdam area for many District residents who commute to employment in the City.

District Population

The 2023 population of the School District is estimated to be 2,827. (Source: 2023 U.S. Census Bureau estimate)

Economic Developments

A Dollar General opened in Hopkinton, New York.

The Rich Road Solar and Storage Project is a proposed 240 megawatt alternating current photovoltaic solar facility which may include approximately 20 MW of energy storage capacity located in the Town of Canton, St. Lawrence County, New York. Construction is to begin in 2025 with operations beginning in 2026.

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

	Per Capita Income			**Median Family Income**		
	2006-2010	**2016-2020**	**2019-2023**	**2006-2010**	**2016-2020**	**2019-2023**
Towns Of:						
Hopkinton	$19,601	$19,372	$31,136	$42,639	$49,135	$68,750
Parishville	22,400	38,913	38,913	45,625	53,672	104,952
Potsdam	16,384	22,410	27,227	55,072	73,074	81,120
Stockholm	19,931	27,472	44,065	45,682	51,559	119,869
County Of:						
St. Lawrence	20,143	23,313	31,574	50,384	56,394	80,918
State Of:						
New York	30,948	34,212	49,520	67,405	74,036	105,060

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

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2019-2023 American Survey data.

District Facilities

Name	Grades	Year Built	Current Maximum Capacity	Date of Last Addition or Alteration
Parishville-Hopkinton School District Main Building	UPK-12	1934	608	2021

Source: District Official

District Employees

The District employs a total of 74 full-time and 3 part-time employees with representation by the various bargaining units listed below:

Bargaining Unit	Employees	Expiration Date
Parishville-Hopkinton Teachers' Association	46	6/30/2026
Parishville-Hopkinton Non-Teaching Employees Association	25	6/30/2025*

*Currently under negotiations.

Source: District Officials

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2020-21	338	2025-26	342
2021-22	347	2026-27	342
2022-23	334	2027-28	340
2023-24	348	2028-29	340
2024-25	341	2029-30	340

Source: District Officials

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York and Local Employees' Retirement -System ("ERS"). Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS"). Payments to TRS are deducted from the School District's State aid payments. Both the ERS and the TRS (together, the "Retirement Systems") are non-contributory with respect to members hired prior to July 27, 1976. Other than those in Tier V and Tier VI, all members hired on or after July 27, 1976, with less than 10 years of service must contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, pension reform legislation was signed into law that created a new Tier V pension level. 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 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 been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).

• Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

Members of the TRS have a separate Tier V benefit structure that will achieve equivalent savings as other civilian public employees. It includes:

• Raising the minimum age an individual can retire without penalty from 55 to 57 years.

• Contributing 3.5% of their annual wages to pension costs rather than 3% and continuing this increased contribution so long as they accumulate additional pension credits.

• Increasing the 2% multiplier threshold for final pension calculations from 20 to 25 years.

In accordance with constitutional requirements, Tier V applies only to public employees hired after December 31, 2009, and before April 2, 2012.

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 State's enacted budget for the 2024-25 fiscal year, which was signed into law on April 22, 2024, further reformed Tier 6 by changing the final average year salary to determine a public employee's retirement benefit from the highest five consecutive years to the highest three consecutive years, and by extending the two-year exclusion of overtime earnings when determining a Tier 6 member's contribution rate to their pension benefit.

The District is required to contribute at an actuarially determined rate. The actual contribution for the last five years and the budgeted figures for the 2024-25 and 2025-26 fiscal years are as follows:

Fiscal Year	ERS	TRS
2019-2020	$115,890	$329,378
2020-2021	133,973	279,972
2021-2022	136,254	289,972
2022-2023	101,962	330,139
2023-2024	118,974	350,943
2024-2025 (Budgeted)	190,000	386,100
2025-2026 (Proposed)	215,000	390,000

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

Retirement Incentive Program – 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 does not currently have early retirement incentive programs for its employees

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

A chart of average ERS and TRS rates as a percent of payroll (2019-20 to 2024-25) is shown below:

Fiscal Year	ERS	TRS
2020-2021	14.6%	9.53%
2021-2022	16.2	9.8
2022-2023	11.6	10.29
2023-2024	13.1	9.76
2024-2025	15.2	10.11
2025-2026	16.5	9.59*

*Estimated

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period; but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by 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 12.5% 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 State's 2019-2020 Enacted Budget will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such 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 established and funded a TRS Reserve in June 2019.

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

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits 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. OPEB consists 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 - requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. However, GASB 75 also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity and requires: (a) explanations of how and why the OPEB liability changed from year to year (b) amortization and reporting of deferred inflows and outflows due to assumption changes, (c) use of a discount rate that takes into account resources of an OPEB plan and how they will be invested to maximize coverage of the liability (d) a single actual cost method and (e) immediate recognition of OPEB expense and effects of changes to benefit terms.

Under GASB 75, a total OPEB liability is determined for each municipality or school district. A net change in the total OPEB Liability is calculated as the sum of changes for the year including service cost, interest, difference between expected and actual experience, changes in benefit terms, changes in assumptions or other inputs, less the benefit payments made by the School District for the year.

Based on the most recent actuarial valuation dated July 1, 2023 and financial data as of June 30, 2024, the School District's beginning year total OPEB liability was $38,668,405, the net change for the year was ($2,960,418 resulting in a total OPEB liability of $35,707,987 for a fiscal year ending June 30, 2024. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2024 financial statements.

The total OPEB liability is required to be determined through an actuarial valuation every two years, at a minimum. However, OPEB plans with fewer than 100 members may use an alternative measurement method in place of an actuarial valuation. Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

There is no authority in current State law to establish a trust account or reserve fund for this liability. While State Comptroller Thomas P. DiNapoli proposed a bill in April of 2015 that would create an optional investment pool to help local governments fund their OPEB liabilities, such legislation has not advanced past the committee stage.

The School District's total OPEB liability is expected to increase. As is the case with most municipalities, this is being handled by the School District on a "pay-as-you-go" basis. Substantial future increases could have a material adverse impact upon the School District's finances and could force the School District to reduce services, raise taxes or both.

Major Employers

Name	Nature of Business	Estimated Number of Employees
Town of Parishville	Municipality	19
Parishville-Hopkinton Central School District	Public Education	77
Numed	Medical Manufacturer	89
Town of Hopkinton	Municipality	20
Upstone Materials	Concrete Products Manufacturer	5
Dollar General	Retail Store	8
Kunoco Food Mart - Parishville location	Gas Station & Convenience Store	9
Parkway Express - Hopkinton location	Gas Station & Convenience Store	7

Source: District Officials

Unemployment Rate Statistics

Unemployment statistics are not available for the School District as such. The smallest area for which such statistics are available (which includes the School District) is St. Lawrence County. The data set forth below with respect to the County is included for information purposes only. It should not be inferred from the inclusion of such data in this Statement that the School District is necessarily representative of the County or vice versa.

Year	St. Lawrence County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2020	7.7%	9.8%	8.1%
2021	5.1%	7.1%	5.3%
2022	4.1%	4.3%	3.6%
2023	4.3%	4.1%	3.7%
2024	4.6%	4.3%	4.0%

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

2024-2025 Monthly Figures

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
St. Lawrence County	4.3%	4.2%	4.6%	5.1%	5.0%	3.7%	3.7%	4.0%	4.5%	5.7%	5.6%	5.2%
New York State	3.9%	4.0%	4.3%	4.8%	4.8%	4.0%	4.2%	4.2%	4.2%	4.6%	4.3%	4.1%

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

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposit accounts in, certificates of deposit issued by or a deposit placement program (as provided by statute) with a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district or district corporation other than the School District; and (6) in the case of the School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law, or satisfy the statutory requirements of the deposit placement program.

Consistent with the above statutory limitations, it is the School District’s current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third-party custodian. The School District is not authorized by State Law to invest in reverse repurchase agreements or similar derivative-type investments.

Form of School Government

The Board of Education is the policy-making body of the School District and consists of nine members with overlapping three-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the School District. The President and the Vice President are selected by the Board members.

The administrative officers of the School District implement the policies of the Board of Education and supervise the operation of the school system.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education of the School District annually prepares a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven 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 School District must mail a school budget notice to all qualified voters which contains the total budgeted 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 budget 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 School District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 of the State of New York ("Chapter 97"), beginning with the 2012-13 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% (plus certain adjustments, if applicable) or the rate of inflation (the " Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy increase that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 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.

The budget for the 2022-23 fiscal year was adopted by the qualified voters on May 17, 2022 by 142 to 56. The School district's 2022-23 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2023-24 fiscal year was adopted by the qualified voters on May 16, 2023 by 226 to 66. The School district's 2023-24 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2024-25 fiscal year was adopted by the qualified voters on May 21, 2024 by 173 to 50. The School district's 2024-25 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

State Aid

The District receives appropriations from the State. In its adopted budget for the 2025-26 fiscal year, approximately 59.89% 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.

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

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

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 adoption of the State budget, which is due at the start of the State's fiscal year of April 1. Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017, the 2023-24 State budget which was not adopted until May 3, 2023 and the 2024-25 State budget which was not adopted until April 20, 2024. 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 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.

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.

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.

State Aid History

The State's 2020- 2021 Enacted Budget - Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was approximately $27.9 billion, an annual increase of approximately $100 million or 0.4%. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid continued under existing aid formulas. Out-year growth in School Aid reflected then current projections of the ten-year average growth in State personal income. The State's 2020- 2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4% from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

The State 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 includes the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, 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 are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are to be 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 are to receive a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and will receive a full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts where applicable.

The State 2022-23 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State 2022-23 Enacted Budget also programs $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 public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates $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 2022-23 Enacted Budget increases 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.

The State's 2023-24 Enacted Budget included $34.5 billion for school aid, an increase of $3.1 billion or 10%. The States 2023-24 Budget also provided a $2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided $134 million to increase access to free school meals. An additional

$20 million in grant funding 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 will be made to promote job readiness. An additional $150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

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

The State's 2025-26 Enacted Budget provides $37.6 billion in State funding to school districts for the 2025-26 school year, the highest level of State aid ever. This represents an increase of $1.7 billion or 4.9 percent compared to the 2024-25 school year and includes a $1.4 billion or 5.6 percent Foundation Aid increase. The State's 2025-26 Enacted Budget includes a 2% minimum increase in Foundation Aid to all school districts and makes a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth school districts.

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

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

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

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity 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 Campaign for Fiscal Equity 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 has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State 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 Campaign for Fiscal Equity cases, and has been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create and equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid, The new settlement requires New York to phase-in full funding of Foundation Aid by the FY 2024 budget. In the 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund the Foundation Aid by FY 2024 budget and enacted this commitment into law. A breakdown of the currently anticipated Foundation Aid funding is available below:

- FY 2022: $19.8 billion, covering 30% of existing shortfall
- FY 2023: Approximately $21.3 billion, cover 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

The following table illustrates the percentage of total revenue of the District for each of the below fiscal years comprised of State aid and budgeted figures for 2024-25 and 2025-26 fiscal years:

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 10,647,605	$ 6,369,985	59.83%
2020-2021	11,030,625	6,482,353	58.77
2021-2022	11,223,552	6,752,043	60.16
2022-2023	11,921,240	7,095,627	59.52
2023-2024	12,249,542	7,197,482	58.76
2024-2025 (Budgeted)	12,277,012	7,278,171	59.28
2025-2026 (Proposed)	12,185,262	7,298,125	59.89

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

Fiscal Stress Monitoring

The New York State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent information to School District officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's diverse school districts are operating.

The fiscal stress scores are based on financial information submitted as part of each School District's ST-3 report filed yearly with the State Education Department. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the OSC system creates an overall fiscal stress score which classifies whether a district is in "significant fiscal stress", in "moderate fiscal stress", as "susceptible to 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 State Comptroller for the past five fiscal years if the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	0.0

Note: See the official website of the New York State Comptroller for more information on FSMS. Reference to websites implies no warranty of accuracy of information therein.

New York State Comptroller Report of Examination

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

The State Comptroller’s office released an audit report of the District on March 16, 2023. The purpose of the audit was to determine whether District officials appropriately tracked, inventoried and safeguarded information technology (IT) assets acquired or in use during the audit period July 1, 2019- through March 31, 2022. They then expanded the audit period through June 14, 2022 to observe inventory at the District.

Key Findings

District officials did not appropriately track or inventory IT assets, maintain complete IT inventory records or establish adequate controls to safeguard IT assets. As a result, officials cannot assure taxpayers that money invested in IT assets has been appropriately spent or safeguarded.

The State Comptroller’s office selected 53 IT assets to confirm their location and that they were inventoried, and 10 additional IT assets to confirm they were inventoried. It was found that 38 percent of the sampled assets were not properly accounted for. Specifically:

- One Chromebook with a cost of $263 could not be located and was not inventoried.
- Six additional Chromebooks with estimated total costs of $1,580 could not be located.
- Seventeen assets (16 Chromebooks and one 3D printer) with a total estimated costs of approximately $14,278 were not inventoried.

In addition, annual inventories were not conducted and officials did not adopt comprehensive written procedures for IT equipment inventory.

Key Recommendations

- Ensure District inventory records are complete and include the detail necessary to adequately track and locate IT assets.
- Perform annual and complete inventories.

District officials have initiated or indicated they planned to initiate corrective action.

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.

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 were issued is the Education Law and the Local Finance Law.

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

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

Other than "Estimated Calculation of Overlapping Indebtedness", this Official Statement does not include the financial data of any other political subdivisions of the State having power to levy taxes within the School District.

Financial Statements

The School District retains an independent Certified Public Accountant, whose most recent report covers the period ended June 30, 2024 and may be found attached hereto as Appendix B.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York 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 National Committee on Government Accounting.

TAX INFORMATION

Assessed and Full Valuations

Fiscal Year Ended June 30:

	2021	2022	2023	2024	2025
Assessed Valuations:					
Hopkinton	$ 84,302,471	$ 91,008,242	$ 91,647,735	$ 92,133,704	$ 91,977,369
Parishville	9,569,401	9,636,202	9,738,313	9,771,995	9,820,061
Potsdam	2,449,160	2,453,619	2,450,354	2,450,621	2,449,528
Stockholm	6,067,559	6,055,791	6,136,218	6,498,864	6,597,747
Total	$ 102,388,591	$ 109,153,854	$ 109,972,620	$ 110,855,184	$ 110,844,705
Equalization Rates:					
Hopkinton	94.00%	94.00%	93.00%	85.00%	70.00%
Parishville	6.09%	6.09%	5.60%	5.30%	5.10%
Potsdam	94.00%	90.00%	84.00%	74.00%	69.00%
Stockholm	85.00%	83.00%	76.00%	72.00%	67.00%
Full Valuations:					
Hopkinton	$ 89,683,480	$ 96,817,279	$ 98,545,952	$ 108,392,593	$ 131,396,241
Parishville	157,133,021	158,229,918	173,898,446	184,377,264	192,550,216
Potsdam	2,605,489	2,726,243	2,917,088	3,311,650	3,550,041
Stockholm	7,138,305	7,296,134	8,073,971	9,026,200	9,847,384
Total	$ 256,560,295	$ 265,069,574	$ 283,435,457	$ 305,107,707	$ 337,343,881

Equalized values shown here are those used by the School District for tax levy purposes as provided in the Real Property Tax Law. In some cases, equalization rates established specifically for school tax apportionment may have been used, as is also provided in the Real Property Tax Law.

Tax Rate per $1,000 Assessed Value

Fiscal Year Ending June 30:

	2021	2022	2023	2024	2025
Hopkinton	$ 16.92	$ 16.70	$ 16.25	$ 17.11	$ 19.20
Parishville	261.24	257.88	269.91	274.53	263.59
Potsdam	16.92	17.45	17.99	19.65	19.47
Stockholm	18.71	18.92	19.88	20.20	20.05

Tax Collection Procedure

The School tax bills are sent out at the end of August. The School taxes are due by September 30 with no penalty imposed. There is a 2% penalty added to payments during October, with an additional 1% added in November. The School District also offers an installment plan for the payment of taxes in September, October and November with a surcharge added in September.

The School District is reimbursed by the County for all unpaid taxes. Unpaid installments are reimbursed to the School District in December. The balance is reimbursed in April of each year and thus, the School District is assured of 100% collection of its annual levy.

Tax Collection Record

Fiscal Year Ended June 30:	2021	2022	2023	2024	2025*
General Fund Tax Levy	$4,080,495	$4,161,858	$4,282,178	$4,437,368	$4,532,831
Omissions/Loss of Exemptions - Prior Years	0	0	0	0	236
Total Levy for All Purposes	$4,080,495	$4,161,858	$4,282,178	$4,437,368	$4,533,067
Excess/(Deficit) on Tax Rolls	0	0	-74	0	0
Taxes Cancelled					
Net Taxes on Roll	$4,080,495	$4,161,858	$4,282,104	$4,437,368	$4,533,067
STAR Program	387,016	376,026	359,942	343,620	331,886
Net Taxes After STAR Program	$3,693,479	$3,785,832	$3,922,162	$4,093,748	$4,201,181
Taxes Collected Prior to Return	3,162,479	3,507,313	3,606,594	3,763,697	3,848,030
Uncollected Date of Return	$530,868	$278,519	$315,569	$330,051	$353,151
Percentage Collected Prior to Return	85.63%	92.64%	91.95%	91.94%	91.59%

Note: Collection figures are as of 10/31/2024

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2019-2020	$ 10,647,605	$ 3,542,414	33.27%
2020-2021	10,995,625	3,703,080	33.68
2021-2022	11,923,484	3,788,973	31.78
2022-2023	11,921,240	3,919,785	32.88
2023-2024	12,249,542	4,108,684	33.54
2024-2025 (Budgeted)	12,277,012	4,202,831	34.23
2025-2026 (Proposed)	12,185,262	4,384,837	35.98

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

Major Taxpayers 2024

For 2024-25 Tax Roll

Name	Type	Full Value
Erie Blvd	Utility	$52,594,078
Woodwise Forestland, LLC	Forestry	6,694,571
MWF Adirondacks	Forestry	5,915,143
CB Forest Limited	Forestry	5,620,714
New York State Lands	Government	3,545,857
Kildare Club	Privately Owned	3,529,143
Niagara Mohawk	Utility	2,396,983
Jackson Timberland	Forestry	2,222,714
Forest View Heifers, LLC	Forestry	2,028,571
Richard Eakins	Forestry	1,337,857
Total		$85,885,631

Note: 1. The above taxpayers represent 25.46% of the School District's 2024-25 Full value of $337,343,881

As of the date of this Official Statement, the District has some outstanding tax certiorari's with the utility companies.

General Fund Operations

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. (A statement of such revenues and expenditures for the five-year period ending June 30, 2023, is contained in the Appendices). As reflected in the Appendices, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $107,300 or less for the 2025-26 school year, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first $86,100 for the 2025-26 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.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-16 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-16 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes were intended to encourage home owners 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 of the STAR exemption remains the same each year, while the amount of the STAR credit can increase up to two percent annually.

School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

Real Property Tax Rebate

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount was increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrated "three-year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must have provided certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they did provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the District are uncertain at this time.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015 and was signed into law by the Governor on June 26, 2015. The program began in 2016 and was fully phased in 2019.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor. The Tax Levy Limit Law modifies current law by imposing a limit on the amount of real property taxes that a school district may levy. The Law affected school district tax levies for the school district fiscal year beginning July 1, 2012.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy 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").

The Tax Levy Limit Law requires that a school district hereafter submit its proposed tax levy (not its proposed budget) to the voters each year and imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI, as described in the Law. Tax levies that do not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a tax levy in excess of the limit. In the event the voters reject the tax levy, the school district's tax levy for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year, without any stated exceptions.

There are exceptions for school districts to the tax levy limitation provided in the law, 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.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court 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 State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. After the ruling, NYSUT amended its complaint to include a challenge to the Real Property Tax Rebate, also on Federal and State constitutional grounds. On March 16, 2015, all causes of action contained in the amended complaint were dismissed. On May 5, 2016, the dismissal was upheld by the New York Supreme Court, Appellate Division, Third Judicial Department to dismiss the complaint. An additional appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the grounds that no substantial constitutional question was directly involved, and thereafter, leave to appeal was denied on January 14, 2017 by the Court of Appeals.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Debt Limit. The District has the power to contract indebtedness for any school district purpose so long as the principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions. The constitutional method for determining full valuation by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the Commissioner of Education of the State. The District has obtained such approval with respect to the project to be financed by the Notes.

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 District is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,

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

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the 30 power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

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

Statutory law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than 2 years from the date of the first issuance of such notes and provided that such renewal issues do not exceed 5 years beyond the original date of borrowing.

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue, tax anticipation, budget and capital notes.

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Serial Bonds	$3,320,000	$3,015,000	$2,655,000	$2,235,000	$1,820,000
Capital Lease Obligations	1,004,842	950,336	894,260	836,570	777,219
Total Debt Outstanding	$4,324,842	$3,965,336	$3,549,260	$3,071,570	$2,597,219

Status of Outstanding Bond Issues

Year of Issue:	2010		2014	
Amount Issued:	$1,770,000		$399,142	
Purpose/Instrument:	Construction/Serial Bonds		Construction/Serial Bonds	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2025	$ 90,000	$ 3,600	$ 30,000	$ 5,759
2026	-	-	35,000	4,712
2027	-	-	30,000	3,490
2028	-	-	30,000	2,443
2029	-	-	25,000	1,396
2030	-	-	15,000	524
Totals:	$ 90,000	$ 3,600	$ 165,000	$ 18,324

Year of Issue:	2020	
Amount Issued:	$125,500	
Purpose/Instrument:	Buses/Serial Bonds	
Fiscal Year Ending June 30:	Principal	Interest
2025	20,000	332
Totals:	$ 20,000	$ 332

Year of Issue:	2020		2021	
Amount Issued:	$2,150,000		$107,182	
Purpose/Instrument:	Construction/Serial Bonds		Buses/Serial Bonds	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2025	$ 165,000	$ 30,300	$ 15,000	$ 825
2026	170,000	27,000	15,000	413
2027	120,000	23,600	-	-
2028	125,000	21,200	-	-
2029	125,000	18,700	-	-
2030	125,000	16,200	-	-
2031	130,000	13,700	-	-
2032	135,000	11,100	-	-
2033	135,000	8,400	-	-
2034	140,000	5,700	-	-
2035	145,000	2,900	-	-
Total:	$ 1,515,000	$ 178,800	$ 30,000	$ 1,238

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2025	$ 320,000	$ 40,816	$ 360,816	17.84%
2026	220,000	32,125	252,125	30.31%
2027	150,000	27,090	177,090	39.07%
2028	155,000	23,643	178,643	47.90%
2029	150,000	20,096	170,096	56.31%
2030	140,000	16,724	156,724	64.06%
2031	130,000	13,700	143,700	71.17%
2032	135,000	11,100	146,100	78.39%
2033	135,000	8,400	143,400	85.48%
2034	140,000	5,700	145,700	92.69%
2035	145,000	2,900	147,900	100.00%
Totals:	$ 1,820,000	$ 202,294	$ 2,022,294	

Status of Short-Term Indebtedness

The School District has no outstanding short-term indebtedness as of the date of this Official Statement.

Cash Flow Borrowings

Within the past five years, the School District has not issued Revenue/Tax Anticipation Notes and does not expect to issue such notes in the current fiscal year.

Capital Project Plans

On November 14, 2017, the District voters approved a $2,675,500 Capital Project consisting of reconstruction of existing school buildings and facilities and site improvements. The project received approval April 18, 2019. Contracts were awarded August 19, 2019. Construction began November 2019 and estimated to be complete by Fall of 2020. The District issued a $2,150,000 Serial Bond June 25, 2020.

On December 12, 2023, the District voters approved (71 yes to 21 no) a $9,200,000 capital project consisting of construction and reconstruction of existing school buildings and facilities. The District will be using $1,042,000 from an existing capital reserve fund and the remaining $8,158,000 will be covered by serial bonds. The Capital Project has now been approved by SED and anticipate going out for bids in January 2025. This is the first issuance of debt against said Resolution.

School Bus Borrowings

The District does not currently have any plans to borrow for buses for the next 2 years.

Capital Lease Obligations

The District has entered into an Energy Performance Contract to complete necessary energy upgrades in the District buildings. The total principal amount of the lease was $1,004,842. The lease was issued on July 30, 2019 at a rate of 2.859% and payments are due June 15 and December 15. The District anticipates receiving approximately 70% of the cost in State Aid with the remaining amount being paid by the energy cost savings. The remaining payments under this agreement are as follows:

Year Ending June 30th	Principal Due 12/15	Principal Due 6/15	Interest Due 12/15	Interest Due 6/15	Total
2025	$30,314	$30,747	$11,110	$10,677	$82,848
2026	31,186	31,632	10,237	9,792	82,848
2027	32,084	32,543	9,339	8,881	82,848
2028	33,008	33,480	8,416	7,944	82,848
2029	33,959	34,444	7,465	6,980	82,848
2030	34,936	35,436	6,487	5,988	82,848
2031	35,942	36,456	5,481	4,968	82,848
2032	36,977	37,506	4,446	3,918	82,848
2033	38,042	38,586	3,382	2,838	82,848
2034	39,138	39,697	2,286	1,727	82,848
2035	40,264	40,840	1,159	584	82,848
Total:	$385,852	$391,367	$69,811	$64,295	$911,325

Building Aid Estimate

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. The District has not applied for such estimate, but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 82.2%

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.

A fundamental reform of building aid was enacted as Chapter 383 of the Laws of 2001. The provisions legislated, among other things, a new "assumed amortization" payout schedule for future State building aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates; however, no assurance can be given as to when and how much building aid the School District will receive in relation to its outstanding debt. See "State Aid" herein.

Debt Statement Summary

As of May 24, 2025

Town	Taxable Assessed Valuation	State Equalization Rate	Taxable Full Valuation
Hopkinton	$ 91,977,369	70.00%	$ 131,396,241
Parishville	9,820,061	5.10%	192,550,216
Potsdam	2,449,528	69.00%	3,550,041
Stockholm	6,597,747	67.00%	9,847,384
			$ 337,343,881

Debt Limit: 10% of Full Valuation	$ 33,734,388
Inclusions:	
Serial Bonds	$ 1,820,000
Total Inclusions:	$ 1,820,000
Exclusions:	
Building Aid Estimate [1]	$0
Total Exclusions:	$0
Total Net Indebtedness Before Giving Effect to This Issue:	$ 1,820,000
New Monies This Issue:	5,800,000
Total Net Indebtedness After Giving Effect to This Issue:	$ 7,620,000
Net Debt Contracting Margin	$ 26,114,388
Percentage of Debt-Contracting Power Exhausted	22.59%

Notes: 1. Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing building debt. Since the Gross Indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid

Estimated Overlapping Indebtedness

Overlapping Unit	Applicable Equalized Value	Percent	Gross Indebtedness [1]	Exclusions	Net Indebtedness	Estimated Applicable Overlapping Indebtedness
St. Lawrence	$ 337,343,881					
County	$ 6,799,224,249	4.96%	$ 23,180,000	N/A	$ 23,180,000	$ 1,150,077
Town of	$ 131,396,241					
Hopkinton	$ 131,396,241	100.00%	$ 301,552	N/A	$ 301,552	$ 301,552.00
Town of	$ 192,550,216					
Parishville	$ 221,261,321	87.02%	$ 1,002,000	N/A	$ 1,002,000	$ 871,979
Town of	$ 3,550,041					
Potsdam	$ 694,679,783	0.51%	$ 2,585,680	N/A	$ 2,585,680	$ 13,214
Town of	$ 9,847,384				$ -	
Stockholm	$ 196,160,433	5.02%	$ 567,000	N/A	$ 567,000	$ 28,464
Total						$ 2,365,286

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2023.

Notes: Bonds and Bond Anticipation notes as of 2024 fiscal year. Not adjusted to include subsequent bond and note sales.

N/A Information not available from source document

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 24, 2025:

	Amount	Per Capita (a)	Percentage of Full Value (b)
Net Indebtedness	$ 7,620,000	$ 2,695.44	2.259%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 9,985,286	$ 3,532.11	2.960%

(a) The District's estimated population is 2,827. (Source: 2023 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2024-25 is $305,107,707.

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

General Municipal Law Contract Creditors' Provision. Each Bond 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 enforces 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 judgement or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centrum 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 judgement, although judicial mandates have been issued to officials to appropriate and pay judgements our of certain funds or the District may not be enforced to 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 or 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 VII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of an 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.

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 continuations of essential public services prior to the payment of debt service.

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

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the event cited herein, there are other potential risk factor 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 and economic 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 and 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 other jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

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

Cyber Security

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operation controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard again cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

TAX EXEMPTION

The delivery of the Notes is subject to the opinion of Bond Counsel to the effect that interest on the Notes for federal income tax purposes (1) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to Section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) is not a specific preference item for purposes of the federal alternative minimum tax; however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the District made in a certificate (the "Tax Certificate") dated the date of delivery of the Notes pertaining to the use, expenditure, and investment of the proceeds of the Notes and will assume continuing compliance by the District with the provisions of the Tax Certificate subsequent to the issuance of the Notes. The Tax Certificate contains covenants by the District with respect to, among other matters, the use of the proceeds of the Notes and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Notes are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Notes to be includable in the gross income of the owners thereof from the date of the issuance.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Notes is commenced, under current procedures the IRS is likely to treat the District as the "taxpayer," and the owners of the Notes would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Notes, the District may have different or conflicting interests from the owners of the Notes. Public awareness of any future audit of the Notes could adversely affect the value and liquidity of the Notes during the pendency of the audit, regardless of its ultimate outcome.

In the opinion of Bond Counsel, 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).

Except as described above, Bond Counsel expresses no opinion with respect to any federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Notes. Prospective purchasers of the Notes should be aware that the ownership of tax-exempt obligations such as the Notes may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances. Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinions of Timothy R. McGill Esq., Fairport, New York, Bond Counsel, each to the effect that the Notes as the case may be, 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 limitations as to rate or amount, the interest on the Notes is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax; however interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code and that interest on the Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest of the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Such opinion 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 circumstance that may thereafter come to their attention or any changes in law.

The proposed form of such opinion is attached hereto as Appendix C.

LITIGATION

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

There are two potential suits from students that were involved in a bus accident. There is currently no update at this time on these potential suits.

There is pending litigation from a former employee. The District is past the statute of limitations with moving forward with this suit. However, the former employee may still file a claim with the Division of Human Rights until July 2026.

RATINGS

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

The most recent underlying rating assigned to the School District by S&P Global Ratings, a division of the McGraw-Hill Companies, Inc., is an A rating, which was assigned in connection with the issuance by the School District of $2,150,000 School District (Serial) Bonds dated June 25, 2020.

A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such 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 rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating of the District's outstanding serial bonds may have an adverse effect on the market price of the bonds.

CONTINUING DISCLOSURE COMPLIANCE

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 pursuant to the Securities Exchange Act of 1934, the School District will enter into an Undertaking to provide Material Event Notices, the description of which is attached hereto as "Appendix D".

The District is in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-1.

MUNICIPAL ADVISOR

R.G. Timbs, Inc.is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. 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.

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

Timothy R. McGill, Esq., Fairport, 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. reference or constitutes a part of this Official Statement. R.G. Timbs, 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 School District nor R.G. Timbs, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, R.G. Timbs, Inc. and the School 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.

R.G. Timbs, Inc. may place a copy of this Official Statement on its website at www.RGTimbsInc.net. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific.

The School District's contact information is as follows: Colleen Ayers, Business Manager, phone: (315) 265-4642; email: colleen.ayers@sllboces.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained from the offices of R.G. Timbs, Inc., telephone number (877) 315-0100 x 5 or at www.RGTimbsInc.net.

Parishville-Hopkinton Central School District

Dated: May 27, 2025
Parishville, New York

Heather Liebfred
President of the Board of Education
and Chief Fiscal Officer

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024	Budget 2025	
Beginning Fund Balance - July 1	$3,249,010	$3,629,679	$4,105,791	$4,216,670	$4,807,238	$5,444,010	E
Revenues:							
Real Property Taxes	$3,542,414	$3,703,080	$3,788,973	$3,919,785	$4,108,684	$4,202,831	
Other Tax Items	402,435	388,324	377,318	361,255	344,939	337,300	
Charges for Services	6,483	82,093	41,800	32,157	61	0	
Use of Money & Property	48,244	2,620	13,367	158,584	239,425	80,000	
Sale of Property/Comp. for Loss	1,972	0	0	0	0	0	
Miscellaneous	251,072	208,614	220,051	282,541	348,951	122,733	
State Aid	6,369,985	6,482,353	6,752,043	7,095,627	7,197,482	7,278,171	
Federal Aid	0	128,541	0	41,291	0		
Interfund Transfer	25,000	35,000	30,000	30,000	10,000	255,977	
Total Revenues	$10,647,605	$11,030,625	$11,223,552	$11,921,240	$12,249,542	$12,277,012	
Expenditures:							
General Support	$1,250,307	$1,235,946	$1,364,859	$1,419,531	$1,405,363	$1,605,824	
Instruction	5,225,648	5,262,990	5,393,727	5,318,137	5,299,478	6,204,440	
Transportation	572,839	585,827	647,070	839,795	907,647	1,115,866	
Community Services	1,903	1,901	1,960	2,038	2,038	2,200	
Employee Benefits	2,880,264	2,863,771	2,934,192	2,906,337	2,960,055	3,610,017	
Debt Service	300,441	599,394	628,690	568,496	550,810	443,665	
Interfund Transfer	90,926	4,684	142,175	276,338	487,379	285,000	
Total Expenditures	$10,322,328	$10,554,513	$11,112,673	$11,330,672	$11,612,770	$13,267,012	
Adjustments	55,392	0	0	0	0	0	
Year End Fund Balance	$3,629,679	$4,105,791	$4,216,670	$4,807,238	$5,444,010	$4,454,010	E
Excess (Deficit) Revenues Over Expenditures	$325,277	$476,112	$110,879	$590,568	$636,772	($990,000)	1

Source: Audited Annual Financial Reports and Annual Budget. This table is NOT audited.

Note: 1. Appropriated Fund Balance & Reserves are planned to be used

E. Estimated

General Fund – Budget Summary

	2025-26 Proposed Budget
Revenues:	
Real Property Taxes & STAR	$4,709,837
Other Tax Items	7,300
Charges for Services	0
Use of Money & Property	80,000
Sale of Property	0
Miscellaneous	90,000
State Aid	7,298,125
Federal Aid	0
Interfund Transfers	0
Appropriated Fund Balance	1,400,642
Total Revenues	$13,585,904
Expenditures:	
General Support	$1,754,213
Instruction	6,087,891
Transportation	1,171,729
Community Service	2,226
Employee Benefits	3,688,871
Debt Service	595,974
Interfund Transfers	285,000
Total Expenditures	$13,585,904

Source: Adopted Budget of the School District. This table is NOT audited

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Assets:					
Unrestricted Cash	$1,351,926	$1,142,832	$1,134,491	$1,123,994	$1,008,980
Restricted Cash	2,120,893	2,239,196	2,292,475	2,724,327	3,572,045
Taxes Receivable	2,449	0	0	0	0
Other Receivables	0	10,838	24,864	12,001	2,830
Due from Fiduciary Funds	0	0	0	0	0
State and Federal Aid Receivable	125,052	263,453	128,941	116,299	115,042
Due from Other Governments	307,639	395,616	350,751	429,008	367,110
Due From Other Funds	162,166	444,897	711,789	859,938	830,145
Prepaid Expenses	9,333	9,506	9,601	9,601	9,601
Total Assets	$4,079,458	$4,506,338	$4,652,912	$5,275,168	$5,905,753
Liabilities:					
Accounts Payable	$21,128	$12,049	$22,940	$28,691	$722
Accrued Liabilities	3,837	11,956	15,727	19,816	16,411
Due to Other Funds	71,646	0	864	0	0
Due to Other Governments	0	0	0	0	0
Due Retirement System	336,354	358,508	396,711	419,423	444,610
Compensated Absences	72,206	18,034	0	0	
Unearned Revenues	0	0	0	0	0
Total Liabilities:	$505,171	$400,547	$436,242	$467,930	$461,743
Fund Balances:					
Nonspendable	$9,333	$9,506	$9,601	$9,601	$9,601
Restricted	2,120,893	2,239,196	2,292,475	2,724,327	3,572,045
Assigned	0	1,002,786	1,002,691	1,013,231	1,019,688
Encumbrances	11,376	0	0	0	0
Appropriated Fund Balance	990,620	0	0	0	0
Unassigned					
Unappropriated Fund Balance	442,065	854,303	911,903	1,060,079	842,676
Total Fund Balance	$3,574,287	$4,105,791	$4,216,670	$4,807,238	$5,444,010
Total Liabilities and Fund Balance	$4,079,458	$4,506,338	$4,652,912	$5,275,168	$5,905,753

Source: Audited Financial Reports. This table is NOT audited.

APPENDIX B

Audited Financial Statements

For The Fiscal Year Ended June 30, 2024

Note: Such Financial Reports and opinions were prepared as of the date thereof and have not been reviewed and/or updated by the District's Auditors in connection with the preparation and dissemination of this official statement. Consent of the Auditors for inclusion of the Audited Financial Reports in this Official Statement has neither been requested nor obtained.

PARISHVILLE-HOPKINTON CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2024

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PARISHVILLE-HOPKINTON CENTRAL SCHOOL DISTRICT

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BOARD OF EDUCATION
PARISHVILLE-HOPKINTON CENTRAL SCHOOL DISTRICT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Parishville-Hopkinton 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 Parishville-Hopkinton 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 Parishville-Hopkinton Central School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Parishville-Hopkinton 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 the Parishville-Hopkinton Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 Parishville-Hopkinton 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 Parishville-Hopkinton Central School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 5-23), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 82), Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund (page 83), Schedule of District's Proportionate Share of the Net Pension Asset (Liability) – NYSLRS Pension Plan (page 84), and Schedule of District's Contributions – NYSLRS Pension Plan (page 85) 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 Parishville-Hopkinton Central School District's basic financial statements.

The Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund – Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 86-90) and Schedule of Expenditures of Federal Awards (pages 97-98), 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 Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund – Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 86-90), and the Schedule of Expenditures of Federal Awards (pages 97-98) are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2024, on our consideration of the Parishville-Hopkinton 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 the Parishville-Hopkinton 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 Parishville-Hopkinton Central School District's internal control over financial reporting and compliance.

Bowers & Company

Watertown, New York
September 16, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

INTRODUCTION

This section of Parishville-Hopkinton Central School District's annual financial report features a discussion and analysis of financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the financial statements, which immediately follow this section.

ORGANIZATIONAL PURPOSE

The District's purpose is to educate all students to high levels of academic performance while fostering positive growth in social/emotional behaviors and attitudes. This year the District continued to offer all programs without reducing services and made improvements to the existing instructional programs to increase the quality of education the students receive. The following financial highlights occurred while the District attempted to complete this mission.

- The District's General Fund equity increased from $4.8 million to $5.4 million. While actual revenues ($12.2 million) remained fairly consistent with budgeted revenues ($12.0 million), unrealized expenses led to the lack of need to utilize appropriated fund balance. The increase in fund balance of $636,772 is partly due to BOCES Special Education services coming in less than budgeted by $428,968. Interest and Earnings revenues were much higher than anticipated by $229,425 due to favorable interest rates. BOCES State Aid was also $260,541 higher than expected.

- The total local tax levy increased by $155,190 (3.62%) in the 2023-24 school year.

- During the fiscal year 2023-2024, the District started a renovation project, conducted an annual capital outlay project, purchased new buses, and made use of various grant funds to purchase and update smart boards, new furniture, and computers.

- Enrollment at June 2024 was approximately 332 students. This figure includes 323 Pre-K through 12th grade regular education students and 9 special education students that are out of the building. This is a net decrease of 12 students from June 2023. In addition, there are 61 students in the District that are home schooled at fiscal year-end and 19 students that attend parochial schools.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- **District-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.

- **Fund financial statements** focus on reporting the individual parts of the District operations in more detail. The fund financial statements comprise the remaining statements.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS – Continued

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

Table A-1	Major Features of the District-Wide and Fund Financial Statement		
		Fund Financial Statements	
→	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not fiduciary, such as instruction, special education and building maintenance	Instances in which the School District acts as a trustee or an agent for resources that belong to others but does not have administrative control, such as property taxes collected on behalf of other governments or scholarships in a trust
Required Financial Statements	1. Statement of Net Position	3. Balance Sheet	5. Statement of Fiduciary Net Position
	2. Statement of Activities	4. Statement of Revenues, Expenditures, and Changes in Fund Balance	6. 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 focus
Type of Asset / Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow / Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	Additions and deductions during the year, regardless of when cash is received or paid

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS – Continued

District-Wide Statements

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

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

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

- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in enrollment, changes in the property tax base, changes in program funding by the Federal and State governments, and condition of facilities.

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

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds -- not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS – Continued

Fund Financial Statements – Continued

The District has the following listed funds:

- Governmental Funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information at the bottom of the government fund statements that explains the relationship (or differences) between them.

The term "fund balance" refers to the particular fund's equity (Assets + Deferred Outflows of Resources – Liabilities – Deferred Inflows of Resources) in a similar manner to the way the term "net position" is used in the District-wide financial statements presentation.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Net Position

Net Position may serve over time as a useful indicator of a District's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $22,591,844 at the close of the most recent fiscal year (see Table A-2). This represents a $1,942,164 decrease in the statement of net position for the year. The overall decrease is largely due to the District's other postemployment benefit ("OPEB") net changes.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE –
Continued

Net Position – Continued

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

Table A-2: Condensed Statement of Net Position

	Fiscal Year 2023	Fiscal Year 2024	Percent Change
Assets			
Current and Other Assets	$ 5,484,549	$ 5,816,020	6.0%
Capital Assets, Net	10,321,474	10,420,643	1.0%
Total Assets	$ 15,806,023	$ 16,236,663	2.7%
Deferred Outflows of Resources			
Pensions	$ 2,444,859	$ 1,931,389	-21.0%
Other Postemployment Benefits	9,249,065	7,200,188	-22.2%
Total Deferred Outflows of Resources	$ 11,693,924	$ 9,131,577	-21.9%
Liabilities			
Other Liabilities	$ 478,141	$ 474,946	-0.7%
Long-Term Liabilities	43,218,544	39,452,671	-8.7%
Total Liabilities	$ 43,696,685	$ 39,927,617	-8.6%
Deferred Inflows of Resources			
Pensions	$ 295,627	$ 457,722	54.8%
Other Postemployment Benefits	4,157,315	7,574,745	82.2%
Total Deferred Inflows of Resources	$ 4,452,942	$ 8,032,467	80.4%
Net Position			
Net Investment in Capital Assets	$ 7,220,070	$ 7,796,076	8.0%
Restricted	2,932,281	3,777,116	28.8%
Unrestricted	(30,802,031)	(34,165,036)	10.9%
Total Net Position	$ (20,649,680)	$ (22,591,844)	9.4%

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE – Continued

Net Position – Continued

The largest portion of the school district's net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District used capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition to assets, the *Statement of Net Position* reports 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. Included in deferred outflows of resources in the current year is $1,931,389 related to the District's participation in the NYS TRS and ERS pension systems and $7,200,188 related to the District's OPEB Plan.

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. Included in deferred inflows of resources in the current year is $457,722 related to the District's participation in the NYS TRS and ERS pension systems, and $7,574,745 related to the District's OPEB Plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE – Continued

Changes in Net Position

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

Table A-3 below summarizes the school district's revenue and expense activity.

Table A-3: Changes in Net Position – Condensed Statement of Activities

	Fiscal Year 2023	Fiscal Year 2024	Percent Change
Revenues			
Program Revenues			
Charges for Services	$ 133,163	$ 48,355	-63.7%
Capital Grants	4,772	-	-100.0%
Operating Grants	1,515,096	1,098,018	-27.5%
General Revenues			
Property Taxes	4,281,040	4,453,623	4.0%
State Sources	7,095,627	7,197,482	1.4%
Federal Sources	41,291	-	-100.0%
Other	575,841	693,420	20.4%
Total Revenues	$ 13,646,830	$ 13,490,898	-1.1%
Expenses			
General Support	$ 1,843,599	$ 2,041,937	10.8%
Instruction	10,228,286	11,440,447	11.9%
Pupil Transportation	1,175,556	1,381,745	17.5%
Debt Service	87,735	73,412	-16.3%
Community Service	3,788	4,545	20.0%
School Food Service	471,026	490,976	4.2%
Total Expenses	$ 13,809,990	$ 15,433,062	11.8%
Change in Net Position	$ (163,160)	$ (1,942,164)	1090.3%

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE –
Continued

Governmental Activities

The cost of all governmental activities this year was $15,433,062.

Table A-4 presents the cost of each of the District's functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by charges for services, operating grants and capital grants and contributions.

Table A-4 - Net Cost of Governmental Activities

	2023	2024
General Support	$ 1,838,827	$ 2,041,937
Instruction	8,855,223	10,590,222
Pupil Transportation	1,175,556	1,381,745
Community Service	3,788	4,545
Debt Service	87,735	73,412
School Food Service Program	195,830	194,828
Total	$ 12,156,959	$ 14,286,689

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

REVENUES

The next several paragraphs explain the revenues in fiscal year 2023-2024 and addresses changes from fiscal year-end 2022-2023. Following these explanations are graphical representations of the statement of activities. First, a column chart which compares the revenues from year-end 2023 to 2024 and second, a pie chart illustrating the percentage of revenues to the total by category.

The District’s total revenues were $13,490,898, a decrease of $155,932 or approximately 1.1%. Program revenues for operating grants decreased $417,078 as a result of the Elementary and Secondary School Emergency Relief Fund monies and the State Level Reserve monies received in 2022-2023. State aid accounted for 54% of all revenues. The District is heavily dependent on property tax, state and federal aid for its funding.

Charges for Services showed a decrease of approximately 63.7% due to a decrease in Cafeteria Sales due to participation in the community eligibility provision plan.

Tax levy revenue accounted for another 33.13% of total revenues, increasing 4.0% or $172,583. This increase represents the amount needed to fund the increased budget approved by the voters. Of the revenue from the tax levy, property taxes accounted for 92.3% or $4,108,684 and other tax items (STAR reimbursement and interest and penalties) accounted for 7.7% or $344,939.

State revenues increased overall by 1.4% or $101,855 in the 2023-2024 fiscal year compared to 2022-2023.

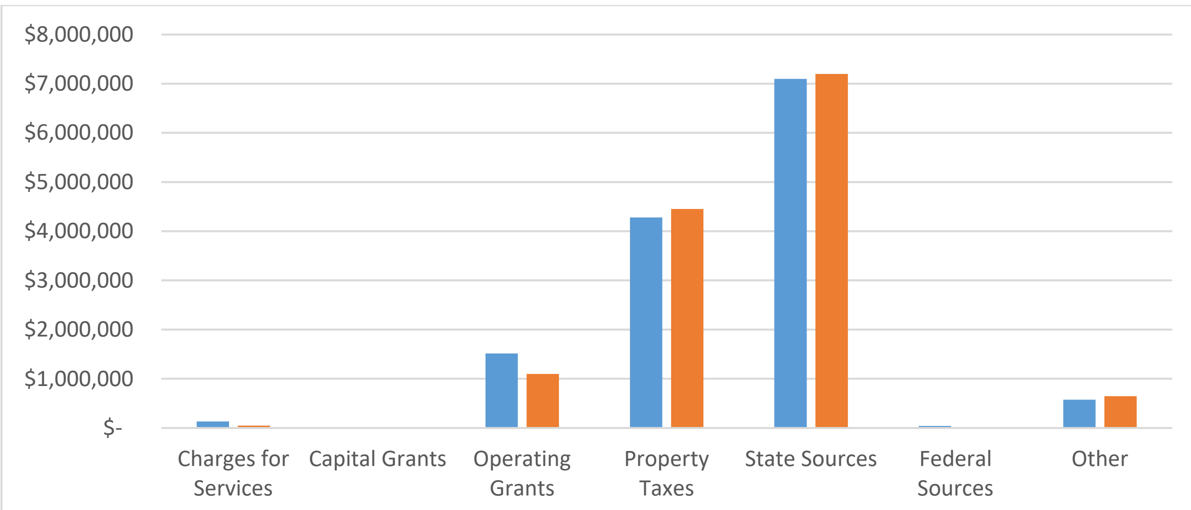
Other revenues increased by $117,579 or 20.4% over 2023-2024 fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

REVENUES – Continued

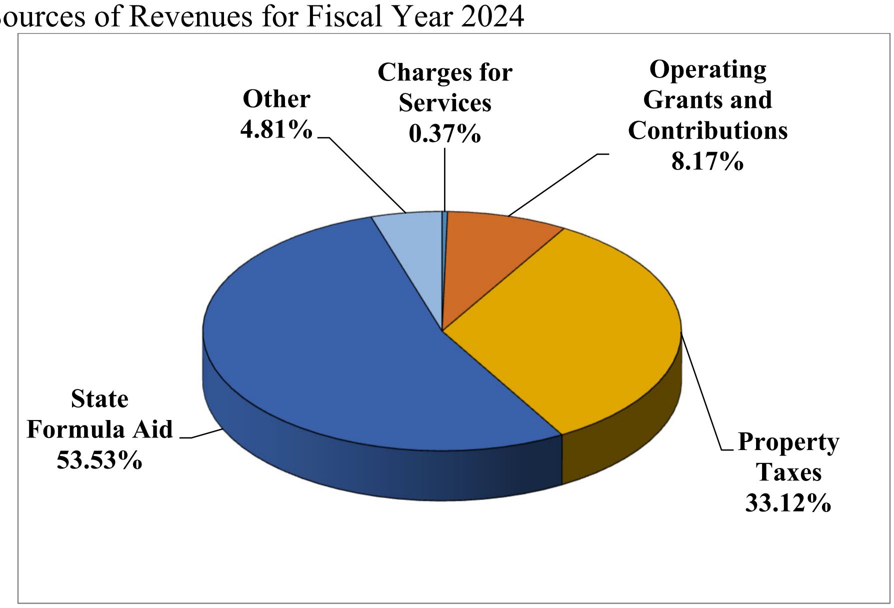
The following bar graph compares the revenues in 2023-2024 to 2022-2023. This chart indicates the total revenue in dollars by category for each fiscal year.

Table A-5: Revenues Comparison for Fiscal Year 2024 and 2023



The following pie chart summarizes the revenues for the fiscal year 2023-2024. The chart illustrates the percentage of revenues to the total by category.

Table A-6: Sources of Revenues for Fiscal Year 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

EXPENSES

The next several paragraphs explain the expenses in fiscal year 2023-2024 and addresses changes from fiscal year-end 2022-2023. Following these explanations are graphical representations of the statement of activities. First, a column chart which compares the expenses from year end June 30, 2023 to June 30, 2024, and second, a pie chart illustrating the percentage of expenses to the total by category.

The total cost of all programs and services was $15,433,062. This is an increase of $1,623,072 from the 2022-2023 fiscal year.

General support, which includes administrative activities and plant services, accounted for 13.23% of total costs. General support expenses increased 10.8% from the prior year or $198,338.

Instruction: The District's expenses are predominately related to educating and caring for students, are 74.13% of total expenses. Instructional expenses increased by 11.9% or $1,212,161 from the previous year.

Pupil Transportation expenses account for 8.95% of total expenses. Transportation expenses increased 17.5% or approximately $206,189.

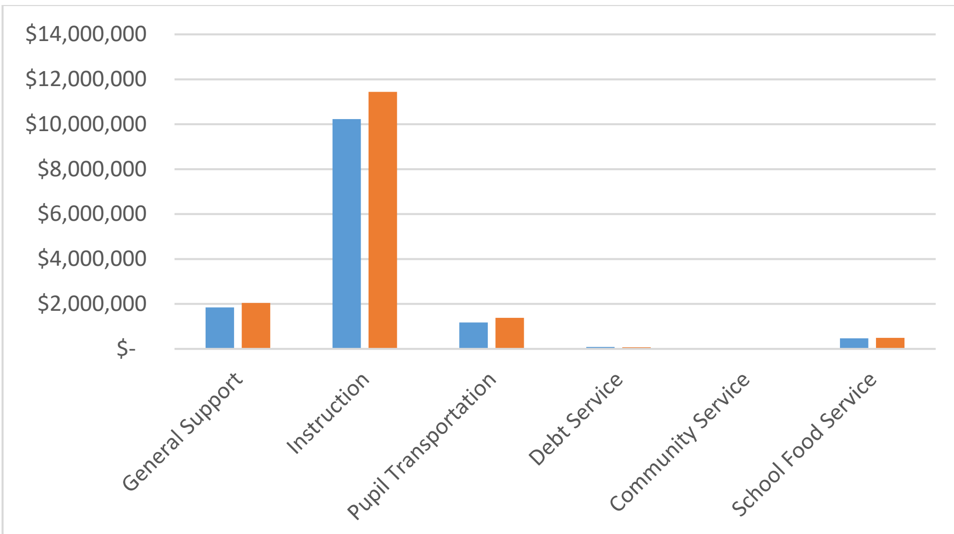
School Food Service Program, also known as the cafeteria fund, is included in the condensed statement of activities (Table A-3). The school food service program is designed to be self-supporting, with revenues expected to match expenses. School food service expenses increased $19,950. The general fund budget continues to subsidize the school food service fund with an inter-fund revenue transfer.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

EXPENSES – Continued

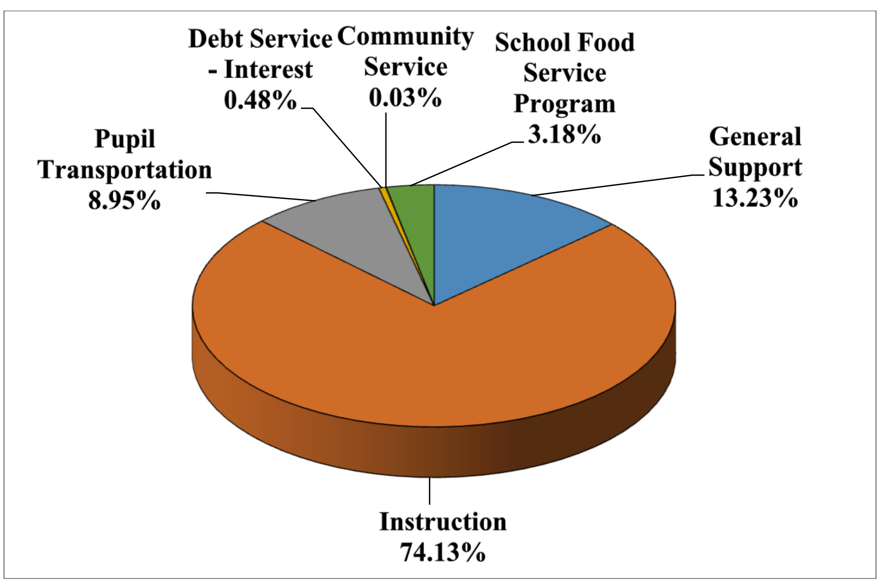
The following bar graph compares the expenses in 2023-2024 to 2022-2023. This chart indicates the total expense in dollars by category for each fiscal year:

Table A-7: Expenditures Comparison for Fiscal Year 2024 and 2023



The following pie chart summarizes the expenses for the fiscal year 2023-2024. This chart illustrates the percentage of expenses to the total by category.

Table A-8: Expenditures for Fiscal Year 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

BUDGETARY HIGHLIGHTS

Revenues

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. The following summarizes the main components of the General Fund revenues:

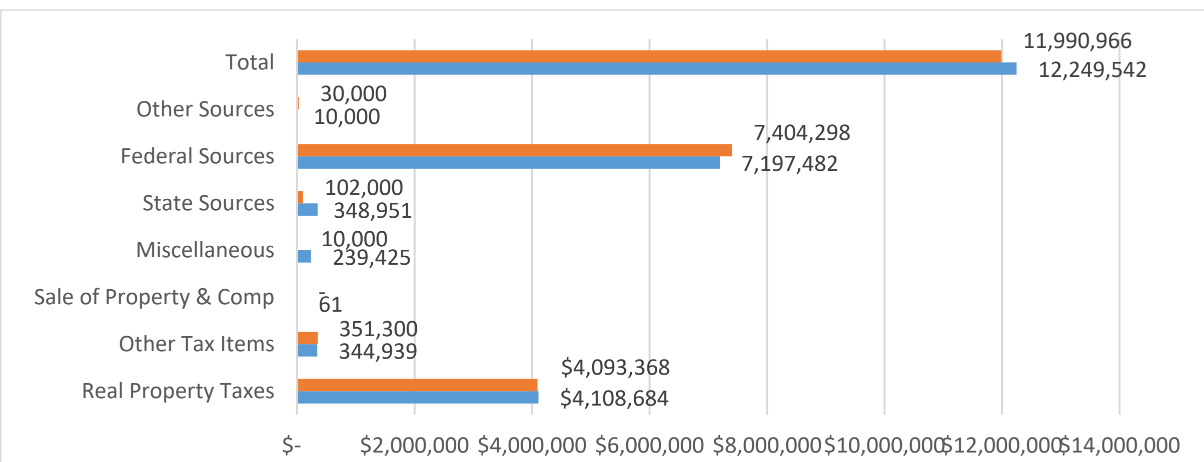
P*roperty Taxes:* Revenue of $4,108,684 (not including STAR) represents 33.5% of total general fund revenues. The property tax levy budget in 2023-2024 increased $171,512 over 2022-2023. The District stayed within the 2% Property Tax Cap.

Charges for Services: Revenue in this category primarily includes foster care billing, CPSE Speech Services, and Cafeteria Sales.

M*iscellaneous:* Revenue includes items such as the BOCES refund of prior year expenditures. The large variance between actual and budgeted in this category is due to the BOCES refund of $260,541. The District budgeted $0, a $260,541 variance. In the budget process, the District does not include the BOCES refund as a revenue source because the refund is unknown and not measurable.

State Aid: The major source of revenue was $7,197,482 in state aid. State aid consists of foundation aid, building aid, transportation aid, lottery aid, BOCES aid, and instructional materials aid. This represents 59% of the entire revenue of the General Fund.

Table A-9: Actual Revenues vs. Final Budget Comparison for Fiscal Year 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

BUDGETARY HIGHLIGHTS – Continued

Expenditures

The District had no changes from the overall original expenditure budget of $13,224,401 for the 2023-2024 school year and the adjusted expenditure budget.

Actual expenditures including other financing uses totaled $11,612,770, for a favorable variance of $1,605,174. The bar graph below illustrates how the actual expenditures are distributed and how they compare to the final budgeted appropriations.

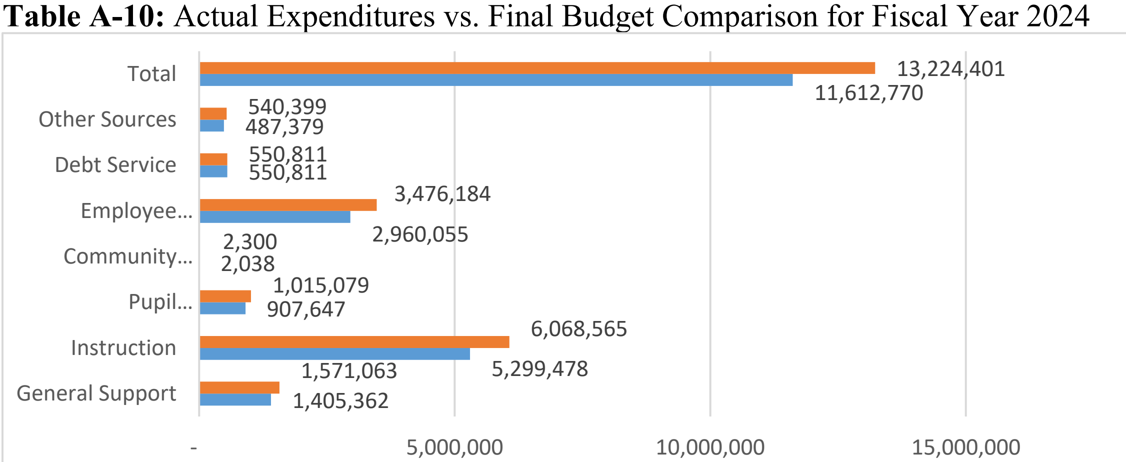
District practice, as a means of budgetary control, is to under-expend in all functional budget codes. This strategy was successful during 2023-2024 as exhibited in the bar graph on the below. The three categories deserving mention include instruction, employee benefits and general support.

Instruction: The variance from budget to actual for instructional expenses totaled $762,630 with the largest deviation in the area of services to children with handicapping conditions. This is mostly due to shifting some expenses to federal grants and an overall decrease in special education expenses.

Employee Benefits: The discrepancy in employee benefits from budget to actual totals $516,129. The budget to actual variances are evident in retirement expenses, social security expense and health insurance benefits for active and retired employees.

General Support: The variance from budget to actual for general support is $165,701 with the largest difference being central services in 2023-2024. Staffing shortages, purchasing fewer supplies, and lower utility expenditures were the main reasons for the variance.

Table A-10: Actual Expenditures vs. Final Budget Comparison for Fiscal Year 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The District's governmental funds are presented on the **current financial resources measurement focus** and the **modified accrual basis of accounting**. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payment for capital assets, and the current payments for debt.

General Fund Highlights

The General Fund showed a positive change in the total fund balance from the previous year; the fund balance at June 30, 2024 was $5,444,010 compared to $4,807,238 at June 30, 2023. This is an increase of $636,772. The District appropriated fund balance of $1,013,231 to balance the 2024-2025 budget and alleviate some of the tax burden to the taxpayers.

Capital Projects Funds – SMART Schools

The Capital Projects Funds showed a total deficit fund balance of ($298,030) on June 30, 2024, as a result of the expenditures related to the Smart School purchases which occurred during the prior fiscal year. This project is anticipated to be paid from through state aid sources in the following year.

Capital Projects Funds – Main Renovation

The Capital Projects Funds showed a total deficit fund balance of ($300,699) on June 30, 2024, as a result of the expenditures related to the main renovation project started during the current fiscal year. This project is anticipated to be paid for through bonding at the end the following school year.

School Food Service (Cafeteria) Fund

Expenditures in the School Food Service Fund largely reflect food costs, employee wages, and fringe benefits. The School Food Service Fund total fund balance (deficit) at June 30, 2024 was $(4,725) which is anticipated to be paid through a general fund transfer in the subsequent fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS – Continued

Special Aid Fund Highlights

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

Our Special Aid Revenues and Expenditures decreased by $397,422 in 2023-2024. A significant reason for the decrease is the various ARP & ESSER grants which had revenues and expenses of $405,419 in 2023-2024.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of fiscal year 2024, the District had invested $18.3 million in a broad range of capital assets, including land, improvements, buildings, machinery, and equipment, and furniture.

Table A-11: Capital Assets (in dollars)

Category	Fiscal Year 2023	Fiscal Year 2024	Change
Land	$ 7,550	$ 7,550	$ -
Construction in Progress	916	300,699	299,783
Buildings & Improvements	15,100,263	15,364,478	264,215
Equipment & Furniture	2,603,501	2,721,361	117,860
Less:			
Accumulated Depreciation	7,390,756	7,973,445	582,689
Total	$ 10,321,474	$ 10,420,643	$ 99,169

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION – Continued

Long-Term Debt

At year-end, the District had $39.4 million in general obligation and other long-term debt outstanding. More detailed information about the District's long-term liabilities is presented in the Notes to the Financial Statements.

Table A-12: Outstanding Long-Term Debt

Category	Fiscal Year 2023	Fiscal Year 2024	Change
General Obligation Debt	$ 3,101,404	$ 2,624,567	$ (476,837)
Compensated Absences	404,810	405,682	872
Other Postemployment Benefits Payable	38,668,405	35,707,987	(2,960,418)
Net Pension Liability - Proportionate Share	1,043,925	714,435	(329,490)
Total	$ 43,218,544	$ 39,452,671	$ (3,765,873)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

Many factors were considered by the District's administration during the process of developing the fiscal 2024-2025 budget. The primary factors were the District's program offerings due to changes in enrollment, changes in grant funding in some areas, the costs of employee benefits, diesel fuel, and utilities. Economic uncertainty is a major factor that often makes it difficult to accurately project future budgets. With a questionable economic environment, it is difficult to project the financial impact on the School District.

Total General Fund budgeted appropriations in the amount of $13,267,012 were budgeted, an increase of $53,151 from the original 2023-2024 budget of $13,213,861.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES – Continued

The most significant changes in the 2024-2025 budget appropriations compared to the 2023-2024 budget were as follows:

- Total Instructional decrease of $123,229
- Total Pupil Transportation increase of $124,874
- Employee benefits increase of $65,892
- Special Items (Insurance) increase of $57,954

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, contact:

Parishville-Hopkinton Central School District
Attn: School Business Manager
12 County Route 47
Parishville-Hopkinton, NY 13672

STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2024

ASSETS		
Cash and Cash Equivalents		
Unrestricted	$	1,009,468
Restricted		3,763,168
Receivables		
State and Federal Aid		647,344
Due from Other Governments		367,110
Other Receivables		12,524
Inventories		6,805
Prepaid Expenses		9,601
Capital Assets, Net		10,420,643
TOTAL ASSETS	$	16,236,663
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	$	7,200,188
Pensions		1,931,389
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$	9,131,577
LIABILITIES		
Payables		
Accounts Payable	$	7,982
Accrued Liabilities		17,600
Accrued Interest on Bonds Payable and Installment Purchase Debt Payable		2,583
Due to Teachers' Retirement System		401,080
Due to Employees' Retirement System		43,530
Other		286
Unearned Credits		
Unearned Revenues		1,885
Long-Term Liabilities		
Due and Payable Within One Year		
Bonds Payable, Net of Unamortized Premium		322,486
Installment Purchase Debt Payable		61,060
Due and Payable After One Year		
Bonds Payable, Net of Unamortized Premium		1,524,862
Installment Purchase Debt Payable		716,159
Net Pension Liability – Proportionate Share		714,435
Compensated Absences Payable		405,682
Other Postemployment Benefit Payable		35,707,987
TOTAL LIABILITIES	$	39,927,617
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	$	7,574,745
Pensions		457,722
TOTAL DEFERRED INFLOWS OF RESOURCES	$	8,032,467
NET POSITION		
Net Investment in Capital Assets	$	7,796,076
Restricted for:		
Debt Service		80,229
Other Legal Restrictions		3,696,887
Unrestricted		(34,165,036)
TOTAL NET POSITION	$	(22,591,844)

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION – GOVERNMENTAL ACTIVITIES
Year Ended June 30, 2024

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expenses) Revenues and Changes in Net Position
FUNCTIONS/PROGRAMS				
General Support	$ 2,041,937	$ -	$ -	$ (2,041,937)
Instruction	11,440,447	61	850,164	(10,590,222)
Pupil Transportation	1,381,745	-	-	(1,381,745)
Community Service	4,545	-	-	(4,545)
Debt Service	73,412	-	-	(73,412)
School Food Service Program	490,976	48,294	247,854	(194,828)
Total Functions and Programs	$ 15,433,062	$ 48,355	$ 1,098,018	(14,286,689)
GENERAL REVENUES				
Real Property Taxes				4,108,684
Other Tax Items				344,939
Use of Money and Property				241,809
Loss on Disposition of Property				(6,932)
State Sources				7,197,482
Miscellaneous				458,543
Total General Revenues				12,344,525
Change in Net Position				(1,942,164)
Total Net Position – Beginning of Year				(20,649,680)
Total Net Position – End of Year				$ (22,591,844)

BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2024

	General	Special Aid	Capital - Main Renovation
ASSETS			
Cash and Cash Equivalents			
Unrestricted	$ 1,008,980	$ -	$ -
Restricted	3,572,045	-	63,833
Receivables			
State and Federal Aid Receivable	115,042	218,518	-
Due From Other Governments	367,110	-	-
Due from Other Funds	830,145	-	-
Other	2,830	5,996	-
Inventories	-	-	-
Prepaid Expenditures	9,601	-	-
TOTAL ASSETS	$ 5,905,753	$ 224,514	$ 63,833
LIABILITIES			
Payables			
Accounts Payable	$ 722	$ -	$ 7,260
Accrued Liabilities	16,411	279	-
Due to Other Funds	-	222,350	357,272
Due to Teachers' Retirement System	401,080	-	-
Due to Employees' Retirement System	43,530	-	-
Due to Other Governments	-	-	-
Unearned Credits			
Unearned Revenues	-	1,885	-
Total Liabilities	461,743	224,514	364,532
DEFERRED INFLOWS OF RESOURCES			
Deferred State Aid	-	-	-
Total Deferred Inflows of Resources	-	-	-
FUND BALANCES (DEFICITS)			
Nonspendable	9,601	-	-
Restricted	3,572,045	-	-
Assigned	1,019,688	-	-
Unassigned (Deficit)	842,676	-	(300,699)
Total Fund Balances (Deficits)	5,444,010	-	(300,699)
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES (DEFICITS)	$ 5,905,753	$ 224,514	$ 63,833

Capital - Smart Schools	Non-Major Funds	Total Governmental Funds
$ -	$ 488	$ 1,009,468
-	127,290	3,763,168
298,030	15,754	647,344
-	-	367,110
-	77,862	908,007
-	3,698	12,524
-	6,805	6,805
-	-	9,601
$ 298,030	$ 231,897	$ 6,724,027
$ -	$ -	$ 7,982
-	910	17,600
298,030	30,355	908,007
-	-	401,080
-	-	43,530
-	286	286
-	-	1,885
298,030	31,551	1,380,370
298,030	-	298,030
298,030	-	298,030
-	-	9,601
-	205,071	3,777,116
-	-	1,019,688
(298,030)	(4,725)	239,222
(298,030)	200,346	5,045,627
$ 298,030	$ 231,897	$ 6,724,027

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION
June 30, 2024

Total Fund Balance - Governmental Funds		$ 5,045,627
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Proportionate share of long-term asset or liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the fund statements.		
Net Pension Liability – Proportionate Share – TRS	$ 211,176	
Net Pension Liability – Proportionate Share – ERS	503,259	(714,435)
Deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds statements and consist of:		
Other Postemployment Benefits	$ 7,574,745	
Pensions	457,722	(8,032,467)
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds statements and consist of:		
Other Postemployment Benefits	$ 7,200,188	
Pensions	1,931,389	9,131,577
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. Therefore, deferred inflows of resources are not reported on the Statement of Net Position.		298,030
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:		
The Cost of Capital Assets is	$ 18,394,088	
Accumulated Depreciation is	(7,973,445)	10,420,643
Long-term liabilities, including bonds payable and compensated absences, are not due in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities, at year-end, consist of:		
Bonds Payable	$ 1,820,000	
Installment Purchase Debt	777,219	
Accrued Interest on Bonds Payable and Installment Purchase Debt Payable	2,583	
Compensated Absences Payable	405,682	
Other Postemployment Benefits Payable	35,707,987	
Premium on Bond Issue	27,348	(38,740,819)
Total Net Position - Governmental Activities		$ (22,591,844)

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

Year Ended June 30, 2024

	General	Special Aid	Capital - Main Renovation
REVENUES			
Real Property Taxes	$ 4,108,684	$ -	$ -
Other Tax Items	344,939	-	-
Charges for Services	61	-	-
Use of Money and Property	239,425	-	-
State Sources	7,197,482	123,069	-
Federal Sources	-	727,095	-
Surplus Food	-	-	-
Sales – School Food Service	-	-	-
Miscellaneous	348,951	27,039	-
Total Revenues	12,239,542	877,203	-
EXPENDITURES			
General Support	1,405,363	-	-
Instruction	5,299,478	826,155	-
Pupil Transportation	907,647	49,750	-
Community Service	2,038	-	-
Employee Benefits	2,960,055	124,616	-
Debt Service:			
Principal	474,351	-	-
Interest	76,459	-	-
Cost of Sales – School Food Service	-	-	-
Other Expenditures	-	-	-
Capital Outlay	-	-	300,699
Total Expenditures	11,125,391	1,000,521	300,699
Excess (Deficiency) of Revenues over Expenditures	1,114,151	(123,318)	(300,699)
OTHER FINANCING SOURCES AND (USES)			
Operating Transfers In	10,000	123,318	-
Operating Transfers (Out)	(487,379)	-	-
Total Other Financing Sources and (Uses)	(477,379)	123,318	-
Net Change in Fund Balances (Deficits)	636,772	-	(300,699)
Fund Balances (Deficits) – Beginning of Year	4,807,238	-	-
Fund Balances (Deficits) – End of Year	$ 5,444,010	$ -	$ (300,699)

Capital - Smart Schools	Non-Major Funds	Total Governmental Funds
$ -	$ -	$ 4,108,684
-	-	344,939
-	-	61
-	2,384	241,809
-	64,610	7,385,161
-	164,687	891,782
-	18,557	18,557
-	48,250	48,250
-	82,597	458,587
-	381,085	13,497,830
-	158,751	1,564,114
-	-	6,125,633
-	-	957,397
-	-	2,038
-	92,570	3,177,241
-	-	474,351
-	-	76,459
-	151,808	151,808
-	77,820	77,820
-	256,165	556,864
-	737,114	13,163,725
-	(356,029)	334,105
-	364,061	497,379
-	(10,000)	(497,379)
-	354,061	-
-	(1,968)	334,105
(298,030)	202,314	4,711,522
$ (298,030)	$ 200,346	$ 5,045,627

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

Year Ended June 30, 2024

Net Change in Fund Balances (Deficits) – Total Governmental Funds			$ 334,105
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position, assets with an initial individual cost of more than $2,500 for furniture and equipment or $5,000 for buildings and improvements are capitalized and in the Statement of Activities the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and related loss on disposal of capital assets in the current period.			
	Capital Outlays	$ 880,730	
	Loss on Disposals	(6,932)	
	Depreciation Expense	(774,629)	99,169
Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period for bonds and installment purchase debt.			474,351
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. The interest reported in the Statement of Activities is decreased by the reduction in accrued interest on bonds and amortization of premium on bond issue.			3,047
In the Statement of Activities, certain operating expenses-compensated absences (vacations and certain sick pay), special termination benefits (early retirement) are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).			(872)
On the Statement of Activities, the actual and projected long-term expenditures for postemployment benefits and related deferred outflows/inflows are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefit.			(2,505,889)

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES – CONTINUED

Year Ended June 30, 2024

(Increase) decrease in proportionate share of net pension asset (liability) and related deferred outflows/inflows reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Teachers' Retirement System	$ (244,671)	
Employees' Retirement System	(101,404)	(346,075)
Change in Net Position of Governmental Activities		$ (1,942,164)

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Parishville-Hopkinton 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 used by the District are described below:

Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB 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 84, *Fiduciary Activities,* and GASB 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 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, the following is a brief description of certain entities included in the District's reporting entity.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Extra Classroom Activity Funds

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

Joint Venture

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

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

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

During the year, the District was billed $2,604,839 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $1,054,703. This represents state aid distributions of $794,162 and 2023 fund balance returned to the schools of $260,541.

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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

The Statement of Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between direct program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Statements

The fund statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following governmental funds:

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation – Continued

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

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.

Extra Classroom Activity Funds: Used to account for funds operated by and for the students of the District. The Board exercises general oversight of these funds. The extra classroom activity funds are independent of the District with respect to its financial transactions and the designation of student management.

Scholarships and Awards Fund: Used to account for proceeds received from various individuals and organizations that are restricted for specific scholarship and award programs not under specific trust arrangements.

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

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 financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, State Aid, grants and donations.

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, 2023, and became a lien on August 15, 2023. Taxes are collected during the period September 1, 2023 to October 31, 2023.

Uncollected real property taxes are subsequently enforced by the County of St. Lawrence, 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 the 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 expenditures 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. Eliminations have been made for all interfund receivables and payables between the 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.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Interfund Transactions – Continued

Refer to Note 10 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues 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, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, useful lives of capital assets, intangible lease assets, and intangible subscription assets.

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 and obligations of the State and its municipalities and Districts.

Receivables

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Inventories and Prepaid Items

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

A prepaid item was recorded in the General Fund in the amount of $5,069, which represents the District's contribution to the School and Municipal Energy Cooperative of WNY ("SMEC"). Contributions made by member districts are recorded by SMEC as a current liability, and members are allocated a share of the organization's net assets based on each participant's share of premiums paid for that year. The remaining $4,532 of prepaid items account for expenses which have been paid in advance of use as of the fiscal year ended.

A portion of fund balance in the amount of these non-liquid assets (prepaid items) has been identified as not available for subsequent expenditures.

Other Assets

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

Capital Assets and Intangible Lease Assets

Capital assets are reported at actual cost or estimated historical cost, based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital Assets and Intangible Lease Assets – Continued

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 5,000	SL	40 - 50 Years
Building Improvements	5,000	SL	40 - 50 Years
Site Improvements	5,000	SL	20 Years
Furniture and Equipment	2,500	SL	5 - 15 Years

Intangible lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. A capitalization threshold of $5,000 is used for lease acquisitions that are prepaid and have no corresponding lease liability. Intangible lease assets are amortized over the lease term (3-5 years) consistent with the decrease in the related lease liability or using the straight-line method if there is no corresponding lease liability.

Deferred Outflows and Inflows of Resources

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Deferred Outflows and Inflows of Resources – Continued

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 three items that qualify for reporting in this category. The first item arises only under a modified accrual basis of accounting and is reported as Deferred State Aid. This represents a deferred inflow only on the Balance Sheet in the governmental funds and revenue on the District-wide Statement of Activities. 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 (TRS and ERS system) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is related to OPEB reported in the District-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience and changes of assumptions or other inputs.

Unearned Revenue

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

Vested Employee Benefits

Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation time. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Vested Employee Benefits – Continued

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

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

Other Benefits

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

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

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

Short-Term Debt

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Short-Term Debt – Continued

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

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 full, in a timely manner, from current financial resources. Claims and judgments, other postemployment benefits payable, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund 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.

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) and intangible lease assets (present value of future payments remaining on the term less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

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

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications – Continued

Fund Statements

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

Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes prepaid expenditures of $9,601 in the General Fund as of June 30, 2024 as well as including the School Food Service Fund inventory of $6,805 as of June 30, 2024. (The Nonspendable portion is limited by the available fund balance)

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

Employee Benefit Accrued Liability

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

Retirement Contributions

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 if funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to 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. This reserve is accounted for in the General Fund.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications – Continued

Workers' Compensation Reserve

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

Scholarships and Awards Fund

According to constraints placed on the use of resources established by various scholarship and award programs, must be used for the specific purpose outlined in the program. The monies are accounted for in the Scholarships and Awards Funds.

Tax Certiorari

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

Unemployment Insurance

According to General Municipal Law §6-m, all expenditures made from the unemployment insurance payment reserve 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 of the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contributions) 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications – Continued

Extra Classroom Activity Funds

According to the regulations of the Commissioner of Education (8 NYCRR Part 172), the Board of Education of the District is required to make the rules and regulations for the establishment, conduct, operation, and maintenance of extra classroom activities and for the safeguarding, accounting and audit of all moneys received. According to the regulations of the Board of Education, the monies represent the funds of the students of the District and must be used by the student organizations of the District. The monies are accounted for in the Extra Classroom Activity Funds.

Capital

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

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 litigations 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 from the proceeds of the sale of School District property or capital improvement. The monies are accounted for in the Debt Service Fund.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications – Continued

Restricted fund balance includes the following at June 30, 2024:

General Fund	
Capital	$ 1,592,461
Retirement Contributions - NYSERS	749,801
Retirement Contributions - NYSTRS	309,825
Employee Benefit Accrued Liability	627,947
Workers' Compensation	175,060
Tax Certiorari	35,888
Unemployment Insurance	81,063
Extra Classroom Activity Fund	93,586
Scholarship and Awards Fund	31,256
Debt Service Fund	80,229
Total Restricted Funds	$ 3,777,116

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

Assigned – Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year’s budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to $6,457. Any remaining fund balance in other funds is considered assigned.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Equity Classifications – Continued

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

Order of Use of Fund Balance

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

New Accounting Standards

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

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective for the year ended June 30, 2024.

Future Changes in Accounting Standards

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ended June 30, 2025.

GASB has issued Statement No. 102, *Certain Risk Disclosures*, effective for the year ended June 30, 2025.

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ended June 30, 2026.

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

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

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the District-wide statements, 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 balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet, as applied to the reporting of capital assets and long-term liabilities, including pensions and other postemployment benefits payable.

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

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

1. Long-Term Revenue and Expense Differences:

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

2. Capital Related Differences:

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

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

Statement of Revenues, Expenditures, and Changes in Fund Balances vs. Statement of Activities – Continued

3. Long-Term Debt Transaction Differences:

   Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the 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.

4. 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.

5. OPEB Differences:

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year ended June 30, 2024.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

Budgets– Continued

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount6 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.

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

Encumbrances

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

Other

The District's unreserved undesignated fund balance was in excess of the New York State Real Property Tax Law 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The District plans to reduce the unassigned fund balance through fully funding its reserves in the General Fund. The District also budgeted to utilize approximately $1,013,231 of appropriated fund balance in the next fiscal year.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

Other– Continued

The School Food Service Fund shows an unassigned fund balance deficit of $4,725. This deficit will be eliminated when the District initiates a transfer from General Fund in the subsequent fiscal year.

The Capital Projects Fund – Smart Schools shows an unassigned fund balance deficit of $298,030. This deficit will be eliminated when the District obtains grant funding at the project's completion.

The Capital Projects Fund – Main Renovation shows an unassigned fund balance deficit of $300,699. This deficit will be eliminated when the District bonds in the subsequent fiscal year.

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

Cash

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

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

Uncollateralized	$ -
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$ 206,185

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $3,572,045 restricted for various fund balance reserves in the General Fund, $63,833 restricted for a capital project in Capital Projects – Main Renovation Fund, $2,367 restricted for debt service payments in the Debt Service Fund within the governmental funds, $93,667 restricted for extra classroom in the Extra Classroom Activity Funds, and $31,256 restricted for scholarships and awards in the Scholarships and Awards Funds.

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

Cash– Continued

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, but not in the District's name.

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

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

The District does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

Investment Pool – NYCLASS

The District participated in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article §5-G, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. At June 30, 2024, the School District held $4,189,810 in the General Fund, $12,367 in the Debt Service Fund, and $31,256 in the Scholarships and Awards Fund through the cooperative classified as unrestricted and restricted cash.

The above amounts represent the cost of the investment pool shares and are considered to approximate net asset value. The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of NYCLASS.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 5 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Capital Assets That Are Not Depreciated:				
Land	$ 7,550	$ -	$ -	$ 7,550
Construction-in-Progress	916	556,864	(257,081)	300,699
Total Nondepreciable Assets	8,466	556,864	(257,081)	308,249
Capital Assets That Are Depreciated:				
Buildings and Improvements	15,100,263	264,215	-	15,364,478
Vehicles, Furniture and Equipment	2,603,501	363,732	(245,872)	2,721,361
Total Depreciable Assets	17,703,764	627,947	(245,872)	18,085,839
Less Accumulated Depreciation:				
Buildings and Improvements	6,064,099	521,128	-	6,585,227
Vehicles, Furniture and Equipment	1,326,657	253,501	(191,940)	1,388,218
Total Accumulated Depreciation	7,390,756	774,629	(191,940)	7,973,445
Total Depreciated Assets, Net	10,313,008	(146,682)	(53,932)	10,112,394
Capital Assets, Net	$ 10,321,474	$ 410,182	$ (311,013)	$ 10,420,643

Depreciation expense was charged to governmental function as follows:

General Support	$ 140,117
Instruction	548,746
Pupil Transportation	85,766
Total Depreciation Expense	$ 774,629

NOTE 6 – SHORT-TERM DEBT OBLIGATIONS

There were no short-term debt financing transactions during the year-ended June 30, 2024.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 7 – LONG-TERM DEBT OBLIGATIONS

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables 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:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and Notes Payable					
General Obligation Debt					
Serial Bonds	$ 2,115,000	$ -	$ 345,000	$ 1,770,000	$ 285,000
Statutory Installment Bonds	120,000	-	70,000	50,000	35,000
Installment Purchase Debt	836,570	-	59,351	777,219	61,060
Premium on Bonds	29,834	-	2,486	27,348	2,486
Total Bonds and Notes Payable	3,101,404	-	476,837	2,624,567	383,546
Other Liabilities:					
Other Postemployment Benefits Liability	38,668,405	-	2,960,418	35,707,987	-
Compensated Absences	404,810	872	-	405,682	-
Net Pension Liability – Proportionate Share	1,043,925	-	329,490	714,435	-
Total Other Liabilities	40,117,140	872	3,289,908	36,828,104	-
Total Governmental Activities	$ 43,218,544	$ 872	$ 3,766,745	$ 39,452,671	$ 383,546

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 7 – LONG-TERM DEBT OBLIGATIONS – Continued

Existing serial and statutory bond obligations:

Description	Issue Date	Final Maturity	Interest Rate (%)	Balance
Serial Bonds - Building 2010	06/15/10	06/15/25	3.5-4.0%	$ 90,000
Serial Bonds - Building 2014	06/18/14	06/15/30	3.490%	165,000
Serial Bonds - Building 2020	06/25/20	06/15/35	2.000%	1,515,000
Statutory Installment Bond 2021	10/08/20	06/15/25	0.5%-1.66%	20,000
Statutory Installment Bond 2022	07/27/21	06/15/26	2.750%	30,000
				$ 1,820,000

The following is a summary of debt service requirements at year-end June 30:

	Principal	Interest	Total
2025	$ 320,000	$ 40,816	$ 360,816
2026	220,000	32,124	252,124
2027	150,000	27,090	177,090
2028	155,000	24,166	179,166
2029	150,000	20,096	170,096
2030-2034	680,000	55,624	735,624
2035	145,000	2,900	147,900
Total	$ 1,820,000	$ 202,816	$ 2,022,816

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

Interest Paid	$ 52,963
Less: Interest Accrued in the Prior Year	(2,161)
Plus: Interest Accrued in the Current Year	1,670
Less: Amortization of Bond Premium	(2,486)
Total Interest on Long-Term Debt	$ 49,986

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 – INSTALLMENT PURCHASE DEBT OBLIGATION

On July 12, 2019, the District entered into an Energy Performance Contract Municipal Lease/Purchase Agreement with Municipal Lease Consultants, LLC. The project includes energy efficient improvements to the heating system and district-wide lighting improvements. The estimated value of the capital improvements at completion of the project and at the inception of the lease is $1,004,842. The project was completed as of June 30, 2020 and resulted in $1,004,824 of construction costs. Balance of the long-term liability at June 30, 2024 is $777,219. The installment purchase debt obligation is amortized at a nominal interest rate of approximately 2.859%.

The future minimum obligations under the installment purchase debt at June 30, 2024 is as follows:

	Installment Purchase Debt		
	Principal	**Interest**	**Total**
2025	$ 61,060	$ 21,788	$ 82,848
2026	62,820	20,029	82,849
2027	64,627	18,220	82,847
2028	66,488	16,359	82,847
2029	68,403	14,445	82,848
2030-2034	372,717	41,522	414,239
2035	81,104	1,743	82,847
Total	$ 777,219	$ 134,106	$ 911,325

Interest on installment purchase debt for the year was composed of:

Interest Paid	$ 23,496
Less: Interest Accrued in the Prior Year	(983)
Plus: Interest Accrued in the Current Year	913
Total Interest on Installment Purchase Debt	$ 23,426

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 8 – INSTALLMENT PURCHASE DEBT OBLIGATION – Continued

Debt restrictions:

The lease agreement dated July 12, 2019 by the District for the Energy Performance Contract included restrictions concerning the use and maintenance of the equipment in the possession of the District. During the lease obligation period, the District shall maintain the equipment, including any repairs and replacements necessary to ensure it is in working order. The equipment may only be used by the District in the manner allowed by the agreement. No affix or installation of accessories may be added to the equipment without prior consent by the Lessor. Commercial general liability insurance will be maintained by the District for the equipment and any proceeds received for the damage/loss the equipment to be applied to the balance of the outstanding lease obligation, equipment replacement, or equipment repair.

The District's lease agreement includes list of events in which the balance of the obligation would become immediately due:

- Failure by the District to maintain the required insurance;
- Failure to make timely payment of the lease obligation payments (10 days);
- Failure of the District to address agreement violations in a timely manner after receiving formal notification by the Lessor of the issue;
- Certain legal filing by or against the District which would significantly impact their ability to make future payments; and
- The Lessor's identification that any representations made by the District in obtaining the lease agreement were materially untrue.

For a complete list of terms and other information, a copy of the lease agreement is maintained by the District's business office.

NOTE 9 – PENSION PLANS

General Information

The District participates in the New York State Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS). These are cost-sharing multiple employer public employee defined benefit 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 – PENSION PLANS – Continued

Teachers' Retirement System (TRS) Plan Description

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

Employees' Retirement System (ERS) Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by 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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 – PENSION PLANS – Continued

TRS Benefits Provided

Benefits

The benefits provided to members of the System are established by New York State law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

NOTE 9 – PENSION PLANS – Continued

TRS Benefits Provided – Continued

Service Retirements

Tier 1 members are eligible, beginning at age 55, for a service retirement allowance of approximately 2% per year of credited service times final average salary.

Under Article 19 of the RSSL, eligible Tier 1 and 2 members can receive additional service credit of one-twelfth of a year for each year of retirement credit as of the date of retirement or death up to a maximum of 2 additional years.

Tiers 2 through 5 are eligible for the same but with the following limitations: (1) Tiers 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service or reduced benefit for retirement at ages 55 through 61 with less than 30 years of service. (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service. They receive a reduced benefit for retirement at age 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service.

Tier 6 members are eligible for a service retirement allowance of 1.75% per year of credited service for the first 20 years of service plus 2% per year for years of service in excess of 20 years times final average salary. Tier 6 members receive an unreduced benefit for retirement at age 63. They receive a reduced benefit at ages 55-62 regardless of service credit.

Vested Benefits

Retirement benefits for Tiers 1-6 are now vested after 5 years of credited service. Prior to April 9, 2022, Tier 5 and 6 members to attain 10 years of state service credit to be vested. Benefits are payable at age 55 or greater with the limitations previously noted for service retirements.

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service except for Tier 3 where disability retirement is permissible after 5 years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

NOTE 9 – PENSION PLANS – Continued

TRS Benefits Provided – Continued

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service and certain retirees. For active members, the benefit is based on final salary, age and the number of years of credited service. For retired members, it is also based on the number of years in retirement.

Prior and Military Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tier 1 and 2 members may, under certain conditions, claim out-of-state service. Certain members may also claim military service credit prior to or interrupting membership.

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

Permanent Cost-of-Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index, not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of maximum annual benefit. The applicable percentage payable beginning September 2022 and 2021 is 3.0% and 1.4%, respectively. Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the consumer price index with a maximum per annum increase of 3%.

ERS Benefits Provided

Benefits

The System provides retirement benefits as well as death and disability benefits.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 – PENSION PLANS – Continued

ERS Benefits Provided – Continued

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year’s compensation used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous 2 years.

Tiers 3, 4, and 5

Eligibility: Tier 3, 4 and 5 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 5 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

NOTE 9 – PENSION PLANS – Continued

ERS Benefits Provided – Continued

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 3, 4 and 5 members, each year's compensation used in the final average salary is limited to no more than 10 percent greater than the average of the previous 2 years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 5 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the 5 highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous 4 years.

Vested Benefits

Members who joined the System prior to January 1, 2010 need 5 years of service to be 100 percent vested. Members who joined on or after January 1, 2010 required 10 years of service credit to be 100 percent vested. As of April 9, 2022, legislation was passed that reduced the number of years of service credit from 10 years to 5 years. Therefore, all Members are vested when they reach 5 years of service credit.

Disability Retirement Benefits

Disability retirement benefits are available to ERS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offset of other benefits depend on a member's tier, years of service, and plan.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 – PENSION PLANS – Continued

ERS Benefits Provided – Continued

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for 10 years; (iii) all disability retirees, regard less of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one- half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible retiree as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or exceed 3 percent.

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.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 – PENSION PLANS – Continued

Funding Policies – Continued

Required contributions for the current and two preceding years were:

	NYSTRS	NYSERS
2023-2024	$ 350,943	$ 118,974
2022-2023	330,139	101,962
2021-2022	289,402	136,254

Pension Assets, 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 the net pension asset (liability) was determined by an actuarial valuation. The District's proportion of the net pension asset (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
District's Proportionate Share of the Net Pension Asset (Liability)	$ (503,259)	$ (211,176)
District's Portion (%) of the Plan's Total Net Pension Asset (Liability)	0.0034179%	0.018466%
Change in Proportion (%) Since the Prior Measurement Date	0.0002514%	-0.000550%

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 – PENSION PLANS – Continued

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

For the year ended June 30, 2024, the District's recognized pension expense of $101,404 for ERS and $244,671 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	$ 162,099	$ 512,045	$ 13,723	$ 1,265
Changes of Assumptions	190,271	454,655	-	99,090
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	107,949	245,839	-
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	40,096	58,679	26,224	71,581
District's Contributions Subsequent to the Measurement Date	43,530	362,065	-	-
Total	$ 435,996	$ 1,495,393	$ 285,786	$ 171,936

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, 2025, if applicable. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for the year ended as follows:

	ERS	TRS
2025	$ (87,587)	$ 84,701
2026	96,151	(106,544)
2027	150,500	840,993
2028	(52,384)	58,863
2029	-	48,668
Thereafter	-	34,711

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 – PENSION PLANS – Continued

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	**TRS**
Measurement Date	March 31, 2024	June 30, 2023
Actuarial Valuation Date	April 1, 2023	June 30, 2022
Interest Rate	5.9%	6.95%
Salary Scale	4.4%	1.3%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation Rate	2.9%	2.4%

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

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

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 – PENSION PLANS – Continued

Actuarial Assumptions – Continued

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	ERS	TRS
Measurement Date	March 31, 2024	June 30, 2023
Asset Type		
Domestic Equity	4.00%	6.80%
International Equity	6.65%	7.60%
Private Equity	7.25%	10.10%
Global Equity		7.20%
Real Estate	4.60%	6.30%
Opportunistic / Absolute Return Strategies Portfolio	5.25%	
Credit	5.40%	
Real Assets	5.79%	
Fixed Income	1.50%	
Cash	0.25%	0.30%
Private Debt		6.00%
Real Estate Debt		3.20%
Domestic Fixed Income Securities		2.20%
Global Bonds		1.60%
High-Yield Bonds		4.40%

Discount Rate

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

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 – PENSION PLANS – Continued

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

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

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's Proportionate Share of the Net Pension Asset (Liability)	$ (1,582,297)	$ (503,259)	$ 397,962

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's Proportionate Share of the Net Pension Asset (Liability)	$ (3,216,312)	$ (211,176)	$ 2,316,274

Pension Plan Fiduciary Net Position

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

	(In Thousands)		
	ERS	TRS	Total
Measurement date	March 31, 2024	June 30, 2023	
Employer's Total Pension Asset (Liability)	$ (240,696,851)	$ (138,365,122)	$ (379,061,973)
Plan Net Position	225,972,801	137,221,537	363,194,338
Employer's Net Pension Asset (Liability)	$ (14,724,050)	$ (1,143,585)	$ (15,867,635)
Ratio of Plan Net Position to the Employer's Total Pension Asset (Liability)	93.88%	99.17%	

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 – PENSION PLANS – Continued

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to $43,530. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to $401,080.

NOTE 10 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

Interfund balances at June 30, 2024 are as follows:

	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	$ 830,145	$ -	$ 10,000	$ 487,379
Special Aid	-	222,350	123,318	-
Capital – Smart Schools	-	298,030	-	-
Capital – Main Renovation	-	357,272	-	-
Capital – Emergency	-	-	164,763	-
Capital – Capital Outlay	-	-	92,318	-
School Food Service	-	30,355	106,980	-
Debt Service	77,862	-	-	10,000
Total	$ 908,007	$ 908,007	$ 497,379	$ 497,379

The District typically loans resources between funds for the purpose of mitigating the effects of cash flow issues. The General Fund advanced funds to the Special Aid Fund to provide temporary cash until New York State has reimbursed the grant programs.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 – CONTINGENCIES AND COMMITMENTS

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.

NOTE 12 – DONOR-RESTRICTED ENDOWMENTS

The District administers endowment funds, which are restricted by the donor for the purposes of Scholarships.

Donor-restricted endowments are reported at fair value.

The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 13 – FUND BALANCE EQUITY

The following is a summary of the Governmental Funds fund balances of the District at the year ended June 30, 2024:

Fund Balances (Deficits)	General	Capital - Main	Capital - Smart Schools	Non-Major Funds	Total Governmental Funds
Nonspendable					
Prepaid Expenditures	$ 9,601	$ -	$ -	$ -	$ 9,601
Restricted					
Debt Service	-	-	-	80,229	80,229
Capital	1,592,461	-	-	-	1,592,461
Employee Benefit Accrued Liability	627,947	-	-	-	627,947
Retirement Contributions - NYSERS	749,801	-	-	-	749,801
Retirement Contributions - NYSTRS	309,825	-	-	-	309,825
Workers' Compensation	175,060	-	-	-	175,060
Tax Certiorari	35,888	-	-	-	35,888
Unemployment Insurance	81,063	-	-	-	81,063
Scholarships and Awards	-	-	-	31,256	31,256
Extra Classroom Activity	-	-	-	93,586	93,586
Assigned					
Designated for Next Fiscal Year	1,013,231	-	-	-	1,013,231
Instruction	6,457	-	-	-	6,457
Unassigned					
Capital - Smart Schools	-	-	(298,030)	-	(298,030)
School Food Service Fund	-	-	-	(4,725)	(4,725)
Capital - Main	-	(300,699)	-	-	(300,699)
General Fund	842,676	-	-	-	842,676
Total Governmental Fund Balances (Deficits)	$ 5,444,010	$ (300,699)	$ (298,030)	$ 200,346	$ 5,045,627

NOTE 14 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information about the OPEB Plan

Plan Description – The District's defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District'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 Statement 75.

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

Employees Covered by Benefit Terms – At July 1, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	57
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	81
Total Covered Employees	138

The District provides two Self-Insured Plan to eligible retirees and dependents through the St. Lawrence-Lewis Health Consortium (the Plan). Currently 57 retired employees have elected to participate and contribute health insurance payments under the District's group plan. Participants must meet the minimum requirements of age 55 with at least twenty (20) years of service. The District reimburses the full Medicare Part B amount for all eligible retirees and dependents. The following represents other retiree requirements for the District's non-instructional and instructional employees:

Non-Instructional

- All current and future spouses are not required to contribute towards postemployment health care benefits.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 14 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS –
Continued

General Information about the OPEB Plan – Continued

Instructional

- All members who retired prior to July 1, 2013 are not required to contribute towards postemployment health care benefits.
- All current and future members that retire on or after July 2nd, 2013 are required to contribute a frozen amount equal to 5% of the St. Lawrence-Lewis Health Consortium Plan with Rider 10.

Medicare Part B premiums are reimbursed at 100% for Medicare-eligible retirees and dependents.

Surviving spouses may continue coverage at 100% of the individual plan premium cost. Also, they are not eligible for Medicare Part B reimbursement.

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the fund financial statements as payments are made. For the year ended June 30, 2024 the District recognized $943,845 for its share of insurance premiums for currently enrolled retirees.

Total OPEB Liability

The District has obtained an actuarial valuation report as of June 30, 2024 which indicates that the total liability for other postemployment benefits is $35,707,987 which is reflected in the Statement of Net Position. The OPEB liability was measured as of July 1, 2023 and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions and Other Inputs – The total OPEB liability 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:

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 14 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS –
Continued

Total OPEB Liability – Continued

Actuarial Methods and Assumptions	
Measurement Date	07/01/23
Rate of Compensation Increase	3.50%
Inflation Rate	2.70%
Discount Rate	3.65%
Assumed Medical/Prescription Drug Trend Rates at June 30	
Health Care Cost Trend Rate Assumed for Next Fiscal Year	6.80%
Rate to Which the Cost Trend Rate is Assumed to Decline (the Ultimate Trend Rate)	4.14%
Fiscal Year that the Rate Reaches the Ultimate Trend Rate	2094
Additional Information	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period (in Years)	6.89

The discount rate was based on the Bond Buyer Weekly 20-Bond Go Index as of July 1, 2023.

Mortality rates were based on the sex-distinct , job category specific, headcount weighted, and adjusted for mortality improvements Pub-2010 Mortality table for employees with scale MP-2021 mortality improvement scale on a generational basis.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022 – June 30, 2023.

Changes in the Total OPEB Liability

Balance at June 30, 2023	$ 38,668,405
Changes for the Year	
Service Cost	1,214,669
Interest	1,394,408
Differences Between Expected and Actual Experience	(5,141,551)
Changes of Assumptions or Other Inputs	558,096
Benefit Payments	(986,040)
Net Changes	(2,960,418)
Balance at June 30, 2024	$ 35,707,987

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE 14 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS – Continued

Changes in the Total OPEB Liability – Continued

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54 percent on July 1, 2022 to 3.65 percent on July 1, 2023.

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

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	$ 42,162,289	$ 35,707,987	$ 30,551,116

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (trend decreasing to 3.14 percent) or 1 percentage point higher (trend decreasing to 5.14 percent) than the current healthcare cost trend rate:

	1% Decrease (Trend Less 1% Decreasing to 3.14%)	Healthcare Cost Trend Rates (Trend Decreasing to 4.14%)	1% Increase (Trend Plus 1% Decreasing to 5.14%)
Total OPEB Liability	$ 29,801,534	$ 35,707,987	$ 43,416,068

NOTE 14 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS –
Continued

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

For the year ended June 30, 2024, the District recognized an OPEB expense of $2,505,889. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 3,508,650	$ 4,438,127
Changes of Assumptions or Other Inputs	2,750,283	3,136,618
Benefit Payments Subsequent to the Measurement Date	941,255	-
	$ 7,200,188	$ 7,574,745

District benefit payments subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2025	$ 984,288
2026	505,990
2027	(370,050)
2028	(792,419)
2029	(1,051,564)
Thereafter	(592,057)
	$ (1,315,812)

NOTE 15 – RISK MANAGEMENT

General

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

Pooled Non-Risk-Retained

The District participates in the St. Lawrence – Lewis County School District's Healthcare Plan (Plan), a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 18 individual governmental units located within the pool's geographic area and is considered a self-sustaining risk pool that will provide coverage for its members up to $1,000,000 per insured event. The pool obtains independent coverage for insured events in excess of the $1,000,000 limit, and the District has essentially transferred all related risk to the pool.

Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained in writing: St. Lawrence-Lewis Counties School District Employee Medical Plan, Post Office Box 697, Canton, New York 13617.

The District participates in the St. Lawrence-Lewis Counties School District Employees Workers' Compensation Plan, a risk-sharing pool, to ensure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to Workers' Compensation claims. The District share of the liability for unbilled and open claims is $0.

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS
Ended June 30, 2024

Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018
Service Cost	$ 1,214,669	$ 1,494,853	$ 1,153,104	$ 784,186	$ 674,806	$ 787,015	$ 1,518,467
Interest	1,394,408	891,712	801,403	982,935	1,001,380	954,830	1,242,547
Change in Benefit Terms	-	-	(1,127,889)	-	-	(83,349)	(2,638,611)
Change in Assumptions and Other Inputs	558,096	(3,396,717)	(1,386,038)	6,876,320	1,547,052	(1,458,126)	(12,624,712)
Difference between Expected and Actual Experience	(5,141,551)	-	6,542,067	-	(336,035)	-	(3,108,873)
Benefit Payments	(986,040)	(990,763)	(845,587)	(821,662)	(754,733)	(716,768)	(748,187)
Net Change in Total OPEB Liability	(2,960,418)	(2,000,915)	5,137,060	7,821,779	2,132,470	(516,398)	(16,359,369)
Total OPEB Liability - Beginning	38,668,405	40,669,320	35,532,260	27,710,481	25,578,011	26,094,409	42,453,778
Total OPEB Liability - Ending	$ 35,707,987	$ 38,668,405	$ 40,669,320	$ 35,532,260	$ 27,710,481	$ 25,578,011	$ 26,094,409
Covered Payroll	$ 4,365,802	$ 4,106,089	$ 3,978,273	$ 4,124,065	$ 3,702,730	$ 3,606,766	$ 3,492,045
Total OPEB Liability as a Percentage of Covered Payroll	817.90%	941.73%	1022.29%	861.58%	748.38%	709.17%	747.25%

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

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

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
REVENUES					
Local Sources					
Real Property Taxes	$ 4,093,368	$ 4,093,368	$ 4,108,684		$ 15,316
Other Tax Items	351,300	351,300	344,939		(6,361)
Charges for Services	-	-	61		61
Use of Money and Property	10,000	10,000	239,425		229,425
Miscellaneous	102,000	102,000	348,951		246,951
Total Local Sources	4,556,668	4,556,668	5,042,060		485,392
State Sources	7,404,298	7,404,298	7,197,482		(206,816)
Total Revenues	11,960,966	11,960,966	12,239,542		278,576
OTHER FINANCING SOURCES					
Transfer from Capital Projects Fund	30,000	30,000	10,000		(20,000)
Total Revenues and Other Financing Sources	11,990,966	11,990,966	12,249,542		$ 258,576
				Year-End Encumbrances	**Final Budget Variance With Actual And Encumbrances**
EXPENDITURES					
General Support					
Board of Education	23,950	23,280	16,512	$ -	$ 6,768
Central Administration	186,204	189,155	183,120	-	6,035
Finance	241,891	246,591	239,094	-	7,497
Staff	42,875	43,975	32,359	-	11,616
Central Services	638,478	678,704	545,058	-	133,646
Special Items	389,100	389,358	389,220	-	138
Total General Support	1,522,498	1,571,063	1,405,363	-	165,700
Instruction					
Instruction, Administration and Improvement	352,606	384,510	362,732	-	21,778
Teaching-Regular School	2,795,500	2,493,305	2,395,863	4,892	92,550
Programs for Children with Handicapping Conditions	1,773,437	1,725,945	1,296,977	-	428,968
Occupational Education	373,830	373,830	373,830	-	-
Teaching - Special School	14,410	14,410	11,530	-	2,880
Instructional Media	530,450	562,504	489,294	-	73,210
Pupil Services	493,442	514,061	369,252	1,565	143,244
Total Instruction	6,333,675	6,068,565	5,299,478	6,457	762,630
Pupil Transportation	990,992	1,015,079	907,647	-	107,432
Community Services	2,300	2,300	2,038	-	262
Employee Benefits	3,544,125	3,476,184	2,960,055	-	516,129
Debt Service	550,811	550,811	550,810	-	1
Total Expenditures	12,944,401	12,684,002	11,125,391	6,457	1,552,154
OTHER FINANCING USES					
Transfers to Other Funds	280,000	540,399	487,379	-	53,020
Total Expenditures and Other Financing Uses	13,224,401	13,224,401	11,612,770	$ 6,457	$ 1,605,174
Net Change in Fund Balance	(1,233,435)	(1,233,435)	636,772		
Fund Balance – Beginning of Year	4,807,238	4,807,238	4,807,238		
Fund Balance – Ending of Year	$ 3,573,803	$ 3,573,803	$ 5,444,010		

Note to Required Supplementary Information Budget Basis of Accounting: Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) – NYSLRS PENSION PLAN LAST TEN FISCAL YEARS

Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Teachers' Retirement System (TRS)										
District's Proportion of the Net Pension Asset (Liability)	0.018466%	0.019016%	0.017891%	0.018152%	0.017474%	0.018722%	0.018200%	0.019338%	0.020229%	0.020040%
District's Proportionate Share of the Net Pension Asset (Liability)	$ (211,176)	$ (364,900)	$ 3,100,411	$ (501,585)	$ 453,967	$ 338,545	$ 138,339	$ (207,120)	$ 2,101,172	$ 2,232,379
District's Covered Payroll	$ 3,518,283	$ 3,411,656	$ 3,043,289	$ 3,080,948	$ 3,091,041	$ 3,002,804	$ 3,153,404	$ 2,887,110	$ 2,984,070	$ 2,960,585
District's Proportionate Share of the Net Pension Asset (Liability) as a percentage of its Covered Payroll	6.00%	10.70%	101.88%	16.28%	14.69%	11.27%	4.39%	7.17%	70.41%	75.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Employees' Retirement System (ERS)										
District's Proportion of the Net Pension Asset (Liability)	0.0034179%	0.0031665%	0.0027939%	0.0031361%	0.0029752%	0.0026577%	0.0028489%	0.0030512%	0.0032881%	0.0028983%
District's Proportionate Share of the Net Pension Asset (Liability)	$ (503,259)	$ (679,025)	$ 228,393	$ (3,123)	$ (787,863)	$ (188,304)	$ (91,947)	$ (286,696)	$ (527,743)	$ (97,913)
District's Covered Payroll	$ 1,030,322	$ 945,528	$ 882,048	$ 968,485	$ 842,154	$ 886,506	$ 842,383	$ 806,583	$ 822,261	$ 885,682
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	48.84%	71.81%	25.89%	0.32%	93.55%	21.24%	10.92%	35.54%	64.18%	11.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

SCHEDULE OF DISTRICT'S CONTRIBUTIONS – NYSLRS PENSION PLAN
LAST TEN FISCAL YEARS
Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Teachers' Retirement System (TRS)										
Contractually Required Contribution	$ 350,943	$ 330,139	$ 289,402	$ 272,972	$ 329,378	$ 320,535	$ 351,433	$ 408,783	$ 545,440	$ 498,142
Contributions in Relation to the Contractually Required Contribution	350,943	330,139	289,402	272,972	329,378	320,535	351,433	408,783	545,440	498,142
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 3,518,283	$ 3,411,656	$ 3,043,289	$ 3,080,948	$ 3,091,041	$ 3,002,804	$ 3,153,404	$ 2,887,110	$ 2,984,070	$ 2,960,585
Contributions as a Percentage of Covered Payroll	9.97%	9.68%	9.51%	8.86%	10.66%	10.67%	11.14%	14.16%	18.28%	16.83%
Employees' Retirement System (ERS)										
Contractually Required Contribution	$ 118,974	$ 101,962	$ 136,252	$ 133,973	$ 115,890	$ 116,555	$ 115,593	$ 121,303	$ 159,824	$ 121,616
Contributions in Relation to the Contractually Required Contribution	118,974	101,962	136,252	133,973	115,890	116,555	115,593	121,303	159,824	121,616
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 1,030,322	$ 945,528	$ 882,048	$ 968,485	$ 842,154	$ 886,506	$ 842,383	$ 806,583	$ 822,261	$ 885,682
Contributions as a Percentage of Covered Payroll	11.55%	10.78%	15.45%	13.83%	13.76%	13.15%	13.72%	15.04%	19.44%	13.73%

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT – GENERAL FUND
June 30, 2024

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$ 13,213,861
Add: Prior Year's Encumbrances	10,540
Original Budget	13,224,401
Budget Revision	-
Final Budget	$ 13,224,401

SECTION 1318 OF REAL PROPERTY TAX LAW CALCULATION

2024-2025 Voter Approved Expenditure Budget		$ 13,267,012
Maximum Allowed 4% of 2024-2025 Budget		$ 530,680
General Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 1,019,688	
Unassigned Fund Balance	842,676	
Total Unrestricted Fund Balance	1,862,364	
Less:		
Appropriated Fund Balance	1,013,231	
Encumbrances Included in Assigned Fund Balance	6,457	
Total Adjustments	1,019,688	
General Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 842,676
Actual Percentage		6.35%

SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES

Year Ended June 30, 2024

PROJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures: Prior Year	Expenditures: Current Year	Expenditures: Total	Unexpended Balance	Methods of Financing: Proceeds Of Obligations	Methods of Financing: State Aid	Methods of Financing: Local Sources	Methods of Financing: Total	Transfer to Debt Service Fund	Fund Balance (Deficit) 6/30/2024
Smart Schools (SSBA)	$ 347,853	$ 567,847	$ 537,566	$ -	$ 537,566	$ 30,281	$ -	$ 239,536	$ -	$ 239,536	$ -	$ (298,030)
Capital Improvement Project	9,200,000	9,200,000	-	300,699	300,699	8,899,301	-	-	-	-	-	(300,699)
Micro Project - Building Improvements	100,000	100,000	916	91,402	92,318	7,682	-	-	92,318	92,318	-	-
Emergency Project	165,000	165,000	-	164,763	164,763	237	-	-	164,763	164,763	-	-
Micro Project - Building Improvements	100,000	100,000	97,877	-	97,877	2,123	-	-	97,877	97,877	-	-
Totals	$ 9,912,853	$ 10,132,847	$ 636,359	$ 556,864	$ 1,193,223	$ 8,939,624	$ -	$ 239,536	$ 354,958	$ 594,494	$ -	$ (598,729)

COMBINED BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2024

	School Food Service	Debt Service	Extra Classroom Activity	Scholarships and Awards	Capital - Emergency	Capital - Capital Outlay	Total Non-Major Funds
ASSETS							
Cash and Cash Equivalents							
Unrestricted	$ 488	$ -	$ -	$ -	$ -	$ -	$ 488
Restricted	-	2,367	93,667	31,256	-	-	127,290
Receivables							
State and Federal Aid Receivable	15,754	-	-	-	-	-	15,754
Other	3,698	-	-	-	-	-	3,698
Due from Other Funds	-	77,862	-	-	-	-	77,862
Inventories	6,805	-	-	-	-	-	6,805
TOTAL ASSETS	$ 26,745	$ 80,229	$ 93,667	$ 31,256	$ -	$ -	$ 231,897
LIABILITIES							
Payables							
Accrued Liabilities	$ 829	$ -	$ 81	$ -	$ -	$ -	$ 910
Due to Other Funds	30,355	-	-	-	-	-	30,355
Due to Other Governments	286	-	-	-	-	-	286
Total Liabilities	31,470	-	81	-	-	-	31,551
FUND BALANCES (DEFICITS)							
Restricted	-	80,229	93,586	31,256	-	-	205,071
Unassigned (Deficit)	(4,725)	-	-	-	-	-	(4,725)
Total Fund Balances (Deficits)	(4,725)	80,229	93,586	31,256	-	-	200,346
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	$ 26,745	$ 80,229	$ 93,667	$ 31,256	$ -	$ -	$ 231,897

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	School Food Service	Debt Service	Extra Classroom Activity	Scholarships and Awards	Capital - Emergency	Capital - Capital Outlay	Total Non-Major Funds
REVENUES							
Use of Money and Property	$ -	$ 788	$ -	$ 1,596	$ -	$ -	$ 2,384
State Sources	64,610	-	-	-	-	-	64,610
Federal Sources	164,687	-	-	-	-	-	164,687
Surplus Food	18,557	-	-	-	-	-	18,557
Sales - School Food Service	48,250	-	-	-	-	-	48,250
Miscellaneous	44	-	79,453	3,100	-	-	82,597
Total Revenues	296,148	788	79,453	4,696	-	-	381,085
EXPENDITURES							
General Support	158,751	-	-	-	-	-	158,751
Employee Benefits	92,570	-	-	-	-	-	92,570
Cost of Sales - School Food Service	151,808	-	-	-	-	-	151,808
Other Expenditures	-	-	74,620	3,200	-	-	77,820
Capital Outlay	-	-	-	-	164,763	91,402	256,165
Total Expenditures	403,129	-	74,620	3,200	164,763	91,402	737,114
Excess (Deficiency) of Revenues Over Expenditures	(106,981)	788	4,833	1,496	(164,763)	(91,402)	(356,029)
OTHER FINANCING SOURCES AND (USES)							
Operating Transfers In	106,980	-	-	-	164,763	92,318	364,061
Operating Transfers (Out)	-	(10,000)	-	-	-	-	(10,000)
Total Other Financing Sources and (Uses)	106,980	(10,000)	-	-	164,763	92,318	354,061
Net Change in Fund Balances (Deficits)	(1)	(9,212)	4,833	1,496	-	916	(1,968)
Fund Balances (Deficits) – Beginning of Year	(4,724)	89,441	88,753	29,760	-	(916)	202,314
Fund Balances (Deficits) – End of Year	$ (4,725)	$ 80,229	$ 93,586	$ 31,256	$ -	$ -	$ 200,346

See paragraph in supplementary schedules included in independent auditor’s report.

NET INVESTMENT IN CAPITAL ASSETS
Year Ended June 30, 2024

Capital Assets, Net		$ 10,420,643
Deduct:		
Premium on Bonds Payable	$ 27,348	
Short-Term Portion of Installment Purchase Debt Payable	61,060	
Long-Term Portion of Installment Purchase Debt Payable	716,159	
Short-Term Portion of Bonds Payable	320,000	
Long-Term Portion of Bonds Payable	1,500,000	2,624,567
Net Investment in Capital Assets		$ 7,796,076

See paragraph in supplementary schedules included in independent auditor’s report.

FEDERAL AWARD PROGRAM INFORMATION

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

BOARD OF EDUCATION
PARISHVILLE-HOPKINTON CENTRAL SCHOOL DISTRICT

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 Parishville-Hopkinton Central School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Parishville-Hopkinton Central School District's basic financial statements, and have issued our report thereon dated September 16, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Parishville-Hopkinton 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 Parishville-Hopkinton Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Parishville-Hopkinton 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 Parishville-Hopkinton 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2024-001.

Parishville-Hopkinton Central School District's Response to Findings

Governmental Auditing Standards requires the auditor to perform limited procedures on the Parishville-Hopkinton Central School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Parishville-Hopkinton Central School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Bowers & Company

Watertown, New York
September 16, 2024

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

BOARD OF EDUCATION
PARISHVILLE-HOPKINTON CENTRAL SCHOOL DISTRICT

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Parishville-Hopkinton 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 Parishville-Hopkinton Central School District's major federal programs for the year ended June 30, 2024. Parishville-Hopkinton 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, Parishville-Hopkinton 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 Parishville-Hopkinton 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 Parishville-Hopkinton 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 Parishville-Hopkinton Central School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Parishville-Hopkinton 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 the Parishville-Hopkinton 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 the Parishville-Hopkinton 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 the Parishville-Hopkinton 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 the Parishville-Hopkinton 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.

Bowers & Company

Watertown, New York
September 16, 2024

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	Assistance Listing Number	Agency or Pass-Through Number	Total Federal Expenditures
U.S. Department of Education			
Passed-through NYS Education Department			
Title I Grants to Local Educational Agencies	84.010A	0021-24-2655	$ 159,616
Special Education Cluster			
Special Education - Grants to States (IDEA, Part B)	84.027A	0032-24-0800	105,949
Special Education - Preschool Grants (IDEA Preschool)	84.173A	0033-24-0800	947
Total Special Education Cluster			106,896
Supporting Effective Instruction State Grants	84.367A	0147-24-2655	17,883
Student Support and Academic Enrichment Program	84.424A	0204-24-2655	11,393
Education Stabilization Fund			
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5880-21-2655	138,319
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5883-21-2655	33,978
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5884-21-2655	222,501
COVID-19: American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5882-21-2655	10,621
Total Education Stabilization Fund			405,419
Total Passed-through NYS Education Department			701,207
Direct Program:			
Rural Education	84.358B		25,888
Total Direct Programs from U.S. Department of Education			25,888
Total U.S. Department of Education			727,095
Subtotal to Next Page			$ 727,095

See paragraph on supplementary schedules included in independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED
Year Ended June 30, 2024

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	Assistance Listing Number	Agency or Pass-Through Number	Total Federal Expenditures
Subtotal from Previous Page			$ 727,095
U.S. Department of Agriculture			
Passed-through NYS Education Department			
Child Nutrition Cluster			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555		18,557
Non-Cash Assistance Subtotal			18,557
Cash Assistance:			
School Breakfast Program	10.553		30,933
COVID-19: Supply Chain Assistance Grant	10.555		14,584
National School Lunch Program	10.555		118,836
School Snack Program	10.555		334
Cash Assistance Subtotal			164,687
Total Child Nutrition Cluster			183,244
Total Passed-through NYS Education Department			183,244
Total U.S. Department of Agriculture			183,244
Total Federal Assistance			$ 910,339

See paragraph on supplementary schedules included in independent auditor's report and accompanying notes to schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District's financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies.

The information presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The federal expenditures are recognized under the Uniform Guidance.

The District has elected to use the 10 percent 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 of the data presented.

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

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

NOTE 3 – SUBRECIPIENTS

No amounts were provided to subrecipients.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2024

NOTE 4 – SCOPE OF AUDIT

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

NOTE 5 – OTHER DISCLOSURES

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

NOTE 6 – NON-MONETARY FEDERAL PROGRAM

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted $18,557 of commodities under the National School Lunch Program (Assistance Listing 10.555).

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2024

NOTE A – SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Parishville-Hopkinton Central School District.
2. No significant deficiencies were disclosed during the audit of the basic financial statements of Parishville-Hopkinton Central School District.
3. One instance of noncompliance material to the financial statements of Parishville-Hopkinton Central School District, which would be required to be reported in accordance with *Government Auditing Standards,* was disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major programs were disclosed during the audit of the major federal award programs of Parishville-Hopkinton Central School District.
5. The auditor's report on compliance for the major federal award programs for Parishville-Hopkinton Central School District expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR Section 200.516(a) related to the major federal award programs for Parishville-Hopkinton Central School District.
7. The program tested as a major program includes:

   U.S. Department of Education
   Passed-Through NYS Education Department:
   Education Stabilization Fund:
   COVID-19: American Rescue Plan - Elementary and Secondary
   School Emergency Relief 84.425U

8. The threshold for distinguishing between Type A and B programs was $750,000.
9. Parishville-Hopkinton Central School District was determined to be a low-risk auditee.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2024

NOTE B – FINDINGS - FINANCIAL STATEMENT AUDIT

Finding Control Number: 2024-001

Instances of Noncompliance with Laws or Regulations

Surplus Unexpended Funds in Excess of 4% Limitation

Criteria

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserves for tax reduction and insurance recoveries, the District can retain to no more than 4% of the subsequent year's budgeted appropriations. Amounts appropriated for the subsequent year, encumbrances, nonspendable and restricted balances are also excluded for the 4% limitation.

Condition

The District exceeded the 4% limitation of unexpended surplus funds within the General Fund by $311,996 during the fiscal year.

Context

During our audit test of compliance - §1318 Real Property Tax, it was noted that the unassigned fund balances of $842,676 had exceeded maximum allowed unexpended balance of $530,680 for the fiscal year ended.

Effect

As a result, the District was not in compliance with the unexpended surplus funds limitation requirements of the Real Property Tax Law §1318 for the fiscal year ended June 30, 2024.

Cause

The District understands the requirements relating to §1318 Real Property Tax law and due to the uncertainty of primary revenue sources maintains fund balance levels deemed appropriate in accordance with their long-range fund balance plan.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2024

NOTE B – FINDINGS - FINANCIAL STATEMENT AUDIT - Continued

Finding Control Number: 2024-001 – Continued

Recommendation

We recognize the District has developed and implemented a long range written reserve plan. The District also monitors the fund balance on a regular basis. We recommend school officials continue to review fund balance throughout the year to address compliance with the Real Property Tax Law §1318.

Views of Responsible Officials and Planned Corrective Actions

The District will continue to monitor fund balance throughout the year and take appropriate steps to ensure compliance with the Real Property Tax Law §1318 that prohibits excess fund balance at the fiscal year end. It is the District's intent to use excess unassigned fund balance to fund the capital reserve in the 2024-25 fiscal year.

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

There were no findings to report.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2024

NOTE A – FINDINGS – FINANCIAL STATEMENT AUDIT

Finding Control Number: 2023-001

Instances of Noncompliance with Laws or Regulations

Surplus Unexpended Funds in Excess of 4% Limitation

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserves for tax reduction and insurance recoveries, the District can retain to no more than 4% of the subsequent year's budgeted appropriations. Amounts appropriated for the subsequent year, encumbrances, nonspendable and restricted balances are also excluded for the 4% limitation.

The District exceeded the 4% limitation of unexpended surplus funds within the General Fund during the fiscal year.

Views of Responsible Officials and Planned Corrective Actions

The District will continue to monitor fund balance throughout the year and take appropriate steps to ensure compliance with the Real Property Tax Law §1318 that prohibits excess fund balance at the fiscal year end.

Current Status

Similar finding was noted in the 2024 audit.

NOTE B – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no prior year audit findings.

EXTRA CLASSROOM ACTIVITY FUNDS

BOWERS | CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON EXTRA CLASSROOM ACTIVITY FUNDS

BOARD OF EDUCATION
PARISHVILLE-HOPKINTON CENTRAL SCHOOL DISTRICT

Opinion

We have audited the accompanying statement of cash receipts and disbursements of the Extra Classroom Activity Funds of Parishville-Hopkinton Central School District for the year ended June 30, 2024 and the related note to the financial statements.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the statement of cash receipts and disbursements of the Extra Classroom Activity Funds of Parishville-Hopkinton Central School District for the year then ended June 30, 2024, in accordance with cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Parishville-Hopkinton 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 opinion.

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the cash basis of accounting as described in Note 1, 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 auditing standards generally accepted in the United States of America and Appendix E of the Minimum Program for Audit of Financial Records of New York State School Districts, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 Parishville-Hopkinton 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 Parishville-Hopkinton 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.

Bowers & Company

Watertown, New York
September 16, 2024

EXTRA CLASSROOM ACTIVITY FUNDS – STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2024

	Cash Balances 7/1/2023	Cash Receipts	Cash Disbursements	Cash Balances 6/30/2024
Class of:				
2024	$ 6,708	$ 4,365	$ 11,073	$ -
2025	11,035	18,013	4,319	24,729
2026	3,637	3,959	2,258	5,338
2027	2,076	4,161	3,189	3,048
2028	-	3,436	2,370	1,066
2029	-	2,459	997	1,462
Interest	80	-	-	80
Sales Tax	81	324	181	224
GSA	-	110	-	110
Yearbook	12,486	5,016	3,110	14,392
Band	1,435	19,653	15,607	5,481
Varsity Club	6,257	1,665	4,352	3,570
Student Council	6,581	1,071	1,021	6,631
NHS	2,006	-	-	2,006
Positivity Club	717	-	-	717
Manufacturing Systems	975	-	-	975
PHCSD Follies	17,081	7,211	9,299	14,993
Foreign Language Club	15,032	3,009	14,315	3,726
Forensics Club	289	-	-	289
Elementary Club	1,450	1,972	772	2,650
Art Club	193	1,134	149	1,178
Clay Target League	715	1,900	1,613	1,002
Total	**$ 88,834**	**$ 79,458**	**$ 74,625**	**$ 93,667**

See note to financial statement.

EXTRA CLASSROOM ACTIVITY FUNDS – NOTE TO FINANCIAL STATEMENT
June 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The Extra Classroom Activity Funds of the Parishville-Hopkinton Central School District represents funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extra Classroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management.

The accounts of the Extra Classroom Activity Funds of Parishville-Hopkinton Central School District are maintained on a cash basis and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets and accrued income and expense, which would be recognized under generally accepted accounting principles and, which may be material in amount, are not recognized in the accompanying financial statement.

APPENDIX C

Form of Legal Opinion

LAW OFFICES
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Board of Education of the
Parishville-Hopkinton Central School District
St. Lawrence County, New York

Re: ***Parishville-Hopkinton Central School District***
$5,800,000 Bond Anticipation Note, 2025 (New Issue)

Dear Board Members:

I have examined a record of proceedings relating to the issuance of a $5,800,000 principal amount Bond Anticipation Note, 2025 (New Issue) of the Parishville-Hopkinton Central School District, a school district of the State of New York. The Note is [registered to _____________ / in book-entry-only form registered to "Cede & Co.,"] is dated June 26, 2025, is numbered 2025A-1, bears interest at the rate of _____________________ per centum (____%) per annum payable at maturity, matures June 26, 2026, and is issued pursuant to the Local Finance Law of the State of New York and a bond resolution adopted January 29, 2024. The proposition approving the matters set forth in the bond resolution was approved by the voters of the School District on December 12, 2023. The Note is not subject to redemption prior to maturity. The Note is a temporary obligation issued in anticipation of the issuance of bonds.

In my opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights, the Note is a valid and legally binding obligation of the Parishville-Hopkinton Central School District, payable in the first instance from the proceeds of the sale of the bonds in anticipation of which the Note is issued, but, if not so paid, payable ultimately from *ad valorem* taxes that may be levied upon all the taxable real property within the School District without limitation as to rate or amount.

The School District has covenanted to comply with any requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Note in order that interest thereon be and remain excludable from gross income under the Code. In my opinion, under the existing statute, regulations and court decisions, interest on the Note is excludable from gross income for federal income tax purposes under Section 103 of the Code and will continue to be so excluded if the School District continuously complies with such covenant; and under the Code, interest on the Note is not a specific preference item for purposes of the federal alternative minimum tax; however, interest on the Note is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. I express no opinion regarding other Federal income tax consequences caused by the receipt or accrual of interest on the Note. Further, in my opinion, interest on the Note is exempt from New York State and New York City personal income taxes under existing statutes.

In rendering the opinions expressed herein, I have assumed the accuracy and truthfulness of all public records, documents and proceedings examined by me which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and I also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications. The scope of my engagement in relation to the issuance of the Note has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of and interest on the Note as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the School District in relation to the Note for factual information which, in the judgment of the School District, could materially affect the ability of the School District to pay such principal and interest. While I have participated in the preparation of such Official Statement, I have not verified the accuracy, sufficiency, completeness or fairness of the Official Statement or any factual information contained therein or any additional proceedings, reports, correspondence, financial statements or other documents containing financial or other information relative to the School District or the financed project and, accordingly, I express no opinion as to whether the School District, in connection with the sale of the Note, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

Timothy R. McGill, Esq.

TRM:

APPENDIX D

Material Event Notices

Material Event Notices

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

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

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

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

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

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

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

(h) note calls, if material and tender offers

(i) Defeasances

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

(k) rating changes

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

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

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

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

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

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

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

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 a 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.

For the purposes of the event identified in paragraph (1) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

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

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

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

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