

OFFICIAL STATEMENT DATED AUGUST 28, 2025

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Bartlett, Pontiff, Stewart & Rhodes, P.C., Bond Counsel to the School District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the School District with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, nor is it included in adjusted current earnings when calculating federal corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Notes is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel expressed no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual of interest on the Notes. See "TAX EXEMPTION" herein.

The Notes **WILL NOT** be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 as amended.

QUEENSBURY UNION FREE SCHOOL DISTRICT WARREN COUNTY, NEW YORK

\$12,000,000 BOND ANTICIPATION NOTES, 2025

Dated Date: September 18, 2025

Date of Maturity: September 18, 2026

The Notes are general obligations of the Queensbury Union Free School District, Warren County, New York and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District, without limitation as to rate or amount. (See "Nature of the Obligation," herein.)

The Notes will be dated September 18, 2025 and will mature, without option of prior redemption, on September 18, 2026.

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

If the Notes are issued registered in the name of the successful bidder, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder.

If the Notes are issued in book-entry form, such Notes will be delivered to DTC, which will act as securities depository for the Notes. The Bonds will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds and for those Notes issued in book-entry form. A single note certificate will be issued for those Notes issued in book-entry form bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser at such interest rate. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds and for those Notes issued in book-entry form. Payment of the principal of and interest on the Bonds and for those Notes issued in book-entry form will be paid in Federal Funds by the District to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds and for those Notes issued in book-entry form as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "Book-Entry-Only System" herein)

The Notes are offered subject to the respective final approving opinions of Bartlett, Pontiff, Stewart & Rhodes, P.C., Glens Falls, New York, Bond Counsel, and certain other conditions. R.G. Timbs, Inc. has served as Municipal Advisor to the District in connection with the issuance of the Bonds and the Notes. It is expected that delivery of the Notes through the offices of DTC in Jersey City, New Jersey or as otherwise agreed upon with the purchaser(s) will be made on or about September 18, 2025.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDERS, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE APPENDIX-D, CONTINUING DISCLOSURE UNDERTAKING" HEREIN.

DATED: August 28, 2025

**QUEENSBURY UNION FREE SCHOOL DISTRICT
WARREN COUNTY, NEW YORK**

School District Officials

2025-26 BOARD OF EDUCATION

Timothy Weaver. - President
Bradley Goertzen - Vice President

Beecher Baker
Dawn Bleyenburg
Stacy Flaherty
Jamey Hardesty
Daniel Mannix, Esq.
Jeffrey Seymour
Michael E. Shea, Ph.D.

.....

Kyle Gannon - Superintendent of Schools
Scott Whittemore – Assistant Superintendent for Business/District Clerk
Nicole Arcuri – School District Treasurer

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School District Attorney

Bartlett, Pontiff, Stewart & Rhodes, P.C.

BOND COUNSEL

Bartlett, Pontiff, Stewart & Rhodes, P.C.

MUNICIPAL ADVISOR



R. G. Timbs, Inc.

No person has been authorized by the School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, under any circumstances, create any implication that there has been no change in the affairs of the School District

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PREPARED WITH THE ASSISTANCE OF:

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OFFICIAL STATEMENT

of the

QUEENSBURY UNION FREE SCHOOL DISTRICT
WARREN COUNTY, NEW YORK
Relating To

\$12,000,000 BOND ANTICIPATION NOTES, 2025
(the “Notes”)

This Official Statement, which includes the cover page, has been prepared by the Queensbury Union Free School District, Warren County, New York (the “District”) in connection with the sale by the School District of \$12,000,000 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 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.

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the 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 September 18, 2025 and mature, without option of prior redemption, on September 18, 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.

The Notes will be issued as registered notes at the option of the Purchaser(s) (i) requested in the name of the purchaser. In certificated denominations of \$5,000 or integral multiples thereof; or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”) which will act as the securities depository for the Notes. See “Book-Entry-Only System” herein.

Nature of the Obligation

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

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

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

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

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

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

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

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

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, 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.

Purpose and Authorization

The District voters approved a \$39,000,000 Capital Project on December 12, 2023. This project will consist of construction, reconstruction, additions and alterations to the District's Elementary School Building, including expansion of the parking lot, Queensbury Middle School Building, High School Building, including expansion of the parking lot, and Queensbury Transportation Building.

This is the first issuance against said authorization. The proceeds of the Notes will provide \$12,000,000 of new money for the aforementioned purpose.

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. 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 Queensbury School District, with an area of about 34 square miles, is located in east-central New York State about 50 miles north of Albany. The District is entirely within the Town of Queensbury and surrounds the City of Glens Falls, a commercial, manufacturing and shipping center of the Adirondack Mountains. Situated both in the metropolitan area of Glens Falls and in the heart of the year-round recreational region of the Adirondacks (such as Lake George, 6 miles north), Queensbury derives benefits from both economies.

Residential development consists primarily of single-family homes, garden apartment complexes and estate farms. Several shopping centers serve as a basis of commercial activity and draw shoppers from the surrounding communities and the City of Glens Falls in addition to residents in the immediate area. Industrial operations include the Glens Falls Lehigh Cement Company, a cement manufacturer; and a hydroelectric plant of the National Grid Power Corp.

Residents find employment at in-district industrial and commercial enterprises, as well as in Glens Falls. The service industries catering to sportsmen and tourists in the Adirondack and Lake George regions offer additional career opportunities. A wide variety of recreational activities is available to residents; skiing, ice skating, hunting, fishing, sailing, boating, swimming, hiking, golf, tennis, etc. are all readily accessible during the appropriate seasons of the year.

Rail transportation is provided by the Delaware & Hudson Railroad. Air transportation is available at the Warren County Airport, located in the District. A network of roads and highways serve this area, including Interstate #87 (the Northway), which connects with the New York State Thruway and Canada, and U.S. Route #9.

District Population

The 2023 population of the School District is estimated to be 22,842. (Source: 2023 U.S. Census Bureau estimate)

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
City of:						
Glens Falls	\$24,302	\$27,147	\$38,872	\$56,659	\$60,545	\$85,818
Town Of:						
Queensbury	30,450	35,559	51,716	74,424	77,110	116,921
County Of:						
Warren	27,744	31,652	46,191	64,195	70,982	102,500
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

<u>Name</u>	<u>Grades</u>	<u>Year Built</u>	<u>Current Maximum Capacity</u>	<u>Date of Last Addition or Alteration</u>
Elementary School	K-3	1968	1,833	2023
Intermediate School	4-5	1998	824	2023
Middle School	6-8	1950	1,020	2023
High School	9-12	1963	1,462	2023

Source: District Officials

District Employees

The School District employs 507 full-time and 218 employees. The number of members, the collective bargaining units which represent them and their current contract expiration dates are as follows:

<u>Bargaining Unit</u>	<u>Employees</u>	<u>Expiration Date</u>
Teachers QFA	269	6/30/2027
Queensbury Educational Support Staff	107	6/30/2025*
Queensbury Transportation Employees	52	6/30/2026
Queensbury Buildings and Grounds Employees	37	6/30/2026
Queensbury Administrators and Supervisors	14	6/30/2026
Queensbury Supervisors of Maintenance & Custodial	7	6/30/2026
Queensbury School Nurses Association	7	6/30/2029
Queensbury OT/PT Association	1	6/30/2027
Southern Adirondack Substitute Teacher Alliance	Varies	6/30/2030

*Currently under negotiations.

Source: District Officials

Historical and Projected Enrollment

<u>Fiscal Year</u>	<u>Actual</u>	<u>Fiscal Year</u>	<u>Projected</u>
2020-21	3,103	2025-26	3,015
2021-22	3,080	2026-27	3,015
2022-23	3,041	2027-28	3,015
2023-24	3,015	2028-29	3,015
2024-25	3,015	2029-30	3,015

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.
- 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 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:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	\$ 850,459	\$ 2,067,541
2021-2022	791,473	2,239,488
2022-2023	736,702	2,436,036
2023-2024	927,867	2,261,175
2024-2025 (Budgeted)	1,200,000	3,050,128
2025-2026 (Budgeted)	1,196,654	2,900,000

Source: Audited financial statements for the 2020-2021 fiscal year through the 2023-2024 fiscal year and the adopted budgets of the District for the 2024-2025 and 2025-2026 fiscal years. 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 (2020-21 to 2025-26) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	14.6%	9.53%
2021-2022	16.2	9.80
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 the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

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

Stable Rate Pension Contribution Option - The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 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 has established a reserve fund and it is funded to the allowable limit.

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, 2022, and financial data as of June 30, 2024, the School District's beginning year total OPEB liability was \$102,244,422, the net change for the year was \$919,595 resulting in a total OPEB liability of \$103,164,017 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

<u>Name</u>	<u>Nature of Business</u>	<u>Estimated Number of Employees</u>
Wal-Mart (two separate retail locations)	Retail	576
Queensbury Union Free School District	Education	507
Tribune Media	Entertainment/News Products	400
Warren Washington ARC	Service	357
SUNY Adirondack	Higher Education	230
Super K-Mart Center	Retail	219
Town of Queensbury	Governmental	135 ¹
Home Depot	Retail	106
Glens Falls LeHigh Cement Co.	Cement Manufacturer	98

Note 1. Employs 250 seasonal employees as well.

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 Warren 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.

<u>Year</u>	<u>Warren County Unemployment Rate</u>	<u>New York State Unemployment Rate</u>	<u>U.S. Unemployment Rate</u>
2020	8.1%	9.9%	8.1%
2021	4.9%	6.9%	3.9%
2022	3.5%	4.3%	3.7%
2023	3.7%	4.2%	3.7%
2024	3.7%	4.3%	4.1%

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

	<u>2024-2025 Monthly Figures</u>											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Warren County	3.4%	3.2%	3.8%	2.9%	3.5%	3.9%	4.9%	5.2%	4.5%	3.4%	2.8%	2.8%
New York State	4.8%	4.8%	4.0%	4.2%	4.2%	4.2%	4.6%	4.3%	4.1%	3.7%	3.5%	3.8%

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

Investment Policy

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

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.

Form of School Government

Subject to the provisions of the State Constitution, the School District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the School District, and any special laws applicable to the School District. Under such laws, there is no authority for the School District to have a charter or adopt local laws.

The legislative power of the School District is vested in the Board of Education (the "Board"). Each year an election is held within the School District to elect one or more members to the Board. The Board consists of nine members with overlapping five-year terms. Therefore, as nearly as practicable, an equal number of members is elected to the Board each year.

During the first week in July of each year the Board meets for the purpose of reorganization. At that time an election is held within the Board to elect a President and Vice President and to appoint other School District officials.

Pursuant to the Local Finance Law, the President of the Board is the chief fiscal officer of the School District. However, certain of the financial management functions of the School District are the responsibility of the Superintendent of Schools and the Assistant Superintendent for Business.

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 2023-24 fiscal year was adopted by the qualified voters on May 16, 2023, by a vote of 621 to 201. 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 a vote of 567 to 205. The School District's 2024-25 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2025-26 fiscal year was adopted by the qualified voters on May 20, 2025 by a vote of 659 to 286. The School District's 2025-26 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 44.32% 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, the 2024-25 State budget which was not adopted until April 20, 2024 and the 2025-26 State Budget which was not adopted until May 9, 2025. 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 –

Since March, 2020, the State has been awarded over \$14 billion in federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds were used to support local educational agencies' efforts to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. Such federal funding expired at the end of the 2023-24 fiscal year.

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

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

President Trump signed an executive order that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The executive order aims to minimize the federal role in

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

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 State's 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 if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. 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 an 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
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Enacted Budget 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.

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 the 2024-2025 and 2025-2026 fiscal years.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	\$ 62,074,572	\$ 24,589,021	39.61%
2020-2021	62,898,158	24,623,064	39.15
2021-2022	64,381,483	26,050,596	40.00
2022-2023	70,430,040	28,833,030	40.94
2023-2024	75,592,778	33,558,162	44.39
2024-2025 (Budgeted)	73,069,029	32,825,854	44.92
2025-2026 (Budgeted)	77,204,736	34,219,520	44.32

Source: Audited financial statements for the 2019-2020 fiscal year through the 2023-2024 fiscal year and the adopted budgets of the District for the 2024-2025 and 2025-2026 fiscal years. 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 June 30, 2018 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:

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

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.

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 January 19, 2018. The purpose of our audit was to determine whether extra-classroom activity (ECA) clubs and the central treasurer properly accounted for extra classroom collections and disbursements for the period July 1, 2015, through March 31, 2017.

Key Findings:

- The student treasurers and faculty advisors of five ECA clubs did not maintain adequate supporting documentation for 28 remittances totaling \$36,079.
- Eight collections for prom tickets totaling \$360 and three collections for yearbook sales totaling \$165 were not remitted to the central treasurer.

Key Recommendations:

- Ensure student treasurers and advisors maintain adequate supporting documentation for collections.
- Ensure student treasurers and advisors properly account for all ECA collections and appoint a faculty auditor to oversee management of ECA funds and records.

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 are 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:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Assessed Valuations:					
Queensbury	\$ 2,340,089,178	\$ 2,341,235,477	\$ 2,356,371,162	\$ 2,945,863,682	\$ 2,963,266,644
City of Glens Falls	<u>2,278,378</u>	<u>2,447,216</u>	<u>2,556,883</u>	<u>2,608,295</u>	<u>2,322,360</u>
Total	<u>\$ 2,342,367,556</u>	<u>\$ 2,343,682,693</u>	<u>\$ 2,358,928,045</u>	<u>\$ 2,948,471,977</u>	<u>\$ 2,965,589,004</u>
Equalization Rates:					
Queensbury	100.00%	90.00%	85.00%	100.00%	90.00%
City of Glens Falls	75.00%	100.00%	94.00%	93.51%	90.00%
Full Valuations:					
Queensbury	\$ 2,340,089,178	\$ 2,601,372,752	\$ 2,772,201,367	\$ 2,945,863,682	\$ 3,292,518,493
City of Glens Falls	<u>3,037,837</u>	<u>2,447,216</u>	<u>2,720,088</u>	<u>2,789,322</u>	<u>2,580,400</u>
Total	<u>\$ 2,343,127,015</u>	<u>\$ 2,603,819,968</u>	<u>\$ 2,774,921,455</u>	<u>\$ 2,948,653,004</u>	<u>\$ 3,295,098,893</u>

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:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Queensbury	\$ 15.79	\$ 16.09	\$ 16.29	\$ 13.31	\$ 13.57
City of Glens Falls	21.05	14.48	14.73	14.24	13.57

Tax Collection Procedure

Taxes are due and payable without penalty during the month of September. Taxes paid during the month of October are subject to a 2% penalty. Penalties if paid during the period of November 2 through November 5 are 3%. Unpaid school taxes are returned to the County Treasurer after November 5. Taxes unpaid after November 6 are levied at an additional 7% penalty with the State and County taxes, which are due on January 1st. The County Treasurer reimburses the District in full before the end of the District's fiscal year.

Tax Collection Record

Fiscal Year Ended June 30:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025*</u>
Total Tax Levy	\$36,258,659	\$36,988,033	\$37,708,236	\$38,428,354	\$39,251,994
Amount Uncollected	1,219,182	1,298,415	1,218,538	1,246,944	1,378,138
% Uncollected When Due	3.36%	3.36%	3.23%	3.24%	3.51%

Note: * Collection information is as of 11/14/24

Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes</u>	<u>Percentage of Total Revenues Consisting of Real Property Taxes</u>
2019-2020	\$ 62,074,572	\$ 32,507,157	52.37%
2020-2021	62,898,158	36,189,373	57.54
2021-2022	64,381,483	36,815,432	57.18
2022-2023	70,430,040	37,707,617	53.54
2023-2024	75,592,778	38,480,114	50.90
2024-2025 (Budgeted)	73,069,029	39,251,995	53.72
2025-2026 (Budgeted)	77,204,736	40,233,295	52.11

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

Major Taxpayers 2024

For 2024-25 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Full Value</u>
Niagara Mohawk/National Grid	Utility	\$67,003,453
Erie Blvd Hydropower	Utility	41,404,200
Schermerhorn Warren 1	Residential	27,262,000
Walmart Real Estate Bus. Trust	Retail	20,895,000
SCH Cottage Hill, LLC	Residential	18,121,000
City of Glens Falls	Municipality	18,092,500
NMM GF Associates, LLC	Apartment Complex	16,950,900
Forest Park MHC, LLC	Mobile Home Park	14,939,000
Roberts Gardens North	Apartment Complex	14,200,000
Whispering Pines, Assoc. LLC	Apartment Complex	14,188,700
Total		\$253,056,753

1. The above taxpayers represent 8.58% of the School District's 2024-25 Assessed value of \$2,948,471,977

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

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, 2024 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 \$98,700 or less in 2024 and \$107,300 or less in 2025, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first \$84,000 for the 2024-25 school year and 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.

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

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

REAL PROPERTY TAX REBATE

Chapter 20 of the Laws of 2015 (“Chapter 20”) introduced a new real property tax rebate program that provides state financed tax rebate checks and credits to taxpayers who are eligible for the STAR exemption in the years 2016-2019. For 2016, eligible taxpayers who resided outside New York City but within the Metropolitan Commuter Transportation District (“MCTD”) received \$130, and eligible taxpayers who resided outside the MCTD received \$185. Credits in 2017-2019 will vary based on a taxpayer’s personal income level and STAR tax savings. Under Chapter 20, the eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction’s compliance with the provisions of the Tax Levy Limitation Law. However, for many taxpayers, only the compliance of the school district in which the taxpayer resides is relevant. Municipal compliance with the Tax Levy Limitation Law is only required in the case of the “Big 4” cities that have fiscally dependent school districts. In such cases, the joint school/city levy must remain in compliance with the Tax Levy Limitation Law. In either scenario, the relevant jurisdiction (independent school district or joint city/school district) must certify its compliance with the provisions of the Tax Levy Limitation Law.

While the provisions of Chapter 20 do not, directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do, provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limitation Law. The implication of this for future tax levies and for operations and services of the District are uncertain at this time.

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 may be more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

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 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.

Status of Indebtedness

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Serial Bonds	\$ 12,705,000	\$ 42,045,000	\$ 38,165,000	\$ 31,920,000	\$ 43,800,000
Bond Anticipation Notes	38,727,903	9,600,121	11,050,143	20,199,046	631,449
Total Debt Outstanding	\$ 51,432,903	\$ 51,645,121	\$ 49,215,143	\$ 52,119,046	\$ 44,431,449

Status of Outstanding Bond Issues

Year of Issue:	2012		2020	
Amount Issued:	\$7,470,000		\$3,735,000	
Purpose/Instrument:	Refunding/Refunding Serial Bond		Construction/Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 35,000	\$ 10,019	\$ 320,000	\$ 88,600
2027	35,000	8,947	330,000	75,800
2028	40,000	7,775	340,000	62,600
2029	40,000	6,500	350,000	49,000
2030	40,000	5,175	365,000	35,000
2031	40,000	3,825	375,000	20,400
2032	45,000	2,363	135,000	5,400
2033	<u>45,000</u>	<u>788</u>	<u>-</u>	<u>-</u>
Totals:	\$ 320,000	\$ 45,392	\$ 2,215,000	\$ 336,800

Year of Issue:	2020		2021	
Amount Issued:	\$25,310,000		\$5,755,000	
Purpose/Instrument:	Construction/Serial Bond		Construction/Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,110,000	* \$ 634,800	\$ 295,000	* \$ 17,150
2027	1,760,000	557,400	305,000	11,150
2028	1,740,000	487,400	90,000	7,200
2029	1,760,000	417,400	55,000	5,750
2030	1,810,000	346,000	55,000	4,650
2031	1,855,000	272,700	55,000	3,550
2032	1,925,000	197,100	35,000	2,650
2033	1,970,000	119,200	40,000	1,900
2034	<u>1,995,000</u>	<u>39,900</u>	45,000	1,050
2035			25,000	350
2036			<u>5,000</u>	<u>50</u>
Totals:	\$ 16,925,000	\$ 3,071,900	\$ 1,005,000	\$ 55,450

Year of Issue:	2022		2024	
Amount Issued:	\$4,400,000		\$18,000,000	
Purpose/Instrument:	DASNY Refunding		Construction/Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 985,000	\$ 85,500	\$ 930,000	\$ 683,600
2027	130,000	36,250	960,000	646,400
2028	140,000	29,750	995,000	608,000
2029	145,000	22,750	1,035,000	568,200
2030	150,000	15,500	1,070,000	526,800
2031	160,000	8,000	1,110,000	484,000
2032	-	-	1,170,000	439,600
2033	-	-	1,230,000	392,800
2034	-	-	1,275,000	343,600
2035	-	-	1,340,000	292,600
2036			1,400,000	239,000
2037			1,465,000	183,000
2038			1,525,000	124,400
2039	-	-	1,585,000	63,400
Totals:	\$ 1,710,000	\$ 197,750	\$ 17,090,000	\$ 5,595,400

Note: * Principal payment made prior to date of Debt Statement.

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>%Paid</u>
2026	\$ 4,675,000	\$ 1,519,669	\$ 6,194,669	12.75%
2027	3,520,000	1,335,947	4,855,947	22.75%
2028	3,345,000	1,202,725	4,547,725	32.12%
2029	3,385,000	1,069,600	4,454,600	41.29%
2030	3,490,000	933,125	4,423,125	50.40%
2031	3,595,000	792,475	4,387,475	59.43%
2032	3,310,000	647,113	3,957,113	67.58%
2033	3,285,000	514,688	3,799,688	75.40%
2034	3,315,000	384,550	3,699,550	83.02%
2035	1,365,000	292,950	1,657,950	86.43%
2036	1,405,000	239,050	1,644,050	89.82%
2037	1,465,000	183,000	1,648,000	93.21%
2038	1,525,000	124,400	1,649,400	96.61%
2039	1,585,000	63,400	1,648,400	100.00%
Totals:	\$ 39,265,000	\$ 9,302,692	\$ 48,567,692	

Cash Flow Borrowings

The School District has not found it necessary to issue revenue anticipation notes or tax anticipation notes in the recent past and has no future plans to do so.

Status of Short-Term Indebtedness

<u>Type</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
BAN	7/24/2025	7/24/2026	3.95%	\$110,000

Capital Project Plans

The District voters approved a \$39,000,000 Capital Project on December 12, 2023. This project will consist of construction, reconstruction, additions and alterations to the District's Elementary School Building, including expansion of the parking lot, Queensbury Middle School Building, High School Building, including expansion of the parking lot, and Queensbury Transportation Building. This is the first issuance against said authorization.

Bus Borrowings

The District has adopted bond resolutions dated July 15, 2020 and June 14, 2021 for the acquisition of various school buses and vehicles. The District issued a \$110,000 Bond Anticipation Note dated July 24, 2025. The proceeds of that note, along with \$216,600 of budgetary appropriations, partially redeemed and renewed the District's \$326,600 Bond Anticipation Note that matured July 25, 2025.

The District plans to pay cash for any future bus acquisitions.

Building Aid Estimate

Although a school district in a city is prohibited from excluding estimated building aid when computing their debt limits, a school district in a city does receive building aid. School District officials estimate that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 80.9%.

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 August 28, 2025

1

<u>Town</u>	<u>Taxable Assessed Value</u>	<u>State Equalization Rates</u>	<u>Taxable Full Valuation</u>
Queensbury	\$ 2,963,266,644	90.00%	\$ 3,292,518,493
City of Glens Falls	\$ 2,322,360	90.00%	2,580,400
			<u>\$ 3,295,098,893</u>
Debt Limit: 10% of Full Valuation			\$ 329,509,889
Inclusions:			
Serial Bonds			\$ 36,860,000
Bond Anticipation Notes			110,000
Total Inclusions:			<u>\$ 36,970,000</u>
Exclusions:			
Building Aid Estimate			\$ -
Total Exclusions:			<u>\$ -</u>
Total Net Indebtedness Before Giving Effect to This Issue:			\$ 36,970,000
New Monies:			\$ 12,000,000
Total Net Indebtedness After Giving Effect to This Issue :			<u>\$ 48,970,000</u>
Net Debt Contracting Margin			\$ 292,539,889
Percentage of Debt-Contracting Power Exhausted			11.22%

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

<u>Overlapping Unit</u>	<u>Applicable Equalized Value</u>	<u>Percent</u>	<u>Gross Indebtedness</u>	¹	<u>Exclusions</u>	<u>Net Indebtedness</u>	<u>Estimated Applicable Overlapping Indebtedness</u>
Warren County	\$ 2,948,653,004						
	\$ 13,579,498,173	21.71%	\$ 32,585,000		N/A	\$ 32,585,000	\$ 7,075,509
Town of Queensbury	\$ 2,945,863,682						
	\$ 4,534,440,086	64.97%	\$ 8,420,345		N/A	\$ 8,420,345	\$ 5,470,397
City of Glens Falls	\$ 2,789,322					\$ -	
	\$ 1,301,330,749	0.21%	\$ 54,846,553		N/A	\$ 54,846,553	\$ 117,560
Total							\$ 12,663,466

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 August 28, 2025:

	Amount	Per Capita ^(a)	Percentage of Full Value ^(b)
Net Indebtedness	\$ 48,970,000	\$ 2,143.86	1.486%
Net Indebtedness Plus Net Overlapping Indebtedness	\$ 61,633,466	\$ 2,698.25	1.870%

(a) The District's estimated population is 22,842. (Source: 2023 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2025-26 \$3,295,098,893.

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 EFFECTING 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 enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgement or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgement, although judicial mandates have been issued to officials to appropriate and pay judgements out 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 events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial 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 relies in part on State aid to fund its operations. There can be no assurance that the State appropriations for State aid to school districts will be continued in futures years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available, therefore. The availability of such monies and the timelines of such payments may also be affected by a delay in the adoption of the State budget and other circumstances, including state fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available, therefore.

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

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

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or

exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or tax status of interest on the Notes.

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 against 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

In the opinion of Bartlett, Pontiff, Stewart & Rhodes, P.C., Glens Falls, New York, Bond Counsel under existing law, (1) interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum taxes imposed by the Code. 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).

In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the Notes from gross income for Federal income tax purposes is dependent, among other things, on compliance with the applicable requirements of the Code that must be met subsequent to the issuance and delivery of the Notes for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Non-compliance with such requirements could cause the interest on the Notes to be included in gross income retroactive to the date of issuance of the Notes. Those requirements include, but are not limited to, provisions that prescribe yield and other limits within which the proceeds of the Notes are to be invested and require, under certain circumstances, that certain investment earnings on the foregoing to be rebated on a periodic basis to the Treasury Department of the United States of America. The District will covenant in the Tax Certificates as to Arbitrage and Use of Proceeds and Instructions as to Compliance with Provisions of Section 103(a) of the Code, that, to maintain the Code, and for no other purpose, the District shall comply with each applicable provision of the Code.

The Tax Increase Prevention and Reconciliation Act of 2005, enacted on May 17, 2006, contains a provision under which interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although the new reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the Bonds to be subject to backup withholding if such interest is paid to registered owners who either (a) fail to provide certain identifying information (such as the registered owner's taxpayer identification number) in the required manner or (b) have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Amounts withheld under the backup withholding rules from a payment to beneficial owner would be allowed as a refund or a credit against such beneficial owner's federal income tax liability provided the required information is furnished to the IRS.

Bond Counsel also has advised that (1) with respect to certain insurance companies, the Code reduces the deduction for loss reserves for a portion of the sum of certain items, including interest on the Notes; (2) interest on the Notes earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by the Code; (3) passive investment income, including interest on the Notes, may be subject to Federal income taxation under the Code for certain Subchapter S corporations that have certain earnings and profits; (4) the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in the determining the taxability of such benefits, receipts or accruals of interest on the Notes; and (5) under

the Code, receipt of investment income, including interest on the Bonds, may disqualify the recipient thereof from obtaining the earned income tax credit.

A Bondholder's federal, state and local tax liability may otherwise be affected by the ownership or disposition of the Notes. The nature and extent of these other consequences will depend upon the Bondholder's other item of income or deduction. Bond Counsel has expressed no opinion regarding any such tax consequences. Each purchaser of the Notes should consult its tax advisor regarding the impact of the foregoing and other provisions of the Code on its individual tax position.

The Bonds **WILL NOT** be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

The opinion of Bond Counsel set forth above with respect to the Federal income tax treatment of interest paid on the Notes is based upon the current provisions of the Code. Tax legislation, administrative actions taken by tax authorities and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law and could affect the market price for, or the marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisers regarding the foregoing matters. Bond Counsel has not undertaken to advise.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Notes will be covered by the unqualified legal opinion of Bartlett, Pontiff, Stewart & Rhodes, P.C., Bond Counsel to the School District, such opinion to be delivered with the Notes. The proposed form of such opinion is attached hereto as Appendix C.

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".CO

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

The District failed to file a material event notice relating to a Moody's rating downgrade. On May 2, 2016, Moody's had downgraded the District's underlying general obligation bond rating to "Aa3" from "Aa2". The District has since filed the event notice and a notice of its failure to file such notice to EMMA on April 5, 2017.

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 the financial condition of the School District.

There are also currently pending two child victims act litigated matters. The District is vigorously defending such actions, and the District believes that it does not have any liability in these matters. However, in the event that there were any recovery, the District has insurance coverage for a portion of any such recovery, and any additional amounts would not have a material effect on the financial condition of the District.

The District also maintains liability insurance coverage in the event that there are any personal injury claims brought against the District.

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), 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 Moody's Investors Service, Inc. ("Moody's") is "Aa3" to the School District's outstanding serial bonds. 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. There can be no assurance that such ratings will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant.

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

The execution and delivery of this Official Statement have been duly authorized by the Board of Education of the School District. Concurrently with the delivery of the Notes, the School 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 therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the School District is not guaranteed as to accuracy, completeness or fairness, the School District has no reason to believe and does not believe that such information is materially inaccurate or misleading, and to the knowledge of the School District, since the date of the Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the School District and no material adverse changes in the general affairs of the School District or in its financial condition as shown in the Official Statement other than as disclosed in or contemplated by the Official Statement. Certain information contained in the Official Statement has been obtained from sources other than the School District. All quotations from and summaries and explanations of provisions of laws herein do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

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.

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 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.

The School District contact information is as follows: Scott Whittemore, Assistant Superintendent for Business, Queensbury Union Free School District, 429 Aviation Road, Queensbury, NY 12804, telephone number 518-824-5604, email: swhittemore@queensburyschool.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 or at www.RGTimbsInc.net.

Queensbury Union Free School District

Dated: August 28, 2025
Queensbury, New York

Timothy Weaver
President of Board of Education
And Chief Fiscal Officer

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

	Budget					
Fiscal Year Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Beginning Fund Balance - July 1	\$8,560,482	\$10,037,512	\$11,921,542	\$14,294,096	\$15,658,186	\$16,019,141 ^E
<u>Revenues:</u>						
Real Property Taxes	\$32,507,157	\$36,189,373	\$36,815,432	\$37,707,617	\$38,480,114	\$39,251,995
Other Tax Items	3,046,010	356,609	321,900	495,605	620,462	600,000
Charges for Services	187,979	214,974	255,030	356,792	427,538	158,487
Use of Money & Property	223,151	63,105	66,354	682,360	927,271	172,793
Sale of Property/Comp. for Loss	11,891	20,175	19,787	62,377	149,409	0
Miscellaneous	757,226	764,430	741,275	831,772	922,375	0
State Aid	24,589,021	24,623,064	26,050,596	28,833,030	33,558,162	32,825,854
Federal Aid	229,920	666,428	111,109	156,796	239,462	60,000
Interfund Transfer	<u>522,217</u>	<u>330,914</u>	<u>3,120,686</u>	<u>1,303,691</u>	<u>267,985</u>	<u>0</u>
Total Revenues	\$62,074,572	\$63,229,072	\$67,502,169	\$70,430,040	\$75,592,778	\$73,069,129
<u>Expenditures:</u>						
General Support	\$6,909,454	\$6,839,708	\$7,399,279	\$7,825,614	\$8,640,301	\$9,917,397
Instruction	29,275,639	28,962,202	30,513,683	31,764,511	32,366,210	34,537,777
Transportation	2,338,859	2,444,562	2,947,437	3,804,152	4,156,901	4,361,921
Employee Benefits	14,097,988	14,530,841	14,766,810	15,158,641	16,041,204	20,890,690
Debt Service	7,167,975	7,388,004	8,311,435	8,896,877	7,881,995	6,750,761
Interfund Transfer	<u>816,978</u>	<u>1,179,725</u>	<u>1,190,971</u>	<u>1,616,155</u>	<u>6,133,225</u>	<u>2,089,000</u>
Total Expenditures	\$60,606,893	\$61,345,042	\$65,129,615	\$69,065,950	\$75,219,836	\$78,547,546
Adjustments	9,351	0	0	0	-11,987	0
Year End Fund Balance	\$10,037,512	\$11,921,542	\$14,294,096	\$15,658,186	\$16,019,141	\$10,540,724 ^E
Excess (Deficit) Revenues Over Expenditures	\$1,467,679	\$1,884,030	\$2,372,554	\$1,364,090	\$372,942	(\$5,478,417) ¹

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

Note: 1. Appropriated Fund Balance is planned to be used.

E. Estimated

General Fund – Budget Summary

2025-26 Adopted Budget

Revenues:

Real Property Taxes & STAR	\$40,233,295
Other Tax Items	0
Charges for Services	91,000
Use of Money & Property	403,924
Sale of Property	0
Miscellaneous	682,487
State Aid	34,219,520
Federal Aid	60,000
Interfund Transfers	1,514,510
Appropriated Fund Balance	5,478,417
Total Revenues	<u>\$82,683,153</u>

Expenditures:

General Support	\$12,523,748
Instruction	33,773,422
Transportation	4,776,955
Employee Benefits	21,893,688
Debt Service	8,110,340
Interfund Transfers	1,605,000
Total Expenditures	<u>\$82,683,153</u>

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

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assets:					
Unrestricted Cash	\$9,229,531	\$15,846,579	\$9,921,184	\$7,073,321	\$9,227,197
Restricted Cash	410,093	3,162,509	6,958,195	9,094,320	6,495,971
Other Receivables	62,810	148,789	91,703	11,821	26,873
Due from Other Funds	2,066,738	994,378	1,071,693	2,507,569	2,911,023
Due from Fiduciary Funds	91,371	0	0	0	0
Due from State & Federal	1,607,987	983,886	558,413	668,602	1,577,869
Due from Other Governments	757,541	929,269	666,621	916,177	844,409
Prepaid Expenses	19,550	35,653	1,566	7,770	5,180
Total Assets	<u>\$14,245,621</u>	<u>\$22,101,063</u>	<u>\$19,269,375</u>	<u>\$20,279,580</u>	<u>\$21,088,522</u>
Liabilities:					
Accounts Payable	\$875,335	\$795,378	\$1,032,530	\$509,678	\$340,589
Accrued Liabilities	388,338	197,183	150,429	133,903	270,238
Due to Other Funds	648,203	6,589,273	971,668	861,712	1,356,304
Due to Other Governments	0	0	0	0	0
Due Retirement System	2,228,751	2,455,206	2,586,212	2,911,224	2,888,986
Compensated Absences	0	0	0	0	0
Overpayments	0	0	0	0	0
Deferred Revenue	76,833	142,481	234,440	204,877	213,264
Total Liabilities:	<u>\$4,217,460</u>	<u>\$10,179,521</u>	<u>\$4,975,279</u>	<u>\$4,621,394</u>	<u>\$5,069,381</u>
Fund Balances:					
Nonspendable - Prepaid Expenses	\$19,550	\$35,653	\$1,566	\$7,770	\$5,180
Restricted	410,093	3,162,509	6,958,195	9,094,320	6,495,971
Assigned	6,895,994	5,929,178	4,540,133	4,091,513	6,628,897
Unassigned	2,702,524	2,794,202	2,794,202	2,464,583	2,889,093
Total Fund Balance	<u>\$10,028,161</u>	<u>\$11,921,542</u>	<u>\$14,294,096</u>	<u>\$15,658,186</u>	<u>\$16,019,141</u>
Total Liabilities and Fund Balance	<u>\$14,245,621</u>	<u>\$22,101,063</u>	<u>\$19,269,375</u>	<u>\$20,279,580</u>	<u>\$21,088,522</u>

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.

QUEENSBURY UNION FREE SCHOOL DISTRICT

**AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULES**

JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Queensbury Union Free School District
Queensbury, New York

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress – changes in total other post-employment benefits liability and related ratios, and schedule of local government's proportionate share of the net pension liability and contributions on pages 4 through 15 and 50 through 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The supplementary information on pages 55 through 57 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

WEST & COMPANY CPAs PC

Gloversville, New York
October 15, 2024

QUEENSBURY UNION FREE SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2024

The following is a narrative overview and analysis of the financial activities of the Queensbury Union Free School District (District) for the fiscal year ended June 30, 2024. This discussion is intended to serve as an introduction to the District's basic financial statements, which immediately follow this section. The basic financial statements have the following components: (1) management's discussion and analysis (MD&A), (2) District-wide financial statements, (3) fund financial statements, and (4) notes to the financial statements.

FINANCIAL HIGHLIGHTS

Financial highlights for fiscal year 2024 are as follows:

- Net position of the District's increased \$10,367,211 over the prior year.
- As of the close of this fiscal year, the District's governmental funds reported combined fund balance of \$25,316,685, an increase of \$17,321,788 in comparison with the prior year.
- The District was able to maintain strong reserves and appropriated \$5,478,417 of the fund balance to offset taxes in the 2024-2025 school year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

District-Wide Statements

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

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

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the School District, additional nonfinancial factors such as changes in the property tax base and the condition of buildings and other facilities should be considered.

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

- **Governmental Funds:** Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can be readily converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs.

Because this information does not encompass the additional long-term focus of the District-wide statements, additional information following the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund and the capital project fund. Required financial statements are the balance sheet and the statement of revenue, expenditures and changes in fund balances.

- **Fiduciary Fund:** The School District is the custodian for assets that belong to others, such as the student activities funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the Queensbury Union Free School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$8,633,761 at the close of the current fiscal year.

Table A-2

Condensed Statement of Net Position

	Fiscal Year 2024	Fiscal Year 2023	Percentage Change (Incr.;-Decr.)
Assets			
Current and other assets	\$ 29,834,208	\$ 32,177,913	-7.3%
Capital assets - net	122,235,891	116,475,105	4.9%
Total Assets	152,070,099	148,653,018	2.3%
Deferred Outflows of Resources			
Other post-employment benefits	3,318,544	2,962,986	12.0%
Pensions	12,287,066	15,977,392	-23.1%
Total Deferred Outflows of Resources	15,605,610	18,940,378	-17.6%
Liabilities			
Other liabilities	9,573,384	30,976,784	-69.1%
Long-term liabilities	146,896,872	134,830,826	8.9%
Total Liabilities	156,470,256	165,807,610	-5.6%
Deferred Inflows of Resources			
Other post-employment benefits	17,587,407	19,477,009	-9.7%
Pensions	2,251,807	1,309,749	71.9%
Total Deferred Inflows of Resources	19,839,214	20,786,758	-4.6%
Net Position			
Net investment in capital assets	77,804,442	70,451,500	10.4%
Restricted	10,667,795	14,096,095	-24.3%
Unrestricted	(97,105,998)	(103,548,567)	6.2%
Total Net Position (Deficit)	\$ (8,633,761)	\$ (19,000,972)	54.6%

Changes in Net Position

The School District's 2024 revenue was \$83,900,756 (see Table A-3). Property taxes and New York State aid accounted for the majority of revenue by contributing 46.6% and 40.1%, respectively, of the total revenue raised (see Table A-4). The remainder of revenue came from fees for services, use of money and property, operating grants and other miscellaneous sources.

The total cost of all programs and services totaled \$73,533,545 for 2024. These expenses (78.3%) are predominantly for the education, supervision and transportation of students (see Table A-5). The School District's administrative, occupancy and business activities accounted for 16.4% of total costs.

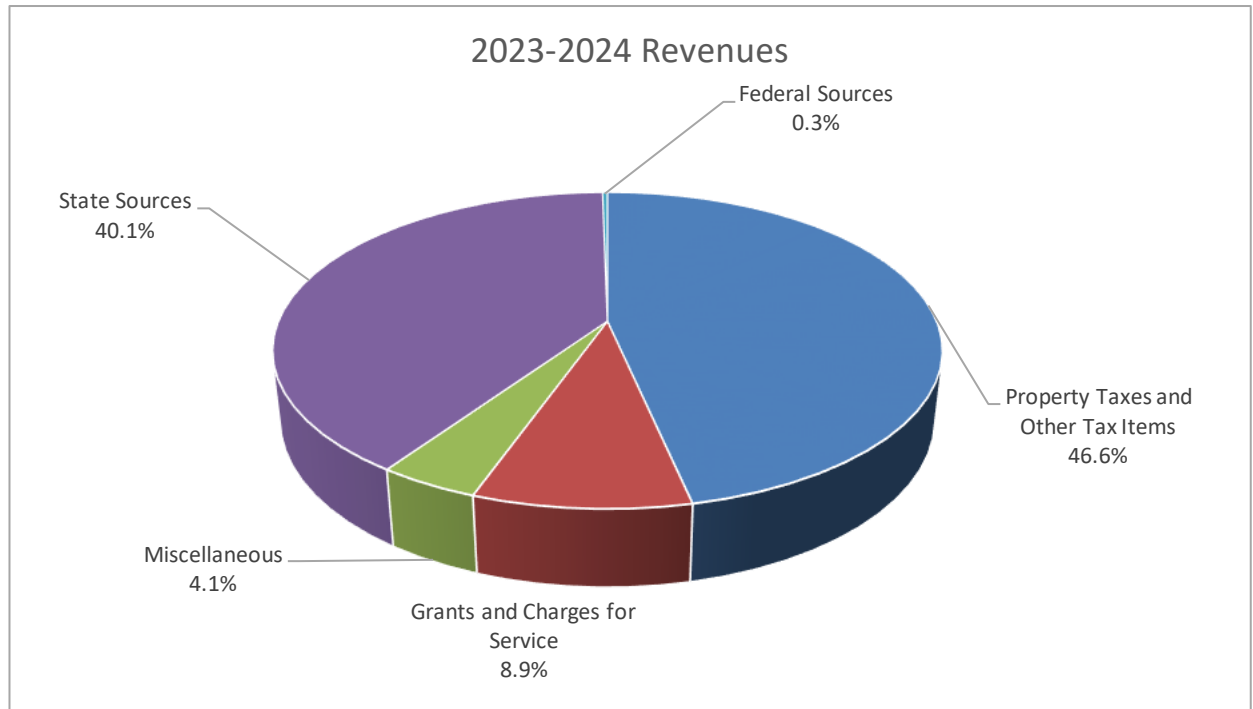
Net position increased during the year by \$10,367,211.

Table A-3

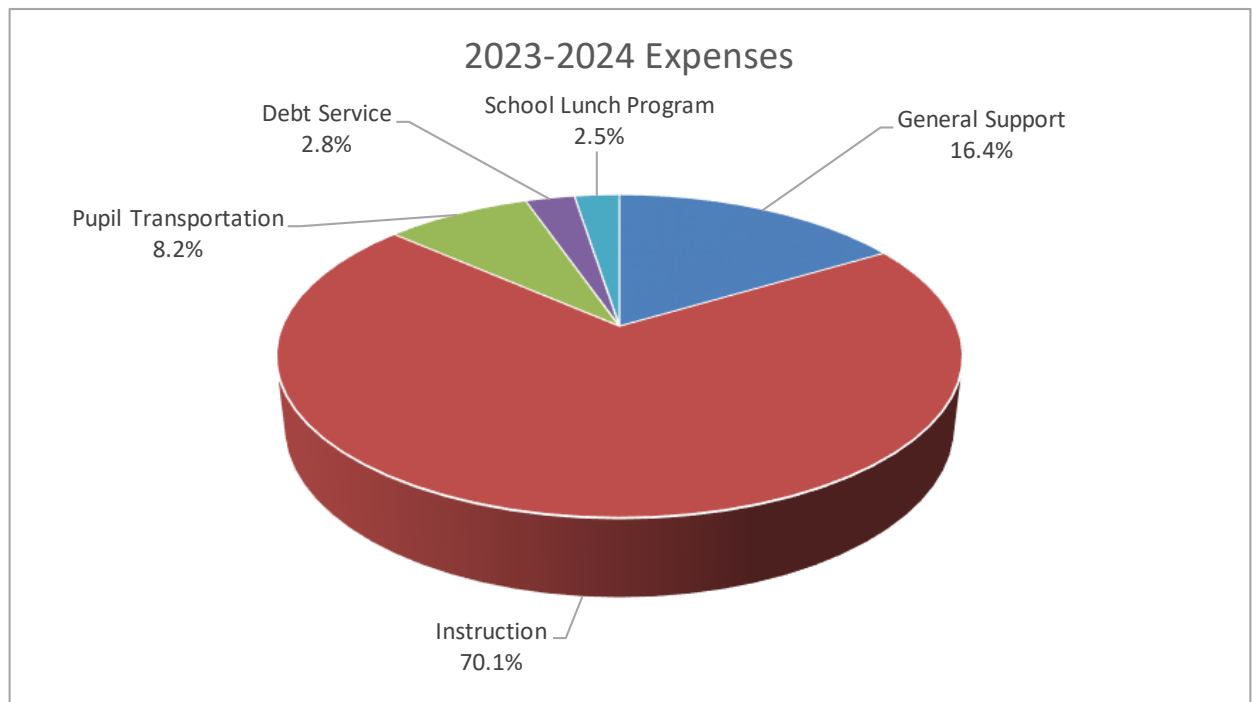
Changes in Net Position from Operating Results

	Fiscal Year 2024	Fiscal Year 2023	Percentage Change (Incr.;-Decr.)
Revenues			
Program Revenues			
Charges for services	\$ 697,625	\$ 786,537	-11.3%
Operating grants and contributions	6,745,064	4,539,147	48.6%
General Revenues			
Property taxes	39,100,576	38,203,222	2.3%
State formula aid	33,651,743	29,232,764	15.1%
Other	3,705,748	2,231,459	66.1%
Total Revenues	83,900,756	74,993,129	11.9%
Expenses			
General support	12,084,843	11,147,994	8.4%
Instruction	51,515,224	49,939,233	3.2%
Transportation	6,034,156	5,604,041	7.7%
Debt service	2,036,903	1,575,371	29.3%
Cost of sales – Lunch Program	1,862,419	1,542,156	20.8%
Total Expenses	73,533,545	69,808,795	5.3%
Total Increase in Net Position	\$ 10,367,211	\$ 5,184,334	100.0%

DISTRICT-WIDE REVENUES – TABLE A-4



DISTRICT-WIDE EXPENDITURES – TABLE A-5



Governmental Activities

Revenue for the School District's governmental activities totaled \$83,900,756 while total expenses were \$73,533,545. Accordingly, net position increased by \$10,367,211.

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

Table A-6

Net Cost of Governmental Activities

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2024	2023	(Incr.; -Decr.)	2024	2023	(Incr.; -Decr.)
General support	\$ 12,084,843	\$ 11,147,994	8.4%	\$ 12,084,843	\$ 11,147,994	8.4%
Instruction	51,515,224	49,939,233	3.2%	46,189,131	46,107,880	0.2%
Pupil transportation	6,034,156	5,604,041	7.7%	6,034,156	5,604,041	7.7%
Debt service	2,036,903	1,575,371	29.3%	2,036,903	1,575,371	29.3%
Cost of sales - lunch program	1,862,419	1,542,156	20.8%	(254,177)	47,825	-631.5%
Totals	<u>\$ 73,533,545</u>	<u>\$ 69,808,795</u>		<u>\$ 66,090,856</u>	<u>\$ 64,483,111</u>	

- The cost of all governmental activities for the year was \$73,533,545.
- The users of the School District's programs financed \$697,625 of the costs.
- The federal and state government grants financed \$6,745,064.
- The majority of costs were financed by the School District's taxpayers and state aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variances between years for the governmental funds 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 payments for capital assets, and the current payments for debt.

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the School District's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District's governmental funds (as presented on the balance sheet) reported a combined fund balance of \$25,316,685, which is higher than last year's balance of \$17,321,788. The schedule below indicates the fund balance and the total change in fund balance by type as of June 30, 2024 and 2023.

	Fund Balance 2024	Fund Balance 2023	Variance Increase (Decrease)
General	\$ 16,019,141	\$ 15,658,186	\$ 360,955
School Lunch	786,842	493,671	293,171
CM Misc. Special Revenue	121,043	122,807	(1,764)
Debt Service	4,171,824	5,001,775	(829,951)
Capital	4,217,835	(13,281,542)	17,499,377
Totals	<u>\$ 25,316,685</u>	<u>\$ 7,994,897</u>	<u>\$ 17,321,788</u>

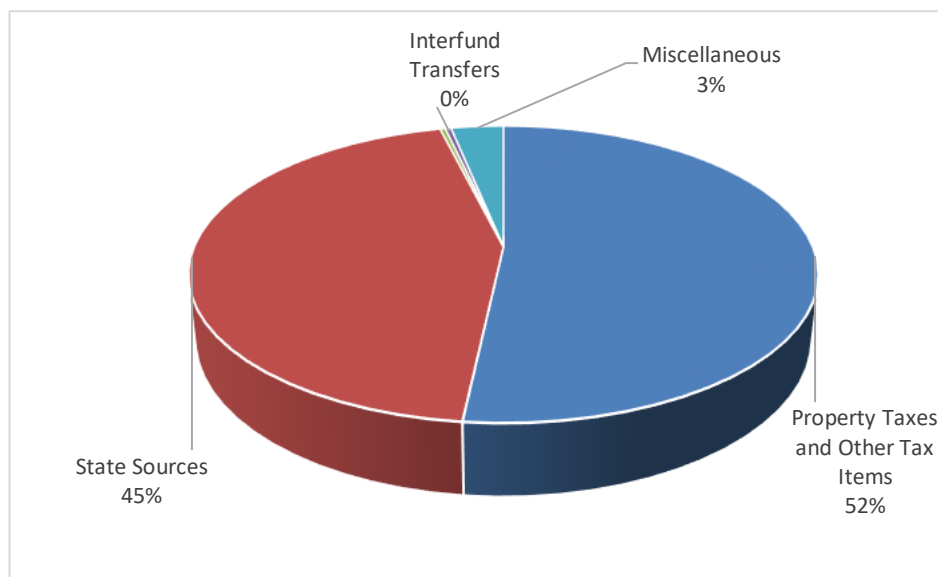
General Fund

The tables that follow assist in illustrating the financial activities and balance of the general fund.

Revenues:

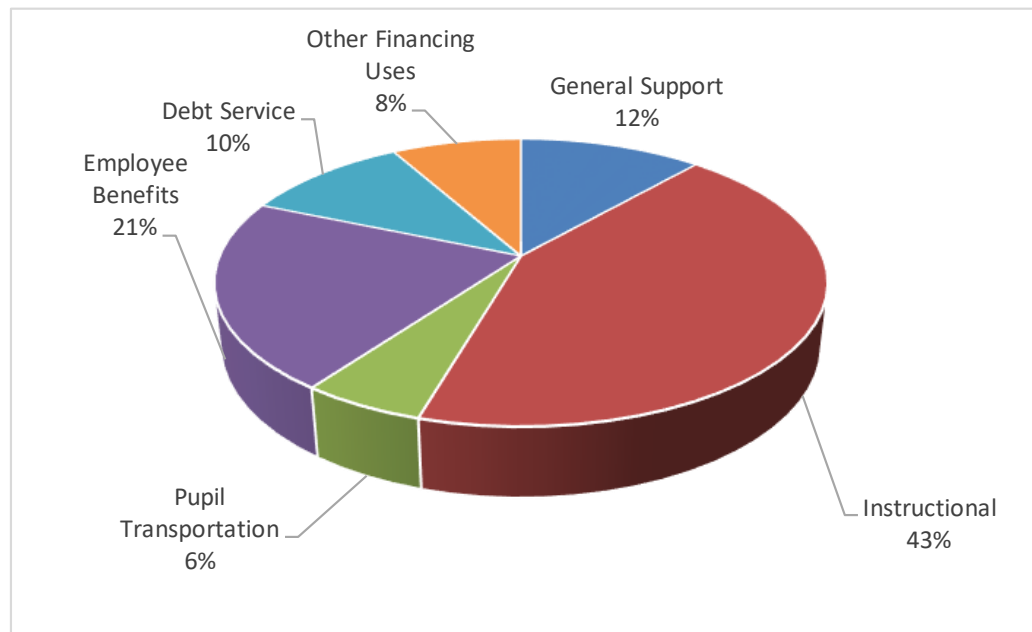
	2024	2023	Variance Increase (Decrease)
Taxes and Other Tax Items	\$ 39,100,576	\$ 38,203,222	\$ 897,354
Use of Money and Property	927,271	682,360	244,911
State/Federal Sources	33,797,624	28,989,826	4,807,798
Other	1,767,307	2,554,632	(787,325)
Totals	<u>\$ 75,592,778</u>	<u>\$ 70,430,040</u>	<u>\$ 5,162,738</u>

General Fund Revenues



Expenses:

	2024	2023	Variance Increase (Decrease)
General Support	\$ 8,640,301	\$ 7,825,614	\$ 814,687
Instruction	32,366,210	31,764,511	601,699
Pupil Transportation	4,156,901	3,804,152	352,749
Employee Benefits	16,041,204	15,158,641	882,563
Debt Service	7,881,995	8,896,877	(1,014,882)
Other	6,133,225	1,616,155	4,517,070
Totals	<u>\$ 75,219,836</u>	<u>\$ 69,065,950</u>	<u>\$ 6,153,886</u>

General Fund Expenditures

General Fund Budgetary Highlights

	Results vs. Budget		Actual	Variance
	Original Budget	Final Budget	(Budgetary Basis)	Fav; (Unfav)
REVENUES				
Local Sources	\$ 39,413,629	\$ 39,426,749	\$ 41,527,169	\$ 2,100,420
State Sources	32,383,504	32,383,504	33,558,162	1,174,658
Federal Sources	60,000	60,000	239,462	179,462
Total Revenues	71,857,133	71,870,253	75,324,793	3,454,540
OTHER FINANCING SOURCES				
Transfers from other funds	0	12,895	267,985	255,090
Total Revenues and Other Financing Sources	71,857,133	71,883,148	75,592,778	3,709,630
EXPENDITURES				
General Support	8,667,638	9,374,064	8,640,301	733,763
Instruction	33,828,276	33,779,670	32,366,210	1,413,460
Pupil Transportation	3,715,357	4,652,282	4,156,901	495,381
Employee Benefits	19,391,566	20,282,353	16,041,204	4,241,149
Debt Service	7,604,062	7,881,995	7,881,995	0
Total Expenditures	73,206,899	75,970,364	69,086,611	6,883,753
OTHER USES				
Transfers Out	2,089,000	6,133,225	6,133,225	0
Total Expenditures and Other Uses	75,295,899	82,103,589	75,219,836	\$ 6,883,753
Revenues Over (Under) Expenditures and Other Uses	(3,438,766)	(10,220,441)	372,942	
Beginning Fund Balance	15,658,186	15,658,186	15,658,186	
Other Change in Fund Balance	0	0	(11,987)	
Ending Fund Balance	\$ 12,219,420	\$ 5,437,745	\$ 16,019,141	

The General Fund is the only fund for which a budget is legally adopted.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2024, the School District had \$122,235,891 (net of depreciation) invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers and other educational equipment.

Capital Assets

Table A-7

Capital Assets (Net of Depreciation)

	Fiscal Year 2024	Fiscal Year 2023
Land	\$ 1,100,085	\$ 1,100,085
Construction in progress	13,843,838	15,327,495
Building, furniture and equipment	107,291,968	100,047,525
Totals	\$ 122,235,891	\$ 116,475,105

Long-Term Debt

As of June 30, 2024, the School District had \$147,129,231 in general obligation and other long-term debt outstanding. More detailed information about the School District's long-term debt is included in the notes to the basic financial statements.

Table A-8

	Fiscal Year 2024	Fiscal Year 2023
General obligation bonds (financed with property taxes)	\$ 43,800,000	\$ 31,920,000
Installment purchase debt	0	21,984
Other liabilities	103,329,231	102,409,310
Totals	\$ 147,129,231	\$ 134,351,294

During 2024, the School District paid down its debt by retiring \$6,120,000 of outstanding bonds and issued new debt of \$18,000,000. Other debt is comprised of compensated absences, and other post-employment benefits.

In prior years, the District's general obligation bonded debt issues were subject to a legal limitation based on 10% of the total full value of real property. The Queensbury School District now falls under the City School District Debt Limit reporting requirements. The City School Constitutional Debt Limit is 5% of a 5 year average taxable full valuation. At June 30, 2024, the District's general obligation debt was markedly less than its calculated total debt limit.

The District has an insured bond rating of AAA, an underlying Standard & Poor's General Obligation (GO) Bond Rating of "AA-", and a Moody's outstanding bond rating of "Aa3". The most recent Moody's rating action occurred in May of 2024.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

Queensbury Union Free School District's future outlook remains positive and the District continues to be fiscally sound. The School District is located in the County of Warren and comprises almost 70% of the Town of Queensbury in both parcels and population. There is a stable local economy with active construction.

Warren County's local economy has a vibrant, tourist-based component attributable to its proximity to the Adirondack Mountains and Lake George area. Additionally, the District is situated within New York State's Tech Valley, a 19 county section of eastern New York State that is home to more than 1,000 technology companies and research institutions. It also is located within the "first sphere of influence" of the Global Foundries semiconductor plant in Malta, New York.

The District is committed to continued improvement in the educational planning process. The District's strategic plan has been revisited in the effort to reaffirm its core values and place priority on the outcome-based results, as well as Social-emotional learning. Queensbury High School has offered the International Baccalaureate Diploma Program since the start of the 2014-2015 school year. The program has grown over the years. At the Elementary School a new Reading Recovery program is being implemented.

The District continues the evaluation of its facilities and operations. Queensbury Union Free School District is realizing energy cost savings through a Power Purchase Agreement with New York Light Energy from a rooftop solar panel project. The District is embarking on long range-educational visioning with the goal of aligning its school facilities with its educational mission. In December 2023, the voters approved a \$39,000,000 capital project for needed building infrastructure improvements.

The budget outlook for the next year looks favorable. The Queensbury Union Free School District anticipates an increase of retirement system contributions. Health insurance premium increases continue to be a concern. The District strives to create short and long-term budget plans to prepare for ongoing fiscal challenges. The District maintains funded reserve accounts, and takes a fiscally sound and prudent approach in managing these reserves for the purpose of future planning and to fund potential liabilities.

The District is concerned that the long-term liabilities associated with retirement health benefits are unaffordable for the taxpayers of the Queensbury Union Free School District. The additional retirement health insurance liabilities associated with GASB 75 will have a negative impact on the overall financial health of the School District. Currently, the State of New York does not allow schools districts to fund its future obligations for retiree health insurance. These liabilities pose a serious risk to the long-term financial and educational stability of the School District.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT TEAM

This financial report is designed to provide the Queensbury Union Free School District's citizens, taxpayers, customers, investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the resources at its disposal. If you have questions about this report or need additional financial information, contact:

Queensbury Union Free School District
Assistant Superintendent for Business
429 Aviation Road
Queensbury, New York 12804

QUEENSBURY UNION FREE SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2024

ASSETS

Cash	
Unrestricted	\$ 13,590,678
Restricted	10,667,795
Receivables	
State and Federal aid	4,693,389
Due from other governments	844,409
Other receivables	26,873
Prepaid expenses	5,180
Inventories	5,884
Capital assets, net of depreciation	122,235,891
Total Assets	152,070,099

DEFERRED OUTFLOWS OF RESOURCES

Pensions	12,287,066
Other post-employment benefits	3,318,544
Total Deferred Outflows of Resources	15,605,610

LIABILITIES

Payables	
Accounts payable	467,813
Accrued liabilities	270,238
Accrued interest	520,861
Due to other governments	25
Collections in advance	259,012
Bond anticipation notes payable	631,449
Long-term liabilities	
Due and payable within one year	
Due to Teachers' Retirement System	2,617,312
Due to Employees' Retirement System	271,674
Bonds payable	4,535,000
Due and payable after one year	
Bonds payable	39,265,000
Net pension liability - proportionate share	4,302,641
Compensated absences payable	165,214
Other post-employment benefits	103,164,017
Total Liabilities	156,470,256

DEFERRED INFLOWS OF RESOURCES

Other post-employment benefits	17,587,407
Pensions	2,251,807
Total Deferred Inflows of Resources	19,839,214

NET POSITION

Net investment in capital assets	77,804,442
Restricted	
Capital Reserve	900,000
Workers' Compensation reserve	712,960
Tax certiorari	893,018
Unemployment insurance	325,700
Retirement contribution reserve - TRS	1,488,962
Retirement contribution reserve - ERS	2,175,331
Reserve for debt service	4,171,824
Unrestricted	(97,105,998)
Total Net Position	\$ (8,633,761)

See notes to basic financial statements.

QUEENSBURY UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

		Program Revenues		Net (Expense)
	Expenses	Charges for	Operating	Revenue and
		Services	Grants	Changes in
				Net Position
FUNCTIONS/PROGRAMS				
General support	\$ 12,084,843	\$ 0	\$ 0	\$ (12,084,843)
Instruction	51,515,224	(427,538)	(4,898,555)	(46,189,131)
Pupil transportation	6,034,156	0	0	(6,034,156)
Debt service	2,036,903	0	0	(2,036,903)
School lunch program	1,862,419	(270,087)	(1,846,509)	254,177
Total Functions and Programs	\$ 73,533,545	\$ (697,625)	\$ (6,745,064)	(66,090,856)
GENERAL REVENUES				
Real property taxes				38,480,114
Other tax items				620,462
Use of money and property				1,203,288
Sale of property and compensation for loss				149,409
Miscellaneous				2,113,589
State sources				33,651,743
Federal sources				239,462
Total General Revenues				76,458,067
CHANGE IN NET POSITION				10,367,211
TOTAL NET POSITION - BEGINNING OF YEAR				(19,000,972)
TOTAL NET POSITION - END OF YEAR				\$ (8,633,761)

See notes to basic financial statements.

QUEENSBURY UNION FREE SCHOOL DISTRICT

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2024

	General	Special Aid	School Lunch	Capital	Debt Service	CM Misc. Special Revenue	Total Governmental Funds
ASSETS							
Cash							
Unrestricted	\$ 9,227,197	\$ 143,925	\$ 589,854	\$ 3,508,659	\$ 0	\$ 121,043	\$ 13,590,678
Restricted	6,495,971	0	0	0	4,171,824	0	10,667,795
Due from other funds	2,911,023	2,273	106	1,353,926	0	0	4,267,328
State and Federal aid	1,577,869	2,329,252	330,700	455,568	0	0	4,693,389
Due from other governments	844,409	0	0	0	0	0	844,409
Other receivables	26,873	0	0	0	0	0	26,873
Prepaid expenses	5,180	0	0	0	0	0	5,180
Inventories	0	0	5,884	0	0	0	5,884
TOTAL ASSETS	\$ 21,088,522	\$ 2,475,450	\$ 926,544	\$ 5,318,153	\$ 4,171,824	\$ 121,043	\$ 34,101,536
LIABILITIES							
Accounts payable	\$ 340,589	\$ 30	\$ 113,893	\$ 13,301	\$ 0	\$ 0	\$ 467,813
Accrued liabilities	270,238	0	0	0	0	0	270,238
Due to other funds	1,356,304	2,453,456	2,000	455,568	0	0	4,267,328
Bond anticipation notes payable	0	0	0	631,449	0	0	631,449
Due to other governments	0	0	25	0	0	0	25
Due to Employees' Retirement System	271,674	0	0	0	0	0	271,674
Due to Teachers' Retirement System	2,617,312	0	0	0	0	0	2,617,312
Collections in advance	213,264	21,964	23,784	0	0	0	259,012
Total Liabilities	5,069,381	2,475,450	139,702	1,100,318	0	0	8,784,851
FUND BALANCE							
Nonspendable - Inventory	0	0	5,884	0	0	0	5,884
Nonspendable - Prepaid expenses	5,180	0	0	0	0	0	5,180
Restricted							
Capital Reserve	900,000	0	0	0	0	0	900,000
Workers' Compensation reserve	712,960	0	0	0	0	0	712,960
Unemployment insurance	325,700	0	0	0	0	0	325,700
Tax certiorari reserve	893,018	0	0	0	0	0	893,018
Retirement contribution reserve - TRS	1,488,962	0	0	0	0	0	1,488,962
Retirement contribution reserve - ERS	2,175,331	0	0	0	0	0	2,175,331
Reserve for debt service	0	0	0	0	4,171,824	0	4,171,824
Assigned	6,628,897	0	780,958	4,217,835	0	121,043	11,748,733
Unassigned	2,889,093	0	0	0	0	0	2,889,093
Total Fund Balance	16,019,141	0	786,842	4,217,835	4,171,824	121,043	25,316,685
TOTAL LIABILITIES AND FUND BALANCE	\$ 21,088,522	\$ 2,475,450	\$ 926,544	\$ 5,318,153	\$ 4,171,824	\$ 121,043	\$ 34,101,536

See notes to basic financial statements.

QUEENSBURY UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

Total fund balance - governmental funds balance sheet (page 18)	\$ 25,316,685
Add:	
Pensions	5,732,618
Land, building and equipment, net of accumulated depreciation	<u>122,235,891</u>
Total	127,968,509
Deduct:	
Other post-employment benefits	117,432,880
Compensated absences	165,214
Accrued interest	520,861
Long and short-term bonds payable	<u>43,800,000</u>
Total	<u>161,918,955</u>
NET POSITION, GOVERNMENTAL ACTIVITIES	<u><u>\$ (8,633,761)</u></u>

See notes to basic financial statements.

QUEENSBURY UNION FREE SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2024

	General	Special Aid	School Lunch	Capital	Debt Service	CM Misc. Special Revenue	Total Governmental Funds
REVENUES							
Real property taxes	\$ 38,480,114	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 38,480,114
Other tax items	620,462	0	0	0	0	0	620,462
Charges for services	427,538	0	0	0	0	0	427,538
Use of money and property	927,271	0	512	0	275,441	64	1,203,288
Sale of property and compensation for loss	149,409	0	0	0	0	0	149,409
Miscellaneous	922,375	0	20	270,000	888,006	33,188	2,113,589
State sources	33,558,162	1,136,513	562,502	93,581	0	0	35,350,758
Federal sources	239,462	3,762,042	1,136,336	0	0	0	5,137,840
Surplus food	0	0	147,671	0	0	0	147,671
Sales - school lunch	0	0	270,087	0	0	0	270,087
Total Revenues	75,324,793	4,898,555	2,117,128	363,581	1,163,447	33,252	83,900,756
EXPENDITURES							
General support	8,640,301	0	0	0	0	35,016	8,675,317
Instruction	32,366,210	4,572,662	0	0	0	0	36,938,872
Pupil transportation	4,156,901	169,877	0	0	0	0	4,326,778
Employee benefits	16,041,204	289,136	0	0	0	0	16,330,340
Debt service							
Principal	5,939,581	0	0	0	1,500,000	0	7,439,581
Interest	1,942,414	0	0	0	225,412	0	2,167,826
Cost of sales	0	0	1,824,063	0	0	0	1,824,063
Capital outlay	0	0	0	8,173,788	0	0	8,173,788
Total Expenditures	69,086,611	5,031,675	1,824,063	8,173,788	1,725,412	35,016	85,876,565
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,238,182	(133,120)	293,065	(7,810,207)	(561,965)	(1,764)	(1,975,809)
OTHER FINANCING SOURCES AND USES							
BAN's redeemed from appropriations	0	0	0	1,297,597	0	0	1,297,597
Serial bond proceeds	0	0	0	18,000,000	0	0	18,000,000
Operating transfers in	267,985	133,120	106	6,000,000	0	0	6,401,211
Operating transfers (out)	(6,133,225)	0	0	0	(267,986)	0	(6,401,211)
Total Other Financing Sources (Uses)	(5,865,240)	133,120	106	25,297,597	(267,986)	0	19,297,597
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND USES	372,942	0	293,171	17,487,390	(829,951)	(1,764)	17,321,788
FUND BALANCE - BEGINNING OF YEAR	15,658,186	0	493,671	(13,281,542)	5,001,775	122,807	7,994,897
OTHER CHANGE IN FUND BALANCE	(11,987)	0	0	11,987	0	0	0
FUND BALANCE - END OF YEAR	\$ 16,019,141	\$ 0	\$ 786,842	\$ 4,217,835	\$ 4,171,824	\$ 121,043	\$ 25,316,685

See notes to basic financial statements.

QUEENSBURY UNION FREE SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2024

REVENUES - STATEMENT OF ACTIVITIES		\$ 83,900,756
EXPENDITURES	\$ 85,876,565	
Add:		
Depreciation	3,745,262	
Pensions	2,313,509	
Compensated absences	326	
	<u>6,059,097</u>	
Deduct:		
Change in fixed assets	9,506,048	
Principal payments of long-term debt	7,439,581	
Change in accrued interest	130,923	
Decrease in other post-employment benefits	<u>1,325,565</u>	
	<u>18,402,117</u>	
EXPENDITURES - STATEMENT OF ACTIVITIES		<u>73,533,545</u>
CHANGE IN NET POSITION		<u><u>\$ 10,367,211</u></u>

See notes to basic financial statements.

QUEENSBURY UNION FREE SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 187,884
Total Assets	<u>\$ 187,884</u>
LIABILITIES	
Other liabilities	\$ 14,189
Total Liabilities	<u>\$ 14,189</u>
NET ASSETS	
Reserved for extraclassroom activity funds	\$ 110,654
Reserved for health reimbursement account	63,041
Total Net Assets	<u>\$ 173,695</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2024

ADDITIONS	
Investment earnings	\$ 42
Extraclassroom receipts	237,951
Gifts and contributions	<u>230,000</u>
Total Additions	467,993
DEDUCTIONS	
Extraclassroom disbursements	238,067
Health reimbursement account expenses	<u>152,943</u>
Total Deductions	<u>391,010</u>
CHANGE IN NET POSITION	76,983
NET POSITION - BEGINNING OF YEAR	<u>96,712</u>
NET POSITION - END OF YEAR	<u>\$ 173,695</u>

See notes to basic financial statements.

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The Queensbury Union Free 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 9 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls, all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

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

i) Extraclassroom Activity Funds

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

B. Joint Venture

The District is one of 31 component districts in the Washington-Saratoga-Warren-Hamilton-Essex Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services and programs 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.

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

B. Joint Venture – (Continued)

BOCES are organized under Section 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 Section 1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 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, Section 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 \$4,368,162 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued no serial bonds on behalf of BOCES. As of year-end, the District had no outstanding BOCES debt.

The District's share of BOCES aid amounted to \$1,860,680.

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

C. Basis of Presentation

1. District-Wide Statements

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

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Net Position presents the financial position of the District at the fiscal year-end. The Statement of Activities presents a comparison between expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. 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.

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

C. Basis of Presentation – (Continued)

2. Funds Statements

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

The District reports the following major governmental funds:

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

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 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.

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

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

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

The District reports the following fiduciary fund:

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

D. Measurement Focus and Basis of Accounting

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

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. 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.

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

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

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 acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on August 8. Taxes are collected during the period September 1 to November 4.

Uncollected real property taxes are subsequently enforced by the County of Warren. 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.

F. Restricted Resources

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

G. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of 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 (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

Refer to Note 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

H. Estimates

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

I. Cash (and Cash Equivalents)/Investments

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

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

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

Investments are stated at fair value.

J. Accounts Receivable

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

K. Inventories and Prepaid Items

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

Prepaid items represent payments made by the District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

L. Capital Assets

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

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Site improvements	\$ 5,000	Straight-line	25 – 40
Buildings and improvements	5,000	Straight-line	25 – 40
Furniture and equipment	5,000	Straight-line	5 – 20
Vehicles	5,000	Straight-line	5 – 10

M. Deferred Outflows and Inflows of Resources

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

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

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

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

At June 30, 2024, the District reported the following asset (liability) for its proportionate share of the net pension asset (liability) for each of the Systems. The net pension asset (liability) was measured as of March 31, 2024 for ERS and June 30, 2023 for TRS. The total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation. The District's proportion of the net pension asset (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
District's proportionate share of the net pension asset (liability)	\$ (2,854,306)	\$ (1,448,335)
District's portion of the Plan's total net pension asset (liability)	0.0193853%	0.126649%
District's proportion since the prior measurement date	(0.0001506)%	(0.000103)%

For the year ended June 30, 2024, the District recognized its proportionate share of pension expense of \$1,230,011 for ERS and \$4,115,445 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 were:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 919,370	\$ 3,511,827	\$ 77,829	\$ 8,679
Changes of assumptions	1,079,149	3,118,222	0	679,599
Net difference between projected and actual earnings on pension plan investments	0	740,360	1,394,313	0
Changes in proportion and differences between the District's contributions and proportionate share of contributions	220,829	164,460	51,381	40,006
District's contributions subsequent to the measurement date	271,674	2,261,175	0	0
Total	<u>\$2,491,022</u>	<u>\$ 9,796,044</u>	<u>\$1,523,523</u>	<u>\$ 728,284</u>

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

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

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset (liability) in the year ended March 31, 2025 for ERS and June 30, 2025 for TRS. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

		<u>ERS</u>	<u>TRS</u>
Year ended:			
	2025	\$ (473,018)	\$ (712,020)
	2026	582,302	5,855,012
	2027	872,036	454,640
	2028	(285,496)	358,193
	2029	0	217,055
	Thereafter	0	0

Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Interest rate	5.9%	6.95%
Salary scale	4.4%	1.95% - 5.18%
Decrement tables	April 1, 2015 - March 31, 2020	July 1, 2015 - June 30, 2020
	System's experience	System's experience
Inflation rate	2.9%	2.4%
Projected cost of living adjustments	1.5%	1.3%

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

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

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

Actuarial Assumptions – (Continued)

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

Measurement date	<u>ERS</u> March 31, 2024	<u>TRS</u> June 30, 2023
<u>Asset type</u>		
Domestic equity	4.00%	6.80%
International equity	6.65	7.60
Global equities	0	7.20
Real estate	4.60	6.30
Domestic fixed income securities	1.50	2.20
Global bonds	0	1.60
High-yield bonds	0	4.40
Real estate debt	0	3.20
Private debt	0	6.00
Credit	5.40	0
Private equity/alternative investments	7.25	10.10
Opportunistic/ARS portfolio	5.25	0
Cash	0.25	0.30
Real assets	5.79	0

Discount Rate

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

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

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

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

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

	<u>1% Decrease (4.9%)</u>	<u>Current Assumption (5.9%)</u>	<u>1% Increase (6.9%)</u>
<u>ERS</u>			
District's proportionate share of the net pension asset (liability)	\$ (8,974,230)	\$ (2,854,306)	\$ 2,257,100
	<u>1% Decrease (5.95%)</u>	<u>Current Assumption (6.95%)</u>	<u>1% Increase (7.95%)</u>
<u>TRS</u>			
District's proportionate share of the net pension asset (liability)	\$ (22,058,877)	\$ (1,448,335)	\$ 15,886,022

Pension Plan Fiduciary Net Position

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

	(Dollars in thousands)		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Measurement date	March 31, 2024	June 30, 2023	
Employers' total pension asset (liability)	\$(240,696,851)	\$(138,365,122)	\$(379,061,973)
Plan fiduciary net position asset (liability)	225,972,801	137,221,537	363,194,338
Employers' net pension asset (liability)	(14,724,050)	(1,143,585)	(15,867,635)
Ratio of plan fiduciary net position to the employers' total pension asset (liability)	93.88%	99.20%	95.81%

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 \$271,674.

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 amount to \$2,617,312.

Additional pension information can be found in Note 9.

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

N. 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. This District has \$259,012 in unearned revenue as of June 30, 2024.

O. Vested Employee Benefits

Compensated Absences

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

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

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

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

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

P. Other Benefits

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

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

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Healthcare 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.

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

Q. Short-Term Debt

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

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

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

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

R. Accrued Liabilities and Long-Term Obligations

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

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

S. Equity Classifications

District-Wide Statements

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

i) Net Investment in Capital Assets

Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

S. Equity Classifications – (Continued)

District-Wide Statements – (Continued)

ii) Restricted Net Position

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

iii) Unrestricted Net Position

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

Funds Statements

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

1. Nonspendable Fund Balance

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Lunch Fund of \$5,884 and prepaid expenses recorded in the General Fund of \$5,180.

2. Restricted

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

Currently Utilized by the District:

Debt Service

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

S. Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District: – (Continued)

Unemployment Insurance

According to General Municipal Law §6-m, this 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 or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Retirement Contributions

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

Capital

According to Education Law §3651, this reserve 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 voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund under Restricted Fund Balance.

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

S. Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District: – (Continued)

Workers' Compensation

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

Tax Certiorari

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

3. Committed

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

4. Assigned

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

5. Unassigned

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

S. 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 School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Use of Fund Balance

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

T. New Accounting Standards

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

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, effective for the year ending June 30, 2024. This Statement amends GASB Statement No. 62 in order to enhance accounting and financial reporting requirements for accounting changes and error corrections.

U. Future Changes in Accounting Standards

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

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

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

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

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

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

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

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of five broad categories, described as follows:

i) Long-Term Revenue and Expense Differences

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

ii) Capital Related Differences

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

iii) Long-Term Debt Transaction Differences

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

iv) Pension Differences

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

v) OPEB Differences

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) 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.

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

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

Encumbrances

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

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

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

As of June 30, 2024, all District bank balances were collateralized with a third-party bank with the collateral held in the District's name.

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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

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

Uncollateralized	\$ 0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	17,352,478

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 \$10,667,795 within the governmental funds and \$187,884 within the fiduciary funds.

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 foreign currency and is not exposed to foreign currency risk.

NOTE 5 – CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 1,100,085	\$ 0	\$ 0	\$ 1,100,085
Construction in process	15,327,495	8,068,221	9,551,878	13,843,838
Total nondepreciable historical cost	16,427,580	8,068,221	9,551,878	14,943,923
Capital assets that are depreciated:				
Buildings	133,171,170	9,551,878	33,152	142,689,896
Improvements other than buildings	3,024,602	704,027	177,706	3,550,923
Furniture and equipment	7,206,091	782,824	1,340,149	6,648,766
Total depreciable historical cost	143,401,863	11,038,729	1,551,007	152,889,585
Less accumulated depreciation:				
Buildings, furniture and equipment	43,354,338	3,745,262	1,501,983	45,597,617
Total accumulated depreciation	43,354,338	3,745,262	1,501,983	45,597,617
Net depreciable historical cost	100,047,525	7,293,467	49,024	107,291,968
Total historical cost, net	<u>\$ 116,475,105</u>	<u>\$ 15,361,688</u>	<u>\$ 9,600,902</u>	<u>\$ 122,235,891</u>
Depreciation was allocated to the following programs as follows:				
General support		\$ 625,559		
Instruction		2,674,382		
Pupil transportation		313,259		
School lunch program		132,062		
Total		<u>\$ 3,745,262</u>		

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 6 – SHORT-TERM DEBT

Interest on short-term debt for the year was comprised of:

Interest paid	\$ 999,612
Less interest accrued in the prior year	(150,965)
Plus interest accrued in the current year	<u>24,925</u>
Total expense	<u><u>\$ 873,572</u></u>

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

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
BAN	2023	5.00%	\$ 19,165,000	\$ 0	\$ 19,165,000	\$ 0
BAN	2023	4.00%	1,034,046	0	1,034,046	0
BAN	2024	4.25%	<u>0</u>	<u>631,449</u>	<u>0</u>	<u>631,449</u>
TOTALS			<u><u>\$ 20,199,046</u></u>	<u><u>\$ 631,449</u></u>	<u><u>\$ 20,199,046</u></u>	<u><u>\$ 631,449</u></u>

NOTE 7 – LONG-TERM DEBT

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

Interest paid	\$1,168,214
Less interest accrued in the prior year	(500,819)
Plus interest accrued in the current year	<u>495,936</u>
Total expense	<u><u>\$1,163,331</u></u>

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Bonds and notes payable	\$ 31,920,000	\$18,000,000	\$ 6,120,000	\$ 43,800,000	\$ 4,535,000
Installment purchase debt	<u>21,984</u>	<u>0</u>	<u>21,984</u>	<u>0</u>	<u>0</u>
	31,941,984	18,000,000	6,141,984	43,800,000	4,535,000
Other liabilities:					
Compensated absences	164,888	326	0	165,214	0
Other post-employment benefits	<u>102,244,422</u>	<u>919,595</u>	<u>0</u>	<u>103,164,017</u>	<u>0</u>
TOTAL LONG-TERM LIABILITIES	<u><u>\$134,351,294</u></u>	<u><u>\$18,919,921</u></u>	<u><u>\$ 6,141,984</u></u>	<u><u>\$147,129,231</u></u>	<u><u>\$ 4,535,000</u></u>

The current portion (amount due within one year) of other liabilities as of June 30, 2024, was not determinable.

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 7 – LONG-TERM DEBT – (CONTINUED)

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

The following is a summary of maturity of indebtedness:

<u>Description of issue</u>	<u>Serial Bond</u>	<u>Serial Bond</u>	<u>Serial Bond</u>	<u>Serial Bond</u>	<u>Serial Bond</u>
Issue date	2022	2024	2012	2020	2021
Final maturity	2031	2039	2033	2032	2036
Interest rate	5.000%	4.000%	3-3.5%	3-3.5%	2.000%
Outstanding at year-end	\$ 2,655,000	\$ 18,000,000	\$ 355,000	\$ 2,525,000	\$ 1,305,000

<u>Description of issue</u>	<u>Serial Bond</u>
Issue date	2021
Final maturity	2034
Interest rate	4.000%
Outstanding at year-end	\$ 18,960,000

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30,			
2025	\$ 4,535,000	\$ 1,665,950	\$ 6,200,950
2026	4,675,000	1,495,044	6,170,044
2027	3,520,000	1,332,697	4,852,697
2028	3,345,000	1,199,225	4,544,225
2029	3,385,000	1,065,975	4,450,975
2030 - 2034	16,995,000	3,264,200	20,259,200
2035 - 2039	7,345,000	902,800	8,247,800
Totals	<u>\$43,800,000</u>	<u>\$ 10,925,891</u>	<u>\$ 54,725,891</u>

NOTE 8 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 2,911,023	\$ 1,356,304	\$ 267,985	\$ 6,133,225
Special Aid Fund	2,273	2,453,456	133,120	0
School Lunch Fund	106	2,000	106	0
Capital Fund	1,353,926	455,568	6,000,000	0
Debt Service Fund	0	0	0	267,986
Total Governmental Activities	4,267,328	4,267,328	6,401,211	6,401,211
Custodial Fund	0	0	0	0
TOTALS	<u>\$ 4,267,328</u>	<u>\$ 4,267,328</u>	<u>\$ 6,401,211</u>	<u>\$ 6,401,211</u>

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

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

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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 retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Descriptions and Benefits Provided:

Teachers' Retirement System (TRS)

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

Employees' Retirement System (ERS)

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9 – PENSION PLANS – (CONTINUED)

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

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

	<u>NYSTRS</u>	<u>NYSERS</u>
2024	\$ 2,261,175	\$ 927,867
2023	2,436,036	736,702
2022	2,239,488	791,473

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

Additional pension information can be found in Note 1 M.

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information About the OPEB Plan:

Plan Description

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

Funding Policy

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

Benefits Provided

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

General Information About the OPEB Plan: - (Continued)

Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	255
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>372</u>
Total	<u>627</u>

Net OPEB Liability:

The District's total OPEB liability of \$103,164,017 was measured as of July 1, 2023, and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.0%, average, including inflation
Discount Rate	3.65%
Healthcare Cost Trend Rates	7.0% for 2022, decreasing 0.5% per year to an ultimate rate of 5% for 2027 and later years.

The discount rate was based on the Bond Buyer GO-20 municipal bond index rate.

Changes in the Total OPEB Liability:

Balance at June 30, 2023	\$ 102,244,422
Changes for the year:	
Service cost	1,751,560
Interest	3,598,010
Changes in benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions or other inputs	(1,466,990)
Benefit payments	<u>(2,962,985)</u>
Net changes	<u>919,595</u>
Balance at June 30, 2024	<u>\$ 103,164,017</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.54% in 2023 to 3.65% in 2024.

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 115,238,965	\$ 103,164,017	\$ 89,707,797

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 (6.0% decreasing to 4.0%) or 1 percentage point higher (8.0% decreasing to 6.0%) than the current healthcare cost trend rate:

	<u>1% Decrease (6.0% Decreasing to 4.0%)</u>	<u>Healthcare Cost Trend Rates (7.0% Decreasing to 5.0%)</u>	<u>1% Increase (8.0% Decreasing to 6.0%)</u>
Total OPEB Liability	\$ 89,968,394	\$ 103,164,017	\$ 114,863,999

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 negative OPEB expense of \$1,325,565. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 3,205,543
Changes of assumptions and benefit terms	0	14,381,864
Expected benefit payments subsequent to the measurement date	<u>3,318,544</u>	<u>0</u>
Total	<u>\$ 3,318,544</u>	<u>\$ 17,587,407</u>

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – (Continued)

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

<u>Fiscal Year Ending June 30:</u>	
2025	\$ (38,047)
2026	(1,948,895)
2027	(2,454,960)
2028	(2,948,644)
2029	(4,937,407)
Thereafter	<u>(1,940,910)</u>
Total	<u>\$ (14,268,863)</u>

NOTE 11 – RISK MANAGEMENT

General Information

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

Risk Retention

The Queensbury Union Free School District incurs costs related to a self-funded Workers' Compensation Insurance Plan which is accounted for in the General Fund and is coordinated by the Washington-Saratoga-Warren-Hamilton-Essex County BOCES. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the Plan must remain members pursuant to Section 12 of the Municipal Cooperation Agreement to provide Workers' Compensation Benefits. Plan members include 30 districts. 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 losses on insured events.

Litigation

There are currently pending tax certiorari proceedings, the results of which could require the payments of future tax refunds by the School District if existing assessment rolls are modified based on the outcome of the litigation proceedings. The School District has established a tax certiorari reserve to cover a portion of the potential refund exposure and the District has legal authority to borrow funds to repay school taxes when needed. In addition, the District is vigorously defending all such claims.

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 12 – COMMITMENTS AND CONTINGENCIES

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

NOTE 13 – TAX ABATEMENTS

The County of Warren enters into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. The School District's property tax revenue was reduced \$587,131. The District received Payment in Lieu of Tax (PILOT) payment totaling \$620,462.

NOTE 14 – OTHER CHANGE IN FUND BALANCE

The fund balance of the capital fund increased \$11,987 with a corresponding decrease of \$11,987 in the general fund to transfer costs to the general fund that were not approved as part of the Smart Schools Bond Act.

NOTE 15 – SUBSEQUENT EVENTS

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Revenues</u>	<u>Final Budget Variance with Budgetary Actual Over (Under)</u>
REVENUES:				
Local Sources				
Real property taxes	\$ 38,482,349	\$ 38,482,349	\$ 38,480,114	\$ (2,235)
Real property tax items	425,000	425,000	620,462	195,462
Charges for services	186,000	186,000	427,538	241,538
Use of money and property	172,793	172,793	927,271	754,478
Sale of property and compensation for loss	15,000	15,000	149,409	134,409
Miscellaneous	132,487	145,607	922,375	776,768
Total Local Sources	39,413,629	39,426,749	41,527,169	2,100,420
State Sources	32,383,504	32,383,504	33,558,162	1,174,658
Federal Sources	60,000	60,000	239,462	179,462
Total Revenues	71,857,133	71,870,253	75,324,793	3,454,540
OTHER FINANCING SOURCES				
Transfers from other funds	0	12,895	267,985	255,090
Total Revenues and Other Financing Sources	71,857,133	71,883,148	75,592,778	\$ 3,709,630

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual Expenditures	Year End Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances (Over) Under
EXPENDITURES					
General Support					
Board of Education	23,500	21,660	21,184	\$ 0	\$ 476
Central administration	249,149	263,777	261,051	0	2,726
Finance	744,602	740,746	733,335	1,214	6,197
Staff	664,187	704,968	582,680	71,955	50,333
Central services	6,163,200	6,805,199	6,224,203	306,363	274,633
Special items	823,000	837,714	817,848	0	19,866
Instructional					
Instruction, administration and improvements	2,527,946	2,437,270	2,270,010	9,618	157,642
Teaching – regular school	16,578,887	16,380,407	16,076,063	8,635	295,709
Programs for children with handicapping conditions	7,570,238	7,806,921	7,412,031	204,067	190,823
Occupational education	1,871,477	1,703,499	1,528,256	51,098	124,145
Teaching - special school	79,400	45,812	39,103	36	6,673
Instructional media	2,003,040	2,145,443	1,895,516	49,135	200,792
Pupil services	3,197,288	3,260,318	3,145,231	58,522	56,565
Pupil Transportation	3,715,357	4,652,282	4,156,901	383,810	111,571
Employee Benefits	19,391,566	20,282,353	16,041,204	6,027	4,235,122
Debt Service	7,604,062	7,881,995	7,881,995	0	0
Total Expenditures	73,206,899	75,970,364	69,086,611	1,150,480	5,733,273
Other Financing Uses					
Transfers to other funds	2,089,000	6,133,225	6,133,225	0	0
Total Expenditures and Other Uses	75,295,899	82,103,589	75,219,836	\$ 1,150,480	\$ 5,733,273
NET CHANGE IN FUND BALANCE	(3,438,766)	(10,220,441)	372,942		
FUND BALANCE – BEGINNING	15,658,186	15,658,186	15,658,186		
OTHER CHANGE IN FUND BALANCE	0	0	(11,987)		
FUND BALANCE – ENDING	<u>\$12,219,420</u>	<u>\$ 5,437,745</u>	<u>\$16,019,141</u>		

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Measurement Date	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Total OPEB Liability							
Service cost	\$ 1,751,560	\$ 3,453,177	\$ 3,288,740	\$ 3,853,013	\$ 3,669,536	\$ 4,943,377	\$ 4,943,377
Interest	3,598,010	2,878,027	2,847,256	3,872,287	3,942,580	3,479,417	2,878,615
Change of benefit terms	0	0	0	0	0	(3,592,643)	0
Differences between expected and actual experience	0	(11,416,840)	1,053,666	8,833,470	0	8,144,985	0
Change of assumptions or other inputs	(1,466,990)	(22,731,686)	0	5,087,877	3,455,784	(4,602,536)	(9,853,869)
Benefit payments	<u>(2,962,985)</u>	<u>(2,907,346)</u>	<u>(2,822,666)</u>	<u>(2,879,255)</u>	<u>(2,547,792)</u>	<u>(2,473,593)</u>	<u>(2,169,802)</u>
Net change in total OPEB liability	919,595	(30,724,668)	4,366,996	18,767,392	8,520,108	5,899,007	(4,201,679)
Total OPEB Liability - beginning	<u>102,244,422</u>	<u>132,969,090</u>	<u>128,602,094</u>	<u>109,834,702</u>	<u>101,314,594</u>	<u>95,415,587</u>	<u>99,617,266</u>
Total OPEB Liability - ending	<u><u>\$ 103,164,017</u></u>	<u><u>\$ 102,244,422</u></u>	<u><u>\$ 132,969,090</u></u>	<u><u>\$ 128,602,094</u></u>	<u><u>\$ 109,834,702</u></u>	<u><u>\$ 101,314,594</u></u>	<u><u>\$95,415,587</u></u>
Covered-employee payroll	\$ 31,542,896	\$ 32,569,994	\$ 30,061,490	\$ 29,007,662	\$ 28,630,925	\$ 26,898,488	\$25,016,670
Total OPEB liability as a percentage of covered-employee payroll	327.06%	313.92%	442.32%	443.34%	383.62%	376.66%	381.41%
Plan's fiduciary net position	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net OPEB Liability	\$ 103,164,017	\$ 102,244,422	\$ 132,969,090	\$ 128,602,094	\$ 109,834,702	\$ 101,314,594	\$95,415,587

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEARS ENDED JUNE 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 AND 2015

NYS Employees' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0193853%	0.0195359%	0.0177867%	0.0188324%	0.0186615%	0.0185063%	0.0191597%	0.0176932%	0.0186168%	0.0192291%
District's proportionate share of the net pension liability (asset)	\$ 2,854,306	\$ 4,189,275	\$ (1,453,991)	\$ 18,752	\$ 4,941,668	\$ 1,311,226	\$ 618,370	\$ 1,662,495	\$ 2,988,042	\$ 649,606
District's covered-employee payroll	7,701,141	7,348,085	6,243,652	6,179,099	5,776,620	5,501,275	5,545,505	5,367,425	4,923,458	5,024,763
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.1%	57.0%	23.3%	0.3%	85.5%	23.8%	11.2%	31.0%	60.7%	12.9%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.88%	90.78%	103.65%	99.95%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

NYS Teachers' Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.126649%	0.126752%	0.128724%	0.126897%	0.128884%	0.128826%	0.130875%	0.132968%	0.134058%	0.132500%
District's proportionate share of the net pension liability (asset)	\$ 1,448,335	\$ 2,432,241	\$ (22,306,617)	\$ 3,506,493	\$ (3,348,413)	\$ (2,329,521)	\$ (994,779)	\$ 1,424,141	\$ (13,924,403)	\$ (14,759,708)
District's covered-employee payroll	28,511,967	23,869,553	24,305,633	21,848,572	21,539,543	21,905,492	22,320,735	21,102,205	20,885,324	20,914,763
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	5.1%	10.2%	91.8%	16.0%	15.5%	10.6%	4.5%	6.7%	66.7%	70.6%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.70%	99.01%	110.46%	111.48%

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

QUEENSBURY UNION FREE SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS

FOR THE YEARS ENDED JUNE 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 AND 2015

NYS Employees' Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 927,867	\$ 736,702	\$ 791,473	\$ 850,459	\$ 779,164	\$ 728,053	\$ 794,283	\$ 737,302	\$ 825,013	\$ 966,340
Contributions in relation to the contractually required contribution	927,867	736,702	791,473	850,459	779,164	728,053	794,283	737,302	825,013	966,340
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
District's covered-employee payroll	\$ 7,701,141	\$ 7,348,085	\$ 6,243,652	\$ 6,179,099	\$ 5,776,620	\$ 5,501,275	\$ 5,545,505	\$ 5,367,425	\$ 4,923,458	\$ 5,024,763
Contribution as a percentage of covered-employee payroll	12.05%	10.03%	12.68%	13.76%	13.49%	13.23%	14.32%	13.74%	16.76%	19.23%

NYS Teachers' Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,782,768	\$ 2,456,177	\$ 2,381,952	\$ 2,082,169	\$ 1,908,404	\$ 2,326,363	\$ 2,187,432	\$ 2,612,340	\$ 2,865,237	\$ 3,666,358
Contributions in relation to the contractually required contribution	2,782,768	2,456,177	2,381,952	2,082,169	1,908,404	2,326,363	2,187,432	2,612,340	2,865,237	3,666,358
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
District's covered-employee payroll	\$ 28,511,967	\$ 23,869,553	\$ 24,305,633	\$ 21,848,572	\$ 21,539,543	\$ 21,905,492	\$ 22,320,735	\$ 21,102,205	\$ 20,885,324	\$ 20,914,763
Contribution as a percentage of covered-employee payroll	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	12.38%	13.72%	17.53%

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2024

ADOPTED BUDGET	\$ 75,295,899
ADDITIONS:	
Prior year's encumbrances	652,747
Appropriated reserve	6,141,823
Gifts/Donations	<u>13,120</u>
FINAL BUDGET	<u><u>\$ 82,103,589</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

FOR THE YEAR ENDED JUNE 30, 2024

2024-2025 voter-approved expenditure budget	\$ 78,547,546
Maximum allowed (4% of 2024-2025 budget)	3,141,902
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	6,628,897
Unassigned fund balance	<u>2,889,093</u>
Total unrestricted fund balance	9,517,990
Less:	
Appropriated fund balance and encumbrances	<u>6,628,897</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 2,889,093</u></u>
Actual percentage	3.7%

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES

FOR THE YEAR ENDED JUNE 30, 2024

<u>Project Title</u>	<u>Expenditures</u>					<u>Unexpended Balance</u>	<u>Methods of Financing</u>				<u>Fund Balance</u>
	<u>Original Appropriation</u>	<u>Revised Appropriation</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>		<u>Local Sources</u>	<u>State Aid</u>	<u>Proceeds of Obligations</u>	<u>Total</u>	
Buses 2020	\$ 466,247	\$ 466,247	\$ 469,948	\$ 0	\$ 469,948	\$ (3,701)	\$ 376,701	\$ 0	\$ 0	\$ 376,701	\$ (93,247)
Buses 2021	533,000	533,000	533,000	0	533,000	0	319,800	0	0	319,800	(213,200)
Buses 2022	525,000	525,000	525,000	0	525,000	0	199,998	0	0	199,998	(325,002)
Districtwide-2021	19,750,000	19,750,000	13,660,965	5,859,502	19,520,467	229,533	1,750,000	0	18,000,000	19,750,000	229,533
Districtwide-2023	39,000,000	39,000,000	0	734,175	734,175	38,265,825	4,000,000	0	0	4,000,000	3,265,825
Middle School & High School Renovation	1,300,000	1,300,000	543,087	746,237	1,289,324	10,676	1,300,000	0	0	1,300,000	10,676
WHBI Elevator	120,000	120,000	82,015	1,544	83,559	36,441	120,000	0	0	120,000	36,441
ES Flood/Pipe	75,000	75,000	35,255	2,500	37,755	37,245	75,000	0	0	75,000	37,245
UPK/Administration Project	2,000,000	2,000,000	0	36,094	36,094	1,963,906	0	0	0	0	(36,094)
Energy Efficiency Project	2,000,000	2,000,000	6,174	688,168	694,342	1,305,658	2,000,000	0	0	2,000,000	1,305,658
Smart Schools Act	1,921,304	1,921,304	1,804,557	105,568	1,910,125	11,179	0	1,910,125	0	1,910,125	0
TOTALS	\$ 67,690,551	\$ 67,690,551	\$ 17,660,001	\$ 8,173,788	\$ 25,833,789	\$ 41,856,762	\$ 10,141,499	\$ 1,910,125	\$ 18,000,000	\$ 30,051,624	\$ 4,217,835

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

NET INVESTMENT IN CAPITAL ASSETS

FOR THE YEAR ENDED JUNE 30, 2024

CAPITAL ASSETS, NET		\$ 122,235,891
DEDUCT:		
Bond anticipation note payable	\$ 631,449	
Short-term portion of bonds payable	4,535,000	
Long-term portion of bonds payable	<u>39,265,000</u>	
		<u>44,431,449</u>
NET INVESTMENT IN CAPITAL ASSETS		<u><u>\$ 77,804,442</u></u>

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

QUEENSBURY UNION FREE SCHOOL DISTRICT

**FEDERAL AWARD PROGRAM INFORMATION
(SINGLE AUDIT)**

(UNIFORM GUIDANCE)

JUNE 30, 2024



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

To the President and the Other Members
of the Board of Education of the
Queensbury Union Free School District
Queensbury, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Queensbury Union Free School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 15, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

WEST & COMPANY CPAs PC

Gloversville, New York
October 15, 2024



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

To the President and the Other Members
of the Board of Education of the
Queensbury Union Free School District
Queensbury, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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.

WEST & COMPANY CPAs PC

Gloversville, New York
October 15, 2024

QUEENSBURY UNION FREE SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program	Assistance Listing	Pass-through Grantor's Number	Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed Through NYS Education Department:			
Special Education Cluster:			
Special Education Grants to States	84.027	0032241012	\$ 825,981
Special Education Preschool Grants	84.173	0033241012	29,161
Covid-19 Special Education Grants to States	84.027X	5532221012	49,265
Covid-19 Special Education Preschool Grants	84.173X	5533221012	8,314
Total Special Education Cluster			912,721
Covid-19 Education Stabilization Funds			
ARP, ESSER	84.425U	5880213475	1,963,535
ARP, ESSER, Summer Enrichment	84.425U	5882213475	33,387
ARP, ESSER, Comprehensive	84.425U	5883213475	43,257
ARP, ESSER, Learning Loss	84.425U	5884213475	142,313
ARP, ESSER, Homeless Children and Youth	84.425W	5218213475	6,529
ARP, ESSER, Universal Pre-Kindergarten	84.425U	5870249244	73,529
Total Covid-19 Education Stabilization Funds			2,262,550
Title I Grants to Local Educational Agencies	84.010	0021224475	502,708
Supporting Effective Instruction State Grants	84.367	0147224475	54,424
Student Support and Academic Enrichment Program	84.424	0204224475	29,639
Total U.S. Department of Education			3,762,042
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through NYS Education Department:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	Not Applicable	147,671
Cash Assistance			
School Breakfast Program	10.553	Not Applicable	199,328
National School Lunch Program	10.555	Not Applicable	695,660
Covid-19 National School Lunch Program, Supply Chain			
Assistance	10.555	Not Applicable	141,189
Summer Food Service Program for Children	10.559	Not Applicable	38,835
Total Child Nutrition Cluster			1,222,683
Child Nutrition Discretionary Grants Limited Availability	10.649	Not Applicable	61,324
Total U.S. Department of Agriculture			1,284,007
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
Disaster Grants - Public Assistance (Presidentially Declared Distasters)	97.036	Not Applicable	88,199
Total Department of Homeland Security			88,199
TOTAL FEDERAL AWARDS EXPENDED			\$ 5,134,248

See notes to schedule of expenditures of federal awards.

QUEENSBURY UNION FREE SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

NOTE 2 – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the District had food commodities totaling \$5,884 in inventory.

NOTE 3 – SUBRECIPIENTS

No amounts were provided to subrecipients.

NOTE 4 – INDIRECT COST RATE

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon a 14.2% indirect cost rate calculated by the New York State Education Department. There is no other indirect cost allocation plan in effect.

NOTE 5 – CLUSTERS

The Special Education Cluster consists of Special Education – Grants to States and Special Education – Preschool Grants.

The Child Nutrition Cluster consists of Food Distribution, School Breakfast Program, National School Lunch Program, Summer Food Service Program and COVID-19 National School Lunch Program, Supply Chain Assistance.

QUEENSBURY UNION FREE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

A. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' opinion issued: Unmodified

Internal control over financial reporting:

Material weakness identified? _____ yes X no

Significant deficiency identified that is not considered to be material weakness? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

FEDERAL AWARDS

Internal control over major programs:

Material weaknesses identified? _____ yes X no

Significant deficiency identified that is not considered to be material weakness? _____ yes X none reported

Type of auditors' opinion(s) issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516? _____ yes X no

Identification of major programs:

Name of Federal Program

Assistance Listing

Special Education Cluster	84.027, 84.173
Child Nutrition Cluster	10.553, 10.555, 10.559
Covid-19 Education Stabilization Funds	84.425

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

Auditee qualified as low risk? X yes _____ no

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT

None.

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

None.

QUEENSBURY UNION FREE SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

EXTRACLASSROOM ACTIVITY FUNDS

JUNE 30, 2024



INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Queensbury Union Free School District
Queensbury, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Extraclassroom Activity Funds of Queensbury Union Free School District (the District) as of June 30, 2024, and the related statement of revenues collected and expenses paid for the year then ended, and the related notes to the financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances of the Extraclassroom Activity Funds of the District as of June 30, 2024, and the revenues collected and expenses paid for the year then ended, on the basis of accounting described in Note 1.

Basis for Qualified Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Basis of Accounting

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

WEST & COMPANY CPAs PC

Gloversville, New York
October 15, 2024

QUEENSBURY UNION FREE SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

JUNE 30, 2024

ASSETS

Cash

\$ 111,191

TOTAL ASSETS

\$ 111,191

LIABILITIES AND CLUB BALANCES

Club balances

\$ 111,191

TOTAL LIABILITIES AND CLUB BALANCES

\$ 111,191

See notes to financial statements.

QUEENSBURY UNION FREE SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

FOR THE YEAR ENDED JUNE 30, 2024

	Balance July 1, 2023	Receipts	Disbursements	Balance June 30, 2024
Art	\$ 284	\$ 81	\$ 100	\$ 265
Astronomy Club	188	0	0	188
Best Buddies - M.S.	2,098	5,688	7,397	389
Best Buddies - H.S.	1,589	1	519	1,071
Botany Club	705	800	870	635
Business & Marketing Honor Society	0	110	97	13
Class of 2024	2,823	14,062	16,885	0
Class of 2025	9,103	12,667	13,958	7,812
Class of 2026	2,571	5,932	2,243	6,260
Class of 2027	11,091	2,343	11,880	1,554
Class of 2028	979	7,284	7,637	626
Class of 2029	836	983	800	1,019
Class of 2030	0	10,963	10,157	806
FBLA	2,731	2,121	1,147	3,705
French	355	0	355	0
French Honor Society	1,134	1,561	1,245	1,450
GSA	0	101	0	101
H.S. Chamber Ensemble	748	77,577	78,063	262
H.S. Cooking Club	438	0	74	364
International Club	0	3,137	122	3,015
Jazz Band	3,575	164	300	3,439
Key Club	1,420	993	1,208	1,205
Literary Magazine	5,150	246	0	5,396
Madrigals	7,034	11,748	11,583	7,199
6/8 Memory Book	3,874	2,651	0	6,525
Media Production	104	0	0	104
M.S. Chamber Orchestra	187	7,015	7,185	17
M.S. Drama Club	1,024	2,014	900	2,138
Mountain Bike Club	1,269	1	0	1,270
Musical Production	12,826	33,407	25,224	21,009
National Art Honor Society	200	0	0	200
National Honor Society	2,237	1,632	1,560	2,309
ORBIT	18,056	14,040	16,522	15,574
PAWS Club	318	1,102	1,329	91
Post Prom Party	727	1,230	684	1,273
Robotics	90	2,034	740	1,384
Rocket Club	8	2,845	2,650	203
S.A.D.D.	4,521	269	934	3,856
Spanish Club	2,781	0	2,781	0
Spanish Honor Society	1,139	1,619	1,260	1,498
Spartan Scoop	1,129	0	0	1,129
Student Senate - H.S.	2,909	5,951	4,082	4,778
Varsity	541	0	541	0
Youth in Gov't	1,609	951	2,410	150
Zoology Club	372	0	0	372
Interest	0	42	42	0
Sales Tax	492	2,628	2,583	537
TOTALS	\$ 111,265	\$ 237,993	\$ 238,067	\$ 111,191

See notes to financial statements.

QUEENSBURY UNION FREE SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTE TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Extraclassroom Activity Funds of the Queensbury Union Free School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions, and the designation of student management. However, since the Board of Education does exercise general oversight, these funds and their corresponding cash accounts are reflected in the Custodial Fund of the basic financial statements of the District.

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



October 15, 2024

To the President and the Other Members
of the Board of Education of the
Queensbury Union Free School District
Queensbury, New York

Re: Management Letter
June 30, 2024

In planning and performing our audit of the basic financial statements of the Queensbury Union Free School District for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and improving operating efficiency. The memorandum that follows summarizes our comments and recommendations regarding those matters. We previously reported on the District's internal control in our report dated October 15, 2024. This report does not affect our report dated October 15, 2024, on the financial statements of Queensbury Union Free School District.

Prior-Year Findings

1. Disbursement Testing

Prior Condition: During our review of disbursements, we noted 2 of 40 disbursements had purchase orders dated after the date of the invoice.

Status: In the current year we noted 2 of 40 disbursements with purchase orders dated after the date of the invoice.

Recommendation: We recommend that the District ensure that no purchases are made without proper authorization from the purchasing agent.

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

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

Very truly yours,

WEST & COMPANY CPAs PC

WEST & COMPANY CPAs PC

APPENDIX C
Form of Legal Opinions

ALAN R. RHODES
J. LAWRENCE PALTROWITZ
MALCOLM B. O'HARA
PATRICIA E. WATKINS
MARK E. CERASANO
BRUCE O. LIPINSKI
JONATHAN C. LAPPER
JAMES R. BURKETT
STEFANIE DiLALLO BITTER
KARLA WILLIAMS BUETTNER
JOHN D. WRIGHT
JEFFREY B. SHAPIRO

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BENJAMIN R. PRATT, JR.
OF COUNSEL
ROBERT S. McMILLEN
RETIRED
RICHARD J. BARTLETT
1926-2015
PAUL E. PONTIFF
1930-2021
ROBERT S. STEWART
1932-2001
PHILIP C. MCINTIRE
1943-2025

SERVICE BY E-MAIL, FAX OR OTHER FORMS OF ELECTRONIC COMMUNICATION
NOT ACCEPTED

September 18, 2025

Queensbury Union Free School District
County of Warren
State of New York

Re: Queensbury Union Free School District
Warren County, New York
\$12,000,000 Bond Anticipation Note, 2025

Dear Sirs:

We have been requested to render our opinion as to the validity of the \$12,000,000 Bond Anticipation Note, 2025 (the "Note"), of the Queensbury Union Free School District, Warren County, New York (the "Issuer"), dated September 18, 2025, bearing interest at the rate of _____% per annum, and maturing on September 18, 2026.

We have examined the Constitution and statutes of the State of New York and the Internal Revenue Code of 1986, as amended (the "Code"), including particularly Section 103 thereof, and the regulations of the United States Treasury Department thereunder. We have also examined a certified copy of proceedings of the finance board of the Issuer and other proofs authorizing and relating to the issuance of the Note, including the form of the Note. In rendering the opinions expressed herein we have assumed the accuracy and truthfulness of all public records, documents and proceedings examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion: (a) The Note has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes valid and legally binding general obligations of the Issuer, the payment of which the Issuer has validly pledged its faith and credit, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Note and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Note may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights, (b) The Issuer has the power to comply with its covenants included in its arbitrage certificate with respect to the Note relating to compliance with the Code as it relates to the Note; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights.

In further opinion, assuming continuing compliance by the Issuer with its covenants relating to certain requirements contained in the Code, interest on the Note is not includable in the gross income of the owners thereof for Federal income tax purposes under existing statutes and court decisions. Moreover, interest on the Note is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes and the corporate environmental tax imposed by the Code. However, interest on the Note is includable in the "adjusted net book income" or "adjusted current earnings" of a corporate owner of the Note and 75% of the interest on the Note is thus includable in the tax base for computing a corporation's liability with respect to the 20% alternative minimum tax and the 0.12% environmental tax imposed on corporations by the Code. Moreover, interest on the Note may be subject to a branch profits tax of up to 30% when owned by certain foreign corporations. Furthermore, the United States Treasury Department has promulgated regulations which might have the effect of imposing a tax at ordinary income rates with respect to interest on Note owned by "S Corporations" in certain cases. Interest on the Note is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City of New York.

Among other things, the Code requires that, under certain circumstances, the yield on investments acquired with the proceeds of obligations be restricted and that an amount equal to the net arbitrage earnings from the investment of the proceeds thereof be paid to the Federal Government. If, in those circumstances, the Issuer were to intentionally fail to restrict the yield on such investments, or to fail to make the required payments to the Federal Government within the periods and in the manner specified by the Code, or fail to comply with certain other provisions of the Code, interest on the Note would be subject to Federal income taxes from their date of issuance unless, in the case of a failure to make the required payments to the Federal Government on a timely basis, such noncompliance was not due to willful disregard and relief was sought from, and granted by, the Internal Revenue Service. The Issuer has covenanted in its arbitrage certificate with respect to the Note that it will take all actions on the part necessary under the Code to cause interest on the Note not to be includable in the gross income of the owners thereof for Federal income tax purposes, including compliance with the requirements set forth above, to the extent the same are applicable, and refrain from taking any action which would cause interest on the Note to become includable in the gross income of the owners thereof for Federal income tax purposes.

Bond Counsel expresses no opinion regarding other Federal income tax consequences arising with respect to the Note.

Recent federal tax laws and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Note to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. As one example, on September 12, 2011, the Obama Administration announced a legislative proposal entitled the American Jobs Act of 2011. For tax years beginning on or after January 1, 2013, the American Jobs Act of 2011 generally would limit the exclusion from gross income of interest on obligations like the Note to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Similar provisions are contained in the proposed federal budget for the 2013 fiscal year, released by the Obama Administration on February 13, 2012. The recent federal tax law and the introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Note. Prospective purchasers of the Note should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which the Bond Counsel expresses no opinion.

The scope of our 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 Issuer, together with other legally available sources of revenue, if any, will be sufficient to enable the Issuer to pay the principal of or interest on the Note as the same respectively become due and payable. We have not examined, reviewed or passed upon the accuracy, completeness or fairness of any factual information which may have been furnished to any purchaser of the Note by or on behalf of the Issuer and, accordingly, we express no opinion as to whether the Issuer, in connection with the sale of the Note, have 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,

BARTLETT, PONTIFF, STEWART
& RHODES, P.C.

BY: _____
J. Lawrence Paltrowitz

JLP:tlh

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

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