PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, based on existing statutes, regulations, rulings and court decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants described in "TAX MATTERS" herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not treated as a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of or the amount, accrual, or receipt of interest on the Notes. See "TAX MATTERS" herein.

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

$4,000,000

CITY SCHOOL DISTRICT OF THE CITY OF SHERRILL

ONEIDA COUNTY, NEW YORK

GENERAL OBLIGATIONS

$4,000,000 Bond Anticipation Notes, 2024

(the "Notes")

Dated: July 17, 2024 **Due: June 26, 2025**

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

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

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Hodgson Russ LLP, Bond Counsel, Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon on with the purchaser(s), or about July 17, 2024.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on July 2, 2024 by no later than 10:30 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

June 24, 2024

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

CITY SCHOOL DISTRICT OF THE CITY OF SHERRILL
ONEIDA COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2023-2024 BOARD OF EDUCATION

ANN PANGBURN
President

SAMANTHA NETZBAND
Vice President

STEPHAN ADAMKOWSKI
STEVEN ADAMS
JENNA BOICE
MATTHEW COLE
MARK KINNE
JULIE MCMULLEN
THOMAS MOATS

* * * * * * * * * * *

ADMINISTRATION

MARTHA K. GROUP
Superintendent of Schools

MARK C. WIXSON
Assistant Superintendent for Finance and Operations

TAMARA L. WHOOTEN
District Clerk

CHRIS BREWER
Assistant Superintendent for Curriculum, Instruction and Assessment

SHERRI L. FROASS
Treasurer

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF

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

OFFICIAL STATEMENT

of the

CITY SCHOOL DISTRICT OF THE CITY OF SHERRILL ONEIDA COUNTY, NEW YORK

Relating To

$4,000,000 Bond Anticipation Notes, 2024

This Official Statement, which includes the cover page and appendices, has been prepared by the City School District of the City of Sherrill, Oneida County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of Bond Anticipation Notes, 2024 in the principal amount of $4,000,000 (the "Notes").

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

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

THE NOTES

Description of the Notes

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

The Notes are dated July 17, 2024 and mature, without option of prior redemption, on June 26, 2025. The Notes will be issued in either (i) registered certificated form registered in the name of the purchaser, in denominations of $5,000 each or multiples thereof, with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) registered book-entry-only form registered to Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution of the District dated January 6, 2024 authorizing the issuance of $40,500,000 of serial bonds, along with $1,000,000 of the Districts fund balance, pay the cost of certain reconstruction, renovation, and new construction projects to various District buildings and equipment.

The Notes will provide $4,000,000 of new monies and be the first borrowing against this authorization for the aforementioned purpose.

NATURE OF OBLIGATION

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

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

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

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

Under the Constitution of the State, the 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.

BOOK-ENTRY-ONLY SYSTEM

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com and www.dtc.org**.

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The District, with a land area of approximately 150 square miles, is located in upstate New York in western Oneida County. The City of Utica is located 10 miles to the east and the City of Syracuse 30 miles to the west. The District comprises all of, or portions of, the Cities of Sherrill, Oneida and Rome, as well as the Towns of Vernon, Verona, Kirkland, Westmoreland and Vienna.

Major highways serving the District include Interstate 90 as well as State highways 365, 5, 26, 31 and 46. Air transportation is available at nearby Oneida County Airport as well as at Syracuse Hancock International Airport.

The District is rural in character with many of its residents employed in and around the Cities of Sherrill, Oneida, Rome and Utica. See "Larger Employers" herein.

Source: District officials.

Population

The current estimated population of the District is 12,132. (Source: 2022 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 Cities, Towns and the County listed below. The figures set below with respect to such Cities, Towns and County are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Cities, Towns or the County are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2018-2022	2006-2010	2016-2020	2018-2022
Cities of:						
Oneida	$ 23,553	$ 29,279	$ 35,259	$ 58,078	$ 69,576	$ 79,574
Rome	21,989	26,731	31,008	55,630	66,714	74,084
Towns of:						
Kirkland	27,665	36,477	39,337	77,774	108,721	117,337
Vernon	24,579	37,618	43,108	59,563	90,541	100,074
Verona	22,642	30,182	34,919	54,160	80,702	85,000
Vienna	22,896	29,385	36,977	55,508	70,903	84,305
Westmoreland	28,847	34,482	40,069	75,335	81,270	101,967
County of:						
Oneida	23,458	30,678	35,284	58,017	74,796	84,410
State of:						
New York	30,948	40,898	47,173	67,405	71,117	100,846

Note: 2018-2022 American Community Survey estimates are not available as of the date of this Official Statement.

Source: 2006-2010 U.S. Census Bureau, and 2016-2020 and 2018-2022 5-Year American Community Survey data.

Larger Employers

The following is a list of major employers located in and around the District.

Name	Type	Number of Employees
Oneida Indian Nation	Casino & Resort	4,900
Oneida Healthcare Center	Health Care Provider	850
PAR Technology Corporation	Radar Systems Testing	700
Vernon Downs (Mid-State Raceway)	Horse Track/Hotel	450
H.P. Hood	Milk Processing	200

Source: District officials.

Unemployment Rate Statistics

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

Annual Average

	2017	2018	2019	2020	2021	2022	2023
Oneida County	5.0%	4.4%	4.1%	7.8%	5.1%	3.6%	3.7%
New York State	4.7	4.1	3.8	9.9	6.9	4.3	4.2

2024 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun
Oneida County	4.4%	4.5%	4.3%	3.8%	N/A	N/A
New York State	4.4	4.5	4.2	3.9	N/A	N/A

Note: Unemployment rates for May and June 2024 are unavailable as of the date of this Official Statement.

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

Form of School Government

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

Budgetary Procedures

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

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

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

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

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

Recent Budget Vote Results

The budget for the 2023-24 fiscal year was adopted by qualified voters on May 16, 2023 by a vote of 1,117 to 726. The District's adopted budget for the 2023-24 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.97%, which was equal to the District tax levy limit of 4.00%.

The budget for the 2024-25 fiscal year was adopted by the qualified voters on May 21, 2024. The District's adopted budget for the 2024-25 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.90%, which was equal the District tax levy limit of 3.90%.

Investment Policy

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

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the New York State, (3) obligations of the United States of America, (4) 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, (5) with the approval of the State Comptroller, revenue anticipation notes or tax anticipation notes of other local governments in the State, (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. In the case of obligations of the United States government, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third-party custodian.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2024-2025 fiscal year, approximately 58.37% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

Federal Aid Received by the State

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

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

Building aid

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

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2022-2023 preliminary building aid ratios, the District expects to receive State building aid of approximately 88.8% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

School district fiscal year (2020-2021): Due to significant State revenue loss as a result of the impact of the COVID-19 pandemic, State aid in the State's 2020-21 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget, which was approximately $27.9 billion. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding though the Coronavirus Aid, Relief, and Economic Security Act (CARES). 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 percent from the 2019-2020 Enacted Budget. The State's 2020-21 Enacted Budget also authorized the State's Budget Director to make periodic adjustments to State aid in the event that actual State revenues came in below 99% of estimates or if actual disbursements exceeded 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. In December 2020, a second federal stimulus bill was enacted and provided additional funding for schools in the State. 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, with the State releasing the withheld funds on or about June 30, 2021.

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

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provided $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represented an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year and included a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programmed $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, was 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 allocated $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increased federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School District fiscal year (2023-2024): The State's 2023-24 Enacted Budget includes $34.5 billion for school aid, an increase of $3.1 billion or 10%, which is the highest level of State aid to date. The States 2023-24 Budget also provides 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 provides $134 million to increase access to free school meals. An additional $20 million in grant funding will establish 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.

School district fiscal year (2024-25): 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.

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 Kathy 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 this much-needed funding to our students. 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 historic *Campaign for Fiscal Equity* cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of state funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2021, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: $19.8 billion, covering 30% of the existing shortfall
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted new figures comprised of State aid.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2018-2019	$ 35,535,229	$ 19,997,971	56.28%
2019-2020	37,100,110	20,605,314	55.54
2020-2021	38,504,652	21,680,430	56.31
2021-2022	38,919,341	22,270,373	57.22
2022-2023	39,816,145	22,826,675	57.33
2023-2024 (Budgeted)	41,138,430	24,187,499	58.80
2024-2025 (Budgeted)	42,865,166	25,018,732	58.37

Source: Audited financial statements for the 2018-2019 fiscal year through the 2022-2023 fiscal year, and the adopted budgets of the District for the 2023-2024 and 2024-2025 fiscal years. This table is not audited.

District Facilities

Name	Grades	Capacity	Year(s) Built/Additions
E.A. McAllister Elementary School	Pre-K-6	304	1959, '71, '90
J.D. George Elementary School	Pre-K-6	523	1959, '66, 2000
W.A. Wettel Elementary School	Pre-K-6	343	1959, '71, 2000
Middle School/High School	7-12	1,042	1953, ’59, ’66, ’76, ’90, ’96, 2000, ’06

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2019-2020	1,889	2024-2025	1,830
2020-2021	1,884	2025-2026	1,830
2021-2022	1,816	2026-2027	1,830
2022-2023	1,808	2027-2028	1,830
2023-2024	1,830	2028-2029	1,830

Source: District records and estimates.

Employees

The District employees are represented by various unions as follows:

Number of Employees	Bargaining Unit	Contract Expiration Date
149	VVS Civil Service Employees’ Association	June 30, 2026
187	VVS Teachers’ Association	June 30, 2025
6	VVS Administrators’ Association	June 30, 2024 (1)
10	Non-Union Confidential/Supervisors	Annually Reviewed

(1) Currently under negotiations.

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contribution throughout employment. The State's 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last four years and budgeted figures for the 2023-2024 and 2024-2025 fiscal year are as follows:

Fiscal Year	ERS	TRS
2018-2019	$ 545,454	$ 1,165,698
2019-2020	605,753	1,240,093
2020-2021	588,447	1,428,891
2021-2022	576,292	1,506,575
2022-2023	607,880	1,859,259
2023-2024 (Budgeted)	542,519	1,707,703
2024-2025 (Proposed)	847,572	1,768,115

Source: District officials.

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

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

A chart of average ERS and TRS rates as a percent of payroll (2020 to 2025) is shown below:

Year	ERS	TRS
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	16.1	10.29
2023-24	13.1	9.76
2024-25	15.2	10.02*

*Estimated

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

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

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

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

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

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

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

Other Post Employee Benefits

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

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

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

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

The District contracted with Armory Associates LLC, an actuarial firm, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2022 and 2023.

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

Balance beginning at June 30:	2021	2022
Changes for the year:	$ 184,936,641	$ 194,205,090
Service cost	6,751,695	6,717,597
Interest	4,191,348	4,253,787
Differences between expected and actual experience	-	(1,419,417)
Changes in assumptions or other inputs	2,394,538	(24,288,107)
Changes of benefit terms	-	-
Benefit payments	(4,069,132)	(4,295,277)
Net Changes	$ 9,268,449	$ (19,031,417)
Balance ending at June 30:	2022	2023
	$ 194,205,090	$ 175,173,673

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

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

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

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

Other Information

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

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2023 and is attached hereto as "APPENDIX –D". Certain financial information of the District can be found attached as Appendices to the Official Statement.

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

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

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit of the District on March 13, 2020. The purpose of the audit was to Determine whether the District established adequate internal controls to ensure Future Farmers of America (FFA) extra-classroom activity (ECA) cash receipts and disbursements were properly accounted for, for the period January 1, 2016 through December 31, 2018.

<u>Key Findings:</u>

- District officials did not perform an annual audit of FFA records during our audit period.
- Collections did not include adequate supporting documentation for 41 deposits totaling $264,624.
- There was no supporting documentation for 15 out of 78 check disbursements tested totaling $5,871.
- FFA advisors used debit cards to make purchases totaling $74,893 without the required prior approvals.

<u>Key Recommendations:</u>

- Ensure an annual audit of the FFA records is completed as required by regulations.
- Ensure cash receipts and disbursements are supported by adequate documentation.
- Discontinue the use of debit cards.

The District provided a complete response to the State Comptroller's office on March 9, 2020. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no other State Comptrollers audits of the District that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2023	No Designation	6.7%
2022	No Designation	0.0%
2011	No Designation	0.0%

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

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

TAX INFORMATION

Taxable Assessed Valuations

For Fiscal Year Ending June 30:		2020	2021	2022	2023	2024
Taxable Assessed Valuation						
City of:	Rome	$ 14,541,735	$ 14,710,817	$ 14,753,637	$ 14,760,827	$ 14,892,743
	Oneida	24,714,912	25,362,250	26,159,325	26,331,658	26,110,125
Towns of:	Kirkland	494,712	613,839	615,425	609,431	606,653
	Vernon	274,178,278	276,470,327	276,029,235	285,995,421	285,181,515
	Verona	164,746,706	162,871,479	164,305,452	165,173,018	168,287,981
	Vienna	2,237,880	2,210,291	2,206,351	2,214,621	2,193,586
	Westmoreland	10,493,018	10,450,151	10,420,190	10,356,753	10,488,315
Total Assessed Valuation		$ 491,407,241	$ 492,689,154	$ 494,489,615	$ 505,441,729	$ 507,760,918
State Equalization Rates						
City of:	Rome	71.64%	66.09%	66.09%	61.03%	53.51%
	Oneida	100.00%	97.00%	97.00%	93.00%	83.00%
Towns of:	Kirkland	60.00%	57.00%	57.00%	54.00%	48.50%
	Vernon	73.50%	64.50%	64.50%	61.00%	52.00%
	Verona	72.00%	64.00%	64.00%	63.00%	57.00%
	Vienna	56.00%	53.00%	53.00%	52.00%	47.00%
	Westmoreland	63.00%	58.00%	58.00%	53.00%	43.00%
Total Full Valuation		$ 668,336,117	$ 754,793,038	$ 757,179,966	$ 808,452,645	$ 933,267,210

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
City of:					
Rome	$ 30.12	$ 30.05	$ 29.68	$ 31.30	$ 32.16
Oneida	21.58	20.60	20.22	20.54	20.73
Town of:					
Kirkland	35.96	35.05	34.41	35.38	35.48
Vernon	29.36	30.18	30.41	31.32	33.09
Verona	29.97	31.22	30.65	30.32	30.19
Vienna	38.53	36.33	37.01	36.74	36.61
Westmoreland	34.25	34.15	33.82	36.04	40.02

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 30th. On or about November 15th, uncollected taxes are returnable to the Counties of Oneida and Madison for collection. The District receives this amount from said County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the County.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Total Tax Levy	$ 14,421,390	$ 14,852,590	$ 14,852,590	$ 15,446,694	$ 16,060,745
Amount Uncollected (1)	898,142	810,510	693,500	910,246	1,042,473
% Uncollected	6.23%	5.46%	4.67%	5.89%	6.49%

(1) Gross tax levy prior to adjustments (tax roll additions, shortages, cancellations and refunds). See "Tax Collection Procedure" herein.

Real Property Tax Revenues

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

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Property Tax
2018-2019	$ 35,535,229	$ 14,304,407	40.25 %
2019-2020	37,100,110	14,721,593	39.68
2020-2021	38,504,652	15,159,988	39.37
2021-2022	38,919,341	15,180,545	39.00
2022-2023	39,816,145	15,514,181	38.96
2023-2024 (Budgeted)	41,138,430	16,060,745	39.04
2024-2025 (Budgeted)	42,865,166	16,515,018	38.53

Source: Audited financial statements for the 2018-2019 through 2022-2023 fiscal years, and the adopted budgets of the District for the 2023-2024 and 2024-2025 fiscal years. This table is not audited.

Larger Taxpayers 2023 for 2023-2024 Tax Roll

Name	Type	Taxable Full Valuation
Vernon Downs (Mid-State Raceway)	Raceway	$ 12,010,000
National Grid	Utility	10,312,207
BBL Verona, LLC	Hotel	5,220,000
H.P. Hood, Inc.	Manufacturing	5,054,000
CSX Transportation	Transportation	3,902,694
T-Stone LLC LA Quinta	Hotel	3,692,800
EIP Sherrill, LLC	Utility	3,600,000
ONX3, LLC	Manufacturing	3,378,900
Meadow View Townhouse	Rental Property	2,101,300
Time Warner	Utility	2,097,696

The ten larger taxpayers listed above have a total taxable full valuation of $51,369,597, which represents 5.50% of the tax base of the District.

The District experiences the impact of tax certiorari filings on a regular basis. At this time, the level of tax certiorari filings is within acceptable norms and is not anticipated to have a material impact on the District's finances.

Source: District Tax Rolls.

STAR – School Tax Exemption

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

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. 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 2023-2024, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $81,400 for the 2023-24 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. While former Governor Cuomo had issued various Executive Orders in response to COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits, the most recent of such Executive Orders expired on July 5, 2021.

The 2022-23 Enacted State Budget provided $2.2 billion in State funding for a new one-year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.

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

Municipality	Enhanced Exemption	Basic Exemption	Date Certified
City of Rome	$ 44,950	$ 16,300	10/18/2023
City of Oneida	69,660	27,900	4/9/2024
Town of Kirkland	36,120	16,950	4/9/2024
Town of Vernon	39,900	14,500	4/9/2024
Town of Verona	41,130	15,220	4/9/2024
Town of Vienna	34,050	12,550	4/9/2024
Town of Westmoreland	31,920	12,590	4/9/2024

$1,946,893 of the District's $16,560,745 school tax levy for 2023-24 was exempt by the STAR Program. The District received all of such exempt taxes from the State in January 2024.

Approximately $1,946,893 of the District's $16,687,114 school tax levy for 2024-25 is expected to be exempt by the STAR Program. The District expects to receive all of such exempt taxes from the State in January 2025.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-55%, Agricultural-21%, Commercial-9%, Vacant-4% and Other-11%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $2,500 including State, County, Town, District and Fire District Taxes.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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

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.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "NATURE OF OBLIGATION," 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.

There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limitation Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in such law. See "TAX LEVY LIMITATION LAW" herein.

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.

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

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

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.

When adopting bond resolutions relating to capital projects the District generally complies with estoppel procedure.

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.

Statutory Law in New York 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 two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

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.

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2020	2021	2022	2023	2024
Bonds	$ 4,745,005	$ 1,570,000	$ 1,145,000	$ 18,260,000	$ 17,335,000
Bond Anticipation Notes	24,549,558	23,340,000	21,240,000	0	0
Revenue Anticipation Notes	0	0	0	0	5,000,000
Other Debt [1]	2,397,927	2,260,255	2,118,064	1,971,205	1,819,524
Total Debt Outstanding	$ 31,692,485	$ 27,170,255	$ 24,503,064	$ 20,231,205	$ 24,154,524

[1] Represents an Energy Performance Contract of the District.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 24, 2024.

Type of Indebtedness	Maturity	Amount
Bonds	2024-2025	$ 17,335,000
Bond Anticipation Notes		0
Revenue Anticipation Notes	June 20, 2025	5,000,000
	Total Indebtedness	$ 22,335,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 24, 2024:

Full Valuation of Taxable Real Property		$ 933,267,210
Debt Limit 10% thereof		93,326,721
Inclusions:		
Bonds	$ 17,335,000	
Bond Anticipation Notes (BANs):	0	
Total Inclusions prior to issuance of the Notes	17,335,000	
Less: BANs being redeemed from appropriations	0	
Add: New money proceeds of the Notes	4,000,000	
Total Net Inclusions after issuance of the Notes		$ 21,335,000
Total Net Indebtedness		$ 21,335,000
Net Debt-Contracting Margin		$ 71,991,721
The percent of debt contracting power exhausted is		22.79%

(1) Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded 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. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2024-2025 Building Aid Ratios, the School District anticipates State building aid of 88.5% for debt service on SED approved expenditures from July 1, 2004 to the present. 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 capital project indebtedness

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

Note: On November 7, 2023, State voters approved a proposed amendment to the State Constitution that removed a constitutional debt limitation previously imposed on small city school districts. A small city school district is one that is partly or wholly within a city having fewer than one hundred twenty-five thousand inhabitants. The State Constitution previously provided that small city school districts were not allowed to contract indebtedness for education purposes that would exceed an amount equal to five percent of the average full valuation of taxable real estate in the school district. The approved amendment to the State Constitution eliminated that constitutional debt limitation applicable to small city school districts, rendering small city school districts subject to the same ten percent limitation applicable to other school districts in the State.

Bonded Debt Service

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

Cash Flow Borrowings

The following is a history of the School District's cash flow borrowings during the current fiscal year.

Fiscal Year	Amount	Issue Type	Issue Date	Due Date
2023-2024	$5,000,000	RAN	06/20/2024	06/20/2025

Capital Project Plans

On March 7, 2024, the District approved construction improvements to District buildings and/or sites at an estimated cost of $19,977,378 and authorizing bonds in the amount of $40,500,000, along with the use of an estimated $1,000,000 from the Districts fund balance. The Notes will provide $4,000,000 of new monies and be the first borrowing against this authorization for the aforementioned purpose.

On May 21, 2024 the District voters approved the authorization to finance the purchase of various school buses and related vehicles, at a maximum cost of $867,500. The District will issue serial bonds to finance the buses in late summer or early fall 2024.

Other than as described above, the District has no authorized and unissued indebtedness for capital purposes.

Estimated Overlapping Indebtedness

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

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Applicable Indebtedness
County of:						
Oneida	02/04/2024	$ 477,195,498 [3]	$ 315,300,498	$ 161,895,000	5.92%	$ 9,584,184
Madison	09/09/2023	44,255,000 [3]	975,000	43,280,000	0.59%	255,352
Cities of:						
Rome	05/16/2024	87,936,796 [3]	47,119,917	40,816,879	1.72%	702,050
Oneida	3/13/2024	68,405,054 [3]	52,490,054	15,915,000	5.24%	833,946
Town of:						
Vernon	12/31/2022	-	-	-	82.58%	-
Verona	12/31/2022	5,652,517 [4]	- [5]	5,652,517	67.05%	3,790,013
Kirkland	12/31/2022	3,916,024 [4]	- [5]	3,916,024	0.19%	7,440
Westmoreland	12/31/2022	945,000 [4]	- [5]	945,000	4.69%	44,321
Vienna	12/31/2022	1,934,280 [4]	- [5]	1,934,280	0.98%	18,956
					Total:	$ 15,236,262

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

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

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

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

[5] Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 24, 2024:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 21,335,000	$ 1,758.57	2.29%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	36,571,262	3,014,45	3.92

[a] The current estimated population of the District is 12,132. (See "THE SCHOOL DISTRICT – Population" herein.)

[b] The District's full value of taxable real estate for the 2023-2024 fiscal year using regular state equalization rates is $933,267,210. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

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

[d] Estimated net overlapping indebtedness is $15,236,262. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof. Under current law, provision is made for contract creditors of the 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 District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

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

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

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

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

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

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

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment 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, 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 another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes could be adversely affected.

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

There are a number of general factors which could have a detrimental effect on the ability of the District to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the District. Unforeseen developments could also result in substantial increases in District expenditures, thus placing strain on the District's financial condition. These factors may have an effect on the market price of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the District. Any such future legislation would have an adverse effect on the market value of the Notes (See "TAX MATTERS" herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the District and hence upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

Cybersecurity

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

TAX MATTERS

In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, under existing law, interest on the Notes is excludable from the gross income of the owners thereof for federal income tax purposes, assuming compliance with certain covenants and the accuracy of certain representations. Further, (a) the District or another Person, by failing to comply with the requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), may cause interest on the Notes to become subject to federal income taxation from the date of issuance thereof, (b) interest on the Notes is not an "item of tax preference" for purposes of the individual alternative minimum tax imposed by the Code, and (c) interest on the Notes is included in the tax base for purposes of computing the branch profits tax under Section 884 of the Code. In addition, we note that, interest on the Notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the Notes from gross income for federal income tax purposes may be dependent, among other things, on compliance with the applicable requirements of Sections 141, 148 and 149 of the Code and the regulations thereunder (collectively, the "Tax Requirements"). In the opinion of Bond Counsel, the Tax Compliance Certificate establishes requirements and procedures, compliance with which will satisfy the Tax Requirements.

In the Tax Compliance Certificate, the District has covenanted to comply with the Tax Requirements, and refrain from taking any action which would cause the interest on the Notes to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Notes to be included in gross income for federal income tax purposes from the date of issuance of the Notes. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

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

Other Impacts. Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Notes may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisers as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Information Reporting and Backup Withholding. In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest and the proceeds of the sale of a Note before maturity within the United States. Backup withholding may apply to holders of the Note under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States Federal income tax provided the required information is furnished to the Internal Revenue Service (the "Service").

Future Legislation. Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Notes may affect the tax status of interest on the Notes. The Code has been continuously subject to legislative modifications, amendments and revisions, and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government.

No representation is made as to the likelihood of such proposals being enacted or, if enacted, the effective date of any such legislation, and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Notes or the tax consequences of ownership of the Notes.

Prospective purchasers of the Notes should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Notes at other than their original issuance at the respective prices set indicated on the cover of this Official Statement should also consult their own tax advisers regarding other tax considerations, such as the consequences of market discount, as to which Bond Counsel expresses no opinion.

New York State Taxes. In the opinion of Bond Counsel, interest on the Notes is exempt, under existing statutes, from New York State and New York City personal income taxes.

Miscellaneous. All quotations from and summaries and explanations of provisions of laws do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes. Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Notes may affect the tax status of interest on the Notes. Unless separately engaged, Bond Counsel is not obligated to defend the District or the owners of the Notes regarding the tax status of the interest thereon in the event of an audit examination by the IRS.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

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LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Hodgson Russ LLP, Bond Counsel, Albany, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon (Subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York), without limitation as to rate or amount, provided, that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights, (a) may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or federal) affecting the enforcement of creditors' rights, and (b) may be subject to the exercise of judicial discretion in appropriate cases, (ii) the District has the power to comply with its covenant included in its arbitrage certificate with respect to the Notes relating to compliance with the Code as it relates to the Notes; 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; and (iii) assuming that the District complies with such covenants interest on the Notes 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 Notes is not an "item of tax preference" for purposes of the individual alternative minimum tax. Moreover, interest on the Notes may be subject to a branch profits tax of up to 30% when owned by certain foreign corporations. Furthermore, interest on the Notes may be subject to a tax at ordinary income rates when owned by "S Corporations" in certain cases. In addition, we note that, interest on the Notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of 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. Bond Counsel will express no opinion regarding other federal income tax consequences arising with respect to the Notes.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein 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 District together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

LITIGATION

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

The District is also indirectly involved in several Indian Land Claims which have been filed in Oneida County. A summary of the claims and the current status of the litigation is described in the following section entitled “INDIAN LITIGATION AND SETTLEMENT”.

INDIAN LITIGATION AND SETTLEMENT

From 1970 until March 2014, Oneida County was involved in extensive litigation against the Oneida Indians. This included land claims brought by three Oneida tribes which were both resolved, the smaller case by payment of $8,360 plus interest made with state funds and the larger one by judgment in the County's favor in 2011. Additionally, in the years 2005-2008, three more suits were commenced between the County and the local Oneida tribe, known as the Oneida Indian Nation of New York (the "Nation"). This litigation included a dispute over taxability of Nation-owned real property, the assessments of those parcels, and the US government's decision to accept some Nation-owned parcels into trust. Settlement of all pending litigation was reached between the County, Madison County, the Nation and New York State in 2013, and became effective upon approval of Federal District Court Judge Kahn on March 4, 2014. There remains no pending litigation between the County and the Oneida Indians. The settlement exempts Nation-owned parcels from property taxes, but, on balance, is expected to provide significant financial benefit to the County. Specifically, its terms are summarized as follows:

Tribal Revenue Sharing with State and Local Governments and Gaming Exclusivity. Under the agreement, the Oneida Nation will receive exclusive rights to casino gaming in a ten-county region of Central New York. In exchange, the Nation will devote 25% of its net gaming revenue from its slot machines to the State of New York. Based on current Oneida gaming revenues, that would be approximately $50 million annually to the State. From the State share there would be distributed to the County, as the host county, 25% of the State's payment annually and, in addition, the County will receive $2.5 million annually for nineteen and one-quarter (19.25) years from the State share to settle back property tax claims. 2015 payments totaled $16,513,746 and $17,853,110 was received in 2016.

Settling Land into Trust. Under the settlement, the Oneida Nation will agree to a permanent cap of approximately 25,000 acres of land which may be taken into trust by the Department of Interior as Nation land. New York State, Oneida County and Madison County withdrew their case challenging land into trust. The Nation expressly waives its rights of sovereignty over any land over the cap amount.

Ending Unfair Competition. The settlement requires the Oneida Nation to impose a Nation sales tax that equals or exceeds the State's and counties' sales, use and occupancy taxes. Under the agreement:

- The Nation sales tax would apply to all cigarettes, motor fuel, and all other sales by Indian retailers to non-Indians.
- The Nation must adhere to minimum pricing standards for cigarette products.
- The Nation must use sales tax revenues only for the same types of governmental programs to which the State and Counties devote their tax revenues.

It should be noted that a separate claim, brought by the Stockbridge-Munsee Tribe of Indians involving a much smaller amount of land in Oneida County was dismissed in 2014. A petition for Certiorari to the United States Supreme Court was denied on March 2, 2015.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Town will enter into a Continuing Disclosure Undertaking, descriptions of which are attached hereto as "APPENDIX – C, FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS".

Historical Continuing Disclosure Compliance

The District has complied with all previous Undertakings in all material respects pursuant to the Rule within the past five years.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

RATING

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

The District currently does not have any outstanding ratings with any rating agencies.

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

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

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

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

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

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

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

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

The District contact information is as follows: Mr. Mark Wixson, Assistant Superintendent for Finance and Operations, 5275 Route 31, PO Box 128, Verona, New York 13478, Phone: (315) 829-7487, Fax: (315) 829-4949, Email: mwixson@vvsschools.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

CITY SCHOOL DISTRICT OF THE CITY OF SHERRILL

Dated: June 24, 2024

ANN PANGBURN
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
ASSETS					
Unrestricted Cash	$ 11,716,263	$ 13,335,568	$ 3,767,753	$ 4,861,540	$ 4,771,823
Restricted Cash	-	-	11,053,364	9,711,844	8,704,410
Taxes Receivable	630	647	666	671	-
Due from Other Funds	2,750,151	2,206,187	515,916	685,499	1,018,245
State and Federal Aid Receivable	1,306,941	1,290,649	2,079,054	2,121,887	1,207,441
Due from Fiduciary Funds	-	-	-	-	-
Other Receivables	168,655	444,960	522,608	369,409	301,125
Deferred Expenditures	-	-	-	-	-
TOTAL ASSETS	$ 15,942,640	$ 17,278,011	$ 17,939,361	$ 17,750,850	$ 16,003,044
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 37,173	$ 88,300	$ 176,100	$ 188,562	$ 522,095
Accrued Liabilities	171,911	216,630	407,430	421,958	511,341
Long Term Debt Payable	-	-	-	-	-
Due to Other Funds	419,454	902,890	-	137,939	638
Due to Other Governments	-	-	-	-	-
Due to Retirement Systems	1,778,271	1,546,761	1,689,428	1,814,545	2,002,457
Deferred Revenue	-	225,583	-	-	-
TOTAL LIABILITIES	$ 2,406,809	$ 2,980,164	$ 2,272,958	$ 2,563,004	$ 3,036,531
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted	8,856,981	9,858,979	11,053,363	9,711,844	8,704,410
Assigned	3,014,708	2,930,938	3,283,068	4,103,039	4,124,614
Unassigned	1,664,142	1,507,930	1,329,972	1,372,963	137,489
TOTAL FUND EQUITY	$ 13,535,831	$ 14,297,847	$ 15,666,403	$ 15,187,846	$ 12,966,513
TOTAL LIABILITIES and FUND EQUITY	$ 15,942,640	$ 17,278,011	$ 17,939,361	$ 17,750,850	$ 16,003,044

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2018	2019	2020	2021	2022
REVENUES					
Real Property Taxes	$ 10,856,351	$ 11,371,621	$ 11,890,994	$ 12,485,682	$ 12,561,658
Real Property Tax Items	2,948,427	2,932,786	2,830,599	2,674,306	2,618,887
Non-Property Taxes	-	-	-	-	-
Charges for Services	119,418	36,850	103,829	44,214	43,951
Use of Money & Property	207,242	235,960	273,889	168,445	202,591
Sale of Property and Compensation for Loss	40,269	32,327	57,028	75,697	63,225
Miscellaneous	1,312,998	811,868	1,290,480	973,072	1,105,320
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	20,616,957	19,997,971	20,605,314	21,680,430	22,270,373
Revenues from Federal Sources	26,350	115,846	47,977	402,806	53,336
Total Revenues	$ 36,128,012	$ 35,535,229	$ 37,100,110	$ 38,504,652	$ 38,919,341
Other Sources:					
Interfund Transfers	-	-	-	72,108	718,821
Total Revenues and Other Sources	$ 36,128,012	$ 35,535,229	$ 37,100,110	$ 38,576,760	$ 39,638,162
EXPENDITURES					
General Support	$ 3,227,895	$ 3,125,143	$ 3,265,725	$ 3,556,694	$ 4,001,634
Instruction	17,740,658	18,211,968	19,108,527	19,288,172	20,328,621
Pupil Transportation	2,054,561	2,049,857	1,879,962	1,984,797	2,026,343
Community Services	-	-	-	-	-
Employee Benefits	9,927,292	9,841,949	9,371,716	9,550,819	10,590,949
Debt Service	2,442,918	1,552,171	2,585,608	2,695,081	3,046,051
Total Expenditures	$ 35,393,324	$ 34,781,088	$ 36,211,538	$ 37,075,563	$ 39,993,598
Other Uses:					
Interfund Transfers	367,865	119,830	126,556	132,641	123,121
Total Expenditures and Other Uses	$ 35,761,189	$ 34,900,918	$ 36,338,094	$ 37,208,204	$ 40,116,719
Excess (Deficit) Revenues Over Expenditures	366,823	634,311	762,016	1,368,556	(478,557)
FUND BALANCE					
Fund Balance - Beginning of Year	12,534,697	12,901,520	13,535,831	14,297,847	15,666,403
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 12,901,520	$ 13,535,831	$ 14,297,847	$ 15,666,403	$ 15,187,846

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2023			2024	2025
	Original Budget	Final Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 15,446,694	$ 13,155,762	$ 13,333,942	$ 16,060,745	$ 14,740,221
Real Property Tax Items	-	2,345,179	2,180,239	-	2,044,797
Non-Property Taxes	-	-	-	-	-
Charges for Services	-	23,100	49,883	-	8,100
Use of Money & Property	-	189,280	316,494	-	424,494
Sale of Property and Compensation for Loss	-	1,500	10,221	-	
Miscellaneous	721,449	453,322	1,035,985	850,186	598,822
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	22,959,719	22,959,719	22,826,675	24,187,499	25,018,732
Revenues from Federal Sources	40,000	40,000	62,706	40,000	30,000
Total Revenues	$ 39,167,862	$ 39,167,862	$ 39,816,145	$ 41,138,430	$ 42,865,166
Other Sources:					
Interfund Transfers	4,051,079	4,103,039	-	2,940,671	5,104,034
Total Revenues and Other Sources	$ 43,218,941	$ 43,270,901	$ 39,816,145	$ 44,079,101	$ 47,969,200
EXPENDITURES					
General Support	$ 5,718,393	$ 4,103,857	$ 3,926,835	$ 4,031,540	$ 4,296,197
Instruction	20,059,382	21,942,494	21,425,210	22,221,288	24,440,766
Pupil Transportation	2,143,262	2,281,791	2,256,308	2,053,433	2,204,734
Community Services	-	-	-	-	-
Employee Benefits	12,257,902	11,893,926	11,176,054	12,608,000	13,700,087
Debt Service	2,914,002	2,914,002	3,118,241	3,038,840	3,192,416
Total Expenditures	$ 43,092,941	$ 43,136,070	$ 41,902,648	$ 43,953,101	$ 47,834,200
Other Uses:					
Interfund Transfers	126,000	134,831	134,830	126,000	135,000
Total Expenditures & Other Uses	$ 43,218,941	$ 43,270,901	$ 42,037,478	$ 44,079,101	$ 47,969,200
Excess (Deficit) Revenues Over Expenditures	-	-	(2,221,333)	-	-
FUND BALANCE					
Fund Balance - Beginning of Year		-	15,187,846	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 12,966,513	$ -	$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ 1,510,000	$ 873,411.88	$ 2,383,411.88
2026	1,350,000	783,200.63	2,133,200.63
2027	1,415,000	716,866.25	2,131,866.25
2028	1,485,000	647,267.50	2,132,267.50
2029	1,560,000	574,006.25	2,134,006.25
2030	1,465,000	500,750.00	1,965,750.00
2031	1,540,000	427,500.00	1,967,500.00
2032	1,615,000	350,500.00	1,965,500.00
2033	1,700,000	269,750.00	1,969,750.00
2034	1,785,000	184,750.00	1,969,750.00
2035	1,135,000	95,500.00	1,230,500.00
2036	775,000	38,750.00	813,750.00
TOTAL	$ 17,335,000	$ 5,462,252.50	$ 22,797,252.50

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2017G DASNY Refunding of 2010A Serial Bonds Principal	Interest	Total
2025	$ 235,000	$ 11,750.00	$ 246,750.00
TOTALS	$ 235,000	$ 11,750.00	$ 246,750.00

Fiscal Year Ending June 30th	2023A DASNY			2023 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2025	$ 1,150,000	$ 818,000.00	$ 1,968,000.00	$ 125,000	$ 43,661.88	$ 168,661.88
2026	1,205,000	760,500.00	1,965,500.00	145,000	22,700.63	167,700.63
2027	1,265,000	700,250.00	1,965,250.00	150,000	16,616.25	166,616.25
2028	1,330,000	637,000.00	1,967,000.00	155,000	10,267.50	165,267.50
2029	1,395,000	570,500.00	1,965,500.00	165,000	3,506.25	168,506.25
2030	1,465,000	500,750.00	1,965,750.00	-	-	-
2031	1,540,000	427,500.00	1,967,500.00	-	-	-
2032	1,615,000	350,500.00	1,965,500.00	-	-	-
2033	1,700,000	269,750.00	1,969,750.00	-	-	-
2034	1,785,000	184,750.00	1,969,750.00	-	-	-
2035	1,135,000	95,500.00	1,230,500.00	-	-	-
2036	775,000	38,750.00	813,750.00	-	-	-
TOTAL	$ 16,360,000	$ 5,353,750.00	$ 21,713,750.00	$ 740,000	$ 96,752.50	$ 836,752.50

FORM UNDERTAKING TO PROVIDE NOTICES OF EVENTS

This undertaking to provide notice of certain designated events (the "Disclosure Undertaking") is executed and delivered by the City School District of the City of Sherrill, a school district of the State of New York (the "Issuer") in connection with the issuance of its **$4,000,000 Bond Anticipation Notes, 2024** (the "Security"). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

Section 1. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB) in a timely manner (not in excess of ten business days after the occurrence of any such event) notice of any of the following events with respect to the Security:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) 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 Security, or other material events affecting the tax status of the Security;

(7) Modifications to rights of Security Holders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Security, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) 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 an obligated person 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 obligated person, 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 obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer may choose to disseminate other information in addition to the information required as part of this Disclosure Undertaking. Such other information may be disseminated in any manner chosen by the Issuer. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Disclosure Undertaking.

(c) The Issuer may choose to provide notice of the occurrence of certain other events, in addition to those listed in Section 1(a) above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Section 2. Definitions

"EMMA" shall mean Electronic Municipal Market Access System implemented by the MSRB.

"Financial Obligation" shall mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Purchaser" shall mean the financial institution referred to in a certain Certificate of Determination that is being delivered by the Issuer in connection with the issuance of the Security.

"Rule 15c2-12" shall mean Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof.

"Security Holder" shall mean any registered owner of the Security and any beneficial owner of the Security within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Section 3. Remedies. If the Issuer fails to comply with any provision of this Disclosure Undertaking, then any Security Holder may enforce, for the equal benefit and protection of all Security Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Disclosure Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Undertaking; provided that the sole and exclusive remedy for breach of this Disclosure Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Disclosure Undertaking shall not constitute an event of default on the Security.

Section 4. Parties in Interest. This Disclosure Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Security Holders. No other person has any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

(a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change; provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Security Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Security shall have been paid in full or the Security shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to EMMA. Such notice shall state whether the Security has been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Disclosure Undertaking shall constitute the written agreement or contract for the benefit of Security Holders, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Disclosure Undertaking as of **May 22, 2024.**

CITY SCHOOL DISTRICT OF THE CITY OF SHERRILL

By: /s/: ____________________________________
President of the Board of Education

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CITY SCHOOL DISTRICT OF THE CITY OF SHERRILL
ONEIDA COUNTY, NEW YORK

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

JUNE 30, 2023

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

VERNON VERONA SHERRILL

CENTRAL SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

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Comprehensive Annual Financial Report

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Members of:
AICPA
NYSSCPA
Government Audit Quality Center
Employee Benefit Plan Audit Quality Center

Independent Auditors' Report

To the Board of Education
Vernon Verona Sherrill Central School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vernon Verona Sherrill Central School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Vernon Verona Sherrill Central School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Verona Sherrill Central School District, as of June 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditors' Report (continued)

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Vernon Verona Sherrill Central School District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Vernon Verona Sherrill Central School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of changes in the District's total OPEB liability and related ratios, the schedule of the local government's proportionate share of the net pension liability, and the schedule of the local government's share of contributions as listed in the table of contents 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.

Independent Auditors' Report (continued)

Required Supplementary Information **(continued)**
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 Vernon Verona Sherrill Central School District's basic financial statements. Other supplementary information listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America and/or New York State Education Department. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2023, on our consideration of the Vernon Verona Sherrill Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Vernon Verona Sherrill Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Vernon Verona Sherrill Central School District's internal control over financial reporting and compliance.

Crowley & Halloran, CPAs, P.C.

September 30, 2023
Watertown, New York

The following is a discussion and analysis of the Vernon Verona Sherrill Central School District's financial performance for the fiscal year ended June 30, 2023. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed, as well as a comparative analysis to prior year information. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section. Responsibility for the completeness and fairness of the information contained rests with the School District.

Financial Highlights

The District's purpose is to educate all students to high levels of academic performance while fostering positive growth in social/emotional behaviors and attitudes. The Board of Education is the governing body elected by the residents of the District. Its mission is to maintain certain standards of excellence set by the New York State Board of Regents.

The general fund's fund balance decreased by $2,221,333 to $12,966,513. The general fund's fund balance has $8,704,410 in restricted funds and $4,124,614 in assigned funds.

Total governmental activities general revenues for the 2022-2023 year were $39,789,134, or 90% of all revenues. This amount represents an increase of $231,594 in general revenues over the 2021-2022 year of $39,557,540. The 2021-2022 general revenues as a percent of total revenues was 90%. Of the total general revenues, state and federal sources accounted for $22,889,381, and real property and real property tax items accounted for $15,514,181.

Total District expenses for the 2022-2023 year were $50,734,202. These expenses were offset by program revenues that included $322,616 in charges for services and $4,175,685 in operating grants and contributions. The net cost for governmental activities that was ultimately financed by general revenues was $46,235,901, which represents an increase of $3,288,643, or 7.7% from the 2021-2022 year.

During the current fiscal year, the District was able to fund the mandatory contribution to the New York State Employee's Retirement System and Teacher's Retirement System (the "Systems") without the need to finance the payments. The total current year contributions to the systems were $2,035,156, which is a $11,970, or .6%, decrease from the 2021-2022 amount of $2,047,126. The District has recorded a net pension liability for ERS of $2,969,281 as of June 30, 2023 and a net pension asset for ERS of $1,093,872 as of June 30, 2022. The District has also recorded a net pension liability for TRS of $1,702,057 as of June 30, 2023 and a net pension asset for TRS of $15,160,992 as of June 30, 2022.

Total District capital assets, net of depreciation decreased by $1,542,207 to $47,434,064 in the 2022-2023 year as compared to $48,976,271 in the 2021-2022 year. The District's short term debt was paid off in 2022-2023 by replacing the BAN outstanding with a long term serial bond to complete the financing of the District's capital project. Total long term debt increased by $1,872,546 to $201,202,580 in the 2022-2023 year from $199,330,034 in the 2021-2022 year, primarily by a large decrease in the OPEB liability, an increase in the serial bonds for the capital project, and an increase in the pension systems liabilities.

The District records other post-employment benefits (OPEB). During 2022-2023, liabilities on the statement of net position and expenses on the statement of activities decreased by $19,031,417 for a total liability of $175,173,673. The liability and expenditures are included only on the District-wide financial statements and are not included on the fund financial statements.

Overview of Financial Statements

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

- The first two statements are *District-wide* financial statements that provide both *short-term* and *long-term* information about the 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 regular and special education, were financed in the *short-term*, as well as what remains for future spending.

- *Fiduciary funds* statements provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others.

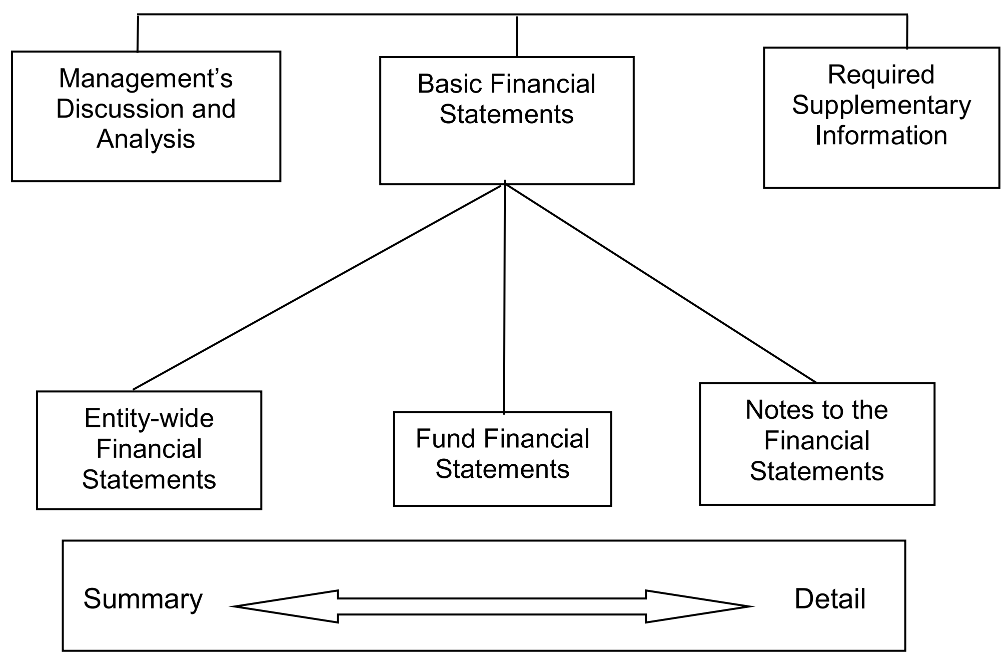
The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the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

Reclassifications

Certain accounts in prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

The chart below shows how the various parts of this annual report are arranged and related to one another.

Organization of the District's Annual Financial Report



The chart on the following page 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 of MD&A highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

District-Wide		Fund Financial Statements	
		Governmental Funds	**Fiduciary Funds**
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not fiduciary, such as instruction, special education and building maintenance.	Instances in which the School District 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/ Liability Information	All assets and liabilities, both financial and capital, short-term and long-term debt	Generally, assets expected to be used up and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/ Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	Additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

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

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

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

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

Fund Financial Statements

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

- Some funds are required by State law and bond covenants.

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

The District has two kinds of funds:

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

- **Fiduciary Funds**: The School District is the trustee, or fiduciary, for assets that belong to others, such 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 assets to finance its operations.

Financial Analysis of the School District as a Whole

Net position may serve over time as a useful indicator of a government's financial position. In the District's case, liabilities and deferred inflows exceeded assets and deferred outflows by $128,630,952 at the close of the fiscal year. This represents a $6,863,909 decrease in net position for the year. The largest portion of the School District's net assets reflects its investment in capital assets, less any related outstanding debt used to acquire those assets.

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

Condensed Statement of Net Position

	Governmental Activities and Total School District			
	2023	2022	$ Change	% Change
Current and Other Assets	$ 16,966,523	$ 19,240,400	$(2,273,877)	(11.8%)
Capital & Pension Asset	47,434,064	65,231,135	(17,797,071)	(27.3%)
Total Assets	64,400,587	84,471,535	(20,070,948)	(23.8%)
Deferred Outflows of Resources	39,985,435	48,308,785	(8,323,350)	(17.2%)
Long-Term Liabilities	201,202,580	199,330,034	1,872,546	0.9%
Other Liabilities	5,624,689	23,775,866	(18,151,177)	(76.3%)
Total Liabilities	206,827,269	223,105,900	(16,278,631)	(7.3%)
Deferred Inflows of Resources	26,189,705	31,441,463	(5,251,758)	(16.7%)
Net Position				
Net Investment in Capital Assets	24,582,929	23,999,452	583,477	2.4%
Restricted	9,518,667	10,513,187	(994,520)	(9.5%)
Unrestricted	(162,732,548)	(156,279,682)	(6,452,866)	(4.1%)
Total Net Position (Deficit)	$(128,630,952)	$(121,767,043)	$ (6,863,909)	(5.6%)

In general, current assets are those assets that are available to satisfy current obligations, and current liabilities are those liabilities that will be paid within one year. Current assets consist primarily of cash equivalents of $14,435,365, due from state and federal $1,377,883, due from other governments' $797,119 and receivables of $304,845. Capital assets are $47,434,064. The District has restricted cash in the amount of $8,739,788 which is included in cash equivalents.

The deferred outflow of resources consists of the deferred charges on pension of $10,847,931, and $29,137,504 on other post-employment benefits (OPEB).

Current liabilities consist principally of accounts payable totaling $535,181, accrued expenses of $620,461, and due to ERS and TRS retirement systems totaling $2,002,457, and other liabilities of $2,465,952, which consist primarily of accrued interest and unamortized premiums from the issuance of debt. Long-term liabilities consist of compensated absences payable totaling $972,386, leases and debt payable $20,385,183 pension liability $4,671,338 and other postemployment benefits liability of $175,173,673.

The deferred inflows of resources consists of the deferred charge on pension of $1,045,568 and other post-employment benefits of $25,144,137.

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

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

Condensed Net Position from Operating Results

	Governmental Activities and Total School District			
	2023	2022	$ Change	% Change
Revenues				
Program Revenues				
Charges for Services	$ 322,616	$ 68,256	$ 254,360	372.7%
Operating Grants and Contributions	4,175,685	4,618,035	(442,350)	(9.6%)
General Revenues				
Property Taxes and Other Tax Items	15,514,181	15,180,545	333,636	2.0%
State Formula Aid	22,826,675	22,270,373	556,302	2.5%
Federal Aid	62,706	53,336	9,370	17.6%
Interest Earnings	329,405	203,350	126,055	62.0%
Miscellaneous Local Sources	1,056,167	1,849,936	(793,769)	(42.9%)
Total Revenues and Special Items	44,287,435	44,243,831	43,604	0.1%
Expenses				
General Support	5,840,404	5,538,471	301,933	5.5%
Instruction	39,444,567	37,565,625	1,878,942	5.0%
Transportation	3,592,537	3,376,209	216,328	6.4%
Debt Service Costs	1,047,631	336,003	711,628	211.8%
Food Service	809,063	817,241	(8,178)	(1.0%)
Total Expenses	50,734,202	47,633,549	3,100,653	6.5%
Increase (Decrease) in Net Position (Deficit)	$ (6,446,767)	$ (3,389,718)	$(3,057,049)	(90.2%)

As reported in the statement of activities, the cost of all governmental activities was $50,734,202 and $47,633,549 for 2023 and 2022, respectively. However, the amount that taxpayers ultimately financed for these activities through the District real property taxes and tax items was $15,514,181 and $15,180,545 for 2023 and 2022, respectively.

Governmental Activities
The following analysis compares the total cost of services provided by the District in relation to the net cost of providing the service after considering program service revenues generated and program operating grants.

Net Cost of Governmental Activities

	Total Cost of Services		%	Net Cost of Services		%
	2023	2022	Change	2023	2022	Change
General Support	$ 5,840,404	$ 5,538,471	5.5%	$ 5,840,404	$ 5,538,471	5.5%
Instruction	39,444,567	37,565,625	5.0%	35,965,114	34,085,624	5.5%
Pupil Transportation	3,592,537	3,376,209	6.4%	3,571,686	3,363,059	6.2%
Debt Service Costs	1,047,631	336,003	211.8%	1,047,631	336,003	211.8%
Food Service	809,063	817,241	(1.0%)	(188,934)	(375,899)	(49.7%)
Total	$ 50,734,202	$47,633,549	6.5%	$ 46,235,901	$42,947,258	7.7%

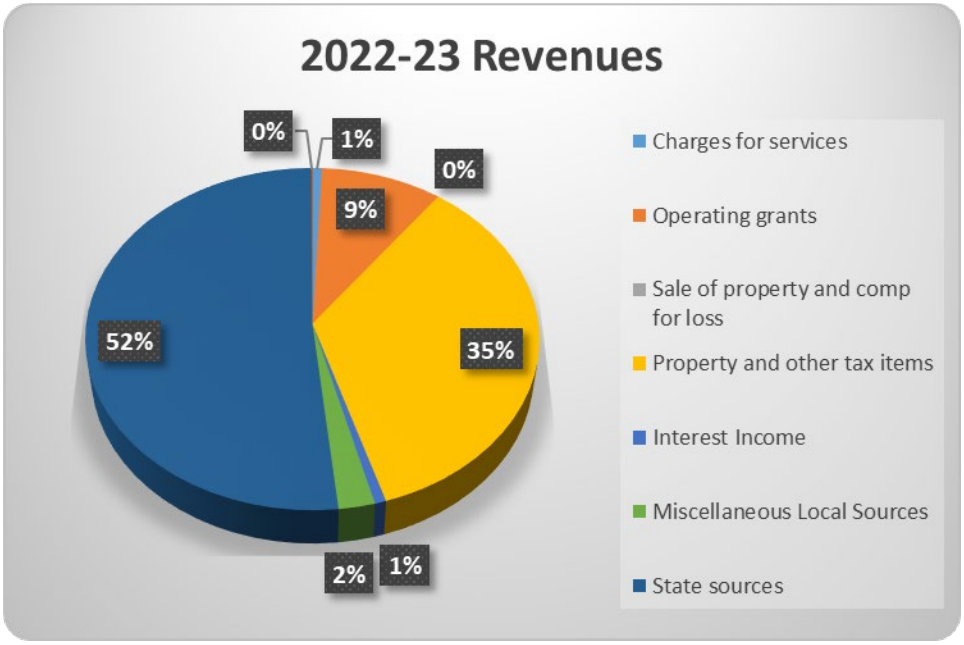
- **General support** - Includes expenses of the board of education, district offices, contracted professional services, buildings and grounds maintenance, insurance and BOCES administrative/building expenses.

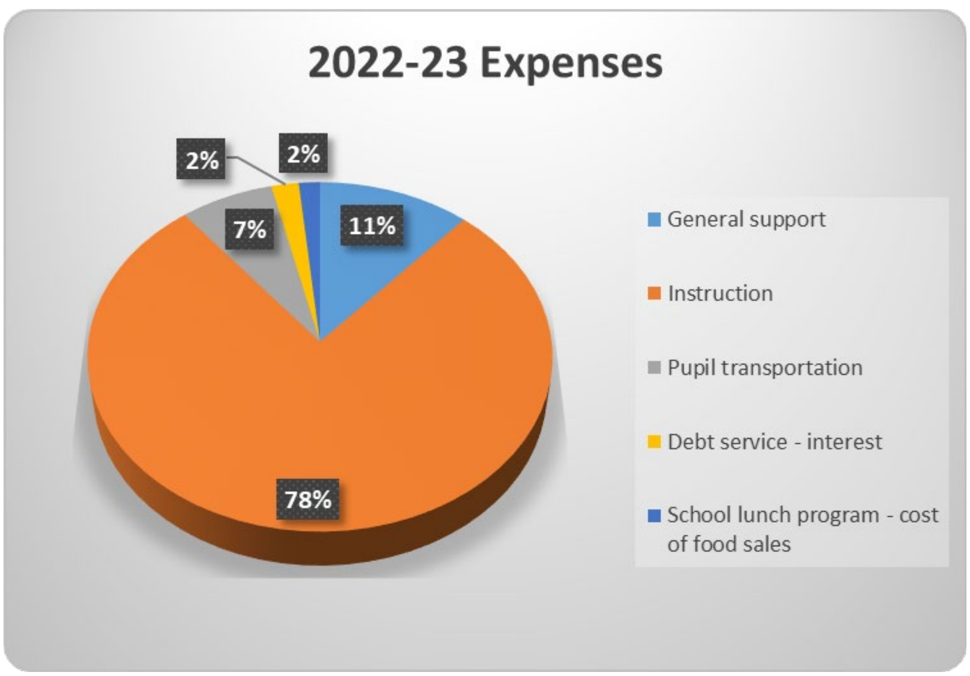
- **Instruction** - Includes curriculum and staff development, school supervision, regular K-12 programs, special education, BOCES vocational education, summer schools, libraries, computer-assisted education, pupil personnel services (counseling, health, psychological, social work), co-curricular activities and interscholastic athletics.

- **Pupil transportation** - Includes salaries for drivers, mechanics and garage.

- **Debt service** - Includes the transactions associated with the payment of interest and other related charges to debt for improvements to the District.

- **Food service** - Includes the preparation, delivery, and servicing of lunches, snacks, and other incidental meals to students and school staff.


2022-23 Revenues
0%
1%
0%
9%
52%
35%
2%
1%
Charges for services
Operating grants
Sale of property and comp for loss
Property and other tax items
Interest Income
Miscellaneous Local Sources
State sources


2022-23 Expenses
2%
2%
7%
11%
78%
General support
Instruction
Pupil transportation
Debt service - interest
School lunch program - cost of food sales

General Fund Budgetary Highlights

The 2022-2023 general fund's actual revenue was $39,816,145. That amount is above the original and final budget estimate of $39,167,862. The $648,283 variance between the final budget and actual was due primarily to conservative estimates of certain final local source revenues prior to year-end and interest earning on District cash balances.

The 2022-2023 actual expenditures and other financing uses of the general fund were $42,037,478, which is below the original and final budget of $43,218,941 and $43,436,627, respectively. The $1,373,565 variance between the final amended budget and the June 30, 2023 actual results was due to conservative estimates of certain final expenditures mainly in instruction and employee benefits.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal years 2023 and 2022, the District had $97,002,998 and $96,013,525 invested in land, buildings and renovations, buses, furniture and equipment and intangible right to use assets. Depreciation and amortization expense of $2,885,897 and $2,899,637 has been recorded in 2023 and 2022, respectively. The net book value at June 30, 2023 and 2022 was $47,434,064 and $48,976,271, respectively.

The following table compares fiscal 2023 balances to 2022:

	Governmental Activities and Total School District			
	2023	2022	$ Change	% Change
Land	$ 106,844	$ 106,844	$ -	0.0%
Construction in Progress	-	6,115,503	(6,115,503)	(100.0%)
Buildings and Improvements (net of depreciation)	42,922,289	38,184,120	4,738,169	12.41%
Right-to-use lease assets	969,787	1,263,665	(293,878)	(23.26%)
Furniture and Equipment (net of depreciation)	3,435,144	3,306,139	129,005	3.9%
Total	$ 47,434,064	$48,976,271	$ (1,542,207)	(3.15%)

Capital Assets include depreciation & amortization expense of $2,885,897. The District's Capital Project was completed and placed in service in 2022-2023. Additional information on the District's capital assets can be found in the notes to the financial statements.

Long-Term Liabilities

	Governmental Activities and Total School District			
	2023	2022	$ Change	% Change
General Obligation Bonds	$ 18,260,000	$ 1,145,000	$ 17,115,000	1,494.8%
Energy Performance Contract	1,971,205	2,118,064	(146,859)	(6.9%)
Leases Payable	153,978	353,797	(199,819)	(56.5%)
Compensated Absences	972,386	1,388,125	(415,739)	(29.9%)
Other Post-employment Benefits	175,173,673	194,205,090	(19,031,417)	(9.8%)
Pension Liabilities	4,671,338	-	4,671,338	100.0%
Total	$ 201,202,580	$199,210,076	$ 1,992,504	1.0%

General Obligation Bonds: The District paid $445,000 in scheduled principal payments on the Serial Bonds and issued new 2023A Serial Bonds in the amount of $17,560,000 for the Capital Project permanent financing.

The District's bond rating for both 2023 and 2022 was A.

Additional information on the District's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budget

The general fund budget for the 2023-2024 school year was approved by the voters in the amount of $44,079,101. This is an increase of 1.99% over the previous year's budget.

The New York State Legislature introduced and approved a property tax cap beginning in the 2012-2013 school year. This bill limits tax levy growth to the lesser of two percent or the annual increase in the CPI. Limited exemptions to exceed the levy cap are provided for taxes needed to pay for voter-approved capital expenditures, pension rate increases, court orders and torts over five percent of the prior year's levy. If the tax levy proposed to the voters is within the district's tax levy cap, then a majority vote would be required for approval. If the proposed tax levy exceeds the district's tax levy cap, the threshold required for approval would be 60% of the vote. A school district that does not levy an amount up to the cap in any one year would be allowed to carry over unused tax levy capacity into future years.

Contacting the School District's Financial Management

This financial report is designed to provide the 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 money it receives. If you have questions about this report or need additional financial information, please contact:

Vernon Verona Sherrill Central School District
Administrative Office
5275 State Route 31, P.O. Box 128
Verona, NY 13478-0128

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Total Governmental Funds
ASSETS	
Unrestricted Cash	$ 5,695,577
Restricted Cash	8,739,788
Due from Fiduciary Funds	-
Due from Other Governments	797,119
Due from State and Federal	1,377,883
Other Receivables	304,845
Prepaid Expenditures	-
Inventories	51,311
Capital Assets, Net	47,434,064
Net Pension Asset-Proportionate Share	-
Total Assets	64,400,587
DEFERRED OUTFLOWS OF RESOURCES	
OPEB	29,137,504
Pensions	10,847,931
Total Deferred Outflows of Resources	39,985,435
LIABILITIES	
Accounts Payable	535,181
Accrued Liabilities	620,461
Due to Fiduciary Funds	638
Due to Teachers' Retirement System	1,850,259
Due to Employees' Retirement System	152,198
Bond Anticipation Notes Payable	-
Other Liabilities	2,465,952
Long-term Liabilities	
Due and Payable Within One Year	
Compensated Absences Payable	34,591
Bonds Payable	1,645,000
Energy Performance Contract	151,681
Leases Payable	153,978
Due and Payable After One Year	
Compensated Absences Payable	937,795
Bonds Payable and Other Debt	16,615,000
Energy Performance Contract	1,819,524
Leases Payable	-
Other Postemployment Benefits	175,173,673
Net Pension Liability - Proportionate Share	4,671,338
Total Liabilities	206,827,269
DEFERRED INFLOWS OF RESOURCES	
OPEB	25,144,137
Pensions	1,045,568
Total Deferred Inflows of Resources	26,189,705
NET POSITION	
Net Investment in Capital Assets	24,582,929
Restricted	9,518,667
Unrestricted	(162,732,548)
Total Net Position	$ (128,630,952)

The accompanying notes are an integral part of these financial statements.

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenues Charges for Services	Program Revenues Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General Support	$ 5,840,404	$ -	$ -	$ (5,840,404)
Instruction	39,444,567	29,032	3,450,421	(35,965,114)
Pupil Transportation	3,592,537	20,851	-	(3,571,686)
Community Services	-	-	-	-
Debt Service Costs	1,047,631	-	-	(1,047,631)
School Lunch Program	809,063	272,733	725,264	188,934
Total Functions and Programs	$ 50,734,202	$ 322,616	$ 4,175,685	(46,235,901)
GENERAL REVENUES				
Real Property Taxes				13,333,942
Other Tax Items				2,180,239
Interest Income				122,393
Use of Money and Property				207,012
Sale of Property & Compensation for Loss				6,821
Miscellaneous Local Sources				1,049,346
State Sources				22,826,675
Federal Sources				62,706
Total General Revenues and Special Items				39,789,134
Changes in Net Position				(6,446,767)
Net Position - Beginning of Year, As Previously Stated				(121,767,043)
Restatement				(417,142)
Net Position - Beginning of Year, As Restated				(122,184,185)
Net Position - End of year				$ (128,630,952)

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	Governmental Fund Types						Total
	General	Special Aid	School Food Service	Debt Service	Capital	Miscellaneous Special Revenue	Governmental Funds
ASSETS							
Unrestricted Cash	$ 4,771,823	$ 2,000	$ 107,497	$ 814,254	$ 3	$ -	$ 5,695,577
Restricted Cash	8,704,410	-	-	-	-	35,378	8,739,788
Due from Other Funds	1,018,245	-	-	3	-	-	1,018,248
Due from Fiduciary Funds	-	-	-	-	-	-	-
Due from Other Governments	797,119	-	-	-	-	-	797,119
Due from State and Federal	410,322	922,379	45,182	-	-	-	1,377,883
Other Receivables	301,125	-	3,720	-	-	-	304,845
Prepaid Expenditures	-	-	-	-	-	-	-
Inventories	-	-	51,311	-	-	-	51,311
Total Assets	16,003,044	924,379	207,710	814,257	3	35,378	17,984,771
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-	-
LIABILITIES AND FUND BALANCE							
Accounts Payable	522,095	717	12,369	-	-	-	535,181
Accrued Liabilities	511,341	3,868	16,476	-	-	-	531,685
Due to Other Funds	-	919,794	98,451	-	3	-	1,018,248
Due to Fiduciary Funds	638	-	-	-	-	-	638
Due to Other Governments	-	-	-	-	-	-	-
Due to Teachers' Retirement System	1,850,259	-	-	-	-	-	1,850,259
Due to Employees' Retirement System	152,198	-	-	-	-	-	152,198
Bond Anticipation Notes Payable	-	-	-	-	-	-	-
Compensated Absences	-		-				-
Other Liabilities	-	-	-	-	-	-	-
Total Liabilities	3,036,531	924,379	127,296	-	3	-	4,088,209
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows of Resources	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Fund Balance:							
Non-spendable	-	-	51,311	-	-	-	51,311
Restricted	8,704,410	-	-	814,257	-	-	9,518,667
Committed	-	-	-	-	-	-	-
Assigned	4,124,614	-	29,103	-	-	35,378	4,189,095
Unassigned	137,489	-	-	-	-	-	137,489
Total Fund Balance	12,966,513	-	80,414	814,257	-	35,378	13,896,562
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 16,003,044	$ 924,379	$ 207,710	$ 814,257	$ 3	$ 35,378	$ 17,984,771

The accompanying notes are an integral part of these financial statements.

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Unrestricted Cash	$ 5,695,577	$ -	$ -	$ 5,695,577
Restricted Cash	8,739,788	-	-	8,739,788
Due from Other Funds	1,018,248	-	(1,018,248)	-
Due from Fiduciary Funds	-	-	-	-
Due from Other Governments	797,119	-	-	797,119
Due from State and Federal	1,377,883	-	-	1,377,883
Other Receivables	304,845	-	-	304,845
Prepaid Expenditures	-	-	-	-
Inventories	51,311	-	-	51,311
Capital Assets, Net	-	47,434,064	-	47,434,064
Net Pension Asset-Proportionate Share	-	-	-	-
Total Assets	17,984,771	47,434,064	(1,018,248)	64,400,587
DEFERRED OUTFLOWS OF RESOURCES				
OPEB (GASB 75)	-	29,137,504		29,137,504
Pensions	-	10,847,931	-	10,847,931
Total Deferred Outflows of Resources	-	39,985,435	-	39,985,435
LIABILITIES				
Accounts Payable	535,181	-	-	535,181
Accrued Liabilities	531,685	88,776	-	620,461
Retainage	-	-	-	-
Due to Other Funds	1,018,248	-	(1,018,248)	-
Due to Fiduciary Funds	638	-	-	638
Due to Other Governments	-	-	-	-
Due to Teachers' Retirement System	1,850,259	-	-	1,850,259
Due to Employees' Retirement System	152,198	-	-	152,198
Bond Anticipation Notes Payable	-	-	-	-
Other Liabilities	-	2,465,952	-	2,465,952
Compensated Absences Payable Within One Year	-	34,591	-	34,591
Bonds Payable Due Within One Year	-	1,645,000	-	1,645,000
Energy Performance Contract Within One Year	-	151,681	-	151,681
Leases Payable Due Within One Year	-	153,978	-	153,978
Compensated Absences Payable Due After One Year	-	937,795	-	937,795
Bonds Payable Due After One Year	-	16,615,000	-	16,615,000
Energy Performance Contract After One Year	-	1,819,524	-	1,819,524
Leases Payable Due After One Year	-	-	-	-
Other Postemployment Benefits	-	175,173,673	-	175,173,673
Net Pension Liability - Proportionate Share	-	4,671,338	-	4,671,338
Total Liabilities	4,088,209	203,757,308	(1,018,248)	206,827,269
DEFERRED INFLOWS OF RESOURCES				
OPEB (GASB 75)	-	25,144,137		25,144,137
Pensions	-	1,045,568	-	1,045,568
Total Deferred Inflows of Resources	-	26,189,705	-	26,189,705
FUND BALANCE/NET POSITION				
Total Fund Balance/Net Position	13,896,562	(142,527,514)	-	(128,630,952)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	$ 17,984,771	$ 87,419,499	$ (1,018,248)	$ 104,386,022

The accompanying notes are an integral part of these financial statements.

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Fund Types						Total
	General	Special Aid	School Food Service	Debt Service	Capital	Miscellaneous Special Revenue	Total Governmental Funds
REVENUES							
Real Property Taxes	$ 13,333,942	$ -	$ -	$ -	$ -	$ -	$ 13,333,942
Other Tax Items	2,180,239	-	-	-	-	-	2,180,239
Charges for Services	49,883	-	-	-	-	-	49,883
Use of Money and Property	316,494	-	-	12,914	(3)	-	329,405
Sale of Property and Compensation for Loss	10,221	-	-	-	-	-	10,221
Miscellaneous Local Sources	1,035,985	2,000	3,211	-	-	8,150	1,049,346
State Sources	22,826,675	511,193	43,635	-	-	-	23,381,503
Federal Sources	62,706	3,077,167	613,816	-	-	-	3,753,689
Surplus Food	-	-	67,813	-	-	-	67,813
Sales	-	-	272,733	-	-	-	272,733
Total Revenues	39,816,145	3,590,360	1,001,208	12,914	(3)	8,150	44,428,774
EXPENDITURES							
General Support	3,926,837	419,851	-	-	-	10,070	4,356,758
Instruction	21,425,208	2,789,128	366,629	-	-	-	24,580,965
Pupil Transportation	2,256,308	13,181	-	-	-	-	2,269,489
Community Services	-	-	-	-	-	-	-
Employee Benefits	11,176,054	312,016	211,820	-	-	-	11,699,890
Debt Service	3,118,241	-	-	265,981	-	-	3,384,222
Cost of Sales	-	-	521,909	-	-	-	521,909
Capital Outlay	-	91,014	27,824	-	140,678	-	259,516
Total Expenditures	41,902,648	3,625,190	1,128,182	265,981	140,678	10,070	47,072,749
Excess (Deficit) Revenues Over Expenditures	(2,086,503)	(34,830)	(126,974)	(253,067)	(140,681)	(1,920)	(2,643,975)
OTHER FINANCING SOURCES AND USES							
BANS Redeemed from Appropriations	-	-	-	-	1,560,000	-	1,560,000
Proceeds from debt	-	-	-	-	17,560,000	-	17,560,000
Premium on Obligation	-	-	-	2,385,981	-	-	2,385,981
Lease Financing	-	-	-	-	-	-	-
Operating Transfers In	-	34,830	-	-	2,220,000	-	2,254,830
Operating Transfers (Out)	(134,830)	-	-	(2,120,000)	-	-	(2,254,830)
Total Other Sources (Uses)	(134,830)	34,830	-	265,981	21,340,000	-	21,505,981
Excess (Deficit) Revenues and Other Sources Over Expenditures and Other (Uses)	(2,221,333)	-	(126,974)	12,914	21,199,319	(1,920)	18,862,006
Fund Balance (Deficit) - Beginning of Year, As Previously Stated	15,187,846	-	207,388	801,343	(21,199,319)	363,041	(4,639,701)
Restatement	-	-	-	-	-	(325,743)	(325,743)
Fund Balance, End of Year	$ 12,966,513	$ -	$ 80,414	$ 814,257	$ -	$ 35,378	$ 13,896,562

The accompanying notes are an integral part of these financial statements.

VERNON VERONA SHERRILL CSD
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Total Governmental Funds	Capital Related Items	Long-term Revenue, Expenses	Long-term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
REVENUES						
Real Property Taxes	$ 13,333,942	$ -	$ -	$ -	$ -	$ 13,333,942
Other Tax Items	2,180,239	-	-	-	-	2,180,239
Charges for Services	49,883	-	-	-	-	49,883
Use of Money and Property	329,405	-	-	-	-	329,405
Sale of Property and Compensation for Loss	10,221	(3,400)	-	-	-	6,821
Miscellaneous Local Sources	1,049,346	-	-	-	-	1,049,346
State Sources	23,381,503	-	-	-	-	23,381,503
Federal Sources	3,753,689	-	(137,939)	-	-	3,615,750
Surplus Food	67,813	-	-	-	-	67,813
Sales	272,733	-	-	-	-	272,733
Total Revenues and Special Items	44,428,774	(3,400)	(137,939)	-	-	44,287,435
EXPENDITURES						
General Support	4,356,758	210,342	-	-	1,273,304	5,840,404
Instruction	24,580,965	1,250,142	-	-	13,613,460	39,444,567
Pupil Transportation	2,269,489	337,839	-	-	985,209	3,592,537
Community Services	-	-	-	-	-	-
Employee Benefits	11,699,890	-	4,459,237	-	(16,159,127)	-
Debt Service	3,384,222		-	(2,336,591)	-	1,047,631
Cost of Sales	521,909	-	-	-	287,154	809,063
Capital Outlay	259,516	(259,516)	-	-	-	-
Total Expenditures	47,072,749	1,538,807	4,459,237	(2,336,591)	-	50,734,202
Excess (Deficit) Revenues Over Expenditures	(2,643,975)	(1,542,207)	(4,597,176)	2,336,591	-	(6,446,767)
OTHER FINANCING SOURCES AND USES						
Proceeds (Uses) from Debt and Leases	21,505,981	-	-	(21,505,981)	-	-
Operating Transfers In (Out)	-	-	-	-	-	-
Total Other Sources (Uses)	21,505,981	-	-	(21,505,981)	-	-
Net Change for the Year	$ 18,862,006	$ (1,542,207)	$ (4,597,176)	$ (19,169,390)	$ -	$ (6,446,767)

The accompanying notes are an integral part of these financial statements.

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)

Amounts reported for governmental activities in the statement of net position are different because:	
Net Change in Fund Balances - Total Governmental Funds	$ 18,862,006
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities assets with an initial, individual cost of more than $500 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period, net of related losses on disposal of capital assets	
Capital Outlays - Net	259,516
Depreciation Expense	(2,460,306)
Additions to Vehicles and Equipment	962,657
Additions to Leases	131,713
Amortization Expense	(425,591)
In the Statement of Activities, the gain/(loss) on the disposal of assets is reported as an increase/decrease in the financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets disposed.	(10,196)
Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period.	199,819
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period.	591,859
Proceeds of long-term debt is recorded as an other financing source for governmental funds, but it is not recorded in the Statement of Activities. This is the amount of net proceeds from long-term debt received in the current year.	(19,945,981)
Federal grant aid was recognized in government wide in prior year	(137,939)
Proceeds from bond premiums are reported in governmental funds as revenues, however in the Statement of Activities, the unearned revenue is allocated over the life of the bonds as a reduction of interest expense. This is the amount that the current year premiums received exceeds the amortization in the period.	39,985
(Increases) decreases in accrued interest payable reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(55,072)
(Increases) decreases in accrued compensated absences reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.	415,739
On the Statement of Activities, the actual and projected long term expenditures for post employment benefits are reported, whereas, on the governmental funds only the actual expenditures are recorded for post employment benefits.	(3,897,173)
(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds	
Teachers' Retirement System	(430,886)
Employees' Retirement System	(546,917)
Change in net position of governmental activities	$ (6,446,767)

The accompanying notes are an integral part of these financial statements.

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2023

	Custodial Funds
ASSETS	
Cash	$ 310,501
Due from Other Funds	638
Total Assets	$ 311,139
LIABILITIES	
Due to Other Funds	$ -
Total Liabilities	-
NET POSITION	
Restricted for Other Purposes	311,139
Total Net Position	311,139
Total Liabilities and Net Position	$ 311,139

The accompanying notes are an integral part of these financial statements.

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Custodial Funds
ADDITIONS	
Extraclassroom Receipts	$ 357,949
Total Additions	357,949
DEDUCTIONS	
Extraclassroom Disbursements	372,553
Total Deductions	372,553
Change in Net Position	(14,604)
Net Position - Beginning of Year	-
Restatement - Change in Accounting	325,743
Net Position - End of Year	$ 311,139

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, ***The Financial Reporting Entity*** as amended by GASB 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 decision to include another organizational entity in the District's reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on application of these criteria, a brief description of Extraclassroom Activity Funds included in the District's reporting entity follows.

Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District's business office.

JOINT VENTURE

The District is a component district in the Madison-Oneida BOCES. A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
JOINT VENTURE (continued)

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

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

During the year, the District was billed $4,822,086 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $1,743,717. General purpose financial statements for the BOCES are available from the BOCES administrative office.

BASIS OF PRESENTATION

<u>District-wide statements</u>
The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
BASIS OF PRESENTATION (continued)

Fund financial statements

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

The District reports the following major governmental funds:

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

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

    - **Special Aid Funds**: Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.
    - **School Food Service Fund**: Used to account for transactions of the lunch and breakfast programs.

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

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

The District reports the following non-major governmental funds:

- **Special Revenue Funds** – See above explanation.

    - **Miscellaneous Special Revenue**: Used to account for student scholarships whose funds are restricted as to use.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
BASIS OF PRESENTATION (continued)

The District reports the following fiduciary funds:

- **Fiduciary Funds** - Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used. The School District reports the following Fiduciary Funds:

    - **Custodial Funds:** These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year. Fees and other similar revenue are not susceptible to accrual because generally they are not measurable until available. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

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 leases are reported as other financing sources.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPERTY TAXES

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

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

UNEARNED REVENUES

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recognized.

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.

INTER-FUND TRANSACTIONS

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

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

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

Refer to Note 9 for a detailed disclosure by individual fund for inter-fund receivables, payables, expenditures and revenues activity.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

ESTIMATES

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

CASH AND 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.

ACCOUNTS RECEIVABLE

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

INVENTORIES AND PREPAID ITEMS

Inventories of food and/or supplies 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 inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items are 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.

OTHER ASSETS/LIABILITIES

In the district-wide financial statements, bond discount (asset) and bond premium (liability), and any bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

CAPITAL ASSETS

Capital assets are reported at estimated historical costs, based on appraisals conducted by independent third-party professionals. 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/amortization methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Amortization/ Depreciation Method	Estimated Useful Life
Buildings and Improvements	$ 500	straight-line	15-50 years
Machinery and Equipment	$ 500	straight-line	5-8 years
Vehicles	$ 500	straight-line	5-8 years
Intangibles:			
Right-use lease assets: Equipment	$ 5,000	straight-line	5-10 years

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (continued)

received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

VESTED EMPLOYEE BENEFITS

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employee contracts. Upon retirement, resignation, or death, employees may contractually receive a payment based on unused accumulated sick leave. Generally the employee must have accumulated minimum years of service with the District and must be eligible for retirement under the provisions of either the teacher or employee retirement systems.

The 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 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.

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 health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District pays a portion of non-teachers and teachers cost of premium equivalents through a self-insured health plan. The retired employees pay for their portion of the premiums directly each month.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

VESTED EMPLOYEE BENEFITS (continued)

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Section 403(b) – Tax Sheltered Annuities (TSA). The plan is available to all school employees and permits them to defer taxation on a portion of their salary until future years. The deferred portion is withheld by the District and disbursed to the employees' TSA plan administrator. The TSA plans are owned by the individuals and held in trust by the plan administrator.

LEASES

As lessee, the District recognizes lease liabilities with an initial, individual value of $5,000 or more. The District uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The District's estimated incremental borrowing rate is based on the risk free rate for tax exempt bonds that were issued by the District in the past adjusted for the terms of the various leases.

SHORT TERM DEBT

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

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

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or an acceptable financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in full, in a timely manner from current financial resources. Claims and judgments, other 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 funds financial statements when due.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS (continued)

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

EQUITY CLASSIFICATIONS

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

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

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

- **Unrestricted net position –** reports 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
Below is the breakdown of fund balances for the fund basis statements:

	General Fund	Special Aid Fund	School Food Service Fund	Debt Service Fund	Capital Fund	Non-major Funds	Total
Non-spendable:							
Inventory	$ -	$ -	$ 51,311	$ -	$ -	$ -	$ 51,311
Restricted:							
Debt Service Reserve	-	-	-	814,257	-	-	814,257
Employee Benefits Accrued Liability	1,528,626	-	-	-	-	-	1,528,626
Insurance	6,684,749	-	-	-	-	-	6,684,749
Retirement Contribution	204,467	-	-	-	-	-	204,467
Reserve for Teacher's Retirement	204,468						204,468
Unemployment Insurance	82,100	-	-	-	-	-	82,100
Assigned:							
Central Services	20,316	-	-	-	-	-	20,316
Teaching-Regular School	51,960	-	-	-	-	-	51,960
Instructional Media	320	-	-	-	-	-	320
Pupil Services	939	-	-	-	-	-	939
Appropriated Fund Balance	4,051,079	-	29,103	-	-	35,378	4,115,560
Unassigned:	137,489	-	-	-	-	-	137,489
	$ 12,966,513	$ -	$ 80,414	$ 814,257	$ -	$ 35,378	$ 13,896,562

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
EQUITY CLASSIFICATIONS (continued)
Funds Statements (continued)

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

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. See detail of balances in chart on previous page.

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:

Debt Service Reserve Fund
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 which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

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

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

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
EQUITY CLASSIFICATIONS (continued)
Funds Statements (continued)

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

Unemployment Insurance Payment Reserve Fund
According to General Municipal Law §6-m, all expenditures made from the unemployment insurance payment reserve fund must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

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

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

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
EQUITY CLASSIFICATIONS (continued)
Funds Statements (continued)

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

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

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

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

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

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
EQUITY CLASSIFICATIONS (continued)
Funds Statements (continued)

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, 2023.

Assigned – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. The School Food Service Fund also reports Assigned Fund Balance. See Fund Balance breakdown above for details. The General Fund had no encumbrances at June 30, 2023.

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

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

Unassigned Fund Balance
NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds 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. Non-spendable 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. The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit did not exceed the amount allowable, which is 4% of the District's budget for the upcoming school year.

Net Position/Fund Balance:

Net Position Flow Assumptions: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the District-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
EQUITY CLASSIFICATIONS (continued)
Funds Statements (continued)

Order of Use of Fund Balance:

When more than one classification of fund balance of the District are eligible to be utilized for an expenditure of the District, the order in which the fund balance classifications will be utilized will be as follows:

- Restricted fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;
- Committed fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;
- Assigned fund balance created specifically for the expenditure (encumbered fund balance);
- Assigned fund balance within funds other than the General Fund of the District to which the expenditure relates;
- Unassigned fund balance.

NEW ACCOUNTING STANDARDS

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2023, the District implemented the following new standards issued by GASB.

GASB has issued Statement No. 91, *Conduit Debt Obligations,* effective for the year ending June 30, 2023.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Agreements*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 96, *Subscription-Based information Technology Agreements*, effective for the year ending June 30, 2023.

GASB Statement No. 99, Omnibus, some elements effective for the year ending June 30, 2023 and others June 30, 2024.

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

FUTURE ACCOUNTING STANDARDS

GASB Statement No. 100, *Accounting Changes and Error Corrections – An amendment of GASB Statement No. 62*, effective for the year ending June 30, 2024.

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

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

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

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

TOTAL OF GOVERNMENTAL FUND BALANCES VERSUS NET POSITION OF GOVERNMENTAL ACTIVITIES

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

Long-term Assets

The costs of building and acquiring capital assets (lands, buildings, and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	$ 97,002,998
Accumulated depreciation/amortization	(49,568,934)
Net Capital Assets	$ 47,434,064

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (continued)

TOTAL OF GOVERNMENTAL FUND BALANCES VERSUS NET POSITION OF GOVERNMENTAL ACTIVITIES (continued)

Other & Accrued Liabilities

Other liabilities such as retainage held in the capital construction project are reported in the Statement of Net Position but not in the governmental fund statements because they are included in carryover encumbrance. Bond interest payable and unamortized bond premium are reported in the Statement of Net Position but not in the governmental fund statements because they are due in a future period. Balances at year end were:

Unamortized Bond Premium	$ (2,465,952)
Bond Interest Payable	(88,776)
Retainage	-
	$ (2,554,728)

Long-term Liabilities

Long-term liabilities are reported in the Statement of Net Position but not in the governmental fund statements because they are not due and payable in the current period. Balances at year end were:

Bonds Payable	$ (18,260,000)
Energy Performance Contract	(1,971,205)
Leases Payable	(153,978)
Compensated Absences	(972,386)
Postemployment Benefits	(175,173,673)
	$ (196,531,242)

Pension

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 system:

Pension Asset	$ -
Pension Liability	(4,671,338)
	$ (4,671,338)

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (continued)

TOTAL OF GOVERNMENTAL FUND BALANCES VERSUS NET POSITION OF GOVERNMENTAL ACTIVITIES (continued)

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of Net Position will sometimes report a separate section for deferred outflows and inflows of resources. The separate financial statement element, deferred outflows of resources, represent 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 separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Outflows and Inflows of resources were:

Deferred Outflow of Resources	$ 39,985,435
Deferred Inflows of Resources	(26,189,705)
	$ 13,795,730

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE VERSUS STATEMENT OF ACTIVITIES

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

Long-term revenue differences

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

Capital related differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on 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.

Long-term debt transaction differences

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

Pension differences

Pension differences occur as 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.

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (continued)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE VERSUS STATEMENT OF ACTIVITIES (continued)

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.

Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Equity and the Statement of Activities

Total revenues and other funding sources:	
Total revenues and other funding sources of governmental funds	$ 65,934,755
Reconciling items:	
Less net loss from disposal/trade in of assets	(3,400)
Less federal revenue recognized in prior year	(137,939)
Less BANs redeemed from appropriations	(1,560,000)
Less premium in debt service fund	(2,385,981)
Less proceeds from Bonds	(17,560,000)
Total revenues from governmental activities - Statement of Activities	$ 44,287,435

Total expenditures/expenses:	
Total expenditures reported in governmental funds	$ 47,072,749
Reconciling items:	
Add depreciation & amortization expense	2,885,897
Add other postemployment benefits	3,897,173
Add change in interest accrual & bond premium amortization	15,087
Add changes in retirement benefits	977,803
Add net loss from disposal of asset	6,796
Less change in long-term compensated absences	(415,739)
Less capital expenditures (capitalized in government-wide statement)	(1,353,886)
Less BANs redeemed from appropriations	(1,560,000)
Less payment on leases	(199,819)
Less payment on long-term debt	(591,859)
Total expenses of governmental activities - Statement of Activities	$ 50,734,202

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETS

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

- General Fund

The voters of the District approved the proposed appropriation budget for the General Fund. The proposed appropriation budget is then approved by the voters within the District.

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

BUDGETS (continued)

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

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2023.

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

ENCUMBRANCES

Encumbrance accounting is used for budget control and monitoring purposes and is reported as 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 the 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 the time, as the liability is incurred, or commitment is paid.

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

Cash and Investments

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

Deposits are valued at cost, or cost plus interest, and are categorized as either:

A. Insured, invested in permitted securities or collateralized with securities held by the District or by its agent in the District's name, or
B. Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name, or
C. Uncollateralized.

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

Cash and Investments (continued)

Total financial institution bank balances at year-end, per the bank, are categorized as follows:

A.	$	783,892
B.	$	14,534,718
C.	$	-

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $8,704,410 restricted for various fund balance reserves in the general fund, and $35,378 restricted for use in the miscellaneous revenue fund within the governmental funds and $310,503 in the Fiduciary Funds.

Investment and Deposit Policy

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

Interest Rate Risk

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

Credit Risk

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

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

Custodial Credit Risk

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

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

Custodial Credit Risk (continued)

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

Investments

US GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

All the District's investments are valued based on Level 1 of the hierarchy.

The following is a description of the valuation methodologies used for investments measured at fair value:

Cash and cash equivalents: Valued a cost plus accrued interest, which approximates fair market value.

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

NOTE 5 - CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	Beginning Balance	Additions	Retirements Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated/amortized:				
Land	$ 106,844	$ -	$ -	$ 106,844
Construction in Progress	6,115,503	40,681	(6,156,184)	-
Total cost non-depreciable assets	6,222,347	40,681	(6,156,184)	106,844
Capital assets that are depreciated/amortized:				
Buildings and Improvements	71,356,647	6,303,607	-	77,660,254
Furniture and Equipment	16,438,291	1,034,069	(220,937)	17,251,423
Right-to-Use Lease Assets- Equipment	1,996,240	131,713	(143,476)	1,984,477
Total cost depreciable assets	89,791,178	7,469,389	(364,413)	96,896,154
Less accumulated depreciation/amortization:				
Buildings and Improvements	(33,172,527)	(1,565,438)	-	(34,737,965)
Furniture and Equipment	(13,132,152)	(894,868)	210,741	(13,816,279)
Right-to-Use Lease Assets- Equipment	(732,575)	(425,591)	143,476	(1,014,690)
Total accumulated depreciation/ amortization	(47,037,254)	(2,885,897)	354,217	(49,568,934)
Net capital assets	$ 48,976,271	$ 4,624,173	$ (6,166,380)	$ 47,434,064

Depreciation/Amortization expense was charged to Governmental functions as follows:

General Support	$ 635,933
Instruction	1,912,125
Pupil Transportation	337,839
	$ 2,885,897

NOTE 6 - SHORT-TERM DEBT

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

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

	Beginning Balance	Issued	Redeemed/ Refunded	Ending Balance	Amounts Due Within One Year
Bond Anticipation Notes (BAN):					
2022 BAN, issued 6/23/22 maturity 6/23/23, at 3%	$ 21,240,000	$ -	$ (21,240,000)	$ -	$ -
Total bonds payable	$ 21,240,000	$ -	$ (21,240,000)	$ -	$ -

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

Interest paid	$ 637,200
Less interest accrued in the prior year	-
Plus interest accrued in the current year	-
Less Bond premium recognized	-
Total Expense	$ 637,200

NOTE 7 - LONG-TERM DEBT

The District borrows money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The District uses energy savings from large-scale energy-efficiency improvements to finance the cost of new equipment and other capital improvements over several years.

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

	Beginning Balance	Issued	Redeemed/ Refunded	Ending Balance	Amounts Due Within One Year
Government activities:					
Energy Performance Contract maturity 7/15/33, interest at 3.23% through maturity	$ 2,118,064	$ -	$ (146,859)	$ 1,971,205	$ 151,681
General Obligation Bonds:					
2017 Serial Bonds Refunding of 2010 Bonds maturity 6/15/25, interest 5% through maturity	1,145,000	-	(445,000)	700,000	445,000
2023A Serial Bonds, final maturity 6/15/36, interest at 5% through final	-	17,560,000	-	17,560,000	1,200,000
Total bonds payable	$ 1,145,000	$ 17,560,000	$ (445,000)	$18,260,000	$ 1,645,000
Leases Payable	$ 353,797	$ -	$ (199,819)	$ 153,978	$ 153,978
Compensated Absence benefits	1,388,125	-	(415,739)	972,386	34,591
Other Postemployment benefits	194,205,090	10,971,384	(30,002,801)	175,173,673	-
Net Pension Liabilities:					
TRS	-	1,702,057	-	1,702,057	-
ERS	-	2,969,281	-	2,969,281	-
Total long-term liabilities	$ 199,210,076	$ 33,202,722	$(31,210,218)	$201,202,580	$ 1,985,250

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

Interest paid on bonds	$ 122,392
Interest paid on leases	6,971
Debt issuance costs	265,981
Less interest accrued in the prior year	(33,704)
Plus interest accrued in the current year	88,776
Less Bond premium recognized	(39,985)
Total Expense	$ 410,431

NOTE 7 - LONG-TERM DEBT (continued)

The following is a summary of the maturity of General Obligation Bonds and the Energy Performance contract:

	Principal	Interest	Total
Fiscal year ended June 30,			
2024	$ 1,816,681	$ 1,232,592	$ 3,049,273
2025	1,541,661	885,991	2,427,652
2026	1,366,804	811,597	2,178,401
2027	1,432,116	746,035	2,178,151
2028	1,502,602	677,299	2,179,901
2029-2033	8,666,824	2,231,682	10,898,506
2034-2038	3,904,517	322,384	4,226,901
	$ 20,231,205	$ 6,907,580	$ 27,138,785

NOTE 8 - LEASES

The District has acquired equipment under the provisions of various lease agreements. The District has various office and computer leases with Madison-Oneida BOCES expiring at various times through 2024. For the year ended June 30, 2023, the District had $131,713 in expenditures under purchase lease agreements and $206,790 in expenditures under financing lease agreements.

The total amount of lease assets and the related accumulated amortization are as follows:

Total Intangible Right-to-Use Lease Assets	$ 1,984,478
Less: Accumulated Amortization	(1,014,690)
Carrying Value of Lease Assets	$ 969,788

The following is a summary of the maturity of long-term Lease indebtedness:

	Principal	Interest	Total
Fiscal year ended June 30,			
2024	$ 153,978	$ 2,864	$ 156,842
	$ 153,978	$ 2,864	$ 156,842

NOTE 9 - INTERFUND BALANCES AND ACTIVITY

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 1,018,245	$ 638	$ -	$ 134,830
Special Aid Fund	-	919,794	34,830	-
School Food Service Fund	-	98,451	-	-
Debt Service Fund	3	-	-	2,120,000
Capital Fund	-	3	2,220,000	-
Total governmental activities	1,018,248	1,018,886	2,254,830	2,254,830
Fiduciary Agency Fund	638	-	-	-
Totals	$ 1,018,886	$ 1,018,886	$ 2,254,830	$ 2,254,830

Interfund receivables and payables, other than between the governmental activities and the 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.

The General Fund typically subsidizes the Special Aid Funds for short falls in operating revenues and the local share for programs.

The General Fund transferred funds to the Capital Fund to be expended on authorized capital projects.

The Debt Service Fund transferred funds to the Capital Fund from premiums received on the Serial Bonds.

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

NOTE 10 - PENSION PLANS

PLAN DESCRIPTIONS AND BENEFITS PROVIDED

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

NOTE 10 - PENSION PLANS

PLAN DESCRIPTIONS AND BENEFITS PROVIDED (continued)

Employees' Retirement Systems (ERS)

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

Contributions

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

The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	NYSTRS	NYSERS
2022-2023	$ 1,539,918	$ 495,238
2021-2022	$ 1,415,174	$ 631,952
2020-2021	$ 1,309,710	$ 575,713

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

NOTE 10 - PENSION PLANS (continued)

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

At June 30, 2023, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2023 for ERS and June 30, 2022 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement date	31-Mar-23	30-Jun-22
Net pension asset/(liability)	$(2,969,281)	$(1,702,057)
District's portion of the Plan's total net pension asset/(liability)	0.0138467%	0.088700%
Change in proportion since the prior Measurement date	(0.0004653%)	(0.0012110%)

For the year ended June 30, 2023, the District recognized pension expense of $1,082,663 for ERS and the actuarial value of $2,094,801 for TRS. At June 30, 2023, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 316,252	$ 1,783,541	$ 83,389	$ 34,106
Changes of assumptions	$ 1,442,074	$ 3,301,703	$ 15,938	$ 685,637
Net difference between projected and actual earnings on pension plan investments	$ -	$ 2,199,220	$ 17,444	$ -
Changes in proportion and differences between the District's contributions and proportionate share of contributions	$ 108,262	$ 4,991	$ 224	$ 208,830
District's contributions subsequent to the measurement date	$ 151,970	$ 1,539,918	$ -	$ -
Total	$ 2,018,558	$ 8,829,373	$ 116,995	$ 928,573

NOTE 10 - PENSION PLANS (continued)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

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

	ERS	TRS
Fiscal year ended June 30,		
2024	$ 433,051	$ 1,203,630
2025	(128,826)	615,501
2026	624,826	(310,346)
2027	820,542	4,292,961
2028	-	540,004
Thereafter	-	19,132

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Actuarial Valuation Date	April 1, 2022	June 30, 2021
Investment Rate of Return	5.9%	6.95%
Salary Scale	4.4%, indexed by Service	1.95% - 5.18%
Projected COLAs	1.5%	1.3%
Decrement Tables	April 1, 2015-March 31, 2020 System's Experience	July 1, 2015-June 30, 2020 System's Experience
Inflation Rate	2.90%	2.20%

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

For ERS, the actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

NOTE 10 - PENSION PLANS (continued)
Actuarial Assumptions (continued)

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

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

	ERS	
Measurement Date	March 31, 2023	
Asset Type	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	32%	4.30%
International Equity	15	6.85
Private Equity	10	7.50
Real Estate	9	4.60
Opportunistic/ARS Portfolio	3	5.38
Credit	4	5.43
Real Asset	3	5.84
Fixed Assets	23	1.50
Cash	1	0.00
	100%	

*Real rates of return are net of a long-term inflation assumption of 2.5%.

NOTE 10 - PENSION PLANS (continued)
Actuarial Assumptions (continued)

	TRS	
Measurement Date	June 30, 2022	
Asset Type	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	33%	6.5%
International Equity	16	7.2
Global Equity	4	6.9
Real Estate Equity	11	6.2
Private Equity	8	9.9
Domestic Fixed Income	16	1.1
Global Bonds	2	0.6
Private Debt	2	5.3
Real Estate Debt	6	2.4
High Yield Bonds	1	3.3
Cash Equivalents	1	(0.3)
Total	100%	

*Real rates of return are net of a long-term inflation assumption of 2.4% for 2022.

DISCOUNT RATE

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

NOTE 10 - PENSION PLANS (continued)

SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO THE DISCOUNT RATE ASSUMPTION

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2023 calculated using the discount rate of 5.90% 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 (4.90% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.90% for ERS and 7.95% for TRS) than the current rate :

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	$ (7,175,478)	$(2,969,281)	$ 545,486

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	$(15,693,767)	$(1,702,057)	$ 10,064,879

PENSION PLAN FIDUCIARY NET POSITION

The components of the collective net pension liability of ERS as of March 31, 2023 measurement date were as follows:

Total pension liability	$ 232,627,259,000
ERS fiduciary net position	(211,183,223,000)
Employers' net pension liability/(asset)	$ 21,444,036,000)
ERS fiduciary net position as a Percentage of total pension liability/(asset)	90.78%

The components of the collective net pension liability of TRS as of June 30, 2022 measurement date were as follows:

Total pension liability	$ 133,883,473,797
TRS fiduciary net position	(131,964,582,107)
Employers' net pension liability/(asset)	$ 1,918,891,690
TRS fiduciary net position as a Percentage of total pension liability/(asset)	98.57%

NOTE 10 - PENSION PLANS (continued)

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

	ERS	TRS	Total
Measurement Date	March 31, 2023	June 30, 2022	
Employers' total pension liability	$32,211,188	$118,754,641	$ 150,965,829
Plan Net Position	(29,241,907)	(117,052,584)	(146,294,491)
Employers' net pension (asset) liability	$ 2,969,281	$ 1,702,057	$ 4,671,338
Ration of plan net position to the Employers' total net pension asset/(liability)	90.78%	98.57%	96.91%

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

Collective pension expense includes certain period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2023 is $1,082,663 for ERS and $2,094,801 for TRS.

PAYABLES TO THE PENSION PLAN

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contributions for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to $151,970.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October, and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 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, 2023 amounted to $1,850,259.

NOTE 11 - POST-EMPLOYMENT 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.

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreements. Employees are required to reach age 55 and have 3 to 15 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

Benefits Provided

The District acquires health insurance through a consortium known as the Finger Lakes Area School Health Plan (FLASHP). Benefits provided by FLASHP are administered by Excellus BlueCross BlueShield and MVP. The FLASHP plan covers medical, dental, and pharmaceutical costs. Refer to the plan documents for the specifics and limitations of the coverage offered to retirees. Many of the services in the FLASHP plan require co-payments at various levels depending on the nature of the service.

Employees Covered by Benefit Terms – At June 30, 2023, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefit payments	295
Active Plan Members	307
Total	602

NOTE 11 - POST-EMPLOYMENT BENEFITS (continued)
GENERAL INFORMATION ABOUT THE OPEB PLAN (continued)

Total OPEB Liability

The District's total OPEB liability of $175,173,673 was measured as of July 1, 2022, and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs – The total OPEB liability at the June 30, 2023 reporting date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Long-Term Bond Rate	3.54%
Single Discount Rate	3.54%
Salary Scale	3.5%
Rate of Inflation	2.5%
Marital Assumption	70.00%
Participation Rate	100.00%
Healthcare Cost Trend Rates	7.8% scaling down to 3.94% to ultimate trend rate in 2093 & later

The long-term bond rate is based on the rate for a 20 year high quality tax exempt municipal bond index with an average rating of AA/Aa or higher as of the measurement date (or the nearest business day thereto).

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male & Female Total Dataset Headcount-Weighted Mortality tables using Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

Rates of turnover and retirement rates are based on the experience under the New York State Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). The ERS rates are based on the April 1, 2010-March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for morality improvements based on Society of Actuaries' Scale MP-2021, applied on a generational basis.

Election percentage: It was assumed that 100% of future retirees eligible for coverage will elect retiree group benefits.

Spousal Coverage: It was assumed that 85% of future retirees will elect spousal coverage upon retirement.

.

NOTE 11 - POST-EMPLOYMENT BENEFITS (continued)
GENERAL INFORMATION ABOUT THE OPEB PLAN (continued)

Total OPEB Liability (continued)

The annual rate of increase in healthcare costs developed based on a review of published National trend survey data in relation to the retiree health plan offerings and updated long-term rates based on the Society of Actuaries Long Term Healthcare Cost Trend Models v2022_c (the Getzen model).

The actuarial assumptions used in the July 1, 2022 valuation were consistent with the requirements of GASB Statement No. 75 and the Actuarial Standards of Practice (ASOPs)

CHANGES IN THE TOTAL OPEB LIABILITY FOR THE PERIOD ENDING JUNE 30, 2023

	Total OPEB Liability
Balance at June 30, 2022	$ 194,205,090
Changes for the year:	
Service cost	6,717,597
Interest cost	4,253,787
Differences between expected and actual experience	(1,419,417)
Changes in assumptions or other inputs	(24,288,107)
Benefit payments	(4,295,277)
Net change in Total OPEB Liability	(19,031,417)
Balance at June 30, 2023	$ 175,173,673

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 (2.54%) or 1-percentage point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	$208,111,884	$175,173,673	$149,109,193

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the total OPEB liability of the School District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost rend rate that is 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	$146,452,459	$175,173,673	$212,760,010

NOTE 11 - POST-EMPLOYMENT BENEFITS (continued)

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of $8,419,119.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,634,688	$(4,157,276)
Changes in assumptions or other inputs	19,980,870	(20,986,861)
District's contributions subsequent to measurement date	4,521,946	-
Total	$ 29,137,504	$(25,144,137)

The District's contribution subsequent to the measurement date will be recognized as a reduction of the OBEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to the OPEB will be recognized on OPEB expense as follows:

Fiscal year ended June 30,	Amount
2024	$ 300,384
2025	4,199,963
2026	2,430,113
2027	(4,144,830)
2028	(3,314,209)
Thereafter	-

NOTE 12 - RISK MANAGEMENT

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

NOTE 12 - RISK MANAGEMENT (continued)

The District has chosen to establish a self-funded health benefit program for its employees. The benefit programs administrator, MVP Select Care, is responsible for the approval, processing and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The benefit program reports on a fiscal year ending June 30. The program is accounted for in the general fund of the District.

The District participates in the Madison-Oneida-Herkimer Consortium, a non-risk-retained public entity risk pool, to insure Workers' Compensation claims. The pool is operated for the benefit of several individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for insured events in excess of the $350,000 limit, and the District has essentially transferred all related risk to the pool.

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self-insurance fund to pay these claims. The balance of the fund at June 30, 2023 was $82,100 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2023, no loss contingencies existed or were considered probable or estimated for incurred but not reported claims payable.

NOTE 13 - TAX ABATEMENTS

The County of Oneida, enters into various property tax abatement programs for the purpose of economic development. The Oneida County Industrial Development Agency & Economic Development (the Agency), created by Chapter 565 of the Laws of 1970 of the State of New York pursuant to Title I of Article 18-A of General Municipal Law of the State of New York (collectively "the Act"), has three real property tax abatement agreements with various businesses in the District under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act for the purpose of economic development in the District. Generally, these agreements provide for an abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on the requirements noted in said individual agreements, the PILOT will discontinue as outlined in each agreement. As a result of these tax abatement agreements, for the year ended June 30, 2023, the District's property tax revenues were reduced by $55,202. The District received payment in Lieu of Tax (PILOT) payments totaling $45,985.

NOTE 14 - FUND BALANCES

Portions of fund balances are reserved and not available for current expenses or expenditures, as reported in the Governmental Funds Balance Sheet.

NOTE 15 - DONOR-RESTRICTED ENDOWMENTS

The District administers an endowment fund, reported in the miscellaneous revenue fund, which is restricted by the donor. Donor-restricted endowments are reported at fair value. The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

	Beginning Balance	Interest	Donations	Awards	Ending Balance
49 Foundation	$ 5,876	$ -	$ -	$ -	$ 5,876
Becky Simmons Scholarship	3,355	-	-	(250)	3,105
Carl Collins	-		200	(200)	-
Donald Rosenthal	1,043	-	250	(300)	993
Dr Thomas Morgan	712	-	200	(50)	862
G.N. Allen	2,303	-	-	-	2,303
George Roehm	18	-	-	-	18
Greater Oneida Chamber Scholorship	-	-	250	(250)	-
Joe's Jerky Memorial Award in Honor of Mikayla Guile	530	-	350	(250)	630
Joe's Jerky Scholarship	100	-	250	(250)	100
June H. Miller	36	-	-	(40)	(4)
Kasey Proper	5,054	-	-	(200)	4,854
Kenwood Benevolent	3,525	-	-	-	3,525
Kenny Albro Scholarship	3,000	-	-	(1,000)	2,000
Kristi Proper	4,551	-	-	(100)	4,451
Leon L. Hill	(14)	-	-	-	(14)
Mary Jo Hojohn	20	-	-	-	20
Michael P Ross Memorial Award	-	-	1,350	(500)	850
Mike Finley Scholarship	200	-	200	(200)	200
Neil Fargo	516	-	-	(50)	466
Otto Edkin	6	-	-	-	6
P.B. Noyes	546	-	-	-	546
Paul Caswell	19	-	-	-	19
Pexton Oral English	692	-	25	(155)	562
Philip Snyder	30	-	-	-	30
Piatkowski Award	-	-	-	-	-
Robert J. Kegebein III	204	-	-	(100)	104
Rosamond and Gene Bennati	-	-	1,100	(1,100)	-
Rotary Club Senior Awards	-	-	3,000	(3,000)	-
Sherrill VFW Post 860	2	-	-	-	2
Shumway Scholarship	275	-	-	(100)	175
Superintendent Award	-	-	1,000	(1,000)	-
VVS Administrators Award	1	-	-	-	1
VVS Class of 1970 Military Service Award	1,050	-	-	(500)	550
VVS FFA	1,175	-	-	-	1,175
VVS Faculty Couples Award	14	-	-	-	14
Verona Grange	23	-	-	-	23
William Wiley Scholarship	20	-	-	-	20
Wm. B. & Marion Patrick	2,415	-	-	(500)	1,915
Total	$ 37,297	$ -	$ 8,175	$ (10,095)	$ 35,377

NOTE 16 - COMMITMENTS AND CONTINGENCIES

Grants

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

NOTE 17 - SUBSEQUENT EVENTS

The District has evaluated events and transactions that occurred between June 30, 2023 and September 30, 2023, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 18 - RESTATEMENT

The District corrected an error in the reporting Fiduciary Funds to be in accordance with GASB Statement No. 84, Fiduciary Activities. The District corrected an error in the report of the employer contribution subsequent to the measurement date for TRS in accordance with GASB Statement 68, Pension Reporting. The District's beginning of the year net position for government-wide statements has been restated to reflect the following:

Net Position - Balance at July 1, 2022	$ (121,767,043)
GASB Statement No. 84 correction of error	(325,743)
GASB Statement No. 68 correction of error	(91,399)
Net Position - Beginning of Year, as Restated	$ (122,184,185)

The District's beginning of the year fund balance for governmental funds has been restated to reflect the following:

Fund Balance - Balance at July 1, 2022	$ (4,639,701)
GASB Statement No. 84 correction of error	(325,743)
Fund Balance – Beginning of Year, as Restated	$ (4,965,444)

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		$ 43,218,941
Add: Prior Year's Encumbrances		51,960
Original Budget		43,270,901
Budget Adjustments		
Final Budget		$ 43,270,901
Next year's budget is a voter-approved budget of:	$ 44,079,101	

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-2024 Voter-approved Expenditure Budget		
Maximum Allowed 4% of 2023-2024 Budget		$ 44,079,101
General Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted Fund Balance:		
Committed Fund Balance	-	
Assigned Fund Balance	4,124,614	
Unassigned Fund Balance	137,489	
Total Unrestricted Fund Balance	$ 4,262,103	
Less:		
Appropriated Fund Balance	4,051,079	
Insurance Recovery Reserve	-	
Tax Reduction Reserve	-	
Encumbrances Included in Committed and Assigned Fund Balance	73,535	
Total Adjustments	$ 4,124,614	
General Fund Balance Subject to Section 1318 Real Property Tax Law		$ 137,489
Actual Percentage		0.31%

VERNON VERONA SHERRILL CSD
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, 2023

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUES				
Local Sources:				
Real Property Taxes	$ 13,155,762	$ 13,155,762	$ 13,333,942	$ 178,180
Other Tax Items	2,345,179	2,345,179	2,180,239	(164,940)
Charge for Services	23,100	23,100	49,883	26,783
Use of Money and Property	189,280	189,280	316,494	127,214
Sale of Property and Compensation for Loss	1,500	1,500	10,221	8,721
Miscellaneous	453,322	453,322	1,035,985	582,663
Total Local Sources	16,168,143	16,168,143	16,926,764	758,621
State Sources	22,959,719	22,959,719	22,826,675	(133,044)
Federal Sources	40,000	40,000	62,706	22,706
Total Revenues	39,167,862	39,167,862	39,816,145	648,283
OTHER FINANCING SOURCES				
Proceeds from Bonds and Leases	-	-	-	-
Transfers from Other Funds	-	-	-	-
Appropriated Fund Balance	4,051,079	4,103,039	-	(4,103,039)
Total Revenues and Other Financing Sources	$ 43,218,941	$ 43,270,901	$ 39,816,145	$ (3,454,756)

See paragraph on supplementary schedules included in auditors' report.

VERNON VERONA SHERRILL CSD
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, 2023
(CONTINUED)

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General Support:					
Board of Education	$ 60,984	$ 67,906	$ 67,533	$ -	$ 373
Central Administration	255,475	261,434	259,646	-	1,788
Finance	421,727	415,828	401,236	-	14,592
Staff	174,851	225,270	221,144	917	3,209
Central Services	2,533,110	2,688,335	2,532,193	20,316	135,826
Special Items	435,706	445,084	445,083	-	1
Total General Support	3,881,853	4,103,857	3,926,835	21,233	155,789
Instruction:					
Instruction - Administration & Improvement	1,847,496	1,566,237	1,543,620	-	22,617
Teaching - Regular School	11,854,846	12,261,768	12,198,081	3,092	60,595
Programs for Students with Disabilities	3,709,741	3,191,550	3,007,384	-	184,166
Occupational Education	1,076,597	1,260,443	1,260,442	-	1
Teaching - Special Schools	154,818	160,925	160,925	-	-
Instructional Media	1,046,428	1,086,289	1,059,815	320	26,154
Pupil Services	2,205,705	2,415,282	2,194,943	939	219,400
Total Instruction	21,895,631	21,942,494	21,425,210	4,351	512,933
Pupil Transportation	2,143,553	2,281,791	2,256,308	-	25,483
Community Services	-	-	-	-	-
Employee Benefits	12,257,902	11,893,926	11,176,054	-	717,872
Debt Service	2,914,002	2,914,002	3,118,241	-	(204,239)
Total Expenditures	43,092,941	43,136,070	41,902,648	25,584	1,207,838
OTHER FINANCING USES					
Transfers To Other Funds	126,000	134,831	134,830	-	1
Total Expenditures and Other Uses	$ 43,218,941	$ 43,270,901	$ 42,037,478	$ 25,584	$ 1,207,839
Excess Revenue and Other Sources over Expenditures and Other Uses			(2,221,333)		
Fund Balance - Beginning of Year			15,187,846		
Fund Balance - End of Year			$ 12,966,513		

See paragraph on supplementary schedules included in auditors' report.

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2023

			Expenditures to Date								
Project Title	Original Appropriation	Revised Appropriation	Prior Year	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Fund Balance June 30, 2023
2022 Capital Outlay	$ 100,000	$ 100,000	$ -	$ 100,000	$ 100,000	$ -	$ -	$ -	$ 100,000	$ 100,000	$ -
2018 Capital Project	1,900,000	27,200,000	27,159,319	40,681	27,200,000	-	27,200,000	-	-	27,200,000	-
Total	$ 2,000,000	$ 27,300,000	$ 27,159,319	$ 140,681	$ 27,300,000	$ -	$ 27,200,000	$ -	$ 100,000	$ 27,300,000	$ -

See paragraph on supplementary schedules included in auditors' report.

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

Capital Assets, Net		$ 47,434,064
Deduct:		
Bond Anticipation Notes	-	
Unamortized Bond Premium	2,465,952	
Short-term Portion of Bonds Payable	1,645,000	
Short-term Portion of Lease Payable	153,978	
Short-term Portion of Energy Performance Contract	151,681	
Long-Term Portion of Bonds Payable	16,615,000	
Long-Term Portion of Lease Payable	-	
Long-Term Portion of Energy Performance Contract	1,819,524	
		22,851,135
Net Investment in Capital Assets		$ 24,582,929

See paragraph on supplementary schedules included in auditors' report.

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2023	**2022**	**2021**	**2020**	**2019**	**2018**
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability						
Service cost	$ 6,717,597	$ 6,751,695	$ 3,916,831	$ 3,908,144	$ 4,485,644	$ 5,797,273
Interest	4,253,787	4,191,348	4,739,027	4,972,708	5,307,968	4,648,227
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total OPEB liability	(1,419,417)	-	9,582,756	-	(18,863,569)	-
Changes of assumptions or other inputs	(24,288,107)	2,394,538	37,016,564	1,554,173	(5,877,657)	(21,463,130)
Benefit payments	(4,295,277)	(4,069,132)	(3,604,935)	(3,468,460)	(3,380,945)	(3,264,778)
Net change in total OPEB liability	(19,031,417)	9,268,449	51,650,243	6,966,565	(18,328,559)	(14,282,408)
Total OPEB liability - beginning	194,205,090	184,936,641	133,286,398	126,319,833	144,648,392	158,930,800
Total OPEB liability - ending	$ 175,173,673	$ 194,205,090	$ 184,936,641	$ 133,286,398	$ 126,319,833	$ 144,648,392
Covered payroll	$ 20,925,973	$ 19,776,561	$ 19,435,489	$ 18,629,629	$ 18,162,819	$ 17,127,928
Total OPEB liability as a percentage of covered payroll	837.11%	982.00%	951.54%	715.45%	695.49%	844.52%

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate in effect at the current measurement date is 3.54%.

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

(1) Data not available prior to fiscal year 2018 implementation of Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

* Ratios not provided

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS

New York State Teachers Retirement System (TRS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.088700%	0.087489%	0.087092%	0.084346%	0.084498%	0.083646%	0.081935%	0.082031%	0.080880%
District's proportionate share of the net pension liability (asset)	$ 1,702,057	$ (15,160,992)	$ 2,406,588	$ (2,191,314)	$ (1,527,954)	$ (635,793)	$ 877,553	$ (8,520,385)	$ (9,009,490)
District's covered-employee payroll	$ 15,713,773	$ 14,849,675	$ 14,782,277	$ 14,078,715	$ 13,763,838	$ 13,255,147	$ 12,643,317	$ 12,322,139	$ 11,605,197
District's proportionate share of the net pension liability (asset)as a percentage of its covered-employee payroll	10.83%	-102.10%	16.28%	-15.56%	-11.10%	-4.80%	6.94%	-69.15%	-77.63%
Plan fiduciary net position as a percentage of the total pension liability	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

Note - amounts presented for each fiscal year were determined as of the June 30th measurement date as of the prior fiscal year

(1) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

New York State Employees Retirement System (ERS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0138467%	0.0133814%	0.0133444%	0.0131672%	0.0131853%	0.0138315%	0.0125945%	0.0125440%	0.0121570%
District's proportionate share of the net pension liability (asset)	$ 2,969,281	$ (1,093,872)	$ 13,288	$ 3,486,756	$ 934,218	$ 446,406	$ 1,183,404	$ 2,013,342	$ 410,669
District's covered-employee payroll	$ 4,362,165	$ 4,006,985	$ 4,016,181	$ 3,906,481	$ 3,759,853	$ 3,620,879	$ 3,270,297	$ 3,128,449	$ 3,052,864
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	68.07%	-27.30%	0.33%	89.26%	24.85%	12.33%	36.19%	64.36%	13.45%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

Note - amounts presented for each fiscal year were determined as of the March 31st measurement date as of the current fiscal year

(1) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

See paragraph on supplementary schedules included in auditors' report.

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

New York State Teachers Retirement System (TRS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,539,918	$ 1,415,174	$ 1,309,710	$ 1,495,160	$ 1,348,856	$ 1,553,503	$ 1,676,504	$ 2,160,071	$ 1,941,418
Contributions in relation to the contractually required contribution	1,539,918	1,415,174	1,309,710	1,495,160	1,348,856	1,553,503	1,676,504	2,160,071	1,941,418
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered employee payroll	$ 15,713,773	$ 14,849,675	$ 14,782,277	$ 14,078,715	$ 13,763,838	$ 13,255,147	$ 12,643,317	$ 12,322,139	$ 11,605,197
Contributions as a percentage of covered employee payroll	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.73%

Note - amounts presented for each fiscal year were determined as of the June 30th measurement date as of the prior fiscal year

(1) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* .

New York State Employees Retirement System (ERS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 495,238	$ 631,952	$ 575,713	$ 593,305	$ 545,504	$ 538,460	$ 371,980	$ 437,927	$ 428,583
Contributions in relation to the contractually required contribution	495,238	631,952	575,713	593,305	545,504	538,460	371,980	437,927	428,583
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered employee payroll	$ 4,362,165	$ 4,006,985	$ 4,016,181	$ 3,906,481	$ 3,759,853	$ 3,620,879	$ 3,270,297	$ 3,128,449	$ 3,052,864
Contributions as a percentage of covered employee payroll	11.35%	15.77%	14.33%	15.19%	14.51%	14.87%	11.37%	14.00%	14.04%

Note - amounts presented for each fiscal year were determined as of the March 31th measurement date as of the current fiscal year

(1) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* .

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-through Grantor Number	Expenditures	Expenditures to Subrecipients
U.S. Department of Education				
Passed Through New York State				
Department of Education:				
Title I Grants to Local Education Agencies	84.010	0021-23-2050	$ 321,778	$ -
Supporting Effective Instruction State Grants	84.367A	0147-23-2050	53,973	-
Student Support and Academic Enrichment (SSAE) Program	84.424A	0204-23-2050	18,925	-
COVID-19 Coronavirus Response and Relief Supplemental Appropriation (CRRSA) and Secondary School Emergency Relief Round 2	84.425D	5891-21-2050	502,601	-
COVID-19 American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER)	84.425U	5880-21-2050	657,259	-
COVID-19 American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER)	84.425U	5883-21-2050	83,420	-
COVID-19 American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER)	84.425U	5884-21-2050	660,937	-
COVID-19 American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER)	84.425U	5882-21-2050	152,698	-
COVID-19 American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (Homeless Children and Youth)	84.425W	5218-21-2050	7,955	-
Subtotal			2,459,546	-
Special Education-Grants to States (IDEA, Part B)	84.027	0032-22-0628	498,945	-
Special Education-Preschool Grants (IDEA Preschool)	84.173	0033-23-0628	14,324	-
COVID-19 Special Education-Grants to States (IDEA, Part B) ARP	84.027X	5532-22-0628	93,897	-
COVID-19 Special Education-Preschool Grants (IDEA Preschool) ARP	84.173X	5533-22-0628	10,455	-
Total Special Education Cluster			617,621	-
Total - Passed through New York State Department of Education			3,077,167	-
Total - U.S. Department of Education			3,077,167	-
U.S. Department of Agriculture				
Passed Through NYS Office of General Services				
National School Lunch Program- surplus food	10.555	N/A	67,813	-
Passed Through New York State				
Department of Education:				
COVID-19 School Breakfast Program	10.553	412000050000	109,063	-
COVID-19 National School Lunch Program	10.555	412000050000	474,973	-
COVID-19 Summer Food Service Program for Children	10.559	412000050000	25,771	-
Total Child Nutrition Cluster			677,620	-
Child Nutrition Discretionary Grants Limited Availability	10.579	0005-22-0056	8,264	-
COVID-19 Pandemic EBT Administrative Cost	10.649	412000050000	3,140	-
Total - U.S. Department of Agriculture			689,024	-
Total All Federal Programs			$ 3,766,191	$ -

See paragraph on supplementary schedules included in auditors' report.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Financial Assistance presents the activity of all 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent they are included in the federal financial reports used as the source for the data presented. Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The District has not elected to use the 10 percent *de minimis* cost rate as covered in CFR200.414 Indirect (F&A) costs.

NOTE 2 - SUB-RECIPIENTS

No amounts were provided to sub-recipients.

NOTE 3 - OTHER DISCLOSURES

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

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

Federal awards non-cash assistance of $67,813 was given from the USDA in the form of surplus food.

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

To the Board of Education
Vernon Verona Sherrill Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Vernon Verona Sherrill Central School District, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise Vernon Verona Sherrill Central School District's basic financial statements and have issued our report thereon dated September 30, 2023.

Report on Internal Control over Financial Reporting

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

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

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

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*
(CONTINUED)

Report on Compliance and Other Matters

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

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.

Crowley & Halloran, CPAs., P.C.

Watertown, NY
September 30, 2023

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

To the Board of Education
Vernon Verona Sherrill Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Vernon Verona Sherrill Central School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Vernon Verona Sherrill Central School District's major federal programs for the year ended June 30, 2023. Vernon Verona Sherrill Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Vernon Verona Sherrill Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Crowley & Halloran, CPAs, P.C.

Watertown, NY
September 30, 2023

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

1. The auditors' report expresses an unmodified opinion on the general purpose financial statements of Vernon Verona Sherrill Central School District.

2. There were no significant deficiencies disclosed during the audit of the general purpose financial statements of Vernon Verona Sherrill Central School District.

3. No instances of noncompliance material to the financial statements of Vernon Verona Sherrill Central School District were disclosed during the audit.

Federal Awards

4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs were reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.

5. The auditors' report on compliance for the major federal award programs for Vernon Verona Sherrill Central School District expresses an unmodified opinion on all major federal programs.

6. No audit findings relative to the major federal award programs for Vernon Verona Sherrill Central School District were reported.

7. The programs tested as major programs include:

Identification of major programs

CFDA Number(s)	Name of Federal Program or Cluster
84.425D	Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act Program Elementary and Secondary School Emergency Relief, Round 2
84.425U	American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER)
84.425W	American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (ARP-Homeless II)

8. The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

9. Vernon Verona Sherrill Central School District was determined to be a low-risk auditee.

SECTION II - FINANCIAL STATEMENT FINDINGS

None Noted

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Noted

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2023

None Noted

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INDEPENDENT AUDITORS' REPORT ON THE EXTRACLASSROOM ACTIVITY FUND

To the Board of Education
Vernon Verona Sherrill Central School District

Opinions

We have audited the accompanying Statement of Assets, Liabilities and Fund Balance - Cash Basis of the Extraclassroom Activity Fund of Vernon Verona Sherrill Central School District as of June 30, 2023, the related Statements of Cash Receipts and Disbursements – Cash Basis, and the related note to the financial statements for the year then ended.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Fund of the Vernon Verona Sherrill Central School District as of June 30, 2023, and its cash receipts and cash disbursements – cash basis for the year then ended on the basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Vernon Verona Sherrill Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

INDEPENDENT AUDITORS' REPORT ON THE EXTRACLASSROOM ACTIVITY FUND (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 Vernon Verona Sherrill Central School District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Vernon Verona Sherrill Central School District's ability to continue as a going concern for a reasonable period of time.

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

Crowley & Halloran, CPAs, P.C.

Watertown, NY
September 30, 2023

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND -
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2023

ASSETS	
Cash	$ 310,501
Due from Other Funds	638
Total Assets	$ 311,139
LIABILITIES AND FUND BALANCE	
Liabilities	
Total Liabilities	$ -
Fund Balance	311,139
Total Liabilities and Fund Balance	$ 311,139

The accompanying notes are an integral part of these financial statements.

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND -
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	Cash Balances June 30, 2022	Receipts	Disbursements	Cash Balances June 30, 2023
High School				
Art Club	$ 1,100	$ -	$ -	$ 1,100
Band Association	5,180	1,408	1,737	4,851
Chorus Association	8,291	2,860	5,700	5,451
Class of 2022	1,512	-	1,512	-
Class of 2023	1,774	24,289	25,709	354
Class of 2024	2,766	20,188	17,317	5,637
Class of 2025	3,070	15,791	13,362	5,499
Class of 2026	-	5,091	2,293	2,798
Comcession Club	-	13,611	12,839	772
Drama Club	1,667	249	309	1,607
Entertainment Industry	807	-	219	588
International Club	84	1	-	85
Interact Club	-	644	-	644
Musical Theater	3,453	23,575	20,165	6,863
National Honor Society	1,406	2,574	2,527	1,453
Orchestra Association	274	760	205	829
Outdoor Adventure Club	-	1,338	774	564
Pride Club	628	-	108	520
Processing Materials	1,080	570	588	1,062
Red Zone School Supply	8,195	30,338	32,250	6,283
SADD	421	-	-	421
Shevron Yearbook	13,396	6,376	5,189	14,583
Ski Club	1,126	6,144	6,726	544
Student Council - AP Exams	1,982	11,536	11,298	2,220
Student Council - Disney Leadership	662	28,393	28,354	701
Student Council - Field Trip	1,958	12,502	13,068	1,392
Student Council - General Fund	6,687	5,990	6,597	6,080
Student Council - LEAD	1	-	1	-
Student Council - VVS Community Day	2,768	-	-	2,768
Student Council - Connect	278	-	-	278
Student Council - Wall of Honor	1,151	-	320	831
Student Council - Wall of Distinction	3,504	-	-	3,504
VVS TSA	1,704	-	-	1,704
Totals	$ 76,925	$ 214,228	$ 209,167	$ 81,986

The accompanying notes are an integral part of these financial statements.

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND -
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	Cash Balances June 30, 2022	Receipts	Disbursements	Cash Balances June 30, 2023
Middle School				
Art Club	$ 519	$ -	$ 20	$ 499
Drama Club	7,019	4,457	3,532	7,944
FCCLA	133	1,309	1,175	267
FFA	7,551	1,247	1,545	7,253
Honor Society	782	4,912	3,707	1,987
Student Council	2,275	11,422	10,424	3,273
Technology Student Association	80	1	20	61
Yearbook	1,855	2,399	2,905	1,349
	$ 20,214	$ 25,747	$ 23,328	$ 22,633
J.D. George Sr.				
Student Council	$ 1,858	$ 2,375	$ 1,557	$ 2,676
Student Council - Library Fund	821	-	1	820
Student Council - Yearbook	68	431	28	471
	$ 2,747	$ 2,806	$ 1,586	$ 3,967
E.A Mcallister				
Book Fair	$ 3	$ -	$ -	$ 3
Student Council	218	-	44	174
Yearbook	830	1,084	46	1,868
Lost Library Books	905	149	-	1,054
	$ 1,956	$ 1,233	$ 90	$ 3,099
W.A Wettel				
Student Council	$ 1,054	$ -	$ -	$ 1,054
Scholastic Book Fair	9	3,870	3,839	40
Lost Library Books	116	90	205	1
Yearbook	135	-	65	70
	$ 1,314	$ 3,960	$ 4,109	$ 1,165
Future Farmers of America				
Future Farmers of America	$ 222,587	$ 109,975	$ 134,273	$ 198,289
Total High School Funds	$ 76,925	$ 214,228	$ 209,167	$ 81,986
Total Middle School Funds	20,214	25,747	23,328	22,633
Total Elementary School Funds	6,017	7,999	5,785	8,231
Total Future Farmers of America	222,587	109,975	134,273	198,289
Totals	$ 325,743	$ 357,949	$ 372,553	$ 311,139

The accompanying notes are an integral part of these financial statements.

VERNON VERONA SHERRILL CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
NOTE TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Funds are considered a part of the reporting entity of Vernon Verona Sherrill Central School District. The transactions for the year are not included in the combined financial statements of the School District, however the June 30, 2023 cash balances are included in the Fiduciary Fund Statements.

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

The School District's management requires that all activities included in the Extraclassroom Activity Fund meet the criteria for student activities as established by the New York State Education Department.