

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 26, 2026

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Trespasz Law Offices, LLP, Bond Counsel to the School District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described 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"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. (See "TAX MATTERS" herein.)

The Notes will not be "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

\$3,500,000



**ONONDAGA CENTRAL SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK**

GENERAL OBLIGATIONS

**\$3,500,000 Bond Anticipation Notes, 2026
(the "Notes")**

Dated: March 18, 2026

Due: July 16, 2026

The Notes are general obligations of the Onondaga Central School District, Onondaga County, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "THE NOTES – Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity.

At the option of the Purchaser(s), the Notes will be issued as registered notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof, as may be determined by such successful bidder(s).

Alternatively, if the Notes are issued as registered notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the Purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, as may be determined by such successful bidder(s). If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and 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 Trespasz Law Offices, LLP, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon on or about March 18, 2026.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on March 4, 2026 until 11:00 A.M., Eastern Time, pursuant to the Notice of Sales. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or 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.

February 26, 2026

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



Onondaga Central Schools

SCHOOL DISTRICT OFFICIALS

2025-2026 BOARD OF EDUCATION

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President

JASON BALENO
Vice President

LAUREL BENNETT
JEREMY BURTON
NATHANIEL BROWN
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* * * * *

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Superintendent of Schools

JOSEPH STERBANK
School Business Administrator

PATRICIA JONES
School District Treasurer



FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor



TRESPASZ LAW OFFICES, LLP
BOND COUNSEL

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

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
OF THE
ONONDAGA CENTRAL SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK
RELATING TO
\$3,500,000 Bond Anticipation Notes, 2026

This Official Statement, which includes the cover page, has been prepared by the Onondaga Central School District, Onondaga County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$3,500,000 principal amount of Bond Anticipation Notes, 2026 (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 School District, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "THE NOTES - Nature of the Obligations" and "TAX LEVY LIMITATION LAW" herein.

The Notes are dated March 18, 2026 and mature, without option of prior redemption, on July 16, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The District will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s).

The Notes will be issued in registered form at the option of the Purchaser(s) either (i) registered in the name of the purchaser, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

On March 20, 2024 the qualified voters of the District approved a proposition authorizing renovations and improvements to various District facilities (the "Capital Project") at a maximum estimated cost of \$15,661,284. The Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on April 9, 2024 authorizing the issuance of \$13,486,284 serial bonds and notes to finance the Capital Project.

The proceeds of the Notes will provide \$3,500,000 new money for the Capital Project.

Nature of the Obligation

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

Holders of any series of notes or bonds of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes 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” or “Chapter 97”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

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

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

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

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

THE SCHOOL DISTRICT

General Information

The School District is located in the central portion of upstate New York in the County of Onondaga. It is southwest, and in close proximity to the City of Syracuse. Situated in the Towns of Onondaga, Marcellus, LaFayette and Otisco, the School District has a land area of approximately 75 square miles.

The School District, as a suburb of the City of Syracuse, is typically residential with a number of small businesses and retail operations. Also included within the School District are produce farms and apple orchards.

Source: District Officials.

District Population

The 2024 estimated population of the District is 4,983. (Source: U.S. Census Bureau, 2020-2024 American Community Survey data).

Selected Wealth and Income Indicators

Per capita income statistics are not available for the School District as such. The smallest areas for which such statistics are available, which includes the School District, are the Towns of Onondaga, Marcellus, LaFayette and Otisco (collectively, the "Towns") and the County of Onondaga (the "County"). The figures set below with respect to such Towns and County are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County are necessarily representative of the School District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>
Towns of:						
Onondaga	\$ 30,751	\$ 39,910	\$ 53,250	\$ 80,264	\$ 97,932	\$ 129,633
Marcellus	27,699	39,946	53,245	73,879	93,594	129,441
LaFayette	28,304	38,314	51,858	70,333	92,738	128,247
Otisco	25,699	40,879	47,220	66,484	90,114	103,816
County of:						
Onondaga	27,037	34,600	43,166	65,929	82,368	101,959
State of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Note: 2021-2025 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2020-2024 American Community Survey data.

Larger Employers

Listed below are the major industrial and service-related employers in the County and the number of employees:

<u>Rank</u>	<u>Name</u>	<u>Employees</u>
1.	SUNY Upstate Medical University	11,125
2.	Syracuse University	5,913
3.	Wegmans Food Markets, Inc.	5,110
4.	Walmart	4,600
5.	Lockheed Martin	4,100
6.	St. Joseph's Health	4,000
7.	National Grid	3,278
8.	Crouse Health	3,200
9.	Loretto	2,000
10.	Target Corp.	1,750

Source: Center State CEO Community Guide (2023), CNY Business Journal Book of Lists 2024.

Unemployment Rate Statistics

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

	<u>Annual Averages</u>							
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Onondaga County	4.0%	3.8%	8.0%	4.9%	3.3%	3.3%	3.5%	N/A
New York State	4.1%	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%	N/A

	<u>Monthly Figures</u>											
	<u>2025</u>											<u>2026</u>
	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>
Onondaga County	4.1%	3.6%	2.9%	2.8%	3.1%	3.6%	3.9%	3.9%	N/A	3.6%	3.5%	N/A
New York State	4.3%	4.1%	3.7%	3.5%	3.8%	4.6%	4.7%	4.7%	N/A	4.5%	4.4%	N/A

Note: Unemployment rates for the months of October 2025, January 2026 and the annual averages for 2025 are not available as of the date of this Official Statement.

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

Form of School Government

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

Budgetary Procedures and Recent Budget Votes

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, 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 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). Clarification may be needed to determine whether a Board of Education must adopt a budget that requires the same tax levy amount as used in the prior fiscal year, or whether changes to the levy are permitted for such purposes as the permitted school district exclusions or the tax base growth factor. For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

Recent Budget Votes

The budget for the 2024-25 fiscal year was approved by qualified voters on May 21, 2024 by a vote of 210 yes to 62 no. The adopted budget included a total tax levy increase of 2.50% which was equal to the District's Tax Cap of 2.50% for the 2024-2025 fiscal year.

The budget for the 2025-26 fiscal year was approved by qualified voters on May 20, 2025 by a vote of 405 yes to 208 no. The adopted budget included a total tax levy increase of 2.75%, which was equal to the District's Tax Cap of 2.75% for the 2025-26 fiscal year.

Investment Policy

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

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

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2025-26 fiscal year, approximately 53.09% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts

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

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

Federal Aid Received by the State

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

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2026-27 preliminary building aid ratios, the District expects to receive State building aid of approximately 82.5% 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 to school districts within the State has declined in some recent years before increasing again in more recent years.

School district fiscal year (2021-2022): The State's 2021-22 Enacted Budget included \$29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of \$629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, \$105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget included \$31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also included \$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 included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%. The States 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding was included to 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 (2024-2025): The State's 2024-25 Enacted Budget provided \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever at that time (assuming the State aid amount agreed to as described in the following paragraphs is the amount ultimately enacted). This represented an increase of \$1.3 billion compared to the 2023-24 school year and included a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintained the "save harmless" provision, which ensured 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 authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State's 2025-26 Enacted Budget includes approximately \$37.6 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of \$1.7 billion. The State's 2025-26 Budget provides an estimated \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. As part of the 2025-26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a hold harmless provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts are guaranteed at least a 2% year-over-year increase in Foundation Aid. The enacted budget also includes formula modifications intended to provide enhanced support for high-need and disadvantaged school districts.

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

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York (“CFE”) 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 CFE 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 CFE was heard on appeal on May 30, 2017 in New Yorkers for Students’ Educational Rights v. State of New York (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the CFE case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent “gross education inadequacies”, claims regarding state funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State reached an agreement to settle and discontinue the NYSER case, following through on the State’s commitment to fully fund the current Foundation Aid formula to New York’s school districts over three years and ending the State’s prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the CFE cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 and FY 2025 budget and enacted this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

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

State Aid Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2020-2021	\$21,166,270	\$10,299,307	48.66%
2021-2022	21,484,956	10,607,906	49.37
2022-2023	24,143,309	12,417,389	51.43
2023-2024	23,952,689	12,140,230	50.53
2024-2025	25,296,052	13,004,762	51.41
2025-2026 (Budgeted)	25,433,237 ⁽¹⁾	13,503,205	53.09

⁽¹⁾ Does not include \$1,930,111 of appropriated fund balance and reserves.

Source: Audited financial statements for the 2020-2021 fiscal year through and including the 2024-2025 fiscal year and adopted budget of the District for the 2025-2026 fiscal year. This table is not audited.

District Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity ⁽¹⁾</u>	<u>Year(s) Built/Additions</u>
Rockwell Elementary School	PK-2	867 (567)	1952, 1958, 2009
Walter Wheeler Middle School	3-6	795 (459)	1965, 1974, 2003, 2010
Onondaga Junior Senior High School	7-12	1,054 (769)	1934, 1951, 1961, 1985, 2003, 2009
Industrial Arts Building	7-12	(62)	1936
Transportation Center	N/A		1965, 1990
District Office	N/A		1980
Technology Office	N/A		1951, 1991, deeded to District 2009

⁽¹⁾ Figures in parentheses are from the State Education Department SA-4 records.

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2021-22	843	2026-27	829
2022-23	830	2027-28	827
2023-24	827	2028-29	821
2024-25	828	2029-30	812
2025-26	837	2030-31	815

Source: District officials.

Employees

The School District provides services through approximately 171 full-time and 34 part-time employees. Information regarding the various bargaining units is as follows:

<u>Bargaining Unit</u>	<u>Number of Employees</u>	<u>Date of Contract Expiration</u>
OCS Faculty Association	110 (No part-time)	June 30, 2028
OCS Non-Instructional Staff Association	61 (34 part-time)	June 30, 2028
OCS Administrators' Association	7	June 30, 2028

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	\$ 378,052	\$ 677,136
2021-2022	358,108	688,841
2022-2023	315,988	736,167
2023-2024	411,284	712,724
2024-2025	429,972	834,088
2025-2026 (Budgeted)	506,730	915,000

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 offered an early retirement incentive in the 2021-2022 fiscal year. The cost was approximately \$160,000 and the expected savings is approximately \$200,000. The District also offered early retirement incentives during the 2024-2025 fiscal year with estimated savings of \$186,750. The District is offering a retirement incentive to instructional staff that are eligible in 2025-26.

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

A chart of average ERS and TRS rates as a percent of payroll (2021-22 to 2025-26) is shown below:

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

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

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

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

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years. The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The 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. As of June 4, 2019, the District established a reserve fund for the purpose of funding the cost of TRS contributions.

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

Other Post-Employment Benefits

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

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

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

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

The District contracted with Questar III to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability for the 2024 and 2025 fiscal years, by source.

	July 1, 2023	July 1, 2024
Balance beginning at:	<u>\$ 5,577,995</u>	<u>\$ 6,214,808</u>
Changes for the year:		
Service cost	343,150	331,762
Interest on total OPEB liability	210,961	251,083
Changes in Benefit Terms	-	-
Differences between expected and actual experience	527,907	-
Changes in Assumptions or other inputs	(159,830)	(706,298)
Benefit payments	<u>(285,375)</u>	<u>(318,454)</u>
Net Changes	<u>\$ 636,813</u>	<u>\$ (441,907)</u>
	June 30, 2024	June 30, 2025
	<u>\$ 6,214,808</u>	<u>\$ 5,772,901</u>

Source: Audited financial reports of the District. For additional information see “APPENDIX - E” attached hereto. The above table is not audited.

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.

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2025 and has been filed with the Electronic Municipal Market Access (“EMMA”) website. It is also attached hereto as “APPENDIX-E” to this Official Statement. Certain summary financial information of the District can also 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 Reports 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 has not released an audit of the District within the last five years. There are currently no pending audits of the District by the State Comptroller’s office.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation 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 2020-2021 through 2024-2025 fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2025	No Designation	0.0
2024	No Designation	3.3
2023	No Designation	13.3
2022	No Designation	3.3
2021	No Designation	0.0

Additional information regarding the Fiscal Stress Monitoring System can be found by visiting the Fiscal Stress Monitoring System section of the Office of the State Comptroller website.

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

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 bonds and notes are to be issued is the Education Law and 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.

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
LaFayette	\$ 1,658,009	\$ 1,649,691	\$ 1,648,813	\$ 1,648,062	\$ 1,648,552
Marcellus	2,976,291	2,964,194	2,935,334	2,919,325	2,908,777
Onondaga	365,875,015	365,187,072	357,632,209	358,050,559	360,500,498
Otisco	44,690	44,613	44,193	44,579	45,211
Total Assessed Values	<u>\$ 370,554,005</u>	<u>\$ 369,845,570</u>	<u>\$ 362,260,549</u>	<u>\$ 362,662,525</u>	<u>\$ 365,103,038</u>
State Equalization Rates					
Towns of:					
LaFayette	83.00%	75.00%	67.00%	60.00%	56.00%
Marcellus	100.00%	94.00%	81.00%	73.00%	68.00%
Onondaga	89.50%	78.00%	68.00%	65.00%	58.75%
Otisco	1.86%	1.70%	1.55%	1.41%	1.25%
Taxable Full Valuations	<u>\$ 416,175,480</u>	<u>\$ 476,165,834</u>	<u>\$ 534,865,664</u>	<u>\$ 560,754,490</u>	<u>\$ 624,456,205</u>

Source: District officials.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
LaFayette	\$ 30.17	\$ 29.75	\$ 30.24	\$ 32.85	\$ 32.64
Marcellus	25.04	23.74	25.01	27.00	26.88
Onondaga	27.98	28.61	29.79	30.32	31.11
Otisco	1,346.45	1,312.71	1,307.05	1,397.69	1,462.14

Source: District officials.

Tax Levy and Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Tax Levy	\$ 10,420,991	\$ 10,626,138	\$ 10,836,000	\$ 11,107,260	\$ 11,413,032
Amount Uncollected ⁽¹⁾	622,104	518,955	611,655	625,919	584,051
% Uncollected	5.97%	4.88%	5.64%	5.64%	5.12%

⁽¹⁾ The School District is assured 100% collections. See "Tax Collections Procedure" herein.

Tax Collection Procedure

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

Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes & Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2020-2021	\$ 21,166,270	\$ 10,219,674	48.28%
2021-2022	21,484,965	10,421,158	48.50
2022-2023	24,143,309	10,624,951	44.01
2023-2024	23,952,689	10,836,459	45.24
2024-2025	25,296,052	11,053,667	43.70
2025-2026 (Budgeted)	25,433,237 ⁽¹⁾	11,413,032	44.87

⁽¹⁾ Does not include \$1,930,111 of appropriated fund balance and reserves.

Source: Audited financial statements for the 2020-2021 fiscal year through and including the 2024-2025 fiscal year and adopted budget of the District for the 2025-2026 fiscal year. This table is not audited.

Ten Largest Taxpayers – 2025 Assessment Roll for 2025-2026 District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Full Valuation</u>
National Grid	Utility	\$ 20,529,417
Hanson Aggregates NY LLC	Commercial	13,654,615
Volles Realty, LLC	Real Estate	12,435,745
Dominion Transmission, Inc.	Commercial	6,184,235
Tennessee Gas Pipeline Co.	Commercial	5,507,343
Lords Hill Apple Farms LLC	Commercial	5,394,893
Beak & Skiff Apple, Inc	Commercial	4,994,894
LU Min LLC	Commercial	3,707,234
Heer, Raymond C.	Retail	2,361,039
MNC Farm, LLC	Commercial	2,155,915

Source: District officials.

The ten larger taxpayers listed above have a total taxable full valuation of \$73,229,623 which represents 13.06% of the 2025-2026 taxable full valuation of the School District.

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

Source: District officials.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$107,300 or less for the 2025-26 school year, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$86,100 for the 2025-26 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

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

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

The table below lists the basic and enhanced exemption amounts for the 2025-26 District tax roll for the municipalities applicable to the District:

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
LaFayette	\$ 51,660	\$ 18,000	4/10/2025
Marcellus	62,850	22,340	4/10/2025
Onondaga	55,970	19,500	4/10/2025
Otisco	1,210	420	4/10/2025

\$1,348,067 of the District’s \$11,107,260 adopted school tax levy for the 2024-2025 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

Approximately \$1,348,067 of the District’s \$11,413,032 adopted school tax levy for the 2025-2026 fiscal year is expected to be exempt by the STAR Program. The District anticipated receiving full reimbursement of such exempt taxes from the State by January 2026.

Additional Tax Information

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

Senior citizens’ exemptions are offered to those who qualify.

Total assessed valuation of the School District is estimated to be categorized as follows: Residential-77%, Utilities-4%, Commercial-10% and Agricultural-9%.

The estimated total annual school property tax bill of a \$100,000 market value residential property located in the School District is approximately \$2,299.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

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

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 Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increase 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. Pursuant to the Local Finance Law, the School District has the power to contract indebtedness for any School District purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

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.

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).

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, in anticipation of the collection of a specific type of revenue, and budget or deficiency notes when necessary.

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

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

The District complied with this estoppel procedure in connection with the bond resolution under which the Notes are being issued. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30th:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 9,923,766	\$ 8,319,119	\$ 6,556,313	\$ 22,924,300	\$ 21,370,393
Bond Anticipation Notes	4,000,000	16,500,000	19,470,000	0	0
Lease Liability ⁽¹⁾	<u>0</u>	<u>217,117</u>	<u>321,371</u>	<u>396,267</u>	<u>365,822</u>
Total Debt Outstanding	<u>\$ 13,923,766</u>	<u>\$ 25,036,236</u>	<u>\$ 26,347,684</u>	<u>\$ 23,320,567</u>	<u>\$ 21,736,215</u>

⁽¹⁾ In 2022, the District implemented GASB Statement No. 87 for accounting and reporting leases. See "Lease Liability" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of February 26, 2026:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2026-2038	\$ 21,436,480
Bond Anticipation Notes	July 16, 2026	<u>3,000,000</u>
	Total Indebtedness	<u>\$24,436,480</u>

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of February 26, 2026:

Full Valuation of Taxable Real Property \$ 624,456,205
 Debt Limit 10% thereof 62,445,620

Inclusions:

Bonds.....\$ 21,436,480
 Bond Anticipation Notes (BANs):.....3,000,000
 Total Inclusions prior to issuance of the Notes 24,436,480
 Less: BANs being redeemed from appropriations 0
 Add: New money proceeds of the Notes 3,500,000
 Total Net Inclusions after issuance of the Notes \$ 27,936,480

Exclusions:

State Building Aid ⁽¹⁾ \$ 0
 Total Exclusions \$ 0

Total Net Indebtedness \$ 27,936,480
 Net Debt-Contracting Margin \$ 34,509,140
 The percent of debt contracting power exhausted is 55.26%

⁽¹⁾ Based on preliminary 2026-2027 building aid estimates, the District anticipates State Building aid of 82.5% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

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

Bonded Debt Service

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

Cash Flow Borrowings

The School District has not found it necessary to issues revenue anticipation notes or tax anticipation notes in the past five years and does not anticipate the need to issue them in the foreseeable future.

Lease Liability

The following is a summary of the District’s debt service requirements for its leases as of June 30, 2025:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 153,044	\$ 12,955	\$ 165,999
2027	123,187	7,182	130,369
2028	59,395	3,523	62,918
2029	30,196	1,328	31,524
TOTAL	<u>\$ 365,822</u>	<u>\$ 24,988</u>	<u>\$ 390,810</u>

Source: 2025 Audited Financial Statements.

Capital Project Plans

On December 3, 2024, District voters were presented with propositions as follows:

Proposition I. Authorize the purchase and financing of two (2) electric school buses and one (1) gasoline school bus, at a maximum cost of \$1,016,508, and pay for such vehicles by applying \$441,000 in available grant funding from the New York School Bus Incentive Program and, for the balance to be funded by the District with the issuance of \$575,508 bond anticipation notes or serial bonds.

Proposition II. If Proposition I does not pass, to authorize to purchase and finance three (3) gasoline school buses at a maximum cost of \$436,480 to be financed by the District with the issuance of bond anticipation notes or serial bonds.

Proposition I failed by a vote of 135 to 211. Proposition II was approved by a vote of 274 to 67. The District plans on issuing serial bonds for the purchase of buses in the fall of 2025.

On March 20, 2024, District voters approved a capital project referendum (2026 Capital Project) in the amount of \$15,661,284. The District will finance the 2026 Capital Project with the expenditure of \$1,843,057 from the capital reserve fund, \$331,943 of available District funds and the issuance of \$13,486,284 of bond anticipation notes and serial bonds. Borrowings for the 2026 Capital Project will commence upon approval from the State Education Department and as construction cash flow needs warrant. It is anticipated construction will commence in two phases. Phase I construction began in June 2025 and concluded August 2025 and Phase II construction will commence April 2026 and conclude August 2026. The District issued \$3,000,000 Bond Anticipation Notes on July 16, 2025 as the initial borrowing for the Capital Project. The Notes will provide \$3,500,000 new money for the aforementioned purpose. The District plans to issue the remainder of funds for this project in bond anticipation notes in July 2026.

The District does not have any additional projects contemplated at this time.

Estimated Overlapping Indebtedness

In addition to the School District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the School District. The estimated outstanding indebtedness of such political subdivisions is as follows:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Onondaga	10/16/2025 ⁽³⁾	\$ 694,742,215	\$ - ⁽⁴⁾	\$ 694,742,215	1.35%	\$ 9,379,020
Town of:						
LaFayette	6/30/2025 ⁽³⁾	2,025,000	- ⁽⁴⁾	2,025,000	0.49%	9,923
Marcellus	12/31/2024 ⁽³⁾	4,933,041	- ⁽⁴⁾	4,933,041	0.58%	28,612
Onondaga	12/31/2024 ⁽³⁾	693,290	- ⁽⁴⁾	693,290	24.20%	167,776
Otisco	12/31/2024 ⁽³⁾	-	- ⁽⁴⁾	-	1.00%	-
Total:						<u>\$ 9,585,330</u>

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

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

⁽³⁾ Gross indebtedness 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.

⁽⁴⁾ Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of February 26, 2026:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 27,936,480	\$ 5,606.35	4.47%
Net Indebtedness Plus Gross Overlapping Indebtedness ^(d)	37,521,810	7,529.96	6.01

- (a) The 2024 estimated population of the District is 4,983. (See “THE SCHOOL DISTRICT - Population” herein.)
- (b) The District's full value of taxable real estate for the District’s 2025-2026 tax roll is \$624,456,205. (See “TAX INFORMATION – Taxable Assessed Valuations” herein.)
- (c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
- (d) Estimated gross overlapping indebtedness is \$9,585,330. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

General Municipal Law Contract Creditors’ Provision. The Notes when duly issued and paid for will constitute a contract between the 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. To the best knowledge of current District officers, the District has not defaulted on the payment of the principal of and interest on any indebtedness in the past five years.

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.

The District's credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. Accordingly, a decline in the District's credit rating could adversely affect the market value 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.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District 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.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or the tax status of interest on the Notes. See "TAX MATTERS" herein. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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

Opinion of Bond Counsel

In the opinion of Trespasz Law Offices, LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Arbitrage and Use of Proceeds Certificate of the District (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement this opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District, in executing the Tax Certificate, will certify to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner’s adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Note (a “Premium Note”). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the bond premium over the remaining term of the Premium Note, based on the owner’s yield over the remaining term of the Premium Note determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such note). An owner of a Premium Note must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Note, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinions of Trespasz Law Offices, LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as APPENDIX – D".

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. Other than as set forth above 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.

On February 14, 2019, the Child Victims Act ("CVA") was signed into law in New York. The CVA created a limited-duration window for victims of childhood sexual abuse to file previously time-barred civil lawsuits against individual alleged abusers and their then-employers. The CVA has resulted in thousands of lawsuits state-wide against entities such as schools, churches and youth organizations. To date, three (3) CVA lawsuits have been filed against Onondaga Central School District.

In each lawsuit, Plaintiff alleged the District was negligent in hiring, retaining and supervising the individual alleged abusers. In each case, the acts were allegedly committed by a former teacher and/or coach several decades ago; the most recent incident of abuse alleged in these lawsuits took place in 1981. Each individual Plaintiff seeks unspecified monetary damages. While unable to predict the outcome of these suits, any subsequent judgments against the District could have a material adverse impact upon the District's finances, including causing the District to issue additional indebtedness to finance the cost of any potential award, should the need arise.

CONTINUING DISCLOSURE

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

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

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

RATINGS

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

The District currently does not have an underlying rating by Standard & Poor's Credit Market Services or Moody's Investors Service, Inc. on its general obligation debt.

CUSIP IDENTIFICATION NUMBERS

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

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.

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

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

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

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

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

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

The District's contact information is as follows: Mr. Joseph Sterbank, School Business Administrator, Onondaga Central School District, 4466 South Onondaga Road, Nedrow, New York 13120, telephone (315) 552-5001, fax (315) 492-4650, email: jsterbank@onondagacsd.org

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

ONONDAGA CENTRAL SCHOOL DISTRICT

Dated: February 26, 2026

MICHAEL KOBASA
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

<u>Fiscal Years Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
ASSETS					
Cash and Cash Equivalents	\$ 5,408,830	\$ 5,507,996	\$ 5,553,442	\$ 4,916,804	\$ 6,030,418
Due from Other Funds	584,047	985,641	926,256	829,096	518,968
Due from Fiduciary Funds	-	-	-	-	-
State and Federal Aid Receivable	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Accounts Receivable	801,697	691,316	1,782,996	714,492	1,028,875
Prepaid Expenditures	288,104	291,699	312,464	332,091	359,648
TOTAL ASSETS	\$ 7,082,678	\$ 7,476,652	\$ 8,575,158	\$ 6,792,483	\$ 7,937,909
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 58,846	\$ 65,980	\$ 68,224	\$ 141,800	\$ 96,021
Accrued Liabilities	102,444	254,532	104,697	64,916	95,658
Due to Other Funds	-	-	-	-	208
Due to Teachers' Retirement System	774,870	856,534	940,752	915,799	977,628
Due to Employees' Retirement System	115,791	81,333	92,579	132,928	141,953
Other Liabilities	132,927	143,223	143,933	161,303	162,600
Deferred Revenues	-	-	4,000	8,000	21,926
Compensated Absences	614	1,518	5,040	1,163	7,410
TOTAL LIABILITIES	1,185,492	1,403,120	1,359,225	1,425,909	1,503,404
FUND EQUITY					
Nonspendable	\$ 288,104	\$ 291,699	\$ 312,464	\$ 332,091	\$ 359,648
Restricted	3,373,115	3,886,161	4,878,453	3,063,382	3,817,411
Assigned	792,727	813,625	992,588	903,077	1,162,932
Unassigned	1,443,240	1,082,047	1,032,428	1,068,024	1,094,514
TOTAL FUND EQUITY	5,897,186	6,073,532	7,215,933	5,366,574	6,434,505
TOTAL LIABILITIES and FUND EQUITY	\$ 7,082,678	\$ 7,476,652	\$ 8,575,158	\$ 6,792,483	\$ 7,937,909

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

<u>Fiscal Years Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
REVENUES					
Real Property Taxes	\$ 8,597,516	\$ 8,838,406	\$ 9,092,778	\$ 9,392,810	\$ 9,705,600
Real Property Tax Items	1,622,159	1,582,752	1,532,173	1,443,649	1,348,067
Non-Property Tax Items	31,299	34,088	34,718	35,674	36,830
Charges for Services	56,408	64,048	73,986	64,650	64,538
Use of Money & Property	4,819	1,395	199,120	445,413	334,940
Sale of Property and Compensation for Loss	11,026	21,562	4,391	9,106	56,117
Miscellaneous	325,939	274,931	729,263	398,519	672,548
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	10,299,307	10,607,906	12,417,389	12,104,230	13,004,762
Revenues from Federal Sources	217,797	59,877	59,491	58,638	72,650
Total Revenues	<u>\$ 21,166,270</u>	<u>\$ 21,484,965</u>	<u>\$ 24,143,309</u>	<u>\$ 23,952,689</u>	<u>\$ 25,296,052</u>
Other Sources:					
Proceeds of Obligations	-	-	-	-	-
Interfund Transfers	-	-	189,952	-	-
Total Revenues and Other Sources	<u>21,166,270</u>	<u>21,484,965</u>	<u>24,333,261</u>	<u>23,952,689</u>	<u>25,296,052</u>
EXPENDITURES					
General Support	\$ 2,518,541	\$ 2,663,148	\$ 2,934,118	\$ 3,053,237	\$ 3,098,100
Instruction	10,332,332	10,464,335	10,728,672	11,282,646	11,413,776
Pupil Transportation	1,403,649	1,569,210	1,686,620	1,620,573	1,541,327
Community Services	-	-	-	-	-
Employee Benefits	3,829,271	4,060,128	3,886,527	4,321,948	4,484,971
Debt Service	2,243,700	2,449,497	3,904,799	3,339,573	3,610,240
Total Expenditures	<u>\$ 20,327,493</u>	<u>\$ 21,206,318</u>	<u>\$ 23,140,736</u>	<u>\$ 23,617,977</u>	<u>\$ 24,148,414</u>
Other Uses:					
Interfund Transfers	179,973	102,301	50,124	2,184,071	79,707
Total Expenditures and Other Uses	<u>20,507,466</u>	<u>21,308,619</u>	<u>23,190,860</u>	<u>25,802,048</u>	<u>24,228,121</u>
Excess (Deficit) Revenues Over Expenditures	<u>658,804</u>	<u>176,346</u>	<u>1,142,401</u>	<u>(1,849,359)</u>	<u>1,067,931</u>
FUND BALANCE					
Fund Balance - Beginning of Year	5,238,382	5,897,186	6,073,532	7,215,933	5,366,574
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 5,897,186</u>	<u>\$ 6,073,532</u>	<u>\$ 7,215,933</u>	<u>\$ 5,366,574</u>	<u>\$ 6,434,505</u>

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2025			2026
	Original Budget	Amended Budget	Audited Actual	Adopted Budget
REVENUES				
Real Property Taxes	\$ 11,107,260	\$ 9,759,194	\$ 9,705,600	\$ 11,413,032
Real Property Tax Items	-	1,348,067	1,348,067	-
Non-Property Tax Items	22,000	20,000	36,830	22,000
Charges for Services	57,500	59,500	64,538	57,500
Use of Money & Property	180,000	180,000	334,940	150,000
Sale of Property and Compensation for Loss	12,500	12,500	56,117	12,500
Miscellaneous	255,000	259,874	672,548	255,000
Interfund Revenues	-	-	-	-
Revenues from State Sources	13,045,324	13,092,745	13,004,762	13,503,205
Revenues from Federal Sources	20,000	20,000	72,650	20,000
Total Revenues	\$ 24,699,584	\$ 24,751,880	\$ 25,296,052	\$ 25,433,237
Other Sources:				
Proceeds of Obligations	\$ -	\$ -	\$ -	\$ -
Appropriated Reserves	1,010,000	1,010,000	-	830,000
Appropriated Fund Balance	833,014	784,014	-	841,111
Prior Year Encumbrances	-	70,063	-	-
Interfund Transfers	158,000	158,000	-	259,000
Total Revenues and Other Sources	26,700,598	26,773,957	25,296,052	27,363,348
EXPENDITURES				
General Support	\$ 4,444,473	\$ 3,704,492	\$ 3,098,100	\$ 3,866,163
Instruction	11,836,224	12,494,555	11,413,776	12,728,578
Pupil Transportation	1,843,322	1,853,825	1,541,327	1,888,716
Community Services	-	-	-	-
Employee Benefits	5,140,214	5,008,516	4,484,971	5,336,646
Debt Service	3,436,365	3,623,485	3,610,240	3,543,245
Total Expenditures	\$ 26,700,598	\$ 26,684,873	\$ 24,148,414	\$ 27,363,348
Other Uses:				
Interfund Transfers	-	89,084	79,707	-
Total Expenditures and Other Uses	26,700,598	26,773,957	24,228,121	27,363,348
Excess (Deficit) Revenues Over Expenditures	-	-	1,067,931	-
FUND BALANCE				
Fund Balance - Beginning of Year	-	-	5,366,574	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 6,434,505	\$ -

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	\$ 2,500,393	\$ 1,042,852.01	\$ 3,543,245.01
2027	2,421,480	937,664.03	3,359,144.03
2028	1,680,000	815,806.25	2,495,806.25
2029	1,675,000	736,478.13	2,411,478.13
2030	1,660,000	657,368.75	2,317,368.75
2031	1,625,000	578,640.63	2,203,640.63
2032	1,600,000	506,100.00	2,106,100.00
2033	1,675,000	432,100.00	2,107,100.00
2034	1,760,000	348,350.00	2,108,350.00
2035	1,520,000	260,350.00	1,780,350.00
2036	1,580,000	184,500.00	1,764,500.00
2037	1,655,000	105,500.00	1,760,500.00
2038	455,000	22,750.00	477,750.00
TOTALS	\$ 21,806,873	\$ 6,628,459.79	\$ 28,435,332.79

Note: Figures above do not include indebtedness related to outstanding Leases. See "STATUS OF INDEBTEDNESS - Lease Liability" herein.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2019A DASNY			2020 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 230,000	\$ 113,300.00	\$ 343,300.00	\$ 70,000	\$ 402.50	\$ 70,402.50
2027	240,000	101,800.00	341,800.00	-	-	-
2028	250,000	89,800.00	339,800.00	-	-	-
2029	265,000	77,300.00	342,300.00	-	-	-
2030	280,000	64,050.00	344,050.00	-	-	-
2031	290,000	50,050.00	340,050.00	-	-	-
2032	300,000	41,350.00	341,350.00	-	-	-
2033	310,000	32,350.00	342,350.00	-	-	-
2034	325,000	16,850.00	341,850.00	-	-	-
2035	15,000	600.00	15,600.00	-	-	-
TOTALS	\$ 2,505,000	\$ 587,450.00	\$ 3,092,450.00	\$ 70,000	\$ 402.50	\$ 70,402.50

Fiscal Year Ending June 30th	2021 Buses			2022 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 55,000	\$ 880.00	\$ 55,880.00	\$ 75,000	\$ 6,965.00	\$ 81,965.00
2027	55,000	302.50	55,302.50	75,000	4,520.00	79,520.00
2028	-	-	-	80,000	1,600.00	81,600.00
TOTALS	\$ 110,000	\$ 1,182.50	\$ 111,182.50	\$ 230,000	\$ 13,085.00	\$ 243,085.00

Fiscal Year Ending June 30th	2022 Refunding of 2012A DASNY Bonds			2023 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 725,000	\$ 74,500.00	\$ 799,500.00	\$ 85,000	\$ 15,312.50	\$ 100,312.50
2027	765,000	38,250.00	803,250.00	90,000	11,156.25	101,156.25
2028	-	-	-	90,000	6,825.00	96,825.00
2029	-	-	-	95,000	2,315.63	97,315.63
TOTALS	\$ 1,490,000	\$ 112,750.00	\$ 1,602,750.00	\$ 360,000	\$ 35,609.38	\$ 395,609.38

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2024A DASNY			2024 Buses		
	Principal	Interest	Total	Principal	Interest	Total
	2026	\$ 1,175,000	\$ 805,000.00	\$ 1,980,000.00	\$ 85,393	\$ 26,492.01
2027	1,020,000	746,250.00	1,766,250.00	100,000	14,150.00	114,150.00
2028	1,070,000	695,250.00	1,765,250.00	105,000	10,306.25	115,306.25
2029	1,120,000	641,750.00	1,761,750.00	105,000	6,368.75	111,368.75
2030	1,180,000	585,750.00	1,765,750.00	110,000	2,200.00	112,200.00
2031	1,240,000	526,750.00	1,766,750.00	-	-	-
2032	1,300,000	464,750.00	1,764,750.00	-	-	-
2033	1,365,000	399,750.00	1,764,750.00	-	-	-
2034	1,435,000	331,500.00	1,766,500.00	-	-	-
2035	1,505,000	259,750.00	1,764,750.00	-	-	-
2036	1,580,000	184,500.00	1,764,500.00	-	-	-
2037	1,655,000	105,500.00	1,760,500.00	-	-	-
2038	455,000	22,750.00	477,750.00	-	-	-
TOTALS	\$ 16,100,000	\$ 5,769,250.00	\$21,869,250.00	\$ 505,393	\$ 59,517.01	\$ 564,910.01

Fiscal Year Ending June 30th	2025 Buses		
	Principal	Interest	Total
	2026	\$ -	\$ -
2027	76,480	21,235.28	97,715.28
2028	85,000	12,025.00	97,025.00
2029	90,000	8,743.75	98,743.75
2030	90,000	5,368.75	95,368.75
2031	95,000	1,840.63	96,840.63
TOTALS	\$ 436,480	\$ 49,213.41	\$ 485,693.41

MATERIAL EVENT NOTICES

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

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

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

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

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

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

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

The District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed material event notices, if any, on or before the date specified.

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

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

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

FORM OF OPINION OF BOND COUNSEL

February 16, 2026

Onondaga Central School District
4466 South Onondaga Road
Nedrow, New York 13120

Re: Onondaga Central School District, Onondaga County, New York
\$3,500,000 Bond Anticipation Notes, 2026 CUSIP No.:

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$3,500,000 Bond Anticipation Notes, 2026 (the "Notes") of Onondaga Central School District, County of Onondaga, State of New York (the "District"). The Notes are dated March 18, 2026 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, resolutions of the District and a Certificate of Determination dated on or before July 16, 2026 of the President of the Board of Education relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation of rate or amount. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage and Use of Proceeds Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against New York municipal corporations such as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our 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 herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information, which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School 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 light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

TRESPASZ LAW OFFICES, LLP

**ONONDAGA CENTRAL SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK**

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2025

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.

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

ONONDAGA CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2025



BUSINESS
ADVISORS
AND CPAS

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BUSINESS
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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Onondaga Central School District, New York (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in District's total OPEB liability and related ratio, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4-13 and 47-51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
September 17, 2025

Onondaga Central School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2025. This section is a summary of the School District's financial activities based on currently known facts, decisions, and/or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

At the close of the fiscal year, the total assets plus deferred outflows (what the District owns) exceeded its total liabilities plus deferred inflows (what the District owes) by \$30,685,915 (net position) an increase of \$2,512,123 from the prior year.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$7,650,969, a decrease of \$173,496 in comparison with the prior year.

General revenues which include Property Taxes, Non-Property Taxes, State and Federal Aid, Investment Earnings, Compensation for Loss, and Miscellaneous accounted for \$25,250,172 or 95% of all revenues. Program specific revenues in the form of Charges for services and Operating Grants and Contributions, accounted for \$1,275,861 or 5% of total revenues.

Overview of the Financial Statements

This management's discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, general administrative support, community service, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The School District maintains four individual governmental funds; General Fund, Special Aid Fund, Debt Service Fund, and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Special Aid Fund which are reported as major funds. Data for the Debt Service Fund and Capital Projects Fund are aggregated into a single column and reported as nonmajor funds.

The School District adopts, and voters approve an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity which accounts for assets held by the School District on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statement section of this report.

<u>Major Feature of the District-Wide and Fund Financial Statements</u>			
	Government-Wide Statements	Fund Financial Statements	
		<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education, scholarship programs, 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 Balance	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	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the School District's assets and liabilities. All 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 government-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively. Additional non-financial factors such as changes in the District's property tax base and the condition of the school buildings and facilities must also be considered to assess the District's overall health.

All of the District's services are reported in the government-wide financial statements as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, federal and state aid, and investment earnings finance most of these activities.

Financial Analysis of the School District As A Whole

Net Position

As shown in the table below the District's combined net position at June 30, 2025 was \$30,685,915, an increase of 9% or \$2,512,123 compared to prior year.

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2025</u>	<u>2024</u>	
<u>ASSETS:</u>			
Current and Other Assets	\$ 10,549,634	\$ 9,292,016	\$ 1,257,618
Capital Assets	51,398,237	50,501,911	896,326
Total Assets	<u>\$ 61,947,871</u>	<u>\$ 59,793,927</u>	<u>\$ 2,153,944</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	<u>\$ 4,455,475</u>	<u>\$ 5,246,079</u>	<u>\$ (790,604)</u>
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 31,284,413	\$ 33,864,639	\$ (2,580,226)
Other Liabilities	1,653,686	1,550,064	103,622
Total Liabilities	<u>\$ 32,938,099</u>	<u>\$ 35,414,703</u>	<u>\$ (2,476,604)</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	<u>\$ 2,779,332</u>	<u>\$ 1,451,511</u>	<u>\$ 1,327,821</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 27,549,513	\$ 24,928,540	\$ 2,620,973
<u>Restricted For,</u>			
Employment Retirement System	1,148,213	1,217,474	(69,261)
Capital Projects	653,123	1,913,209	(1,260,086)
Debt Service Reserve	-	544,682	(544,682)
Liability Reserve	1,197,733	812,907	384,826
Other Purposes	2,034,806	1,033,001	1,001,805
Unrestricted	(1,897,473)	(2,276,021)	378,548
Total Net Position	<u>\$ 30,685,915</u>	<u>\$ 28,173,792</u>	<u>\$ 2,512,123</u>

Key Variances

- Current and Other Assets increased \$1,257,618 as a result of NYS TRS pension system reporting a net pension asset.
- Long-Term Debt Obligations decreased \$2,580,226 as a result of principal payments on bonds outstanding and decrease to actuarially determined liability for OPEB and pension.

The District's financial position is the product of many factors.

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

There are five restricted net position balances: Employee Retirement System, Employment Retirement System, Capital Projects, Debt Service Reserve, Liability Reserve, and Other Purposes. The remaining balance of unrestricted net position is a deficit of \$1,897,473.

Changes in Net Position

The District’s total revenue increased 4% to \$26,526,033. State and federal aid 49% and property taxes 42% accounted for most of the District’s revenue. The remaining 9% of the revenue comes from operating grants, charges for services, non-property taxes, investment earnings, compensation for loss, and miscellaneous revenues.

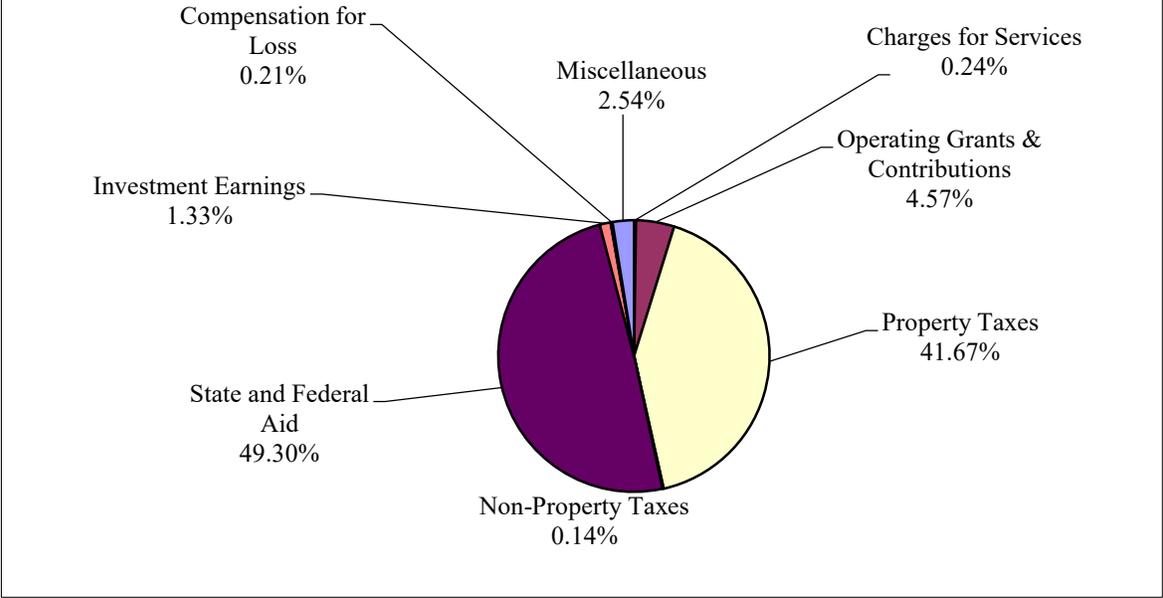
The total cost of all the programs and services increased 13% to \$24,013,910. The District’s expenses are predominately related to education and caring for the students (Instruction) 69%. General support which included expenses associated with the operation, maintenance and administration of the District accounted for 16% of the total costs. See table below:

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2025</u>	<u>2024</u>	
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 64,538	\$ 64,650	\$ (112)
Operating Grants & Contributions	1,211,323	1,583,179	(371,856)
Total Program	\$ 1,275,861	\$ 1,647,829	\$ (371,968)
<u>General -</u>			
Property Taxes	\$ 11,053,667	\$ 10,836,459	\$ 217,208
Non Property Taxes	36,830	35,674	1,156
State and Federal Aid	13,077,412	12,162,868	914,544
Investment Earnings	353,598	485,020	(131,422)
Compensation for Loss	56,117	9,106	47,011
Miscellaneous	672,548	398,519	274,029
Total General	\$ 25,250,172	\$ 23,927,646	\$ 1,322,526
TOTAL REVENUES	\$ 26,526,033	\$ 25,575,475	\$ 950,558
<u>EXPENSES:</u>			
General Support	\$ 3,734,411	\$ 3,936,692	\$ (202,281)
Instruction	16,592,772	13,617,256	2,975,516
Pupil Transportation	2,492,722	2,409,327	83,395
Interest	1,194,005	1,212,790	(18,785)
TOTAL EXPENSES	\$ 24,013,910	\$ 21,176,065	\$ 2,837,845
INCREASE IN NET POSITION	\$ 2,512,123	\$ 4,399,410	
NET POSITION, BEGINNING OF YEAR	28,173,792	23,774,382	
NET POSITION, END OF YEAR	\$ 30,685,915	\$ 28,173,792	

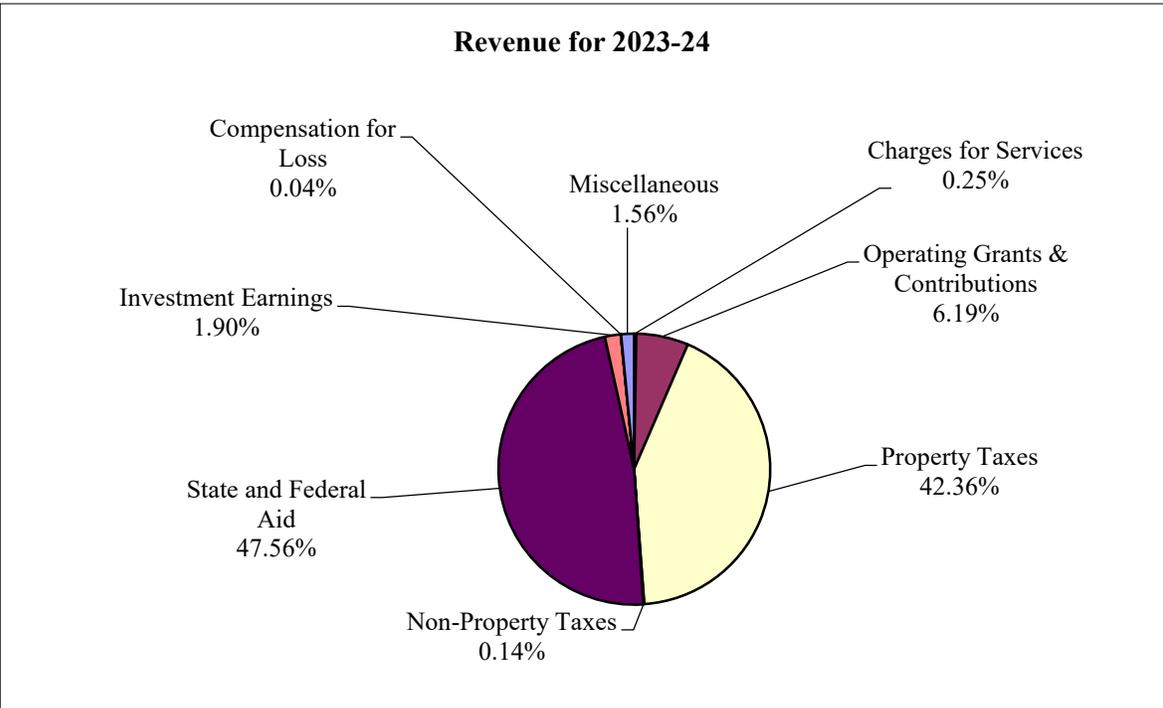
Key Variances

- State and Federal Aid increased \$914,544 as a result of changes to the State Aid formula.
- Instruction increased \$2,975,516 as a result of changes in the actuarially determined items for the pension system and OPEB.

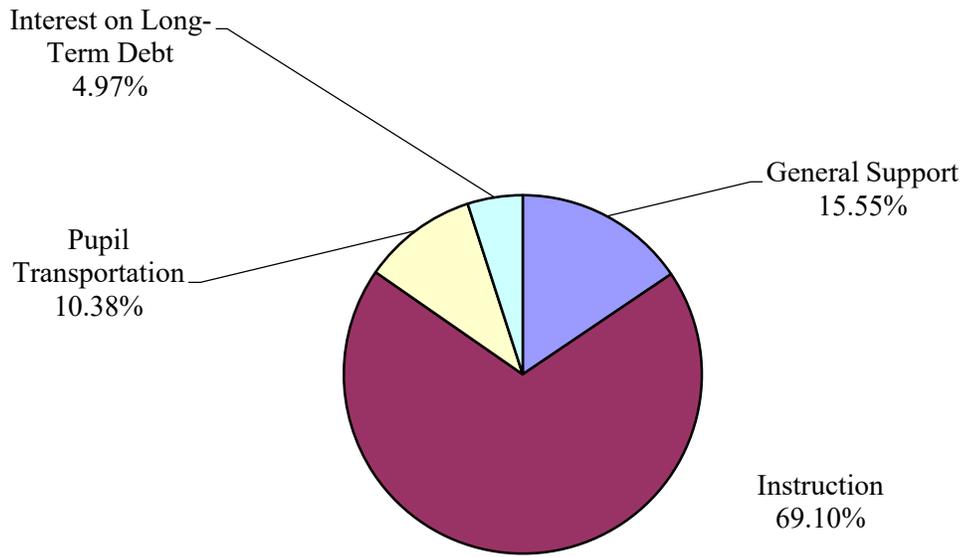
Revenue for 2024-25



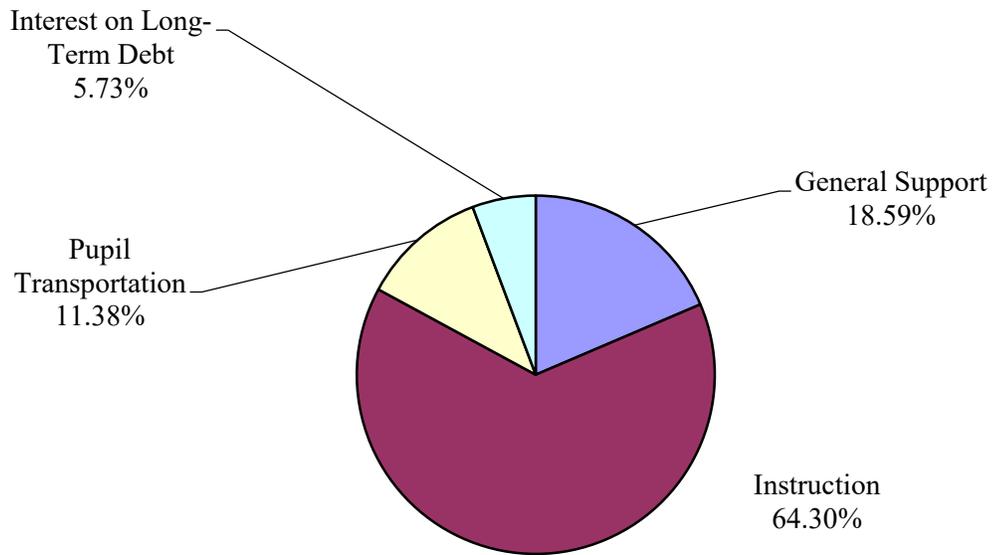
Revenue for 2023-24



Expenses for 2024-25



Expenses for 2023-24



Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$7,650,969 which is less than last year's ending fund balance of \$7,824,465.

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was \$6,434,505. Fund balance for the General Fund increased by \$1,067,931 compared with the prior year. See table below:

<u>General Fund Balances:</u>	<u>2025</u>	<u>2024</u>	<u>Total Variance</u>
Nonspendable	\$ 359,648	\$ 332,091	\$ 27,557
Restricted	3,817,411	3,063,382	754,029
Assigned	1,162,932	903,077	259,855
Unassigned	1,094,514	1,068,024	26,490
Total General Fund Balances	<u>\$ 6,434,505</u>	<u>\$ 5,366,574</u>	<u>\$ 1,067,931</u>

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$73,359. This change is attributable to \$70,063 of carryover encumbrances from the 2023-24 school year and \$3,296 for miscellaneous donations.

The key factors for budget variances in the General Fund are listed below along with explanations for each.

Expenditure Items:	Budget Variance Original Vs. Amended	Explanation for Budget Variance
Instructional	(\$182,715)	Budget adjustment for BOCES leases in accordance with GASB 87
Debt Service-Interest	\$264,169	Budget adjustment for BOCES leases in accordance with GASB 87

Revenue Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Use of Money and Property	\$154,940	Interest income and rates higher than anticipated.
Miscellaneous	\$412,674	Receipt of prior year's refunds higher than anticipated
Transfers-In	(\$158,000)	Transfer for bond payments not necessary
Expenditure Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
General Support	\$569,187	School Resource Officer and Utility expenses came in lower than expected.
Instructional	\$980,932	Salary and curriculum expense reclassified to federal grants and BOCES final requests were budgeted higher than estimated enrollment
Pupil Transportation	\$299,379	Expenses reclassified to federal grants, gasoline costs were lower than expected and consolidated routes.
Employee Benefits	\$351,895	Benefits reclassified to federal grants and health insurance rate increase lower than expected.

Capital Asset and Debt Administration

Capital Assets

The change in capital assets, net of accumulated depreciation, is reflected below:

	<u>2025</u>	<u>2024</u>
<u>Capital Assets:</u>		
Land	\$ 466,062	\$ 466,062
Work in Progress	23,115,616	21,761,219
Buildings and Improvements	25,517,889	26,038,064
Machinery and Equipment	1,943,958	1,848,508
Total Capital Assets	<u>\$ 51,043,525</u>	<u>\$ 50,113,853</u>
<u>Lease Assets:</u>		
Equipment	\$ 354,712	\$ 388,058
Grand Total	<u><u>\$ 51,398,237</u></u>	<u><u>\$ 50,501,911</u></u>

More detailed information can be found in the notes to the financial statements.

Long-Term Debt

At year end, the District had \$31,284,413 in general obligation bonds and other long-term debt outstanding as follows:

<u>Type</u>	<u>2025</u>	<u>2024</u>
Serial Bonds	\$ 21,370,393	\$ 22,924,300
Lease Liability	365,822	396,267
Unamortized Bond Premium	2,083,821	2,252,804
OPEB Liability	5,772,901	6,214,808
Net Pension Liability	1,196,833	1,632,231
Retainage Payable	28,688	-
Compensated Absences	465,955	444,229
Total Long-Term Obligations	\$ 31,284,413	\$ 33,864,639

More detailed information can be found in the notes to the financial statements.

Factors Bearing on the District's Future

- Uncertainty in federal/state funding resulting from full Foundation Aid phase-in impact on hold harmless districts.
- Tax cap will restrict the District's ability to generate local funding to offset increasing expenditures.
- Outstanding Child Victim's Act (CVA) claims.

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following:

Onondaga Central School District
4466 South Onondaga Road
Nedrow, New York 13120

ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 7,410,346
Accounts receivable	1,476,641
Prepaid items	359,648
Net pension asset	1,302,999
Capital Assets:	
Land	466,062
Work in progress	23,115,616
Other capital assets (net of depreciation)	27,816,559
TOTAL ASSETS	<u>\$ 61,947,871</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>\$ 4,455,475</u>
 LIABILITIES	
Accounts payable	\$ 188,373
Accrued liabilities	161,088
Unearned revenues	22,044
Due to teachers' retirement system	977,628
Due to employees' retirement system	141,953
Other Liabilities	162,600
Long-Term Obligations:	
Due in one year	2,973,154
Due in more than one year	28,311,259
TOTAL LIABILITIES	<u>\$ 32,938,099</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>\$ 2,779,332</u>
 NET POSITION	
Net investment in capital assets	\$ 27,549,513
Restricted For:	
Capital projects	653,123
Reserve for employee retirement system	1,148,213
Liability reserve	1,197,733
Other purposes	2,034,806
Unrestricted	(1,897,473)
TOTAL NET POSITION	<u>\$ 30,685,915</u>

(See accompanying notes to financial statements)

ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Activities

For The Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
				<u>Governmental Activities</u>
<u>Primary Government</u> -				
General support	\$ 3,734,411	\$ -	\$ -	\$ (3,734,411)
Instruction	16,592,772	64,538	1,211,323	(15,316,911)
Pupil transportation	2,492,722	-	-	(2,492,722)
Interest	1,194,005	-	-	(1,194,005)
Total Primary Government	\$ 24,013,910	\$ 64,538	\$ 1,211,323	\$ (22,738,049)

General Revenues:

Property taxes	\$ 11,053,667
Non property taxes	36,830
State and federal aid	13,077,412
Investment earnings	353,598
Compensation for loss	56,117
Miscellaneous	672,548
Total General Revenues	\$ 25,250,172
Changes in Net Position	\$ 2,512,123
Net Position, Beginning of Year	28,173,792
Net Position, End of Year	\$ 30,685,915

ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK

**Balance Sheet
Governmental Funds
June 30, 2025**

	General Fund	Special Aid Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,030,418	\$ 106,088	\$ 1,273,840	\$ 7,410,346
Receivables	1,028,875	411,835	35,931	1,476,641
Due from other funds	518,968	-	209	519,177
Prepaid items	359,648	-	-	359,648
TOTAL ASSETS	<u>\$ 7,937,909</u>	<u>\$ 517,923</u>	<u>\$ 1,309,980</u>	<u>\$ 9,765,812</u>
LIABILITIES AND FUND BALANCES				
Liabilities -				
Accounts payable	\$ 96,021	\$ -	\$ 92,352	\$ 188,373
Accrued liabilities	95,658	-	-	95,658
Due to other funds	208	517,805	1,164	519,177
Due to TRS	977,628	-	-	977,628
Due to ERS	141,953	-	-	141,953
Other liabilities	162,600	-	-	162,600
Compensated absences	7,410	-	-	7,410
Unearned revenue	21,926	118	-	22,044
TOTAL LIABILITIES	<u>\$ 1,503,404</u>	<u>\$ 517,923</u>	<u>\$ 93,516</u>	<u>\$ 2,114,843</u>
Fund Balances -				
Nonspendable	\$ 359,648	\$ -	\$ -	\$ 359,648
Restricted	3,817,411	-	1,216,464	5,033,875
Assigned	1,162,932	-	-	1,162,932
Unassigned	1,094,514	-	-	1,094,514
TOTAL FUND BALANCE	<u>\$ 6,434,505</u>	<u>\$ -</u>	<u>\$ 1,216,464</u>	<u>\$ 7,650,969</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,937,909</u>	<u>\$ 517,923</u>	<u>\$ 1,309,980</u>	

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

Capital assets/right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	51,398,237
Interest is accrued on outstanding bonds in the Statement of Net Position but not in the funds.	(65,430)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(21,370,393)
Lease liability	(365,822)
Retainage payable	(28,688)
OPEB liability	(5,772,901)
Compensated absences	(458,545)
Unamortized bond premium	(2,083,821)
Net pension asset	1,302,999
Deferred outflow - pension	3,918,973
Deferred outflow - OPEB	536,502
Net pension liability	(1,196,833)
Deferred inflow - pension	(1,742,787)
Deferred inflow - OPEB	(1,036,545)
Net Position of Governmental Activities	<u>\$ 30,685,915</u>

ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2025

	General Fund	Special Aid Fund	Formerly Major Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real property taxes and tax items	\$ 11,053,667	\$ -	\$ -	\$ -	\$ 11,053,667
Non-property taxes	36,830	-	-	-	36,830
Charges for services	64,538	-	-	-	64,538
Use of money and property	334,940	-	-	18,658	353,598
Sale of property and compensation for loss	56,117	-	-	-	56,117
Miscellaneous	672,548	29,401	-	-	701,949
State sources	13,004,762	400,022	-	-	13,404,784
Federal sources	72,650	781,900	-	-	854,550
TOTAL REVENUES	\$ 25,296,052	\$ 1,211,323	\$ -	\$ 18,658	\$ 26,526,033
EXPENDITURES					
General support	\$ 3,098,100	\$ -	\$ -	\$ -	\$ 3,098,100
Instruction	11,413,776	1,071,168	-	-	12,484,944
Pupil transportation	1,541,327	38,710	-	505,392	2,085,429
Employee benefits	4,484,971	115,529	-	-	4,600,500
Debt service - principal	2,229,006	-	-	-	2,229,006
Debt service - interest	1,381,234	-	-	-	1,381,234
Capital outlay	-	-	-	1,464,970	1,464,970
TOTAL EXPENDITURES	\$ 24,148,414	\$ 1,225,407	\$ -	\$ 1,970,362	\$ 27,344,183
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	\$ 1,147,638	\$ (14,084)	\$ -	\$ (1,951,704)	\$ (818,150)
OTHER FINANCING SOURCES (USES)					
Transfers - in	\$ -	\$ 14,084	\$ -	\$ 65,624	\$ 79,708
Transfers - out	(79,707)	-	-	(1)	(79,708)
Proceeds from obligations	-	-	-	644,654	644,654
TOTAL OTHER FINANCING SOURCES (USES)	\$ (79,707)	\$ 14,084	\$ -	\$ 710,277	\$ 644,654
NET CHANGE IN FUND BALANCE	\$ 1,067,931	\$ -	\$ -	\$ (1,241,427)	\$ (173,496)
FUND BALANCE, BEGINNING OF YEAR, as previously reported					
Changes within financial reporting entity major to nonmajor	-	-	(1,913,209)	1,913,209	-
FUND BALANCE, BEGINNING OF YEAR, as adjusted	\$ 5,366,574	\$ -	\$ -	\$ 2,457,891	\$ 7,824,465
FUND BALANCE, END OF YEAR	\$ 6,434,505	\$ -	\$ -	\$ 1,216,464	\$ 7,650,969

(See accompanying notes to financial statements)

ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For The Year Ended June 30, 2025

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS \$ (173,496)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets in excess depreciation in the current period:

Capital Outlay	\$ 1,464,970	
Additions to Assets, Net	518,480	
Depreciation and Amortization	<u>(1,087,124)</u>	
		896,326

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:

Debt Repayments	\$ 2,229,006	
Proceeds from Bond Issuance	(505,393)	
Unamortized Bond Premium	168,983	
Proceeds from Lease Purchases	<u>(139,261)</u>	
		1,753,335

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 18,246

The retainage liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds (28,688)

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. (192,737)

(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds

Teachers' Retirement System		174,430
Employees' Retirement System		80,186

In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:

Compensated Absences		<u>(15,479)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 2,512,123**

ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2025

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 60,209
TOTAL ASSETS	\$ 60,209
NET POSITION	
Restricted for individuals, organizations and other governments	\$ 60,209
TOTAL NET POSITION	\$ 60,209

Statement of Changes in Fiduciary Net Position

For The Year Ended June 30, 2025

	Custodial Funds
ADDITIONS	
Library taxes	\$ 63,105
Student activity	109,964
TOTAL ADDITIONS	\$ 173,069
DEDUCTIONS	
Student activity	\$ 113,556
Library taxes	63,105
TOTAL DEDUCTIONS	\$ 176,661
CHANGE IN NET POSITION	\$ (3,592)
NET POSITION, BEGINNING OF YEAR	63,801
NET POSITION, END OF YEAR	\$ 60,209

ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2025

I. Summary of Significant Accounting Policies

The financial statements of the Onondaga Central School District, New York (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement 61, *The Financial Reporting Entity*. 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 District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the District's reporting entity.

1. Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office. The District accounts for assets for various student organizations in the Custodial Fund.

(I.) (Continued)

B. Joint Venture

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

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

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

During the year, the District was billed \$2,964,403 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$1,080,659.

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

C. Basis of Presentation

1. District-wide Statements

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

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

(I.) (Continued)

2. **Fund 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 nonmajor funds.

The District reports the following governmental funds:

a. **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 Aid Fund - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

b. **Nonmajor Governmental Funds**- The other funds which are not considered major are aggregated and reported as nonmajor governmental funds as follows:

Capital Projects Fund - Used to account for the acquisition construction or major repair of capital facilities.

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

c. **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.

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.

D. **Measurement Focus and Basis of Accounting**

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

(I.) (Continued)

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

The fund financial 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.

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1. The Board of Education set the tax levy on August 13, 2024. Taxes were collected during the period September 3 to October 31, 2024.

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

F. Restricted Resources

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

G. Interfund Transactions

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

(I.) (Continued)

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

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

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

H. Estimates

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

I. Cash and Cash Equivalents

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

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

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

J. Receivables

Receivables are shown net of an allowance for uncollectible accounts, when applicable.

In addition, the District will report a receivable relating to a lease arrangement. The receivable is recorded at the present value of the future payments and recognized over the life of the lease.

No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

(I.) (Continued)

K. Inventory and Prepaid Items

Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

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

L. Other Assets/Restricted Assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the District-wide financial statements and their use is limited by applicable bond covenants.

In the District-wide financial statements, bond issuance costs are capitalized and amortized over the life of the debt issue. In the funds statements these same costs are netted against bond proceeds and recognized in the period of issuance.

M. Capital Assets

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives and capitalization threshold by type of assets is as follows:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 50,000	SL	25-50 Years
Machinery and Equipment	\$ 5,000	SL	5-25 Years

The investment in infrastructure type assets have not been segregated for reporting purposes since all costs associated with capital projects are consolidated and reported as additions to buildings and improvements.

N. Right To Use Assets

The District-wide financial statements, right-to-use-assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is 5 years based on the contract terms and/or estimated replacement of the assets.

(I.) (Continued)

O. Unearned Revenue

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

P. 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 (expenses/expenditure) until that time.

In addition to liabilities, the Statement of Net Position 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Q. Vested Employee Benefits

1. Compensated Absences

The District, based on policy and/or various negotiated labor or employment contracts, recognizes a liability for compensated absences for leave time that:

- (i) has been earned for services previously rendered by employees.
- (ii) has accumulated and is allowed to be carried over into subsequent years.
- (iii) is more likely than not to be used as time off or settled (for example paid in cash to the employee or as a payment to an employee flex spending account) during or upon separation from employment.

Based on the criteria listed, only vacation leave, sick leave and sick leave banks meet the qualifications to be recognized as a liability for compensated absences. The total long-term estimated liability for compensated absences is reported as incurred in the District-wide and proprietary fund financial statements. The short-term liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Consistent with GASB Statement 101, Compensated Absences, the liability has been calculated using the more likely than not to be used as leave or settled at separation method with the compensated absences liability being calculated based on the pay rates in effect at year end.

(I.) (Continued)

R. Other Benefits

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

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

S. Short-Term Debt

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

T. Accrued Liabilities and Long-Term Obligations

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

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

U. Equity Classifications

1. District-wide Statements

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

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

(I.) (Continued)

On the Statement of Net Position, the following balances represent the restricted for other purposes:

	<u>Total</u>
Unemployment Costs	\$ 260,305
Retirement Contribution - TRS	457,591
Debt Service	563,341
Capital Reserves	300,000
Employee Benefit Accrued Liability	<u>453,569</u>
Total Net Position - Restricted for Other Purposes	<u>\$ 2,034,806</u>

c. **Unrestricted Net Position** - reports the balance of net position that does not meet the definition of the above two classifications . The reported deficit of \$1,897,473 at year end is the result of full implementation of GASB #75 regarding retiree health obligations and the New York State Pension system unfunded pension obligation.

2. **Fund Statements**

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

a. **Nonspendable Fund Balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes \$359,648 of prepaid items in General Fund.

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

Capital Reserve - According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for 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. The Reserve is accounted for in the General Fund under restricted fund balance. Year end balances are as follows:

<u>Name of Reserve</u>	<u>Maximum Funding</u>	<u>Total Funding Provided</u>	<u>Total Year to Date Balance</u>
2025 Capital Reserve	\$ 3,000,000	\$ 300,000	\$ 300,000

(I.) (Continued)

Reserve for Debt Service - According to General Municipal Law §6-1, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here.

Employee Benefit Accrued Liability Reserve - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to 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.

Liability Reserve - According to General Municipal Law §1709(8)(c), must be used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and this reserve may not in total exceed 3% of the annual budget or \$15,000, whichever is greater.

Employee Retirement Reserve - According to General Municipal Law §6-r, must be used financing retirement contributions. 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.

Teachers' Retirement Reserve – General Municipal Law §6-r was amended to include a Teachers' Retirement Reserve (TRS) sub-fund. The reserve has an annual funding limit of 2% of the prior year TRS salaries and a maximum cumulative total balance of 10% of the previous year's TRS salary.

Unemployment Insurance Reserve - According to General Municipal Law §6-m, 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.

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.

(I.) (Continued)

Restricted fund balances include the following:

	<u>Total</u>
<u>General Fund -</u>	
Unemployment Costs	\$ 260,305
Retirement Contribution - ERS	1,148,213
Retirement Contribution - TRS	457,591
Liability Reserve	1,197,733
Capital Reserves	300,000
Employee Benefit Accrued Liability	453,569
<u>Capital Fund -</u>	
Capital Renovation Project	653,123
<u>Debt Service Fund -</u>	
Debt Service	563,341
Total Restricted Fund Balance	<u><u>\$ 5,033,875</u></u>

The District appropriated and/or budgeted funds from the following reserves for the 2025-26 budget:

	<u>Total</u>
Unemployment Costs	\$ 75,000
Retirement Contribution	400,000
Teachers' Retirement	170,000
Employee Benefit Accrued Liability	185,000
Total	<u><u>\$ 830,000</u></u>

c. **Committed** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2025.

d. **Assigned Fund Balance** – Includes amounts that are constrained by the District’s intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances represent purchase commitments made by the District’s purchasing agent through their authorization of a purchase order prior to year-end. The District assignment is based on the functional level of expenditures.

(I.) (Continued)

Management has determined significant encumbrances for the General Fund to be \$36,700, \$5,000 for the Capital Projects Fund, and \$4,500 for the Special Aid Fund. The District reports the following significant encumbrances:

<u>General Fund -</u>	
General Support	\$ 37,205
Instruction	\$ 99,847
Employee Benefits	\$ 171,650
<u>Capital Projects Fund -</u>	
Capital Improvements	\$ 2,797,343

Assigned fund balances include the following:

	<u>Total</u>
General Fund - Encumbrances	\$ 321,821
General Fund - Appropriated for Taxes	841,111
Total Assigned Fund Balance	<u>\$ 1,162,932</u>

e. **Unassigned Fund Balance** –Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the 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 amounts had been restricted or assigned.

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

3. Order of Use of Fund Balance

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

(I.) (Continued)

V. **New Accounting Standards**

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2025, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 101, *Compensated Absences*.

GASB has issued Statement No. 102, *Certain Risk Disclosures*.

W. **Future Changes in Accounting Standards**

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, which will be effective for fiscal years beginning after June 15, 2025.

GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets*, which will be effective for fiscal years beginning after June 15, 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.

II. **Changes in Accounting Principles**

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. The implementation of the statement changes the reporting for compensated absences. There was no financial statement impact for the implementation of the Statement.

III. **Stewardship, Compliance and Accountability**

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

A. **Budgets**

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

The voters of the District approved the proposed appropriation budget.

(III.) (Continued)

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which 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 restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the 2024-25 fiscal year the budget was increased \$70,063 for prior year encumbrances, and \$3,296 for donations and awards.

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

Budgets are established and used for individual capital projects 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.

B. Encumbrances

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

IV. Cash and Cash Equivalents

Credit Risk – In compliance with the State Law, District investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and obligations used by other municipalities and authorities within the State.

Concentration of Credit Risk – To promote competition in rates and service costs, and to limit the risk of institutional failure, District deposits and investments are placed with multiple institutions. The District's investment policy limits the amounts that may be deposited with any one financial institution.

Interest Rate Risk – The District has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

(IV.) (Continued)

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

Uncollateralized	\$ -
Collateralized within Trust Department or Agent	2,499,162
Total	\$ 2,499,162

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 \$5,033,875 within the governmental funds, and \$60,209 in the Custodial Funds.

V. **Investment Pool**

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the cooperative as of year-end are \$4,638,294, which consisted of \$1,255,586 in repurchase agreements, \$3,192,538 in U.S. Treasury Securities, \$42,208 in FDIC insured deposits and \$147,962 in collateralized bank deposits, with various interest rates and due dates.

VI. **Receivables**

Receivables at June 30, 2025 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

<u>Description</u>	Governmental Activities			<u>Total</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Nonmajor Funds</u>	
Accounts Receivable	\$ 51,155	\$ -	\$ -	\$ 51,155
Due From State and Federal	408,722	411,835	35,931	856,488
Due From Other Governments	568,998	-	-	568,998
Total Receivables	\$ 1,028,875	\$ 411,835	\$ 35,931	\$ 1,476,641

District management has deemed the amounts to be fully collectible.

VII. Interfund Receivables, Payables, Revenues and Expenditures

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2025 were as follows:

	Interfund			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 518,968	\$ 208	\$ -	\$ 79,707
Special Aid Fund	-	517,805	14,084	-
Nonmajor Funds	209	1,164	65,624	1
Total	<u>\$ 519,177</u>	<u>\$ 519,177</u>	<u>\$ 79,708</u>	<u>\$ 79,708</u>

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year.

Transfers are used to finance certain special aid programs, support capital project expenditures, and for unspent net zero project monies returned to the General Fund.

VIII. Capital Assets and Lease Assets

A. Capital Assets

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance 7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2025</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 466,062	\$ -	\$ -	\$ 466,062
Work in progress	21,761,219	1,493,658	139,261	23,115,616
<i>Total Nondepreciable</i>	<u>\$ 22,227,281</u>	<u>\$ 1,493,658</u>	<u>\$ 139,261</u>	<u>\$ 23,581,678</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 49,779,018	\$ -	\$ -	\$ 49,779,018
Machinery and equipment	6,330,024	505,392	815,451	6,019,965
<i>Total Depreciated Assets</i>	<u>\$ 56,109,042</u>	<u>\$ 505,392</u>	<u>\$ 815,451</u>	<u>\$ 55,798,983</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 23,740,954	\$ 520,175	\$ -	\$ 24,261,129
Machinery and equipment	4,481,516	394,342	799,851	4,076,007
<i>Total Accumulated Depreciation</i>	<u>\$ 28,222,470</u>	<u>\$ 914,517</u>	<u>\$ 799,851</u>	<u>\$ 28,337,136</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 27,886,572</u>	<u>\$ (409,125)</u>	<u>\$ 15,600</u>	<u>\$ 27,461,847</u>
Total Capital Assets	<u>\$ 50,113,853</u>	<u>\$ 1,084,533</u>	<u>\$ 154,861</u>	<u>\$ 51,043,525</u>

(VIII.) (Continued)

B. Lease Assets

A summary of the lease and subscription IT asset activity during the year ended June 30, 2025 is as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2025</u>
<u>Lease Assets:</u>				
Equipment	\$ 814,790	\$ 139,261	\$ 143,043	\$ 811,008
<i>Total Lease Assets</i>	\$ 814,790	\$ 139,261	\$ 143,043	\$ 811,008
<u>Less Accumulated Amortization -</u>				
Equipment	\$ 426,732	\$ 172,607	\$ 143,043	\$ 456,296
<i>Total Accumulated Amortization</i>	\$ 426,732	\$ 172,607	\$ 143,043	\$ 456,296
<i>Total Lease Assets, Net</i>	\$ 388,058	\$ (33,346)	\$ -	\$ 354,712

C. Other capital assets (net of depreciation and amortization):

Depreciated Capital Assets (net)	\$ 27,461,847
Amortized Lease Assets (net)	354,712
Total Other Capital Assets (net)	\$ 27,816,559

D. Depreciation/Amortization expense for the period was charged to functions/programs as follows:

<u>Governmental Activities:</u>	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
General Government Support	\$ 5,618	\$ -	\$ 5,618
Instruction	490,577	172,607	663,184
Pupil Transportation	418,322	-	418,322
Total Depreciation and Amortization Expense	\$ 914,517	\$ 172,607	\$ 1,087,124

IX. Long-Term Debt Obligations

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

	<u>Balance</u> <u>7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2025</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
<u>Bonds and Notes Payable -</u>					
Serial Bonds Payable	\$ 22,924,300	\$ 505,393	\$ 2,059,300	\$ 21,370,393	\$ 2,500,393
Lease Liability	396,267	139,261	169,706	365,822	153,044
Unamortized Bond Premium	2,252,804	-	168,983	2,083,821	168,983
Total Bonds and Notes Payable	\$ 25,573,371	\$ 644,654	\$ 2,397,989	\$ 23,820,036	\$ 2,822,420
<u>Other Liabilities -</u>					
Net Pension Liability	\$ 1,632,231	\$ -	\$ 435,398	\$ 1,196,833	\$ -
OPEB Liability	6,214,808	-	441,907	5,772,901	-
Retainage Payable	-	28,688	-	28,688	28,688
Compensated Absences *	444,229	21,726	-	465,955	122,046
Total Other Liabilities	\$ 8,291,268	\$ 50,414	\$ 877,305	\$ 7,464,377	\$ 150,734
Total Long-Term Obligations	\$ 33,864,639	\$ 695,068	\$ 3,275,294	\$ 31,284,413	\$ 2,973,154

* The change in compensated absences above is a net change for the year.

(IX.) (Continued)

Existing serial and statutory bond obligations:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2025</u>
Serial Bonds					
Construction	\$ 3,525,000	2019	2035	3.0%-5.0%	\$ 2,505,000
Buses	\$ 328,766	2021	2026	1.15%	70,000
Buses	\$ 274,119	2022	2027	1.0%-1.1%	110,000
Buses	\$ 366,313	2023	2028	2.5%-4.0%	230,000
Refunding DASNY Bonds	\$ 3,465,000	2023	2027	5.00%	1,490,000
Buses	\$ 434,300	2024	2029	4.750%-4.875%	360,000
Renovations	\$ 16,985,000	2024	2038	5.00%	16,100,000
Buses	\$ 505,393	2025	2030	3.75%-4.00%	505,393
Total Serial Bonds					\$ 21,370,393
Leases					
IT Equipment	\$ 139,261	2025	2029	4.27%	\$ 113,679
IT Equipment	\$ 105,402	2022	2026	1.35%	21,090
IT Equipment	\$ 118,842	2023	2027	3.29%	50,053
IT Equipment	\$ 139,392	2024	2028	4.15%	87,108
Toshiba	\$ 208,115	2022	2027	5.80%	93,892
Total Leases					\$ 365,822

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>		<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,500,393	\$ 1,042,852	\$ 153,044	\$ 12,955
2027	2,345,000	916,429	123,187	7,182
2028	1,595,000	803,781	59,395	3,523
2029	1,585,000	727,734	30,196	1,328
2030	1,570,000	652,000	-	-
2031-35	8,085,000	2,123,700	-	-
2036-38	3,690,000	312,750	-	-
Total	\$ 21,370,393	\$ 6,579,246	\$ 365,822	\$ 24,988

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. \$1,535,000 of bonds outstanding are considered defeased.

Interest on long-term debt for June 30, 2025 was composed of:

Interest Paid	\$ 1,381,234
Less: Bond premium amortization	(168,983)
Less: Interest Accrued in the Prior Year	(83,676)
Plus: Interest Accrued in the Current Year	65,430
Total Long-Term Interest Expense	\$ 1,194,005

X. Deferred Inflows/Outflows of Resources

The following is a summary of the deferred inflows/outflows of resources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 3,918,973	\$ 1,742,787
OPEB	536,502	1,036,545
Total	<u>\$ 4,455,475</u>	<u>\$ 2,779,332</u>

XI. Pension Plans

A. General Information

The District participates in the New York State Teacher’s Retirement System (TRS) and the New York State and Local Employee’s Retirement System (ERS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

B. Provisions and Administration

A 10-member Board of Trustees of the New York State Teachers’ Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). 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. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System’s website at www.nystrs.org.

ERS 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. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees’ Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State’s financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

(XI.) (Continued)

C. **Funding Policies**

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3.0% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier 6 vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years.

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2025:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2025	\$ 424,211	\$ 977,628

D. **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions**

At June 30, 2025, 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, 2025 for ERS and June 30, 2024 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 TRS and ERS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Net pension assets/(liability)	\$ (1,196,833)	\$ 1,302,999
District's portion of the Plan's total net pension asset/(liability)	0.006980%	0.043672%

For the year ended June 30, 2025, the District recognized pension expenses of \$353,050 for ERS and \$693,873 for TRS. At June 30, 2025, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(XI.) (Continued)

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 297,062	\$ 1,403,090	\$ 14,013	\$ -
Changes of assumptions	50,193	779,457	-	131,112
Net difference between projected and actual earnings on pension plan investments	93,900	-	-	1,447,743
Changes in proportion and differences between the District's contributions and proportionate share of contributions	207,243	65,390	70,417	79,502
Subtotal	<u>\$ 648,398</u>	<u>\$ 2,247,937</u>	<u>\$ 84,430</u>	<u>\$ 1,658,357</u>
District's contributions subsequent to the measurement date	141,953	880,685	-	-
Grand Total	<u>\$ 790,351</u>	<u>\$ 3,128,622</u>	<u>\$ 84,430</u>	<u>\$ 1,658,357</u>

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

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2025	\$ -	\$ (683,331)
2026	275,998	1,592,087
2027	352,890	(267,713)
2028	(77,771)	(290,793)
2029	12,851	174,923
Thereafter	-	64,407
Total	<u>\$ 563,968</u>	<u>\$ 589,580</u>

E. 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. The actuarial valuations used the following actuarial assumptions:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Interest rate	5.90%	6.95%
Salary scale	4.30%	4.40%
Decrement tables	April 1, 2016- March 31, 2020 System's Experience	July 1, 2015- June 30, 2020 System's Experience
Inflation rate	2.90%	2.40%
COLA's	1.50%	1.30%

(XI.) (Continued)

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2022. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale MP-2022.

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 as of March 31, 2025 for ERS and June 30, 2024 for TRS are summarized as follows:

Long Term Expected Rate of Return		
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
<u>Asset Type -</u>		
Domestic equity	3.54%	6.60%
International equity	6.57%	7.40%
Global equity	N/A	6.90%
Private equity	7.25%	10.00%
Real estate	4.95%	6.30%
Opportunistic portfolios	5.25%	N/A
Real assets	5.55%	N/A
Global bonds	N/A	2.50%
Cash	0.25%	0.50%
Private Debt	N/A	5.90%
Real estate debt	N/A	3.90%
High-yield bonds	N/A	4.80%
Domestic fixed income	N/A	2.60%
Fixed income	2.00%	N/A
Credit	5.40%	N/A

The real rate of return is net of the long-term inflation assumption of 2.9% for ERS and 2.4% for TRS.

F. Discount Rate

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

(XI.) (Continued)

G. Sensitivity of the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension liability 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 assumption :

	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
ERS			
Employer's proportionate share of the net pension asset (liability)	\$ (3,463,786)	\$ (1,196,833)	\$ 696,074
	1% Decrease <u>(5.95%)</u>	Current Assumption <u>(6.95%)</u>	1% Increase <u>(7.95%)</u>
TRS			
Employer's proportionate share of the net pension asset (liability)	\$ (6,018,626)	\$ 1,302,999	\$ 7,460,682

H. Pension Plan Fiduciary Net Position

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

	(In Thousands)	
	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Employers' total pension liability	\$ 247,600,239	\$ 142,837,827
Plan net position	230,454,512	145,821,435
Employers' net pension asset/(liability)	<u>\$ (17,145,727)</u>	<u>\$ 2,983,608</u>
Ratio of plan net position to the employers' total pension asset/(liability)	93.08%	102.10%

I. 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, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$141,953.

(XI.) (Continued)

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 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, 2025 amounted to \$977,628.

XII. Postemployment Benefits

A. General Information About the OPEB Plan

Plan Description – The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

Employees Covered by Benefit Terms – At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	28
Active Employees	<u>176</u>
Total	<u><u>204</u></u>

B. Total OPEB Liability

The District's total OPEB liability of \$5,772,901 was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary Increases	2.40%, average, including inflation
Discount Rate	5.20%
Healthcare Cost Trend Rates	Initial rate of 6.8% decreasing to an ultimate rate of 3.8%
Retirees' Share of Benefit-Related Costs	Varies depending on contract

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond index.

(XII.) (Continued)

Mortality rates based on PubT-2010 Headcount-Weighted Mortality Table for Teaching Positions and PubG-2010 Headcount-Weighted Mortality Table for Non-Teaching positions, both generationally projected using the MP-2021 Ultimate Scale, with employee rates before commencement and healthy annuitant rates after benefit commencement.

C. Changes in the Total OPEB Liability

Balance at June 30, 2024	<u>\$ 6,214,808</u>
<u>Changes for the Year -</u>	
Service cost	\$ 331,762
Interest	251,083
Changes in assumptions or other inputs	(706,298)
Benefit payments	<u>(318,454)</u>
Net Changes	<u>\$ (441,907)</u>
Balance at June 30, 2025	<u>\$ 5,772,901</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.93% in 2024 to 5.2% in 2025.

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 (4.2%) or 1-percentage-point higher (6.2%) than the current discount rate:

	1% Decrease	Discount	1% Increase
	(4.2%)	Rate	(6.2%)
Total OPEB Liability	\$ 6,321,397	\$ 5,772,901	\$ 5,278,756

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

	1% Decrease	Healthcare	1% Increase
	(5.8%	Cost Trend Rates	(7.8%
	Decreasing	Decreasing	Decreasing
	to 2.8%)	to 3.8%)	to 4.8%)
Total OPEB Liability	\$ 5,037,053	\$ 5,772,901	\$ 6,660,501

(XII.) (Continued)

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$511,191. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 530,431	\$ -
Changes of assumptions	6,071	1,036,545
Total	<u>\$ 536,502</u>	<u>\$ 1,036,545</u>

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

<u>Year</u>	
2026	\$ (62,224)
2027	(77,400)
2028	(102,669)
2029	(103,486)
2030	(52,946)
Thereafter	(101,318)
Total	<u>\$ (500,043)</u>

XIII. Risk Management

A. General Information

The District is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. 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.

(XIII.) (Continued)

B. Health Insurance

The District is a Participant in The Cooperative Health Insurance Fund of Central New York (Plan). The Plan was formed under Article 5-G of the New York State Municipal Law in 1985. The Plan is a non-risk-retained public entity risk pool for its employees' health insurance coverage. The pool is operated for the benefit of the twenty-nine (29) municipal corporations located within the pool's geographic area. The Plan contracts with an insurance company to provide services for all of its members. The Plan negotiates and approves annual contracts from the insurance company for the Participants' health insurance needs. The District is billed directly and pays the monthly premiums to the Plan for this health insurance coverage.

The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. During the year ended June 30, 2025, the District incurred premiums or contribution expenditures totaling \$2,322,209. The Plan was fully funded as of the last audit.

XIV. Commitments and Contingencies

A. Litigation

The District has received notice for three potential claims for which the financial impact, if any, cannot be determined as of the date of this report.

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

XV. School Lunch Contract

For the year ended June 30, 2025, the District was engaged in a contract with West Genesee Central School District, for the purpose of operating the school lunch program. The terms of the contract specify that all governmental subsidies and commodities will be made available to the District to utilize in the program.

Required Supplementary Information
ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Changes in District's Total OPEB Liability and Related Ratio
For The Year Ended June 30, 2025

	<u>TOTAL OPEB LIABILITY</u>							
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 331,762	\$ 343,150	\$ 310,786	\$ 335,965	\$ 322,315	\$ 289,118	\$ 275,299	\$ 267,281
Interest	251,083	210,961	196,672	125,639	123,995	179,058	154,087	148,665
Differences between expected and actual experiences	-	527,907	-	97,808	-	314,649	-	17,157
Changes of assumptions or other inputs	(706,298)	(159,830)	(33,896)	(523,403)	22,936	(39,110)	(198,058)	-
Benefit payments	(318,454)	(285,375)	(278,548)	(265,963)	(287,650)	(276,029)	(255,300)	(265,491)
Net Change in Total OPEB Liability	\$ (441,907)	\$ 636,813	\$ 195,014	\$ (229,954)	\$ 181,596	\$ 467,686	\$ (23,972)	\$ 167,612
Total OPEB Liability - Beginning	\$ 6,214,808	\$ 5,577,995	\$ 5,382,981	\$ 5,612,935	\$ 5,431,339	\$ 4,963,653	\$ 4,987,625	\$ 4,820,013
Total OPEB Liability - Ending	\$ 5,772,901	\$ 6,214,808	\$ 5,577,995	\$ 5,382,981	\$ 5,612,935	\$ 5,431,339	\$ 4,963,653	\$ 4,987,625
Covered Employee Payroll	\$ 10,360,983	\$ 10,360,983	\$ 9,661,612	\$ 9,661,612	\$ 9,353,514	\$ 9,353,514	\$ 9,072,636	\$ 9,072,636
Total OPEB Liability as a Percentage of Covered Employee Payroll	55.72%	59.98%	57.73%	55.72%	60.01%	58.07%	54.71%	54.97%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability
For The Year Ended June 30, 2025

NYSERS Pension Plan										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (assets)	0.0069804%	0.0077133%	0.0073961%	0.0066100%	0.0063606%	0.0064540%	0.0069426%	0.0066174%	0.0070571%	0.0070280%
Proportionate share of the net pension liability (assets)	\$ 1,196,833	\$ 1,135,716	\$ 1,586,032	\$ (540,340)	\$ 6,334	\$ 1,709,044	\$ 491,907	\$ 213,573	\$ 663,101	\$ 1,128,013
Covered-employee payroll	\$ 2,853,047	\$ 2,921,392	\$ 2,834,850	\$ 2,497,805	\$ 2,611,641	\$ 2,489,456	\$ 2,491,229	\$ 2,356,732	\$ 2,357,289	\$ 2,114,367
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	41.949%	38.876%	55.948%	-21.633%	0.243%	68.651%	19.746%	9.062%	28.130%	53.350%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

NYSTRS Pension Plan										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (assets)	0.043672%	0.043417%	0.044861%	0.043671%	0.042307%	0.042883%	0.042059%	0.040908%	0.041253%	0.042839%
Proportionate share of the net pension liability (assets)	\$ (1,302,999)	\$ 496,515	\$ 860,841	\$ (7,567,689)	\$ 1,169,062	\$ (1,114,093)	\$ (760,543)	\$ (310,940)	\$ 441,834	\$ (4,449,599)
Covered-employee payroll	\$ 8,711,025	\$ 8,514,287	\$ 8,440,760	\$ 8,131,179	\$ 7,523,295	\$ 7,310,782	\$ 7,284,981	\$ 6,989,785	\$ 6,599,262	\$ 6,491,273
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-14.958%	5.832%	10.199%	-93.070%	15.539%	-15.239%	-10.440%	-4.448%	6.695%	-68.547%
Plan fiduciary net position as a percentage of the total pension liability	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District Contributions
For The Year Ended June 30, 2025

NYSERS Pension Plan										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 424,211	\$ 372,369	\$ 319,145	\$ 399,442	\$ 375,979	\$ 357,856	\$ 359,796	\$ 347,150	\$ 362,127	\$ 408,721
Contributions in relation to the contractually required contribution	(424,211)	(372,369)	(319,145)	(399,442)	(375,979)	(357,856)	(359,796)	(347,150)	(362,127)	(408,721)
Contribution deficiency (excess)	<u>\$ -</u>									
Covered-employee payroll	\$ 2,853,047	\$ 2,921,592	\$ 2,834,850	\$ 2,497,805	\$ 2,611,641	\$ 2,489,456	\$ 2,491,229	\$ 2,356,732	\$ 2,357,289	\$ 2,114,367
Contributions as a percentage of covered-employee payroll	14.87%	12.75%	11.26%	15.99%	14.40%	14.37%	14.44%	14.73%	15.36%	19.33%
NYSTRS Pension Plan										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 977,628	\$ 915,799	\$ 940,752	\$ 856,534	\$ 774,870	\$ 693,221	\$ 825,448	\$ 731,126	\$ 823,856	\$ 914,540
Contributions in relation to the contractually required contribution	(977,628)	(915,799)	(940,752)	(856,534)	(774,870)	(693,221)	(825,448)	(731,126)	(823,856)	(914,540)
Contribution deficiency (excess)	<u>\$ -</u>									
Covered-employee payroll	\$ 8,711,025	\$ 8,514,287	\$ 8,440,760	\$ 8,131,179	\$ 7,523,295	\$ 7,310,782	\$ 7,284,981	\$ 6,989,785	\$ 6,599,262	\$ 6,491,273
Contributions as a percentage of covered-employee payroll	11.22%	10.76%	11.15%	10.53%	10.30%	9.48%	11.33%	10.46%	12.48%	14.09%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2025

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Revenues</u>	<u>Over (Under)</u> <u>Revised</u> <u>Budget</u>
REVENUES				
Local Sources -				
Real property taxes	\$ 9,663,611	\$ 9,759,194	\$ 9,705,600	\$ (53,594)
Real property tax items	1,443,649	1,348,067	1,348,067	-
Non-property taxes	20,000	20,000	36,830	16,830
Charges for services	59,500	59,500	64,538	5,038
Use of money and property	180,000	180,000	334,940	154,940
Sale of property and compensation for loss	12,500	12,500	56,117	43,617
Miscellaneous	257,879	259,874	672,548	412,674
State Sources -				
Basic formula	9,723,010	9,723,010	9,836,646	113,636
Lottery aid	1,928,576	1,928,576	1,956,747	28,171
BOCES	1,314,789	1,314,789	1,080,659	(234,130)
Textbooks	46,600	46,600	46,426	(174)
All Other Aid -				
Computer software	24,764	24,764	24,798	34
Library loan	4,706	4,706	4,712	6
Other aid	-	50,300	54,774	4,474
Federal Sources	<u>20,000</u>	<u>20,000</u>	<u>72,650</u>	<u>52,650</u>
TOTAL REVENUES	<u>\$ 24,699,584</u>	<u>\$ 24,751,880</u>	<u>\$ 25,296,052</u>	<u>\$ 544,172</u>
Other Sources -				
Transfer - in	<u>\$ 158,000</u>	<u>\$ 158,000</u>	<u>\$ -</u>	<u>\$ (158,000)</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 24,857,584</u>	<u>\$ 24,909,880</u>	<u>\$ 25,296,052</u>	<u>\$ 386,172</u>
Appropriated reserves	<u>\$ 1,010,000</u>	<u>\$ 1,010,000</u>		
Appropriated fund balance	<u>\$ 833,014</u>	<u>\$ 784,014</u>		
Prior year encumbrances	<u>\$ 70,063</u>	<u>\$ 70,063</u>		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE	<u><u>\$ 26,770,661</u></u>	<u><u>\$ 26,773,957</u></u>		

(See Independent Auditors' Report)

Required Supplementary Information
ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2025

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered</u> <u>Balances</u>
EXPENDITURES					
General Support -					
Board of education	\$ 20,780	\$ 22,680	\$ 20,696	\$ 455	\$ 1,529
Central administration	348,728	334,279	324,979	290	9,010
Finance	426,627	433,369	382,119	11,000	40,250
Staff	101,654	101,654	66,434	1,273	33,947
Central services	2,551,524	2,594,262	2,094,192	24,187	475,883
Special items	215,950	218,248	209,680	-	8,568
Instructional -					
Instruction, administration and improvement	804,864	828,002	766,964	2,040	58,998
Teaching - regular school	6,412,051	6,087,354	5,691,032	25,958	370,364
Programs for children with handicapping conditions	2,867,224	2,936,736	2,421,057	64,303	451,376
Occupational education	197,400	201,400	201,338	-	62
Teaching - special schools	16,105	16,105	15,209	-	896
Instructional media	998,600	1,036,262	1,020,874	-	15,388
Pupil services	1,381,026	1,388,696	1,297,302	7,546	83,848
Pupil Transportation	1,851,549	1,853,825	1,541,327	13,119	299,379
Employee Benefits	5,140,214	5,008,516	4,484,971	171,650	351,895
Debt service - principal	2,319,300	2,242,251	2,229,006	-	13,245
Debt service - interest	1,117,065	1,381,234	1,381,234	-	-
TOTAL EXPENDITURES	<u>\$ 26,770,661</u>	<u>\$ 26,684,873</u>	<u>\$ 24,148,414</u>	<u>\$ 321,821</u>	<u>\$ 2,214,638</u>
Other Uses -					
Transfers - out	\$ -	\$ 89,084	\$ 79,707	\$ -	\$ 9,377
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 26,770,661</u>	<u>\$ 26,773,957</u>	<u>\$ 24,228,121</u>	<u>\$ 321,821</u>	<u>\$ 2,224,015</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,067,931</u>		
FUND BALANCE, BEGINNING OF YEAR	<u>5,366,574</u>	<u>5,366,574</u>	<u>5,366,574</u>		
FUND BALANCE, END OF YEAR	<u>\$ 5,366,574</u>	<u>\$ 5,366,574</u>	<u>\$ 6,434,505</u>		

Note to Required Supplementary Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Supplementary Information
ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Change From Adopted Budget To Final Budget
And The Real Property Tax Limit
For The Year Ended June 30, 2025

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget		\$ 26,700,598
Prior year's encumbrances		70,063
		\$ 26,770,661
Original Budget		\$ 26,770,661
Budget revisions -		
Miscellaneous donations		3,296
		\$ 26,773,957
FINAL BUDGET		\$ 26,773,957

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2025-26 voter approved expenditure budget		\$ 27,363,348
<u>Unrestricted fund balance:</u>		
Assigned fund balance	\$ 1,162,932	
Unassigned fund balance	1,094,514	
Total Unrestricted fund balance	\$ 2,257,446	
<u>Less adjustments:</u>		
Appropriated fund balance	\$ 841,111	
Encumbrances included in assigned fund balance	321,821	
Total adjustments	\$ 1,162,932	
General fund fund balance subject to Section 1318 of		
Real Property Tax Law		1,094,514
ACTUAL PERCENTAGE		4.00%

Supplementary Information
ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK
CAPITAL PROJECTS FUND
Schedule of Project Expenditures
For The Year Ended June 30, 2025

Project Title	Expenditures					Unexpended Balance	Methods of Financing				Fund Balance
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total		Obligations	Local Sources	State Sources	Total	
Smart Schools Improvement Plan	\$ 607,387	\$ 730,509	\$ 706,087	\$ -	\$ 706,087	\$ 24,422	\$ -	\$ -	\$ 706,087	\$ 706,087	\$ -
2025 Emergency Project	100,000	100,000	-	65,623	65,623	34,377	-	65,623	-	65,623	-
Bus Purchase 2024-25	505,393	505,393	-	505,393	505,393	-	505,393	-	-	505,393	-
Capital Upgrades	15,661,284	15,661,284	261,791	1,260,086	1,521,877	14,139,407	-	2,175,000	-	2,175,000	653,123
Leases	139,261	139,261	-	139,261	139,261	-	139,261	-	-	139,261	-
TOTAL	\$ 17,013,325	\$ 17,136,447	\$ 967,878	\$ 1,970,363	\$ 2,938,241	\$ 14,198,206	\$ 644,654	\$ 2,240,623	\$ 706,087	\$ 3,591,364	\$ 653,123

Supplementary Information
ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Debt Service <u>Fund</u>	Capital Projects <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS			
Cash and cash equivalents	\$ 564,503	\$ 709,337	\$ 1,273,840
Receivables	-	35,931	35,931
Due from other funds	1	208	209
TOTAL ASSETS	<u>\$ 564,504</u>	<u>\$ 745,476</u>	<u>\$ 1,309,980</u>
LIABILITIES AND FUND BALANCES			
<u>Liabilities</u> -			
Accounts payable	\$ -	\$ 92,352	\$ 92,352
Due to other funds	1,163	1	1,164
TOTAL LIABILITIES	<u>\$ 1,163</u>	<u>\$ 92,353</u>	<u>\$ 93,516</u>
<u>Fund Balances</u> -			
Restricted	\$ 563,341	\$ 653,123	\$ 1,216,464
TOTAL FUND BALANCE	<u>\$ 563,341</u>	<u>\$ 653,123</u>	<u>\$ 1,216,464</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 564,504</u>	<u>\$ 745,476</u>	<u>\$ 1,309,980</u>

(See Independent Auditors' Report)

Supplementary Information
ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended June 30, 2025

	<u>Debt Service Fund</u>	<u>Formerly Major Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Use of money and property	\$ 18,658	\$ -	\$ 18,658
TOTAL REVENUES	<u>\$ 18,658</u>	<u>\$ -</u>	<u>\$ 18,658</u>
EXPENDITURES			
Pupil transportation	\$ -	\$ 505,392	\$ 505,392
Capital outlay	-	1,464,970	1,464,970
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 1,970,362</u>	<u>\$ 1,970,362</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 18,658</u>	<u>\$ (1,970,362)</u>	<u>\$ (1,951,704)</u>
OTHER FINANCING SOURCES (USES)			
Transfers - in	\$ 1	\$ 65,623	\$ 65,624
Transfers - out	-	(1)	(1)
Proceeds from obligations	-	644,654	644,654
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 1</u>	<u>\$ 710,276</u>	<u>\$ 710,277</u>
NET CHANGE IN FUND BALANCE	<u>\$ 18,659</u>	<u>\$ (1,260,086)</u>	<u>\$ (1,241,427)</u>
FUND BALANCE, BEGINNING			
OF YEAR, as previously reported	\$ 544,682	\$ -	\$ 544,682
Changes within financial reporting entity major to nonmajor	-	1,913,209	1,913,209
FUND BALANCE, BEGINNING OF YEAR, as adjusted	<u>\$ 544,682</u>	<u>\$ 1,913,209</u>	<u>\$ 2,457,891</u>
FUND BALANCE, END OF YEAR	<u>\$ 563,341</u>	<u>\$ 653,123</u>	<u>\$ 1,216,464</u>

(See Independent Auditors' Report)

Supplementary Information
ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets/Right to Use Assets
For The Year Ended June 30, 2025

Capital assets/right to use assets, net		\$ 51,398,237
Deduct:		
Serial bond payable	\$ 21,370,393	
Lease liability	365,822	
Unamortized bond premium	2,083,821	
Retainage payable	<u>28,688</u>	
		<u>23,848,724</u>
Net Investment in Capital Assets/Right to Use Assets		<u><u>\$ 27,549,513</u></u>

Supplementary Information
ONONDAGA CENTRAL SCHOOL DISTRICT, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2025

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Pass-Through</u> <u>Agency</u> <u>Number</u>	<u>Total</u> <u>Expenditures</u>
<u>U.S. Department of Education:</u>			
<u>Indirect Programs:</u>			
<u>Passed Through NYS Education Department -</u>			
<u>Special Education Cluster IDEA -</u>			
Special Education - Grants to States (IDEA, Part B)	84.027	0032-25-0651	\$ 248,234
Special Education - Preschool			
Grants (IDEA Preschool)	84.173	0033-25-0651	9,358
<i>Total Special Education Cluster IDEA</i>			\$ 257,592
<u>Education Stabilization Funds -</u>			
ARP - ESSER III-COVID-19	84.425U	5880-21-2145	\$ 233,569
ARP - SLR Comprehensive Learning-COVID-19	84.425U	5883-21-2145	379
ARP - SLR Learning Loss-COVID-19	84.425U	5884-21-2145	23,758
<i>Total Education Stabilization Funds</i>			\$ 257,706
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-25-2145	27,301
Title IV - Student Support and Enrichment Program	84.424	0204-25-2145	19,875
Title I - Grants to Local Educational Agencies	84.010	0021-25-2145	219,426
Total U.S. Department of Education			\$ 781,900
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 \$ 781,900



BUSINESS
ADVISORS
AND CPAS

**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***

Independent Auditors' Report

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

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Onondaga Central School District, New York (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 17, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
September 17, 2025