

PRELIMINARY OFFICIAL STATEMENT

NEW & RENEWAL 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 NOT will be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$10,675,000

FABIUS-POMPEY CENTRAL SCHOOL DISTRICT ONONDAGA, CORTLAND AND MADISON COUNTIES, NEW YORK



GENERAL OBLIGATIONS

\$675,000 Bond Anticipation Notes, 2025 (Renewals) Series A (the "Series A Notes")

Dated: June 26, 2025

Due: June 26, 2026

&

\$10,000,000 Bond Anticipation Notes, 2025 Series B (the "Series B Notes")

Dated: July 3, 2025

Due: July 3, 2026

(collectively referred to herein as the "Notes")

The Notes are general obligations of the Fabius-Pompey Central School District, Onondaga, Cortland and Madison Counties, New York (the "District" or "School 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 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 book-entry 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 book-entry 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 Series A 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 June 26, 2025.

The Series B 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 July 3, 2025.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on June 12, 2025 until 10:45 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 Sales.

June 6, 2025

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED 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 SALES 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.

**FABIUS-POMPEY CENTRAL SCHOOL DISTRICT
ONONDAGA, CORTLAND AND MADISON COUNTIES, NEW YORK**

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

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President



ERIC EXELBY
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DANIEL S. SILKY
Assistant Superintendent of Business Services



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisors



TRESPASZ LAW OFFICES, LLP
BOND COUNSEL

No person has been authorized by the Fabius-Pompey 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 Fabius-Pompey Central School District.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
FABIUS-POMPEY CENTRAL SCHOOL DISTRICT
ONONDAGA, CORTLAND AND MADISON COUNTIES, NEW YORK

Relating To
\$675,000 Bond Anticipation Notes, 2025 (Renewals) Series A
&
\$10,000,000 Bond Anticipation Notes, 2025 Series B

This Official Statement, which includes the cover page and appendices, has been prepared by the Fabius-Pompey Central School District, Onondaga, Cortland and Madison Counties, New York (the “School District” or “District”, “Counties”, and “State”, respectively) in connection with the sale by the School District of \$675,000 Bond Anticipation Notes, 2025 (Renewals) Series A (referred to herein as the “Series A Notes”) and \$10,000,000 Bond Anticipation Notes, 2025 Series B (referred to herein as the “Series B Notes”) (collectively referred to herein as the “Notes”).

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

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

NATURE OF OBLIGATION

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, subject to applicable statutory limitations.

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

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

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

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

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

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

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

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

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

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 Series A Notes are dated June 26, 2025 and mature, without option of prior redemption, on June 26, 2026. The Series B Notes are dated July 3, 2025 and mature, without option of prior redemption, on July 3, 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 – Series A Notes

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and a bond resolution duly adopted by the Board of Education on December 12, 2023 authorizing the issuance of up to \$18,695,000 serial bonds for renovations and improvements to various District facilities.

The proceeds of the Notes, along with \$25,000 available funds of the District, will partially redeem and renew the \$700,000 bond anticipation notes maturing June 27, 2025 for the aforementioned purpose.

Purpose of Issue – Series B Notes

The Series B Notes are also issued pursuant to the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and a bond resolution duly adopted by the Board of Education on December 12, 2023 authorizing the issuance of up to \$18,695,000 serial bonds for renovations and improvements to various District facilities.

The proceeds of the Notes will provide \$10,000,000 new money for such purpose.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The District is located in upstate New York, in the Counties of Onondaga, Cortland and Madison. The District's physical facilities are located in the Village of Fabius, which is approximately 15 miles south of the City of Syracuse and approximately 20 miles north of the City of Cortland. The District, with an approximate land area of 124 miles, is composed predominantly of rural towns with many District residents commuting to the nearby Cities of Syracuse and Cortland for employment.

Interstate Expressway #81 is in close proximity to the District. Major east-west thoroughfares intersecting the School District include New York Routes 91, 20 and 80. The District is served by Greyhound Bus Lines and by the Syracuse Transportation Company's shuttle bus. Air service is provided by the Syracuse Hancock International Airport.

Electricity and natural gas are provided by National Grid and telephone service is provided by Verizon (formerly Bell Atlantic) and Charter Spectrum. The District utilizes the services of various banks located in the Syracuse region.

The Syracuse Post Standard and The Cortland Standard are the major newspapers serving the District.

Police services are provided by the New York State Police Department and the Onondaga, Madison and Cortland County Sheriff's Departments.

Source: District officials

Population

The current estimated population of the District is 4,901. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates).

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Selected Wealth and Income Indicators

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>
Towns of:						
Fabius	\$ 30,757	\$ 34,827	\$ 40,596	\$ 79,904	\$ 80,625	\$ 95,625
LaFayette	28,304	38,314	46,638	70,333	92,738	110,057
Pompey	37,053	55,649	60,015	93,731	121,273	122,039
Cazenovia	39,056	43,657	58,240	90,855	108,213	140,568
Cuyler	16,581	28,517	32,986	46,471	90,893	93,750
Counties of:						
Onondaga	27,037	34,600	41,538	65,929	82,368	98,891
Madison	24,311	32,443	39,904	61,828	78,812	94,317
Cortland	22,078	28,407	33,818	57,743	71,430	85,316
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Source: American Community Survey estimates for 2006-2010, 2016-2020 and 2019-2023.

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

Five Larger Employers

<u>Name</u>	<u>Type</u>	<u>Approx. # of Employees</u>
Fabius-Pompey CSD	Public School District	180
Holbrook Heating & Air Conditioning	Air Conditioning Contractor	106
The Pompey Club	Golf Course	25
Barbland Dairy LLC	Farm	24
Van Erden Farms	Farm	20
Pompey Mall	Convenience Store	18
Heritage Hill Brewhouse & Kitchen	Restaurant	35
Smith Quality Eggs	Farm	18

Source: District officials.

Unemployment Rate Statistics

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

	<u>Annual Average</u>						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Onondaga County	4.0%	3.8%	8.4%	4.9%	3.3%	3.5%	3.5%
Cortland County	5.1	4.7	7.9	5.1	3.8	4.2	4.2
Madison County	4.8	4.3	7.8	4.5	3.4	3.7	3.8
New York State	4.1	3.8	9.9	6.9	4.3	4.1	4.3

	<u>2025 Monthly Figures</u>						
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>
Onondaga County	3.8%	4.1%	3.6%	N/A	N/A	N/A	N/A
Cortland County	5.4	5.4	4.6	N/A	N/A	N/A	N/A
Madison County	4.9	5.0	4.4	N/A	N/A	N/A	N/A
New York State	4.6	4.3	4.1	N/A	N/A	N/A	N/A

Note: Unemployment rates for April, May, June and July 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 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 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.

Investment Policy

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

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

Budgetary Procedures

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

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

Pursuant to Chapter 97 of the Laws of 2011 (“Chapter 97”), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the “School District Tax Cap”), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the 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). For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

Recent Budget Vote Results

The budget for the 2024-25 fiscal year was approved by the qualified voters on May 21, 2024 by a vote of 428 yes to 183 no. The District’s adopted budget for 2024-25 fiscal year remains within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The adopted budget called for a total tax levy increase of 2.90%, which was equal the District’s allowable Tax Cap of 2.90% for the 2024-25 fiscal year.

The budget for the 2025-26 fiscal year was approved by the qualified voters on May 22, 2025 by a vote of 327 yes to 99 no. The District’s adopted budget for 2025-26 fiscal year remains within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The adopted budget called for a total tax levy increase of 4.89%, which was above the District’s allowable Tax Cap of 3.60% for the 2025-26 fiscal year. The District voters approved exceeding the tax cap with a supermajority vote (63.5%).

State Aid

The District receives financial assistance from the State. In its budget for the 2025-2026 fiscal year, approximately 48.64% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner in any year municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. With the exception of the State's fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, twenty-eight (28) days after the April 1 deadline, the State's fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State's fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal aid received by the State

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

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

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

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 81.2% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State aid history

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

School district fiscal year (2022-2023): The State's 2022-23 Budget provided \$31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Budget also programed \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Budget allocated \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Budget increased federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School district fiscal year (2023-2024): The State's 2023-24 Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%. The States 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding established new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges was made to promote job readiness. An additional \$150 million was used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State's 2024-25 Budget provides \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of \$1.3 billion compared to the 2023-24 school year and includes a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Budget maintains the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State's 2025-26 Budget includes approximately \$37 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of \$1.7 billion. The State's 2025-26 Budget provides an estimated \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

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

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

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

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

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

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

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for the below fiscal years comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2019-2020	\$ 18,063,958	\$ 9,067,536	50.20%
2020-2021	19,110,074	9,716,062	50.84
2021-2022	19,082,982	9,779,847	51.25
2022-2023	19,000,101	9,264,271	48.76
2023-2024	19,602,680	9,511,324	48.52
2024-2025 (Budgeted)	20,121,700	10,003,594	49.72
2024-2025 (Unaudited)	20,278,979	9,898,627	48.81
2025-2026 (Budgeted)	20,631,579	10,034,506	48.64

⁽¹⁾ Does not include appropriated fund balance, interfund transfers or use of reserves.

Source: Audited financial statements for the 2019-2020 through 2023-2024 fiscal years, adopted budget and unaudited projections for the 2024-2025 fiscal year and the budget for the 2025-2026 fiscal year (unaudited). This table is not audited.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions</u>
Fabius-Pompey Elementary	K-5	281	1931, '51, '57, '94
Fabius-Pompey High School	6-12	347	1971, '94, 2002

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2020-2021	627	2025-2026	646
2021-2022	630	2026-2027	646
2022-2023	631	2027-2028	646
2023-2024	646	2028-2029	646
2024-2025	646	2029-2030	646

Source: District officials.

Employees

The District employs a total of 149 full-time and 60 part-time employees, of which 151 are represented by the following unions listed below:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
85	Fabius-Pompey Education Association	June 30, 2025 ⁽¹⁾
36	Fabius-Pompey CSD Transportation Association	June 30, 2026
30	Non-Instructional Employees' Organization	June 30, 2027

⁽¹⁾-Currently in negotiations.

Source: District officials.

Status and Financing of Employee Pension Benefits

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

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

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

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

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2019-2020	\$ 251,066	\$ 546,339
2020-2021	268,331	543,129
2021-2022	284,691	632,334
2022-2023	266,582	690,189
2023-2024	284,136	685,275
2024-2025 (Budgeted)	335,939	688,450
2024-2025 (Unaudited)	338,815	688,450
2025-2026 (Budgeted)	337,785	622,924

Source: District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually.

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 offers \$10,000.00 to any Morristown Teacher's Association retiree who has over 15 years of service and provides written notice by February 1.

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*

*Estimated.

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

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

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

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

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

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

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. On June 30, 2019, the District established a TRS reserve fund.

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. For the fiscal year ended June 30, 2018, the District implemented GASB 75. 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.

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The following table outlines the changes to the Total OPEB Liability during the 2023 and 2024 fiscal years, by source.

Balance beginning at:	July 1, 2022	July 1, 2023
	\$ 49,765,942	\$ 50,073,079
<u>Changes for the year:</u>		
Service cost	1,431,005	1,166,286
Interest	1,781,327	1,834,812
Change in benefit terms	-	-
Differences between expected and actual experience	-	738,643
Changes in assumptions or other inputs	(1,135,855)	(1,985,802)
Benefit payments	(1,769,340)	(1,958,581)
Net Changes	\$ 307,137	\$ (204,642)
Balance ending at:	June 30, 2023	June 30, 2024
	<u>\$ 50,073,079</u>	<u>\$ 49,868,437</u>

Source: Audited financial reports of the District. For additional information see “APPENDIX - D” 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.

Other Information

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

The District is in compliance with the procedures for the validation of the Notes provided in Title 6 of Article 2 of the Local Finance Law.

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024 and has been uploaded to the Electronic Municipal Market Access (“EMMA”) website. It is also attached hereto as “APPENDIX – D” to this Official Statement. Certain financial information of the District can also be found attached as Appendices to the Official Statement.

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

Beginning with the fiscal year ending June 30, 2003 the District is required to issue 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. The District is in compliance with Statement No. 34.

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

Based on preliminary estimates, the District ended the fiscal year ending June 30, 2025 with a cumulative unappropriated unreserved fund balance of \$829,304.

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

Revenues:	\$20,278,979
Expenditures:	20,978,979
Excess (Deficit) Revenues Over Expenditures:	(700,000)
Beginning Fund Balance June 30, 2024:	<u>3,711,947</u>
Total Fund Balance (including reserves) June 30, 2025:	<u>\$ 2,283,532</u>

Note: Audited results may vary.

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on July 15, 2022. The purpose of the audit was to determine whether Fabius-Pompey Central School District (District) claims were adequately documented, for appropriate purposes and were properly audited and approved prior to payment.

Key Findings:

The State Comptrollers Office reviewed 100 claims totaling approximately \$5.3 million and found that they were adequately documented and for appropriate purposes. However, the District needs to improve the claims audit process because some claims were not subject to an independent claims audit and some were not properly approved before they were paid, as follows:

- Twelve claims totaling approximately \$3.3 million paid to the Onondaga-Cortland-Madison Board of Cooperative Educational Services (BOCES) were inappropriately audited by a BOCES employee who functioned as the District's claims auditor.
- The Treasurer paid five claims totaling \$11,692 without the required claims auditor's certification and authorization.

Key Recommendations:

- Ensure that BOCES claims are audited and approved by someone other than the BOCES claims auditor.
- Only pay claims that have been approved and certified for payment by the claims auditor.

A copy of the copy of the complete report along with the District's response can be found via the website of the Office of the New York State Comptroller. There are no other State Comptrollers audits of the District that are currently in progress or pending release.

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 past three fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	Susceptible	33.3
2023	No Designation	11.7
2022	No Designation	0.0

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

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

TAX INFORMATION

Taxable Assessed Valuation

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Pompey	\$ 201,482,525	\$ 204,761,082	\$ 204,534,774	\$ 205,129,640	\$ 207,343,521
Fabius	105,846,246	106,205,310	106,465,373	107,251,624	108,084,769
LaFayette	5,238,785	5,343,389	5,269,360	5,258,399	5,317,013
Cuyler	9,716,515	9,721,249	9,828,501	9,891,400	9,827,542
Cazenovia	437,149	438,694	419,919	418,760	420,749
Total Assessed Values	<u>\$ 322,721,220</u>	<u>\$ 326,469,724</u>	<u>\$ 326,517,927</u>	<u>\$ 327,949,823</u>	<u>\$ 330,993,594</u>

State Equalization Rates

Towns of:					
Pompey	89.00%	89.00%	78.00%	70.00%	63.00%
Fabius	89.00%	89.00%	78.00%	70.00%	63.00%
LaFayette	90.00%	83.00%	75.00%	67.00%	60.00%
Cuyler	94.00%	92.00%	86.00%	75.00%	68.00%
Cazenovia	99.00%	97.00%	91.00%	76.00%	71.00%
Total Taxable Full Valuation	<u>\$ 361,912,381</u>	<u>\$ 366,857,095</u>	<u>\$ 417,633,889</u>	<u>\$ 467,846,839</u>	<u>\$ 524,586,386</u>

Source: District officials.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Towns of:					
Pompey	\$ 27.77	\$ 27.19	\$ 27.94	\$ 28.46	\$ 29.02
Fabius	27.77	27.19	27.94	28.46	29.02
LaFayette	27.46	29.15	29.05	29.73	30.47
Cuyler	26.30	26.30	25.34	26.52	26.89
Cazenovia	24.97	24.95	23.95	26.21	25.75

Source: District officials.

Tax Collection Procedure

For the 2021-22 fiscal year, tax payments are due September 2nd. There is no penalty charged for the first thirty (30) 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 Counties of Onondaga, Cortland and Madison for collection. The District receives this amount from said Counties prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually.

Tax Levy and Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Tax Levy	\$ 8,771,957	\$ 8,877,220	\$ 9,121,344	\$ 9,320,125	\$ 9,590,430
Amount Uncollected ⁽¹⁾	468,231	414,864	379,834	390,485	584,722
% Uncollected	5.34%	4.67%	4.16%	4.19%	6.10%

⁽¹⁾ See "Tax Collection Procedure" herein.

Source: District officials.

Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues ⁽¹⁾</u>	<u>Total Real Property Taxes</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2019-2020	\$ 18,063,958	\$ 8,627,234	47.76%
2020-2021	19,110,074	8,787,930	45.99
2021-2022	19,082,982	8,900,473	46.64
2022-2023	19,000,101	9,118,232	47.99
2023-2024	19,602,680	9,336,578	47.63
2024-2025 (Budgeted)	20,121,700	9,607,430	47.75
2023-2024 (Unaudited)	20,78,979	9,619,719	47.44
2024-2025 (Budgeted)	20,631,579	10,076,402	48.84

⁽¹⁾ Does not include appropriated fund balance, interfund transfers or use of reserves.

Source: Audited financial statements for fiscal years 2019-2020 through 2023-2024, the unaudited projection for 2024-25 and the budgets of the District for the 2024-2025 and 2025-2026 fiscal years. This table is not audited.

Ten Largest Taxpayers – 2024 Assessment Roll for 2024-25 School District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
National Grid (Niagara Mohawk)	Utility	\$9,975,619
State of New York	State Land	5,117,750
Van Erden Family LLC	Farm	3,142,900
Tennessee Gas	Utility	3,739,291
County of Onondaga	County Land	3,400,300
Barbland Farms	Farm	3,099,100
Fabius Greenwood Farm LLC	Farm	2,309,400
Young, Martin	Residential	1,921,500
Venture Farms LLC	Farm	1,722,800
Maplehurst Property LLC	Farm	1,388,200

The ten larger taxpayers listed above have a total taxable assessed valuation of \$35,816,860, which represents 10.82% of the tax base of the District for the 2024-2025 fiscal year.

The District does not have any pending or outstanding tax certioraris that are known or anticipated to have a material impact on the finances of the District.

Source: District officials.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential- 71.0%; Agricultural- 10.7%; Community Service – 6.9; Public Service – 3.8% and Other – 7.4%.

The estimated total annual property tax bill of a \$100,000 market value residential property (with STAR) located in the District is approximately \$4,100 including County, Town or Village, School District and Fire District taxes.

STAR – School Tax Exemption

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

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$98,700 or less in 2023-2024, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$81,400 for the 2023-24 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

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

The 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent. While former Governor Cuomo had issued various Executive Orders in response to COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits, the most recent of such Executive Orders expired on July 5, 2021.

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

The below table lists the basic and enhanced exemption amounts for the 2023-24 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>
Pompey	\$ 54,240	\$ 18,900	4/10/2025
Fabius	54,240	18,900	4/10/2025
LaFayette	51,660	18,000	4/10/2025
Cuyler	58,550	20,430	4/10/2025
Cazenovia	61,130	21,630	4/10/2025

\$905,184 of the District's \$9,590,430 school tax levy for the 2024-25 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2025.

Approximately \$905,184 of the District's \$10,059,402 school tax levy for the 2025-26 fiscal year is expected to be exempted by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2026.

TAX LEVY LIMITATION LAW

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

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

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

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

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

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

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax

anticipation notes, revenue anticipation notes, budget notes and deficiency notes. “Capital Local Expenditures”, are defined as “the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law”. The portion of the tax levy necessary to support “Capital Local Expenditures” is defined as the “Capital Tax Levy”, and is an exclusion from the tax levy limitation, applicable to the Notes.

See “State Aid” for a discussion of the *New Yorkers for Students’ Educational Rights v. State of New York* case which included a challenge to the supermajority requirements regarding school district property tax increases.

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 federal 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.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

Statutory Procedure

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

The School District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the School 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 School District obligations.

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

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

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

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonds	\$ 9,257,580	\$ 8,163,259	\$ 6,835,000	\$ 7,110,000	\$ 6,502,000
Bond Anticipation Notes	0	0	810,000	0	0
Installment Purchase Contract	0	0	0	0	0
Total Debt Outstanding	<u>\$ 9,257,580</u>	<u>\$ 8,163,259</u>	<u>\$ 7,645,000</u>	<u>\$ 7,110,000</u>	<u>\$ 6,502,000</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of June 6, 2025:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2024-2037	\$ 6,712,000
<u>Bond Anticipation Notes</u>	June 27, 2025	<u>700,000</u> ⁽¹⁾
Total Indebtedness		<u>\$ 7,412,000</u>

⁽¹⁾-To be partially redeemed and renewed with the proceeds of the Series A Notes and \$25,000 available funds of the District.

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin prepared as of June 6, 2025:

Full Valuation of Taxable Real Property	\$	524,586,386
Debt Limit – 10% thereof		52,451,639

Inclusions:

Bonds.....	\$	6,712,000
Bond Anticipation Notes (BANs):		700,000
Total Inclusions prior to issuance of the Notes		7,412,000
Less: BANs being redeemed from appropriations		25,000
Add: New money proceeds of the Notes		10,000,000
Total Net Inclusions after issuance of the Notes	\$	17,387,000

Exclusions:

State Building Aid ⁽¹⁾	\$	0
Total Exclusions.....		\$ 0
Total Net Indebtedness	\$	17,387,000
Net Debt-Contracting Margin.....	\$	35,064,639
The percent of debt contracting power exhausted is.....		33.15%

⁽¹⁾ Based on preliminary 2025-2026 building aid estimates, the District anticipates State Building aid of 81.2% 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” of this Official Statement.

Cash Flow Borrowings

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

Capital Project Plans

The District typically issues statutory installment bonds on an annual basis for the purchase of school buses. On May 20, 2025 District voters approved an authorization of \$432,000 for the purchase of school buses. The District will issue bonds in the fall of 2025 for the purchase of school buses.

On December 5, 2023, the voters of the Districted approved a \$19,100,000 capital project focused primarily on safety and security enhancement (and to a smaller degree instructional space improvements) in the middle/high school. \$405,000 of the cost is to be paid from a capital reserve. The additional cost is to be paid with any available State aid and the levy of a tax upon the taxable property of the District to be collected in annual installments as determined by the Board of Education. On December 12, 2023, a bond resolution was duly adopted by the Board of Education authorizing the issuance of \$18,695,000 bond anticipation notes and bond obligations for the abovementioned project. On August 22, 2024 the District issued \$700,000 bond anticipation notes as the initial borrowing for the aforementioned purpose. The Series A Notes, along with \$25,000 available funds of the District will partially redeem and renew the outstanding notes. The Series B Notes will provide \$10,000,000 new money for the aforementioned purpose.

Other than as stated above, there are no other capital projects authorized or unissued by the District, nor are any contemplated.

Estimated Overlapping Indebtedness

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

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Net Overlapping Indebtedness</u>
County of:						
Onondaga	10/11/2024	\$ 657,064,561 ⁽³⁾	\$ 399,666,273	\$ 257,398,288	1.16%	\$ 2,985,820
Cortland	6/29/2024	20,315,000 ⁽³⁾	1,200,000	19,115,000	0.40%	76,460
Madison	10/31/2024	41,157,000 ⁽³⁾	925,000	40,232,000	0.01%	4,023
Town of:						
Pompey	12/31/2023	424,000 ⁽⁴⁾	- ⁽⁵⁾	424,000	30.71%	130,210
Fabius	12/31/2023	- ⁽⁴⁾	- ⁽⁵⁾	-	82.50%	-
LaFayette	6/27/2024	2,220,000 ⁽³⁾	345,000	1,875,000	1.58%	29,625
Cuyler	12/31/2023	- ⁽⁴⁾	- ⁽⁵⁾	-	16.91%	-
Cazenovia	12/31/2023	629,010 ⁽⁴⁾	- ⁽⁵⁾	629,010	0.06%	377
Village of:						
Fabius	5/31/2022	- ⁽⁴⁾	- ⁽⁵⁾	-	100.00%	-
Total:						<u>\$ 3,226,516</u>

- (1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.
- (2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (3) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.
- (4) Gross indebtedness sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.
- (5) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's net indebtedness as of June 6, 2025:

	<u>Amount Indebtedness</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Valuation</u> ^(b)
Net Indebtedness ^(c)	\$ 17,387,000	\$ 3,547.64	3.31%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	20,613,516	4,205.98	3.93

- (a) The 2023 estimated population of the District is 4,901. (See "THE SCHOOL DISTRICT – Population" herein.)
- (b) The District's full value of taxable real estate for the 2024-25 tax roll is \$524,586,386 (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
- (c) See "Debt Statement Summary" herein for the calculation of Net Indebtedness.
- (d) The District's share of net overlapping indebtedness is estimated to be \$3,226,516. (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 School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

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

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

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

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

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

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

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

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

No Past Due Debt. No principal of or interest on School District indebtedness is past due.

MARKET AND RISK FACTORS

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

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

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

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

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

TAX MATTERS

In the opinion of Trespasz Law Offices, LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (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, 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. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – E” & “APPENDIX – F”.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The School District has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, 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, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect an Owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

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 beneficial owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been advanced that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. 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.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Trespasz Law Offices, LLP, Bond Counsel. Bond Counsel’s opinion will be in substantially the form attached hereto as “APPENDIX – E” & “APPENDIX – F”.

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District is the subject of a claim filed under the New York Child Victims Act. The claim is still in the discovery phase and is progressing, so liability or exposure on behalf of the district cannot be fully assessed as the process is still unfolding. The ultimate impact on the District's finances cannot be determined at this time. It is not anticipated, however, that the claim will have a material impact on the District's financial status at this time.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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

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 Material Event Notices, the form of which is attached hereto as "APPENDIX – C, MATERIAL EVENT NOTICES".

Historical Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings entered into pursuant to Rule 15c2-12 within the past five years.

RATING

The Notes are not rated. Subject to the approval of the District, the purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action may result in a material event notification to be posted to EMMA and/or the provision of a supplement to the final Official Statement.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P Global") has assigned its underlying rating of "A+" with a Stable Outlook to the District's outstanding general obligation serial bonds. A rating reflects only the view of the rating agency assigning such rating and any desired explanation of the significance of such rating should be obtained from S&P Global, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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

MISCELLANEOUS

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

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

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

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 will act as Paying Agent for the Bonds. The District contact information is as follows: Daniel Silky, Business Administrator, Fabius-Pompey Central School District, District Offices, 1211 Mill Street. Fabius, New York 13063, Phone: (315) 683-5301, Email: dsilky@fabiuspompey.org.

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

FABIUS-POMPEY CENTRAL SCHOOL DISTRICT

Dated: June 6, 2025

JOHN REPAK
PRESIDENT OF THE BOARD OF EDUCATION

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 1,580,552	\$ 1,528,541	\$ 2,159,571	\$ 1,294,618	\$ 1,092,800
Restricted Cash	2,205,864	2,444,844	2,437,178	3,075,072	2,796,448
State and Federal Aid Receivable	-	-	-	-	-
Inventory - Other Assets	31,039	31,539	-	-	-
Due from Other Funds	297,156	680,954	784,757	1,007,414	704,313
Due from Other Governments	393,139	787,611	523,324	523,477	534,937
Other Receivables	1,559	6,555	19,186	114,267	28,386
Tax Recievables	-	-	1,773	-	-
Prepaid Expenses	-	-	31,539	9,192	11,584
TOTAL ASSETS	<u>\$ 4,509,309</u>	<u>\$ 5,480,044</u>	<u>\$ 5,957,328</u>	<u>\$ 6,024,040</u>	<u>\$ 5,168,468</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 295,124	\$ 178,001	\$ 371,761	\$ 169,198	\$ 326,075
Accrued Liabilities	51,648	236,811	295,961	385,740	262,462
Accrued Interest Payable	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	44,935	425,461	2,953	100,273	-
Due to Teachers' Retirement System	577,783	579,240	671,296	763,664	768,568
Due to Employees' Retirement System	68,932	75,873	53,084	67,648	81,190
Overpayments	12,219	8,205	13,940	14,745	18,226
Unearned Revenue	-	5,309	-	-	-
Deferred Credits	-	-	-	-	-
TOTAL LIABILITIES	<u>1,050,641</u>	<u>1,508,900</u>	<u>1,408,995</u>	<u>1,501,268</u>	<u>1,456,521</u>
<u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ 31,539	\$ 31,539	\$ 9,192	\$ 11,584
Restricted	2,205,864	2,444,844	2,437,178	3,075,072	2,796,448
Assigned	520,865	693,352	638,548	948,013	643,826
Unassigned	731,939	801,409	1,441,068	490,495	260,089
TOTAL FUND EQUITY	<u>3,458,668</u>	<u>3,971,144</u>	<u>4,548,333</u>	<u>4,522,772</u>	<u>3,711,947</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 4,509,309</u>	<u>\$ 5,480,044</u>	<u>\$ 5,957,328</u>	<u>\$ 6,024,040</u>	<u>\$ 5,168,468</u>

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 7,170,134	\$ 7,415,659	\$ 7,625,025	\$ 7,802,291	\$ 8,046,522
STAR & Other Real Property Tax Items	1,287,734	1,211,575	1,162,905	1,098,182	1,071,710
Non-Property Taxes	23,864	23,471	22,752	28,164	28,892
Charges for Services	38,000	38,670	41,690	38,300	37,273
Use of Money & Property	71,682	65,393	9,103	11,578	114,351
Sale of Property and					
Compensation for Loss	10,563	8,574	8,017	23,620	37,054
Miscellaneous	302,938	214,986	373,431	279,580	378,894
Revenues from State Sources	9,308,002	9,067,536	9,716,062	9,779,847	9,264,271
Revenue from Federal Sources	-	18,094	151,089	21,420	21,134
Total Revenues	<u>\$ 18,212,917</u>	<u>\$ 18,063,958</u>	<u>\$ 19,110,074</u>	<u>\$ 19,082,982</u>	<u>\$ 19,000,101</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Sources	<u>18,212,917</u>	<u>18,063,958</u>	<u>19,110,074</u>	<u>19,082,982</u>	<u>19,000,101</u>
<u>EXPENDITURES</u>					
General Support	\$ 1,889,164	\$ 1,869,982	\$ 2,014,527	\$ 1,634,073	\$ 2,282,690
Instruction	7,796,610	8,169,642	7,839,886	8,005,066	8,081,547
Pupil Transportation	1,205,934	1,193,449	1,146,900	1,309,357	1,330,544
Community Services	-	-	-	-	-
Employee Benefits	4,988,946	5,125,091	5,522,139	5,499,783	5,881,103
Debt Service	1,658,920	1,579,192	1,934,737	1,974,663	1,249,778
Total Expenditures	<u>\$ 17,539,574</u>	<u>\$ 17,937,356</u>	<u>\$ 18,458,189</u>	<u>\$ 18,422,942</u>	<u>\$ 18,825,662</u>
Other Uses:					
Interfund Transfers	<u>1,075,000</u>	<u>28,852</u>	<u>139,409</u>	<u>82,851</u>	<u>200,000</u>
Total Expenditures and Other Uses	<u>18,614,574</u>	<u>17,966,208</u>	<u>18,597,598</u>	<u>18,505,793</u>	<u>19,025,662</u>
Excess (Deficit) Revenues Over Expenditures	<u>(401,657)</u>	<u>97,750</u>	<u>512,476</u>	<u>577,189</u>	<u>(25,561)</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	3,762,575	3,360,918	3,458,668	3,971,144	4,548,333
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 3,360,918</u>	<u>\$ 3,458,668</u>	<u>\$ 3,971,144</u>	<u>\$ 4,548,333</u>	<u>\$ 4,522,772</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:	2024			2025	2026
	<u>Adopted Budget</u>	<u>Modified Budget</u>	<u>Audited Actual</u>	<u>Adopted Budget</u>	<u>Adopted Budget</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 8,144,215	\$ 8,356,938	\$ 8,356,938	\$ 9,590,430	\$ 10,059,402
STAR & Other Real Property Tax Items	1,192,910	980,187	979,640	17,000	17,000
Non-Property Taxes	24,000	24,000	30,209	28,000	28,000
Charges for Services	38,500	38,500	40,152	35,500	33,000
Use of Money & Property	126,028	126,028	261,271	248,056	248,056
Sale of Property and Compensation for Loss	16,000	16,000	54,715	15,000	15,000
Miscellaneous	249,010	249,610	343,358	164,120	176,615
Revenues from State Sources	9,966,136	9,966,136	9,511,324	10,003,594	10,034,506
Revenues from Federal Sources	20,000	20,000	25,073	20,000	20,000
Total Revenues	<u>\$ 19,776,799</u>	<u>\$ 19,777,399</u>	<u>\$ 19,602,680</u>	<u>\$ 20,121,700</u>	<u>\$ 20,631,579</u>
Other Sources:					
Interfund Transfers	<u>145,000</u>	<u>-</u>	<u>-</u>	<u>145,000</u>	<u>-</u>
Total Revenues and Other Sources	<u>19,921,799</u>	<u>19,777,399</u>	<u>19,602,680</u>	<u>20,266,700</u>	<u>20,631,579</u>
<u>EXPENDITURES</u>					
General Support	\$ 2,605,598	\$ 2,626,293	\$ 2,541,187	\$ 2,709,535	\$ 2,719,475
Instruction	8,918,402	8,961,593	8,526,451	8,592,231	8,320,881
Pupil Transportation	1,460,926	1,427,821	1,346,791	1,498,758	1,488,878
Community Services	-	-	-	-	-
Employee Benefits	6,477,684	6,457,052	6,238,300	6,725,271	6,817,762
Debt Service	1,166,462	1,187,093	1,145,215	1,180,905	1,237,626
Total Expenditures	<u>\$ 20,629,072</u>	<u>\$ 20,659,852</u>	<u>\$ 19,797,944</u>	<u>\$ 20,706,700</u>	<u>\$ 20,584,622</u>
Other Uses:					
Interfund Transfers	<u>210,561</u>	<u>615,561</u>	<u>615,561</u>	<u>210,000</u>	<u>148,000</u>
Total Expenditures and Other Uses	<u>20,839,633</u>	<u>21,275,413</u>	<u>20,413,505</u>	<u>20,916,700</u>	<u>20,732,622</u>
Excess (Deficit) Revenues Over Expenditures	<u>(917,834)</u>	<u>(1,498,014)</u>	<u>(810,825)</u>	<u>(650,000)</u>	<u>(101,043)</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	917,834	1,498,014	4,522,772	650,000	101,043
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,711,947</u>	<u>\$ -</u>	<u>\$ -</u>

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
2025	\$ 827,000	\$ 303,905	\$ 1,130,905
2026	897,000	290,626	1,187,626
2027	770,000	249,070	1,019,070
2028	660,000	216,273	876,273
2029	610,000	186,619	796,619
2030	590,000	158,350	748,350
2031	505,000	132,000	637,000
2032	530,000	106,750	636,750
2033	555,000	80,250	635,250
2034	590,000	52,500	642,500
2035	330,000	23,000	353,000
2036	65,000	6,500	71,500
2037	65,000	3,250	68,250
TOTALS	\$ 6,994,000	\$ 1,809,093	\$ 8,803,093

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2012A DASNY			2020A DASNY - Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 170,000	\$ 16,825	\$ 186,825	\$ 340,000	\$ 227,500	\$ 567,500
2026	180,000	8,325	188,325	355,000	210,500	565,500
2027	90,000	2,925	92,925	375,000	192,750	567,750
2028	-	-	-	395,000	174,000	569,000
2029	-	-	-	415,000	154,250	569,250
2030	-	-	-	435,000	133,500	568,500
2031	-	-	-	455,000	111,750	566,750
2032	-	-	-	480,000	89,000	569,000
2033	-	-	-	500,000	65,000	565,000
2034	-	-	-	530,000	40,000	570,000
2035	-	-	-	270,000	13,500	283,500
TOTALS	\$ 440,000	\$ 28,075	\$ 468,075	\$ 4,550,000	\$ 1,411,750	\$ 5,961,750

Fiscal Year Ending June 30th	2019 Serial Bonds - Buses			2020 Serial Bonds - Buses			2021 Serial Bonds - Buses		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 50,000	\$ 625	\$ 65,975	\$ 75,000	\$ 1,493	\$ 65,975	\$ 50,000	\$ 1,762	\$ 51,762
2026	-	-	-	75,000	563	65,975	55,000	1,194	56,194
2027	-	-	-	-	-	-	55,000	413	55,413
TOTALS	\$ 50,000	\$ 625.00	\$ 65,975.00	\$ 150,000	\$ 2,055	\$ 131,950	\$ 160,000	\$ 3,368	\$ 163,368

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2023 Serial Bonds - Buses			2023 Serial Bonds - Buses			2024 Serial Bonds - Buses		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 70,000	\$ 11,006	\$ 81,006	\$ 37,000	\$ 11,695	\$ 48,695	\$ -	\$ -	\$ -
2026	70,000	8,075	78,075	35,000	6,366	41,366	87,000	24,354	111,354
2027	75,000	4,994	79,994	40,000	4,808	44,808	95,000	13,931	108,931
2028	80,000	1,700	81,700	40,000	3,048	43,048	100,000	10,275	110,275
2029	-	-	-	45,000	1,069	46,069	105,000	6,300	111,300
2030	-	-	-	-	-	-	105,000	2,100	107,100
TOTALS	\$ 295,000	\$ 25,775	\$ 320,775	\$ 197,000	\$ 26,985	\$ 223,985	\$ 492,000	\$ 56,960	\$ 548,960

Fiscal Year Ending June 30th	2023A DASNY		
	Principal	Interest	Total
2025	\$ 35,000	\$ 33,000	\$ 68,000
2026	40,000	31,250	71,250
2027	40,000	29,250	69,250
2028	45,000	27,250	72,250
2029	45,000	25,000	70,000
2030	50,000	22,750	72,750
2031	50,000	20,250	70,250
2032	50,000	17,750	67,750
2033	55,000	15,250	70,250
2034	60,000	12,500	72,500
2035	60,000	9,500	69,500
2036	65,000	6,500	71,500
2037	65,000	3,250	68,250
TOTALS	\$ 660,000	\$ 253,500	\$ 913,500

MATERIAL EVENT NOTICES

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

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

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

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

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

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

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

The School District has agreed to provide, or course 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 aforementioned material event notices, if any, on or before the date specified.

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

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

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

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FABIUS-POMPEY CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDING

JUNE 30, 2024

The Audited Financial Statements, including opinion, 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.

FABIUS POMPEY
CENTRAL SCHOOL
DISTRICT

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
June 30, 2024

**FABIUS POMPEY CENTRAL SCHOOL DISTRICT
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D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

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315-336-9220 Fax: 315-336-0836

Independent Auditor's Report

Board of Education
Fabius Pompey Central School District

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller 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 Fabius Pompey Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fabius Pompey Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fabius Pompey Central School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fabius Pompey Central School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The Schedule of Expenditures of Federal Awards and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2024, on our consideration of the Fabius Pompey Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fabius Pompey Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fabius Pompey Central School District's internal control over financial reporting and compliance.

D'Arcangelo & Co., LLP

October 3, 2024

Rome, New York

**FABIUS POMPEY CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

The Fabius Pompey Central School District’s discussion and analysis of financial performance provides an overall review of the District’s financial activities for the fiscal years ended June 30, 2024 and 2023. The intent of this discussion and analysis is to look at the District’s financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

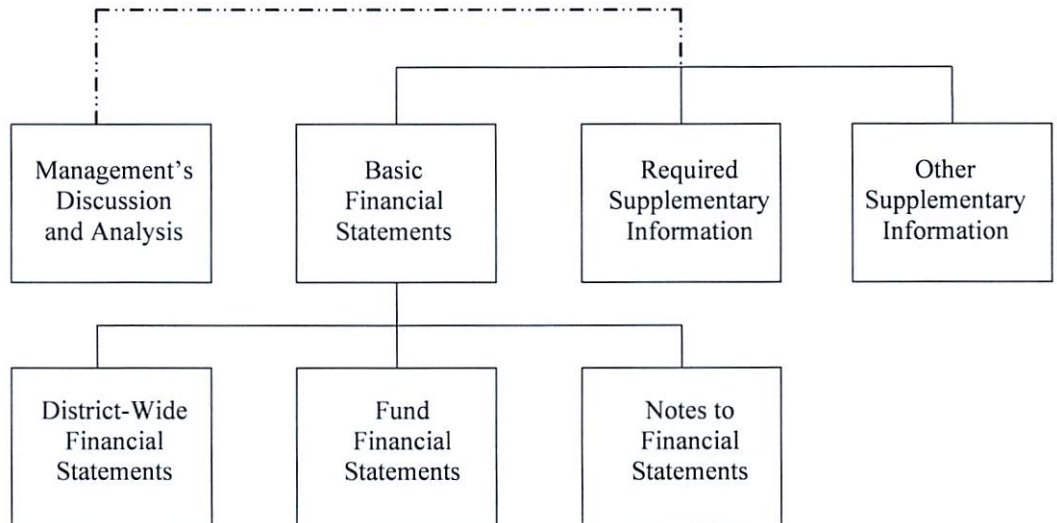
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024, are as follows:

- The District’s total Net Position, as reflected in the District-wide financial statements, decreased by \$2,803,765.
- The District’s expenses for the year, as reflected in the District-wide financial statements, totaled \$24,412,412. Of this amount, \$238,577 was offset by program charges for services and \$1,382,046 of operating grants. General revenues of \$19,988,024 amounts to 92.5% of total revenues.
- State and federal revenue increased by \$272,126 to \$9,536,397 in 2024 from \$9,264,271 in 2023.
- The General Fund’s total fund balance, as reflected in the fund financial statements on pages 15 and 17, decreased by \$810,825 to \$3,711,947. This was due to an excess of expenditures over revenue based on the modified accrual basis of accounting.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management’s Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of district-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements is as follows:



**FABIUS POMPEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

(Continued)

A. District-wide Financial Statements

The District-wide financial statements are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-wide financial statements: the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's Assets and Deferred Outflows of Resources and Liabilities and Deferred Inflows of Resources, with the difference between the two reported as Net Position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in Net Position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. 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 District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the District-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of District-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the District-wide financial statements. By doing so, the reader may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds, General Fund, School Lunch Fund, Special Aid Fund, Miscellaneous Special Revenue, Debt Service Fund, and Capital Projects Fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as custodian. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District's District-wide financial statements because the District cannot use these assets to finance its operations.

**FABIUS POMPEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

(Continued)

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position decreased by \$2,803,765 between fiscal year 2023 and 2024. A summary of the District's Statement of Net Position for June 30, 2024 and 2023, is as follows:

	2024	2023	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 5,788,324	\$ 6,249,092	\$ (460,768)	(7.4%)
Right to Use Asset, Net of Accumulated Amortization	239,982	382,070	(142,088)	(37.2%)
Capital Assets (Net of Accumulated Depreciation)	<u>24,607,853</u>	<u>24,709,815</u>	<u>(101,962)</u>	(0.4%)
Total Assets	<u>30,636,159</u>	<u>31,340,977</u>	<u>(704,818)</u>	(2.2%)
Deferred Outflows of Resources	<u>9,133,807</u>	<u>12,161,589</u>	<u>(3,027,782)</u>	(24.9%)
Current and Other Liabilities	1,570,278	1,465,353	104,925	7.2%
Net Pension Liability- Proportionate Share	1,333,731	1,984,734	(651,003)	(32.8%)
Non-Current Liabilities	<u>58,484,249</u>	<u>59,358,941</u>	<u>(874,692)</u>	(1.5%)
Total Liabilities	<u>61,388,258</u>	<u>62,809,028</u>	<u>(1,420,770)</u>	(2.3%)
Deferred Inflows of Resources	<u>5,690,059</u>	<u>5,198,124</u>	<u>491,935</u>	9.5%
Net Position				
Net Investment in Capital Assets	17,412,956	16,957,291	455,665	2.7%
Restricted	3,505,372	3,405,339	100,033	2.9%
Unrestricted (Deficit)	<u>(48,226,679)</u>	<u>(44,867,216)</u>	<u>(3,359,463)</u>	(7.5%)
Total Net Position (Deficit)	<u>\$ (27,308,351)</u>	<u>\$ (24,504,586)</u>	<u>\$ (2,803,765)</u>	(11.4%)

Current and other assets decreased by \$460,768 as compared to the prior year. This is due to a decrease in cash in the General, School Lunch and Special Aid funds, which were offset by an increase of approximately \$350,000 in the Capital fund.

Right to use assets decreased by \$142,088 as compared to prior year. This decrease is due to the depreciation expense exceeding the amount of additions of capital leased assets.

Capital assets (net of accumulated depreciation) decreased by \$101,962, as compared to the prior year. This decrease is primarily due to depreciation expense amounts expended for additions exceeding amounts expended for additions. Note 6 to the Financial Statements provides additional information.

Deferred outflows of resources decreased \$3,027,782, as compared to the prior year mainly due to a decrease in deferred amounts related to the Retirement Systems.

Current and other liabilities increased by \$104,925 as compared to the prior year. This increase is primarily a result of a increase in accounts payable in the General, Special Aid and Capital funds.

Net pension liability- proportionate share of the Retirement systems decreased by \$651,003, as compared to prior year mainly due to a change in the actuarially calculated portion of the statewide Pension systems.

Non-current liabilities decreased by \$874,692, as compared to the prior year. This decrease is primarily the result of recording the change of OPEB liability in accordance with GASB 75 as well as the decrease of bonds payable due to annual payments.

Deferred inflows of resources increased by \$491,935 due to amounts relating to the OPEB valuation and deferred amounts related to the Retirement Systems, offset by the annual amortization of the deferred charge from the refunding of debt.

**FABIUS POMPEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

(Continued)

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings, purchase vehicles, equipment and furniture to support District operations.

The unrestricted deficit at June 30, 2024, is \$48,226,679, which represents the amount by which the District's liabilities, excluding debt related to capital construction, exceeded the District's assets other than capital assets. This deficit is primarily due to the accrual of \$49,868,437 in OPEB liabilities.

The restricted net position represents funds held in reserves.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements STAR (school tax relief) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes and non-property tax items. A summary of this statement for the years ended June 30, 2024 and 2023 is as follows:

Revenues	2024	2023	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	\$ 238,577	\$ 220,147	\$ 18,430	8.4%
Operating Grants	1,382,046	1,437,537	(55,491)	(3.9%)
General Revenues				
Property Taxes, STAR, and Other Real Property				
Tax Items	9,336,578	9,118,232	218,346	2.4%
State and Federal Sources	9,536,397	9,264,271	272,126	2.9%
Other	1,115,049	570,418	544,631	95.5%
Total Revenues	<u>21,608,647</u>	<u>20,610,605</u>	<u>998,042</u>	4.8%
Expenses				
General Support	4,040,224	3,839,697	200,527	5.2%
Instruction	16,697,480	16,282,181	415,299	2.6%
Pupil Transportation	2,905,568	2,853,050	52,518	1.8%
Debt Service-Unallocated Interest	254,547	258,351	(3,804)	(1.5%)
Food Service Program	514,593	579,058	(64,465)	(11.1%)
Total Expenses	<u>24,412,412</u>	<u>23,812,337</u>	<u>600,075</u>	2.5%
Total Change in Net Position	<u>\$ (2,803,765)</u>	<u>\$ (3,201,732)</u>	<u>\$ 397,967</u>	12.4%

The District's revenues increased by 4.8% in 2024 or \$998,042. The major factors that contributed to the increase were:

- State and Federal sources increased by \$272,126 mainly due to new aid granted in the current year of \$326,506 from mobile sports wagering, offset by a decrease of \$85,298 in Lottery Aid.
- Property tax, STAR, and non-property tax items revenues increased by \$218,346 or 2.1%.
- Other Revenues increased by \$544,631 due to grant funding received towards electric bus purchase of \$384,835 and an increase of interest revenue from NYCLASS accounts of \$150,420.

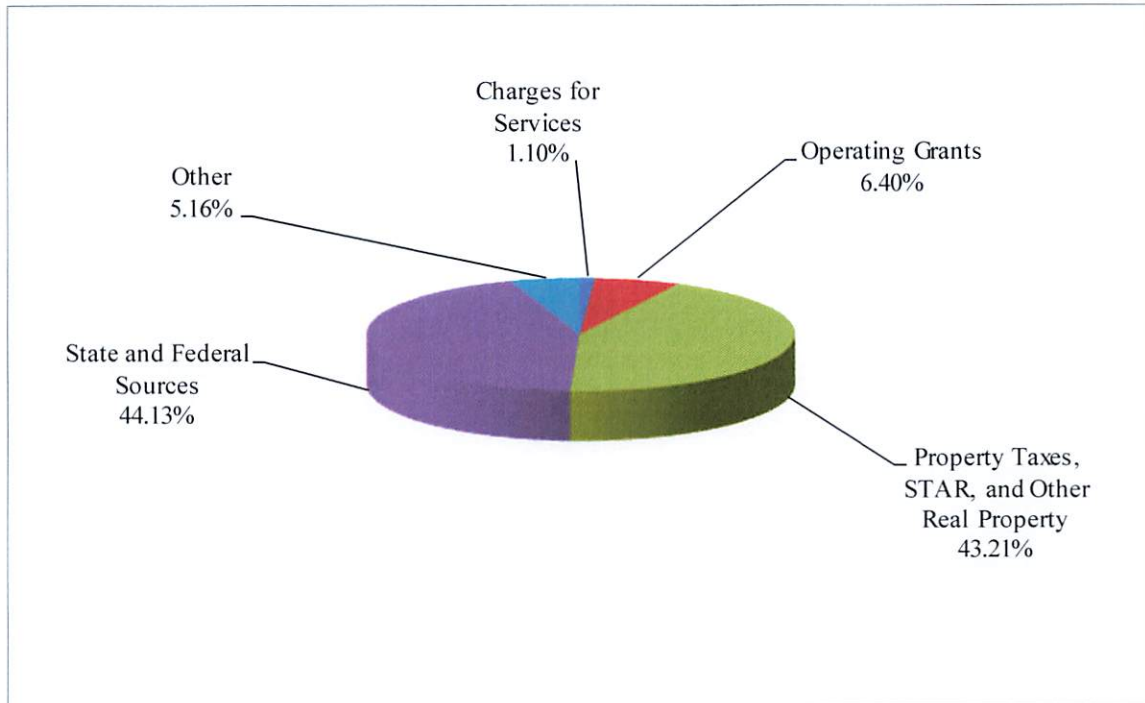
The District's expenses for the year increased by \$600,075 primarily due to the accounting for the OPEB and pension liabilities and expenses in the current year based on actuarial method.

**FABIUS POMPEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

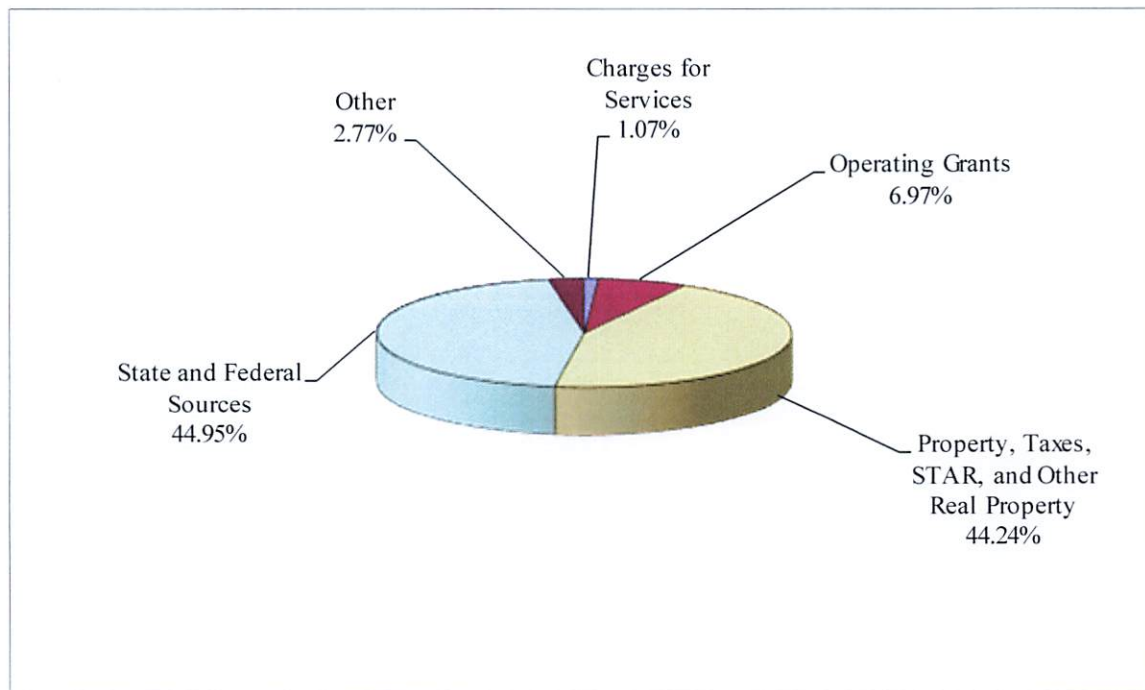
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A graphic display of the distribution of revenues for the two years follows:

For the Year Ended June 30, 2024



For the Year Ended June 30, 2023



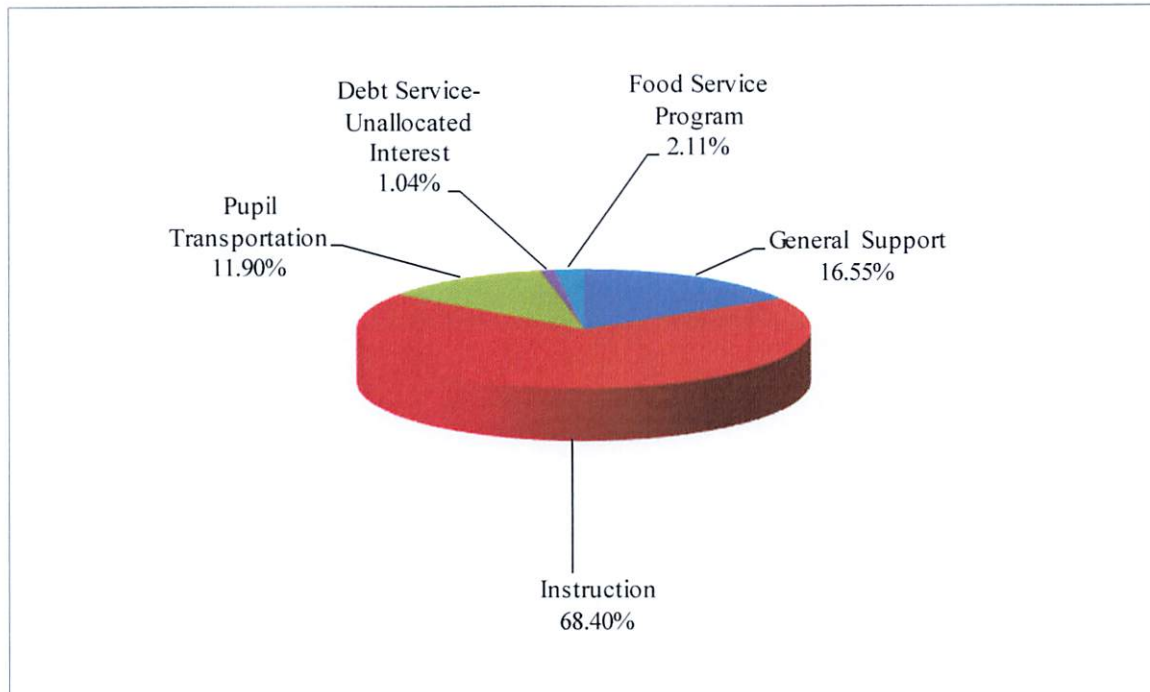
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**FABIUS POMPEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

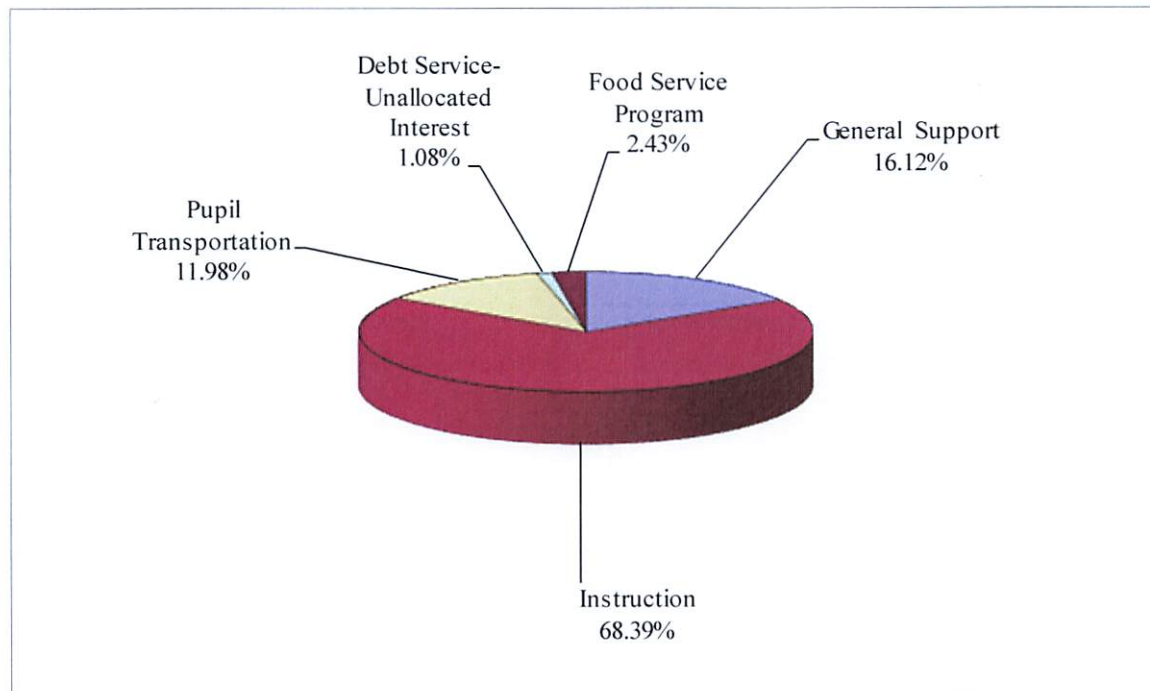
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A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2024



For the Year Ended June 30, 2023



See Independent Auditor's Report.

**FABIUS POMPEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

(Continued)

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2024, the District's governmental funds reported combined fund balances of \$4,245,098, which is a decrease of \$559,646 from the prior year. A summary of the change in fund balance by fund is as follows:

	2024	2023	Increase (Decrease)
General Fund			
Nonspendable	\$ 11,584	\$ 9,192	\$ 2,392
Restricted for:			
Unemployment Insurance	419,207	385,887	33,320
Employee Benefit Accrued Liability	1,162,584	1,064,211	98,373
ERS - Retirement Contribution	714,277	786,569	(72,292)
TRS - Retirement Contribution	269,416	247,500	21,916
Liability	191,620	175,406	16,214
Capital	22,919	400,464	(377,545)
Repairs	16,425	15,035	1,390
Total Restricted	2,796,448	3,075,072	(278,624)
Assigned	643,826	948,013	(304,187)
Unassigned	260,089	490,495	(230,406)
Total General Fund	3,711,947	4,522,772	(810,825)
School Lunch Fund			
Nonspendable	11,740	15,566	(3,826)
Unassigned (Deficit)	(187,513)	(63,861)	(123,652)
Total School Lunch Fund	(175,773)	(48,295)	(127,478)
Miscellaneous Special Revenue			
Restricted	112,604	120,946	(8,342)
Total Miscellaneous Special Revenue Fund	112,604	120,946	(8,342)
Debt Service Fund			
Restricted for Debt Service	159,915	134,834	25,081
Total Debt Service Fund	159,915	134,834	25,081
Capital Projects Fund			
Restricted	436,405	74,487	361,918
Total Capital Projects Fund	436,405	74,487	361,918
Total Fund Balance - All Funds	\$ 4,245,098	\$ 4,804,744	\$ (559,646)

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2023-2024 Budget

The District's General Fund adopted budget for the year ended June 30, 2024, was \$20,839,633 (excluding encumbrances). This is an increase of \$804,401 over the prior year's adopted budget.

The budget was funded through a combination of revenues and designated fund balance. The majority of this funding source was \$9,337,125 in estimated property taxes, STAR and Other Real property tax items, and State and Federal Aid in the amount of \$9,986,136

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

**FABIUS POMPEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

(Continued)

The General Fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance	\$ 490,495
Revenues Over (Under) Budget	(174,719)
Decrease in Reserves	278,624
Expenditures and Encumbrances Under Budget	855,682
Appropriated Reserves	(145,000)
Appropriated General Fund Balance for June 30, 2025	(637,600)
Budget Adjustments	(405,000)
Net Decrease to Nonspendable Funds	(2,392)
Rounding	<u>(1)</u>
Closing, Unassigned Fund Balance	<u>\$ 260,089</u>

Opening, Unassigned Fund Balance

The \$490,495 shown in the table is the portion of the District's June 30, 2023 fund balance that was retained as unassigned. This was 2.35% of the District's 2023-2024 approved operating budget.

Revenues Over (Under) Budget and Transfers from Other Funds Under Budget

The 2023-2024 final budget for revenues and transfers from other funds was \$21,275,413. The actual revenues and transfers received for the year were \$19,602,680. The actual revenues were under the amount budgeted by \$174,719. This variance contributes directly to the change to the unassigned portion of the General Fund balance from June 30, 2023 to June 30, 2024.

Expenditures and Encumbrances Under Budget

The 2023-2024 final budget for expenditures and transfers was \$21,275,413. The actual expenditures and encumbrances were \$20,419,731. The final budget was under expended by \$855,682; primarily in employee benefits and instruction. This under expenditure contributes to the change to the unassigned portion of the General Fund balance from June 30, 2023 to June 30, 2024.

Appropriated Fund Balance

The District has chosen to use \$637,600 of its available June 30, 2024 fund balance to partially fund its 2024-2025 approved operating budget.

**FABIUS POMPEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

(Continued)

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2024-2025 fiscal year with an unassigned fund balance of \$260,089. This is a decrease of \$230,406 compared to the unassigned balance from the prior year as of June 30, 2023. This represents 1.24% of the subsequent year's budget.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

At June 30, 2024, the District had invested in a broad range of capital assets, including land, construction in progress, buildings and improvements, vehicles, furniture, and equipment. The net decrease in capital assets is due to depreciation being more than capital asset additions for the year ended June 30, 2024. A summary of the District's capital assets, net of accumulated depreciation at June 30, 2024 and 2023, is as follows:

	2024	2023	Increase (Decrease)
Land	\$ 425,550	\$ 425,550	\$
Construction in Progress	1,344,535	1,278,135	66,400
Buildings and Improvements	20,997,573	21,522,060	(524,487)
Furniture, Equipment, and Vehicles	1,840,195	1,484,070	356,125
Capital Assets, Net	<u>\$ 24,607,853</u>	<u>\$ 24,709,815</u>	<u>\$ (101,962)</u>

B. Debt Administration

At June 30, 2024, the District had total long-term debt of \$59,817,980. A summary of the outstanding debt at June 30, 2024 and 2023, is as follows:

	2024	2023	Increase (Decrease)
Serial and Statutory Installment Bonds	\$ 6,502,000	\$ 7,110,000	\$ (608,000)
OPEB Liability	49,868,437	50,073,079	(204,642)
Compensated Absences	1,180,933	1,151,268	29,665
Net Pension Liability	1,333,731	1,984,734	(651,003)
Lease Liability		8,147	(8,147)
Unamortized Premium on Serial Bond	932,879	1,016,447	(83,568)
Total Long Term Debt	<u>\$ 59,817,980</u>	<u>\$ 61,343,675</u>	<u>\$ (1,525,695)</u>

**FABIUS POMPEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024**

(Continued)

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The voters passed the 2024-25 budget in May of 2024 with a total appropriation of \$20,916,700. This is a year-over-year increase of \$77,067 (0.37%). Drivers for this increase continue to be contractual salary and wages, as well as the increasing cost of health insurance benefits. While disinflation has slowed the increasing cost in supplies, materials and contractual expenses, costs remain elevated due to the recent years' historic spike in inflation.

The District has qualified for the Community Eligibility Provision (CEP) for the 2024-25 school year as a result of a reduction to the program's qualifying poverty threshold. Despite the District's budgetary interfund transfer, the school lunch fund continues to operate at a deficit, and that deficit continues to grow. The District will closely monitor the impact of the CEP on this growing deficit.

The District successfully passed a capital project vote in December 2023 for a \$19.1M capital project focused on security upgrades, HVAC needs, pavement, a greenhouse, STEAM & Agriculture classroom renovations and athletic field repairs. Design work will continue through the 2024-25 school year. Bidding will be done in spring 2025, work will begin in summer 2025 and the anticipated completion will be fall 2026.

The audit and finance committee has continued its ongoing plan to reduce the increasing budgetary dependence on fund balance and reserves. By the end of summer 2024, the District had exhausted its grants through COVID-related federal programs. However, the social & emotional needs exacerbated during COVID continue to present a budgetary challenge. Federal grants helped both address these needs and bolster the District's fund balance, yet the District still anticipates a looming state fiscal cliff. Consequently, at the conclusion of the 2023-24 school year, the District did not backfill some vacated positions that resulted from retirements. Furthermore, the District eliminated two positions at the end of 2023-24. For the 2024-25 budget season, with a potential state aid fiscal cliff, the District anticipates a need to further re-evaluate certain expenses for alignment between future budgets and the District's strategic direction. Continuing to focus on the ongoing financial plan will help keep the District fiscally sound.

8. CONTACTING THE DISTRICT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office at:

Fabius-Pompey Central School District
1211 Mill Street
Fabius, New York 13063

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2024

Assets

Cash and Cash Equivalents	\$ 1,185,874
Restricted Cash and Cash Equivalents	3,531,055
Due from Other Governments	1,019,339
Other Receivables	28,732
Inventory	11,740
Prepaid Expenses	11,584
Right to Use Leased Assets (Net of Amortization)	239,982
Capital Assets (Net of Accumulated Depreciation)	<u>24,607,853</u>
Total Assets	<u>30,636,159</u>

Deferred Outflows of Resources

Deferred Outflow - OPEB	5,449,113
Deferred Outflow - Pensions	<u>3,684,694</u>
Total Deferred Outflows of Resources	<u>9,133,807</u>

Total Assets and Deferred Outflows

\$ 39,769,966

Liabilities

Accounts Payable	\$ 391,887
Accrued Liabilities	270,628
Accrued Interest Payable	27,052
Due To	
Other Governments	494
Teachers' Retirement System	768,568
Employees' Retirement System	81,190
Unearned Credits	
Overpayments and Collections in Advance	18,226
Unearned Revenue	12,233
Noncurrent Liabilities	
Due Within One Year	
Bonds Payable	827,000
Unamortized Bond Premium	83,568
Due in More Than One Year	
Net Pension Liability - Proportionate Share	1,333,731
Bonds Payable	5,675,000
Unamortized Bond Premium	849,311
Compensated Absences	1,180,933
Other Postemployment Benefit Liability	<u>49,868,437</u>
Total Liabilities	<u>61,388,258</u>

Deferred Inflows of Resources

Deferred Inflow - OPEB	4,990,195
Deferred Inflow - Pensions	<u>699,864</u>
Total Deferred Inflows of Resources	<u>5,690,059</u>

Total Liabilities and Deferred Inflows

67,078,317

Net Position

Net Investment in Capital Assets	17,412,956
Restricted	3,505,372
Unrestricted (Deficit)	<u>(48,226,679)</u>
Total Net Position (Deficit)	<u>(27,308,351)</u>

Total Liabilities, Deferred Inflows, and Net Position

\$ 39,769,966

The Accompanying Notes are an Integral Part of These Financial Statements.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
General Support	\$ 4,040,224	\$	\$	\$ (4,040,224)
Instruction	16,697,480	40,152	1,206,835	(15,450,493)
Pupil Transportation	2,905,568			(2,905,568)
Debt Service - Unallocated Interest	254,547			(254,547)
Food Service Program	514,593	198,425	175,211	(140,957)
Total Functions/Programs	<u>\$ 24,412,412</u>	<u>\$ 238,577</u>	<u>\$ 1,382,046</u>	<u>(22,791,789)</u>
General Revenues				
Real Property Taxes				8,356,938
STAR and Other Real Property Tax Items				979,640
Nonproperty Tax Items				30,209
Use of Money and Property				288,362
Sale of Property and Compensation for Loss				54,715
State and Federal Sources				9,536,397
Miscellaneous				<u>741,763</u>
Total General Revenues				<u>19,988,024</u>
Change in Net Position				(2,803,765)
Net Position (Deficit), Beginning of Year				<u>(24,504,586)</u>
Net Position (Deficit), End of Year				<u>\$ (27,308,351)</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Assets							
Cash and Cash Equivalents	\$ 1,092,800	\$ 14,257	\$ 78,817	\$	\$	\$	\$ 1,185,874
Restricted Cash and Cash Equivalents	2,796,448			112,604	159,915	462,088	3,531,055
Receivables							
Due from Other Governments	534,937	27,749	456,653				1,019,339
Due from Other Funds	704,313						704,313
Other Receivables	28,386	61				285	28,732
Inventory		11,740					11,740
Prepaid Expenses	11,584						11,584
Total Assets	<u>\$ 5,168,468</u>	<u>\$ 53,807</u>	<u>\$ 535,470</u>	<u>\$ 112,604</u>	<u>\$ 159,915</u>	<u>\$ 462,373</u>	<u>\$ 6,492,637</u>
Liabilities							
Accounts Payable	\$ 326,075	\$ 2,601	\$ 53,089	\$	\$	\$ 10,122	\$ 391,887
Accrued Liabilities	262,462	6,318	1,848				270,628
Due To							
Other Governments		494					494
Other Funds		214,112	474,355			15,846	704,313
Teachers' Retirement System	768,568						768,568
Employees' Retirement System	81,190						81,190
Overpayments and Collections in Advance	18,226						18,226
Unearned Revenue		6,055	6,178				12,233
Total Liabilities	<u>1,456,521</u>	<u>229,580</u>	<u>535,470</u>			<u>25,968</u>	<u>2,247,539</u>
Fund Balances							
Nonspendable	11,584	11,740					23,324
Restricted	2,796,448			112,604	159,915	436,405	3,505,372
Assigned	643,826						643,826
Unassigned	260,089	(187,513)					72,576
Total Fund Balances (Deficit)	<u>3,711,947</u>	<u>(175,773)</u>		<u>112,604</u>	<u>159,915</u>	<u>436,405</u>	<u>4,245,098</u>
Total Liabilities and Fund Balances	<u>\$ 5,168,468</u>	<u>\$ 53,807</u>	<u>\$ 535,470</u>	<u>\$ 112,604</u>	<u>\$ 159,915</u>	<u>\$ 462,373</u>	<u>\$ 6,492,637</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO THE DISTRICT-WIDE NET POSITION
June 30, 2024

	Total Governmental Funds (Modified Accrual)	Long-Term Assets & Liabilities	Reclassifications and Eliminations	Statement of Net Position Total
Assets				
Cash and Cash Equivalents	\$ 1,185,874	\$	\$	\$ 1,185,874
Restricted Cash and Cash Equivalents	3,531,055			3,531,055
Receivables				
Due from Other Governments	1,019,339			1,019,339
Due from Other Funds	704,313		(704,313)	
Other Receivables	28,732			28,732
Inventory	11,740			11,740
Prepaid Expenditures	11,584			11,584
Right to Use Leased Asset, Net of Amortization		421,183		421,183
Capital Assets		24,426,652		24,426,652
Total Assets	<u>6,492,637</u>	<u>24,847,835</u>	<u>(704,313)</u>	<u>30,636,159</u>
Deferred Outflows of Resources				
OPEB		5,449,113		5,449,113
Pensions		3,684,694		3,684,694
Total Deferred Outflows		<u>9,133,807</u>		<u>9,133,807</u>
Total Assets and Deferred Outflows	<u>\$ 6,492,637</u>	<u>\$ 33,981,642</u>	<u>\$ (704,313)</u>	<u>\$ 39,769,966</u>
Liabilities				
Accounts Payable	\$ 391,887	\$	\$	\$ 391,887
Retainage Percentages Payable				
Accrued Liabilities	270,628			270,628
Accrued Health Insurance Claims Lag				
Judgments and Claims Payable				
Bond Interest Payable				
Accrued Interest Payable		27,052		27,052
Due To				
Other Governments	494			494
Other Funds	704,313		(704,313)	
Teacher's Retirement System	768,568			768,568
Employees' Retirement System	81,190			81,190
Bond Premium		932,879		932,879
Compensated Absences		1,180,933		1,180,933
Other Liabilities - OPEB		49,868,437		49,868,437
Net Pension Liability - Proportionate Share		1,333,731		1,333,731
Bonds Payable		6,502,000		6,502,000
Overpayments and Collections in Advance	18,226			18,226
Planned Balance				
Unearned Revenue	12,233			12,233
Total Liabilities	<u>2,247,539</u>	<u>59,845,032</u>	<u>(704,313)</u>	<u>61,388,258</u>
Deferred Inflows of Resources				
OPEB		4,990,195		4,990,195
Pensions		699,864		699,864
Total Deferred Inflows		<u>5,690,059</u>		<u>5,690,059</u>
Total Liabilities and Deferred Inflows	<u>2,247,539</u>	<u>65,535,091</u>	<u>(704,313)</u>	<u>67,078,317</u>
Fund Balance/Net Position				
Total Fund Balance/Net Position (Deficit)	<u>4,245,098</u>	<u>(31,553,449)</u>		<u>(27,308,351)</u>
Total Liabilities, Deferred Inflows, and Fund Balance/Net Position	<u>\$ 6,492,637</u>	<u>\$ 33,981,642</u>	<u>\$ (704,313)</u>	<u>\$ 39,769,966</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Revenues							
Real Property Taxes	\$ 8,356,938	\$	\$	\$	\$	\$	\$ 8,356,938
STAR and Other Real Property Tax Items	979,640						979,640
Nonproperty Tax Items	30,209						30,209
Charges for Services	40,152						40,152
Use of Money and Property	261,271	19		1,991	25,081		288,362
Sale of Property and Compensation for Loss	54,715						54,715
Miscellaneous	343,358	3,095	8,062	2,413		384,835	741,763
State Aid	9,511,324	5,207	199,326				9,715,857
Federal Aid	25,073	170,004	1,007,509				1,202,586
School Lunch Sales		198,425					198,425
Total Revenues	<u>19,602,680</u>	<u>376,750</u>	<u>1,214,897</u>	<u>4,404</u>	<u>25,081</u>	<u>384,835</u>	<u>21,608,647</u>
Expenditures							
General Support	2,541,187					93,809	2,634,996
Instruction	8,526,451		1,214,897	12,746		57,452	9,811,546
Pupil Transportation	1,346,791					573,656	1,920,447
Food Service Program		489,737					489,737
Employee Benefits	6,238,300	125,052					6,363,352
Debt Service - Principal	813,147						813,147
Debt Service - Interest	332,068						332,068
Total Expenditures	<u>19,797,944</u>	<u>614,789</u>	<u>1,214,897</u>	<u>12,746</u>		<u>724,917</u>	<u>22,365,293</u>
Excess (Deficit) Revenues Over Expenditures	<u>(195,264)</u>	<u>(238,039)</u>		<u>(8,342)</u>	<u>25,081</u>	<u>(340,082)</u>	<u>(756,646)</u>
Other Financing Sources (Uses)							
Proceeds of Long-Term Debt						197,000	197,000
Transfers from Other Funds		110,561				505,000	615,561
Transfers to Other Funds	<u>(615,561)</u>						<u>(615,561)</u>
Total Other Financing Sources (Uses)	<u>(615,561)</u>	<u>110,561</u>				<u>702,000</u>	<u>197,000</u>
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources	<u>(810,825)</u>	<u>(127,478)</u>		<u>(8,342)</u>	<u>25,081</u>	<u>361,918</u>	<u>(559,646)</u>
Fund Balances (Deficit), Beginning of Year	<u>4,522,772</u>	<u>(48,295)</u>		<u>120,946</u>	<u>134,834</u>	<u>74,487</u>	<u>4,804,744</u>
Fund Balances (Deficit), End of Year	<u>\$ 3,711,947</u>	<u>\$ (175,773)</u>	<u>\$</u>	<u>\$ 112,604</u>	<u>\$ 159,915</u>	<u>\$ 436,405</u>	<u>\$ 4,245,098</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Net Changes in Fund Balance - Total Governmental Funds	\$	(559,646)
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Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation expense in the Statement of Activities. This is the amount by which depreciation exceeded capital outlays for the period.

Amortization Expense on Leased Assets	(142,088)	
Depreciation Expense	(1,012,039)	
Capital Outlays	<u>910,077</u>	(244,050)

Bond proceeds and installment purchase contracts provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which bond and installment contract repayments exceeded the proceeds of bond issues.

Proceeds of Serial Bonds	(197,000)	
Repayment of Bond Principal	<u>805,000</u>	608,000

Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Principal Paid on Lease Liability	8,147	
Amortization of Bond Premium	83,568	
Change in Accrued Interest on Serial Bonds	(6,047)	
Change in Compensated Absences	(29,665)	
Change in OPEB Expense	(1,983,262)	
Change in Pension Expense	<u>(680,810)</u>	<u>(2,608,069)</u>

Change in Net Position Governmental Activities	\$	<u>(2,803,765)</u>
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FABIUS POMPEY CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	<u>Custodial</u>
Assets	
Cash and Cash Equivalents - Restricted	\$ 55,061
Total Assets	<u>\$ 55,061</u>
 Net Position	
Restricted for Extraclassroom Activities	\$ 55,061
Total Net Position	<u>\$ 55,061</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2024

	<u>Custodial</u>
Additions	
Extraclassroom Fundraising	\$ <u>102,120</u>
Deductions	
Extraclassroom Expenditures	<u>89,008</u>
Change in Fiduciary Net Position	13,112
Net Position, Beginning of Year	<u>41,949</u>
Net Position, End of Year	<u><u>\$ 55,061</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fabius Pompey Central School District (the School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the School District are described below:

Reporting Entity

The School District is governed by the laws of New York State. The School 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 School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal members.

The reporting entity of the School District is based upon criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

(a) Extraclassroom Activity Funds

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

Joint Venture

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

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

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

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

Basis of Presentation

(a) District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the School 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 grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School 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 and depreciation expense, 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.

(b) Fund Financial Statements

The fund statements provide information about the School 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 funds of the School District are displayed as major funds. The School District reports the following major governmental funds:

General Fund: This is the School District's primary operating fund. This fund accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Funds: These funds account for and report the proceeds of specific revenue sources that are restricted or assigned to expenditures for specified purposes other than debt service and capital projects.

School Lunch Fund: This fund is used to account for and report transactions of the School District's lunch and breakfast programs.

Special Aid Fund: This fund accounts for and reports the proceeds of Federal and State grants that are legally restricted to expenditures for specified purposes.

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

Capital Projects Fund: This fund is used to account for and report financial resources that are restricted or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service Funds: This fund accounts for and reports financial resources that are restricted to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated.

(c) Fiduciary Funds

This fund is used to account for and report custodial activities. Custodial activities are those in which the School 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 School District, and are not available to be used. There is one class of fiduciary fund:

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

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

Measurement Focus and Basis of Accounting

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

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

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

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

Estimates

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

Cash and Cash Equivalents

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Resources must be deposited in Federal Deposit Insurance Corporation (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.

Property Taxes

Real property taxes are levied annually by the Board of Education and become a lien no later than September 1. Taxes are collected during the period September 1 to November 15. The Counties of Onondaga and Madison subsequently enforce uncollected real property taxes. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the School District no later than the following April 1.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

Receivables

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

Deferred Outflow of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. First is the deferred charge on refunding of debt reported in the District-wide Statement of Net Position. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions not included in pension expense. This also includes the District contributions to the pension system (TRS and ERS System) to the measurement date. The second item is related to other postemployment benefits (OPEB) reported on the BOCES-wide Statement of Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

Interfund Transactions and Transfers

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

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions for governmental funds throughout the year is shown in Note 10 to the financial statements.

Inventories

The inventories of food and/or supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventorable items in other funds are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2004. For assets acquired prior to July 1, 2004, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received. The School District uses capitalization thresholds of \$1,000, (the dollar value above which asset acquisitions are added to the capital asset accounts). Depreciation methods and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	<u>Lives</u>	<u>Method</u>
Buildings	50 Years	Straight Line
Building Improvements	20-25 Years	Straight Line
Furniture, Equipment, and Vehicles	5-20 Years	Straight Line

Right to Use Leased Assets

The District has recorded right to use lease assets as a result of implementing GASB 87 -Leases. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

Deferred Inflows of Resources

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. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (TRS and ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expenses over the next several years.

Compensated Absences

Compensated absences consist of unpaid accumulated sick leave, vacation, and sabbatical time.

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

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

Consistent with GASB Statements, an accrual for accumulated sick leave is included in the compensated absences liability at year end. The compensated absences liability is calculated based on the pay rates in effect at year end.

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

Other Benefits

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

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are 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 postemployment benefits is shared between the District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting.

Accrued Liabilities and Long-Term Obligations

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

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

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

Unearned Revenue

Unearned revenues arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

Equity Classifications

(a) District-wide Statements

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

Net Investment in Capital Assets – consists of net capital and right to use assets (cost less accumulated depreciation and amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction, improvements, or leasing of those assets.

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

Unrestricted Net Position – reports all other resources that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

(b) Fund Statements

The School District follows GASB's authoritative guidance under GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The following classifications describe the relative strength of the spending constraints:

Non-Spendable Fund Balance

Includes amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund.

Restricted Resources

This category 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. Generally, the District's policy is to use restricted resources only when appropriated by the Board of Education. When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

The School District has established the following restricted fund balances:

- ***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 School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

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- **Employee Retirement Contribution Reserve** – The Retirement Contribution Reserve (GML§6-r) (Chapter 260 of the NYS Laws of 2004) is used to reserve funds for the payment of retirement contributions to the New York State and Local Employees' Retirement System. This reserve was established by a board resolution and is funded through budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. The Board adopted such a resolution to establish this sub-fund for the District. During a fiscal year, the Board may authorize payment into the sub-fund up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law 6-r.
- **Employee Benefit Accrued Liability Reserve** – According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.
- **Liability Reserve** – According to Education Law §1709(8)©, this reserve is used to pay for liability claims incurred. The total amount accumulated in the reserve may not exceed 3% of the total annual budget of \$15,000, whichever is greater. The reserve is accounted for in the General Fund.
- **Repair Reserve** – This reserve (GMC §6-d) is used to accumulate funds through voter approval to finance future costs of major repairs to capital improvements or equipment. Expenditures from this reserve may be made only after a public hearing has been held. In an emergency, expenditures may be made from the reserve fund without a public hearing with approval of two-thirds of the Board of Education. The emergency expenditure must be repaid within the next two succeeding years. The reserve is accounted for in the General Fund.
- **Capital Reserve** – According to Education Law §3651, this reserve is 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 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 reserve is accounted for in the General Fund.
- **Debt Service Fund** – This fund is used to account for and report the financial resources that are restricted to pay debt service. The funds include unused debt proceeds and interest and earnings on the temporary investment of debt proceeds.
- **Capital Project Fund** – This fund is used to account for ongoing voter approved capital projects for which financial resources are restricted.
- **Reserve for Scholarships** – This reserve is used to account for various endowment and scholarship awards. This reserve is accounted for in the Miscellaneous Special Revenue Fund.

Unrestricted Resources

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School District has provided otherwise in its commitment or assignment actions.

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

Assigned - Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances other than in the Capital Fund are classified as

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Assigned Fund Balance in the respective fund. The amount appropriated for the subsequent year's budget of the General Fund is also classified as assigned fund balance in the General Fund.

Unassigned - Includes all other resources that do not meet the definition of the above classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned, then it may be necessary to report negative unassigned fund balances in the respective fund.

(c) 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. Committed and assigned fund balances are determine next, with any remaining fund balance reported as unassigned.

Future Accounting Standards

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

The District will evaluate the impact this pronouncement may have on its financial statements and will implement them as applicable and when material.

2. DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

Total Fund Balances of Governmental Funds Compared To Net Position of Governmental Activities

The total fund balances of the School District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet.

Statement of Revenues, Expenditures, and Changes In Fund Balance Compared To Statement of Activities

Differences between the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of six broad categories.

(a) Long-Term Revenue Differences

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

(b) Capital Related Differences

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

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(c) Long-Term Debt Transaction Differences

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

(d) Pension Differences

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

(e) Employee Benefit Allocation

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Balance based on the requirements of New York State. These costs have been allocated based on total salary for each function.

(f) OPEB Differences

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

3. STEWARDSHIP AND COMPLIANCE

Fund Balance Limitations

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. 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. At June 30, 2024, the School District's General Fund unassigned fund balance is 1.24% of the 2024-2025 budget.

Statutory Debt Limit

At June 30, 2024, the School District was in compliance with the statutory debt limit.

Budgetary Procedures and Budgetary Accounting

The School District administration prepares a proposed budget for approval by the Board of Education and the voters of the School District for the General Fund for which legal (appropriated) budgets are adopted.

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) 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 restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

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

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

Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as 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.

4. CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's policy for custodial credit risk and New York State statutes govern the School District's investment policies, as discussed previously in these notes. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

- A. Uncollateralized;
- B. Collateralized by securities held by the pledging financial institution, or
- C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name.

As of June 30, 2024, the School District had bank balances of \$2,036,642 of which \$250,000 was fully insured by the FDIC. The balance of \$1,786,642 was exposed to credit risk but fully collateralized by securities held by an agent of the pledging financial institution in the School District's name.

Investment Pool

The School District participates in a multi-municipal cooperation investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 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.

The following amounts are included as restricted and unrestricted cash equivalents:

Fund	Cost	Fair Value
General	\$ 2,633,559	\$ 2,633,559
Miscellaneous Special Revenue	98,156	98,156
Capital	386,568	386,568
Total	<u>3,118,283</u>	<u>3,118,283</u>

The above amounts represent the cost of the investment pool shares, and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. The Investment Pool issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to NYCLASS Administration, Client Services, 717 17th Street Suite 1850, Denver, CO 80202.

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Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents of \$2,796,448 in the General Fund represents the following:

Description	Amount
General Fund	
Employee Benefits Accrued Liability Reserve	\$ 1,162,584
ERS - Retirement Reserve	714,277
TRS - Retirement Reserve	269,416
Repair Reserve	16,425
Unemployment Insurance Reserve	419,207
Liability Reserve	191,620
Capital Reserve	22,919
	<u>\$ 2,796,448</u>

Restricted cash of \$159,915 in the Debt Service fund represents funds restricted for debt service of outstanding bonds.

Restricted cash of \$112,604 in the Miscellaneous Special Revenue fund are restricted to awards and scholarships in accordance with donor intent.

Restricted cash of \$462,008 in the Capital fund represents reserves for capital projects.

5. PARTICIPATION IN BOCES

During the year, the School District was billed \$2,661,705 for BOCES' administrative and program costs. Financial statements for the BOCES are available from the Onondaga, Cortland, and Madison BOCES' administrative office at PO Box 4754, Syracuse, New York 13221.

6. CAPITAL ASSETS AND RIGHT TO USE LEASED ASSETS

Capital asset activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 425,550	\$	\$	\$ 425,550
Construction in Progress	1,278,135	151,261	84,861	1,344,535
Total	1,703,685	151,261	84,861	1,770,085
Capital Assets Being Depreciated				
Buildings and Improvements	40,660,009	102,805		40,762,814
Furniture, Equipment and Vehicles	4,496,408	740,872		5,237,280
Total	45,156,417	843,677		46,000,094
Accumulated Depreciation				
Buildings and Improvements	19,137,949	627,292		19,765,241
Furniture, Equipment and Vehicles	3,012,338	384,747		3,397,085
Total	22,150,287	1,012,039		23,162,326
Net Capital Assets Being Depreciated	23,006,130	(168,362)		22,837,768
Net Capital Assets	<u>\$ 24,709,815</u>	<u>\$ (17,101)</u>	<u>\$ 84,861</u>	<u>\$ 24,607,853</u>

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Depreciation expense in the amount of \$1,012,039, has been allocated among the various functions or programs as follows:

<u>Function/Program</u>	
General Support	\$ 649,776
Instruction	20,127
Pupil Transportation	339,410
School Lunch	2,726
Total Depreciation	<u>\$ 1,012,039</u>

Right to use leased asset activity for the year ended June 30, 2024, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Right to Use Leased Assets				
Leased Equipment	<u>\$ 805,188</u>	<u>\$</u>	<u>\$</u>	<u>\$ 805,188</u>
Accumulated Amortization				
Leased Equipment	<u>423,118</u>	<u>142,088</u>		<u>565,206</u>
Total	<u>\$ 382,070</u>	<u>\$ (142,088)</u>	<u>\$</u>	<u>\$ 239,982</u>

Amortization expense of \$142,088 is charged as follows:

<u>Function/Program</u>	
Instruction	<u>\$ 142,088</u>

7. NONCURRENT LIABILITIES

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds Payable					
Serial and Statutory Installment Bonds	\$ 7,110,000	\$ 197,000	\$ 805,000	\$ 6,502,000	\$ 827,000
Unamortized Premium on Serial Bond	1,016,447		83,568	932,879	83,568
Other Liabilities					
Net Pension Liability	1,984,734		651,003	1,333,731	
Lease Liability	8,147		8,147		
Compensated Absences	1,151,268	29,665		1,180,933	
OPEB Liability	<u>50,073,079</u>	<u>3,739,741</u>	<u>3,944,383</u>	<u>49,868,437</u>	
Total Noncurrent Liabilities	<u>\$ 61,343,675</u>	<u>\$ 3,966,406</u>	<u>\$ 5,492,101</u>	<u>\$ 59,817,980</u>	<u>\$ 910,568</u>

The General Fund has typically been used to liquidate noncurrent liabilities through budget appropriations.

Serial and Statutory Installment Bonds

The School District borrows funds on a long-term basis for the purpose of financing acquisitions of land and equipment and construction of buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities for governmental funds are maintained separately and represent a reconciling item between the fund and District-wide statements. Interest associated with long-term debt is recorded as an expenditure when such amounts are due.

The following is a statement of serial bonds outstanding:

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Payable from/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate	Outstanding Amount
General Fund					
2012 Renovation Bond	06/12	1,915,000	2027	3.0-5.0	\$ 440,000
2019 Statutory Installment Bond	10/19	243,580	2025	1.0-2.5	50,000
2020 DASNY Revenue Bond	06/20	5,680,000	2035	5.00	4,550,000
2021 Statutory Installment Bond	09/20	359,259	2026	0.4-1.5	150,000
2022 Statutory Installment Bond	08/21	260,000	2027	0.5-1.5	160,000
2023 DASNY Revenue Bond	06/15	680,000	2035	5.00	660,000
2023 Roosevelt Bonds	03/01	360,000	2037	4.125-4.25	295,000
2024 Serial Bond-Bus	08/23	197,000	2029	3.95-4.75	197,000
Total					<u>\$ 6,502,000</u>

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

Interest Paid	\$ 332,068
Less: Interest Accrued in the Prior Year	(21,005)
Less: Bond Premium Amortization	(83,568)
Plus: Interest Accrued in the Current Year	27,052
Total Interest Expense on Long-Term Debt	<u>\$ 254,547</u>

Principal and interest payments due on serial bonds debt is as follows:

For the Year Ending June 30,	Serial Bonds & Statutory Installment Bonds		
	Principal	Interest	Total
2025	\$ 827,000	\$ 303,906	\$ 1,130,906
2026	810,000	266,273	1,076,273
2027	675,000	235,140	910,140
2028	560,000	205,998	765,998
2029	505,000	180,319	685,319
2030-34	2,665,000	527,750	3,192,750
2035-37	460,000	32,750	492,750
Total	<u>\$ 6,502,000</u>	<u>\$ 1,752,136</u>	<u>\$ 8,254,136</u>

Prior-Year Defeasance of Debt

In prior years, the School District defeased certain general obligation 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 School District's financial statements. At June 30, 2024, \$565,000 of bonds outstanding were considered defeased.

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Premium on Refunding Debt

The premium received on the advance refunding of the 2012 A series bonds is being amortized on the District-wide financial statements using the straight-line method over 10 years, the remaining time to maturity of the refunding bonds.

Deferred Premium from Refunding of Debt	\$ 1,246,707
Less: Amount Recognized	<u>(313,828)</u>
Net Capitalized Refunding of Debt Costs	<u>\$ 932,879</u>

Lease Liability

The District has entered into agreements with the BOCES and other vendors to lease certain equipment such as copiers and other technology equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements. Lease agreements are summarized as follows:

Description	Inception Date	Term (In Months)	Discount Rate	Initial Lease Liability
Copier Lease-US Bank	11/23/2020	36	2.50%	\$ 92,148

Lease liability activity for the year ended June 30, 2024 is as follows:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Copier Lease-US Bank	\$ 8,147	<u>\$</u>	<u>\$ 8,147</u>	<u>\$</u>	<u>\$</u>

Compensated Absences

Compensated Absences represents vacation and sick time that has been earned by the School District employees but not used as of June 30, 2024.

8. PENSION PLANS

A. New York State and Local Employees' Retirement System (ERS)

(a) Plan Description

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when

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due and payable. Investments are recognized at fair value. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010 are required to contribute 3% of their annual salary for their entire working career. Employees who joined on or after April 1, 2012 must contribute at a specific percentage of earnings (between 3% and 6%) for their entire career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2024, were paid.

The required contributions for the current year and two preceding years were:

	Amount
2022	\$ 303,492
2023	\$ 212,337
2024	\$ 270,594

(c) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the School District reported a liability of \$919,210 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024 the School District's proportion was .0062429 percent, which is an increase of 0.0001996 percent from its proportionate share measured at June 30, 2023.

For the year ended June 30, 2024, the School District recognized a pension expense of \$447,962. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 296,077	\$ 25,064
Change of assumptions	347,533	
Net difference between projected and actual earnings on Pensions plan investments		449,029
Changes in proportion and differences between contributions and proportionate share of contributions	99,096	
Contributions subsequent to the measurement date	81,190	
Total	<u>\$ 823,896</u>	<u>\$ 474,093</u>

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

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Year ended June 30:

2025	\$ (126,261)
2026	201,887
2027	282,990
2028	(90,003)

(d) Actuarial Assumptions

The total pension liability at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024. The actuarial valuation used the following actuarial assumptions.

Investment Rate of Return	
(Net of Investment Expense,	
including Inflation)	5.90%
Salary Scale	4.40%
Decrement Tables	April 1, 2015 - March 31, 2020
	System's Experience
Inflation Rate	2.90%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021

The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long term expected 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 arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32.00%	4.00%
International Equity	15.00%	6.65%
Private Equity	10.00%	7.25%
Real Estate	9.00%	4.60%
Opportunistic/Absolute Return Strategies	3.00%	5.25%
Credit	4.00%	5.40%
Real Assets	3.00%	5.79%
Fixed Income	23.00%	1.50%
Cash	1.00%	25.00%
	<u>100.00%</u>	

* Real rates of return are net of the long-term inflation assumption of 2.90%

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

(e) Discount Rate

The discount rate used to calculate the total pension asset/liability was 5.9%. 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 System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

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

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

	Decrease (4.9%)	Assumption (5.9%)	Increase (6.9%)
Proportionate share of the net pension liability (assets)	\$ 2,890,091	\$ 919,210	\$ (726,884)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to ERS in the amount of \$81,190 at June 30, 2024. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2024-2025 billing cycle and has been accrued as an expenditure in the current year.

B. New York State Teachers' Retirement System (TRS)

(a) Plan Description

The School District participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org.

(b) Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
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For the Year Ended June 30, 2024

Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

The required employer contributions for the current year and two preceding years were:

	Amount
2022	\$ 610,986
2023	\$ 623,186
2024	\$ 688,874

(c) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the School District reported a liability of \$414,521 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2022. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2023, the School District's proportion was .036247 percent, which was an increase of .000351 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024 the School District recognized a pension expense of \$1,201,878. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,005,103	\$ 2,484
Changes of assumptions	892,451	194,505
Net difference between projected and actual earnings on Pensions plan investments	211,895	
Changes in proportion and differences between contributions and proportionate share of contributions	66,057	28,782
Contributions subsequent to the measurement date	685,292	
Total	<u>\$ 2,860,798</u>	<u>\$ 225,771</u>

Amounts reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 188,537
2025	(198,793)
2026	1,670,270
2027	129,257
2028	100,527
Thereafter	59,937

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

(d) Actuarial Assumptions

The total pension liability at the June 30, 2023 measurement date was determined by using an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the June 30, 2023 valuation were as follows:

Investment Rate of Return	5.9 % compounded annually, net of pension plan investment expense, including inflation.
Salary scale	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

Service	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.5% compounded annually.
Inflation rate	2.9%

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP 2021, applied on a generational basis. Active member mortality rates are based on plan member experience, with adjustments for mortality improvements based on Scale MP 2021 starting as of June 30, 2022.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2021.

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2023 is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equities	33.0%	6.8%
International equities	15.0%	7.6%
Global equities	4.0%	7.2%
Real estate equities	11.0%	6.3%
Private Equities	9.0%	10.1%
Domestic fixed income	16.0%	2.2%
Global bonds	2.0%	1.6%
High-yield bonds securities	1.0%	6.0%
Private debt	2.0%	3.2%
Real estate debt	6.0%	4.4%
Cash Equivalents	1.0%	0.3%
	<u>100.0%</u>	

* Real rates of return are net of the long-term inflation assumption of 2.4% for 2023.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

(e) Discount Rate

The discount rate used to measure the pension liability (asset) was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

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

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

	1% Decrease <u>(5.95%)</u>	Current Assumption <u>(6.95%)</u>	1% Increase <u>(7.95%)</u>
Proportionate share of the net pension liability (assets)	\$ 6,313,363	\$ 414,521	\$ (4,645,661)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to TRS in amount of \$685,292 excluding the employees share in the General Fund at June 30, 2023. This amount represents contributions for the 2023-2024 fiscal year that will be made in 2024-2025 and has been accrued as an expenditure in the current year.

9. OTHER POSTRETIREMENT HEALTH CARE BENEFITS

(a) Plan Description

The School District administers the payment of Postretirement Healthcare Benefits Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit plan. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the School District subject to applicable collective bargaining and employment agreements.

(b) Benefits Provided

Superintendent of Schools

Per an agreement between Board of Education and the Superintendent of Schools, Superintendent must retire under the NYSTRS, have at least 10 years of service with the District, and retire from the District not before the age of 55. The District pays 90% of the cost of premium for individual coverage and 75% of the cost for dependent coverage.

School Business Administrator

Per an agreement between Board of Education and the School Business Administrator, School Business Administrator must retire under the NYSTRS, have at least 15 years of service with the District, and retire from the District not before the age of 55. The District pays 90% of the cost of premium for individual coverage and 75% of the cost for dependent coverage.

**FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

Instructional Employees

Per an agreement between the Superintendent of Schools and Education Association, employee hired on or before 7/1/1989 must be eligible to retire from the district with at least 15 years of service and not before the age of 55. The District pays 92.5% of single coverage, and 75% of family coverage premiums. Surviving spouses are eligible to remain in the plan by paying 100% of the premiums for coverage. Employees hired after 7/1/1989 must be eligible to retire from the district with at least 20 years of service and not before the age of 55. The District pays 92.5% of single coverage, and 75% of family coverage premiums. Surviving spouses are eligible to remain in the plan by paying 100% of the premiums for coverage.

Non-Instructional Employees

Per an agreement between the Superintendent of Schools and the Custodians, Food Service Workers, Library Clerks, School Monitors, Secretaries, and Teachers Aides, employees hired on or before 7/1/1989 must be eligible to retire from the district with at least 10 years of service and not before the age of 55. The District pays 95% of single coverage, and 75% of family coverage premiums. Surviving spouses are eligible to remain in the plan by paying 100% of the premiums for coverage. Employees hired between 7/1/1993 and 7/1/2012 must be eligible to retire from the district with at least 15 years of service and not before the age of 55. The District pays 95% of single coverage, and 75% of family coverage premiums. Surviving spouses are eligible to remain in the plan by paying 100% of the premiums for coverage. Employees hired after 7/1/2012 must be eligible to retire from the district with at least 22 years of service and not before the age of 55. The District pays 95% of single coverage, and 75% of family coverage premiums. Surviving spouses are eligible to remain in the plan by paying 100% of the premiums for coverage.

Transportation Employees

Per an agreement between the Superintendent of Schools and Transportation Association, employee hired on or before 7/1/1989 must be eligible to retire from the district with at least 15 years of service and not before the age of 55. The District pays 95% of single coverage, and 75% of family coverage premiums. Surviving spouses are eligible to remain in the plan by paying 100% of the premiums for coverage. Employees hired between 7/1/1989 and 7/1/2009 must be eligible to retire from the district with at least 15 years of service and not before the age of 55. The District pays 95% of single coverage, and 85% of family coverage premiums. Surviving spouses are eligible to remain in the plan by paying 100% of the premiums for coverage. Employees hired between 7/1/2009 and 7/1/2013 must be eligible to retire from the district with at least 20 years of service and not before the age of 55. The District pays 95% of single coverage, and 85% of family coverage premiums. Surviving spouses are eligible to remain in the plan by paying 100% of the premiums for coverage. Employees hired after 7/1/2013 must be eligible to retire from the district with at least 15 years of service and not before the age of 55. The District pays 95% of single coverage, and 85% of family coverage premiums. Surviving spouses are eligible to remain in the plan by paying 100% of the premiums for coverage. Benefits for all employees who fall under this category cease at age 65.

c) Schedule of Required Contributions

The OPEB plan is currently unfunded.

(d) Employees covered by benefit terms

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

	Total
Actives	135
Retirees	141
Beneficiaries	4
Spouses of Retirees	67
Total	347

All counts include employees and retirees who opted out of coverage.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

(e) Actuarial Methods and Assumptions

Actuarial Methods

All actuarial methods are chosen to be consistent with the requirements of GASB 75 and are effective July 1, 2023:

Entry Age Normal, Level Percent of Pay

No assets have been set aside to fund the liabilities for this plan.

All active employees eligible to participate in any OPEB benefit plan offered by the employer are included in this valuation. Retirees and surviving spouses currently enrolled in an OPEB plan offered by the employer are included in the valuation. Retirees who have opted out or otherwise waived all coverage are not included in the valuation unless explicitly stated otherwise.

All amortizable amounts are amortized on a straight-line basis over the average years to expected retirement for active employees.

The measurement date is three months prior to fiscal year end.

Actuarial Assumptions

All actuarial assumptions are chosen to be consistent with the requirements of GASB 75 and Actuarial Standards of Practice (ASOPs). Whenever possible, actual plan experience is factored into the setting of actuarial assumptions. Rates based on independent, published sources are used as noted, without audit.

The long-term bond rate used of 3.54% is based on the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The salary scale reflects the rate at which payroll amounts are expected to increase over time for purposes of attributing liabilities under the Entry Age Normal, Level Percent of Pay actuarial cost method.

Mortality Rates

RP-2014 Adjusted to 2006 Total Dataset Mortality Table generationally projected to the valuation date with Scale MP-2018. This assumption includes a margin for future improvements in longevity.

Termination Rates

2003 Society of Actuaries small plan withdrawal, scaled 60% for teachers, scaled 120% for non-teachers.

Marital Assumption

60% of both male and female employees are assumed to be married at retirement and elect coverage for a spouse. Actual spousal information was used for retirees when available.

Spousal Ages

Actual age, if reported, for retirees. Otherwise males are assumed to be three years older than females.

Participation Rate

100% of all active employees currently enrolled in the OPEB plan are assumed to continue coverage into retirement, and 40% of future spouses of retirees eligible for coverage will elect the benefit. Employees who have currently waived coverage are assumed not to re-enter the plan prior to retirement.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

Healthcare Cost Trend Rate

Health care trend rates reflect both the current and long-term outlook for increases in health care costs. The short-term rates are based on recent industry surveys, plan experience and near-term expectations. The long-term trend rate is based on our general inflation assumption plus an adjustment to reflect expectations for long-term medical inflation.

The medical trend rates used are 6.6% decreasing to 4.1% over the next 56 years.

(f) Changes in the Total OPEB Liability

The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

Beginning at June 30, 2023:	<u>\$ 50,073,079</u>
Changes for the year:	
Service Cost	1,166,286
Interest	1,834,812
Changes in demographic gains or losses	738,643
Changes in assumptions or other inputs	(1,985,802)
Benefit payments	<u>(1,958,581)</u>
Net Changes:	<u>(204,642)</u>
Balance at June 30, 2024	<u>\$ 49,868,437</u>

(g) Sensitivity of the total OPEB liability to changes in the discount rate

The discount rate assumption can have a profound impact on total liabilities. The following exhibit demonstrates the effect a 1% change in the discount rate assumption would have on liabilities.

	1% Decrease <u>(2.93%)</u>	Current Assumption <u>(3.93%)</u>	1% Increase <u>(4.93%)</u>
Total OPEB liability	\$ 57,539,221	\$ 49,868,437	\$ 43,643,945

(h) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

Healthcare costs can be subject to considerable volatility over time. The following exhibit demonstrates the effect on liabilities of a 1% change in the healthcare cost trend rates.

	1% <u>Decrease</u>	Current <u>Assumption</u>	1% <u>Increase</u>
Total OPEB liability	\$ 42,804,750	\$ 49,868,437	\$ 58,779,662

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

(i) OPEB Expense

The OPEB Expense reflects the costs to the OPEB plan incurred during the year, including the service cost, interest cost, immediate recognition of the impact of all plan provision changes, and the amortization of gains and losses due to experience or changes in the assumptions.

Calculation of the OPEB Expense

Service cost	\$ 1,166,286
Interest cost	1,834,812
Recognition of demographic gains or losses	904,983
Recognition of assumption changes or inputs	35,762
Total OPEB Expense	\$ 3,941,843

(j) Deferred Outflows and Inflows of Resources Related to OPEB

The following deferrals of outflows were reported during the fiscal year.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,990,195	\$ 2,802,960
Changes of assumptions	4,990,195	2,646,153
Total	<u>\$ 4,990,195</u>	<u>\$ 5,449,113</u>

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

Year ended June 30:

	Amount
2025	\$ 1,311,487
2026	223,859
2027	(568,124)
2028	(355,145)
2029	(153,159)
Thereafter	0

10. INTERFUND TRANSACTIONS

Fund	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	\$ 704,313	\$	\$	\$ 615,561
School Lunch		214,112	110,561	
Special Aid		474,355		
Debt Service				
Capital Fund		15,846	505,000	
Total	<u>\$ 704,313</u>	<u>\$ 704,313</u>	<u>\$ 615,561</u>	<u>\$ 615,561</u>

- Interfund Receivables and Payables are considered temporary. The School District intends to repay the amounts within the next fiscal year.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

- The School District typically transfers from the General Fund to the School Lunch Fund to cover excess costs incurred.
- The School District transferred \$505,000 from the General Fund to the Capital Fund to subsidize the 2024 Capital Project for \$100,000 and \$405,000 to begin funding for a new Capital Project.

11. FUND BALANCE

The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet:

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Nonspendable	\$ 11,584	\$ 11,740	\$	\$	\$	\$	\$ 23,324
Restricted							
Repair Reserve	16,425						16,425
Liability Reserve	191,620						191,620
Unemployment Insurance Reserve	419,207						419,207
ERS - Retirement Contribution Reserve	714,277						714,277
TRS - Retirement Contribution Reserve	269,416						269,416
Employee Benefit Accrued Liability Reserve	1,162,584						1,162,584
Capital Reserve	22,919						22,919
Scholarships				112,604			112,604
Debt Service Fund					159,915		159,915
Capital Project Fund						436,405	436,405
Total Restricted	<u>2,796,448</u>			<u>112,604</u>	<u>159,915</u>	<u>436,405</u>	<u>3,505,372</u>
Assigned (Deficit)							
Encumbrances	6,226						6,226
Appropriated for Subsequent Year's Budget	637,600						637,600
Total Assigned (Deficit)	<u>643,826</u>						<u>643,826</u>
Unassigned (Deficit)	<u>260,089</u>	<u>(187,513)</u>					<u>72,576</u>
Total Fund Equity (Deficit)	<u>\$ 3,711,947</u>	<u>\$ (175,773)</u>	<u>\$</u>	<u>\$ 112,604</u>	<u>\$ 159,915</u>	<u>\$ 436,405</u>	<u>\$ 4,245,098</u>

The following is a summary of the change in selected general fund restricted fund balance during the year ended June 30, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance
General Fund				
Employee Benefits Accrued Liability Reserve	\$ 1,064,211	\$ 98,373	\$	\$ 1,162,584
ERS - Retirement Reserve	786,569	72,708	145,000	714,277
TRS - Retirement Reserve	247,500	21,916		269,416
Repair Reserve	15,035	1,390		16,425
Unemployment Insurance Reserve	385,887	33,320		419,207
Liability Reserve	175,406	16,214		191,620
Capital Reserve	400,464	27,455	405,000	22,919
	<u>\$ 3,075,072</u>	<u>\$ 271,376</u>	<u>\$ 550,000</u>	<u>\$ 2,796,448</u>

12. PRIVATE PURPOSE TRUST FUNDS – DONOR-RESTRICTED ENDOWMENTS

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

The School District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the School District. These amounts are recorded in the Miscellaneous Special Revenue Fund in accordance with GASB Statement 84.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

13. RISK MANAGEMENT

General Information

The Fabius Pompey Central School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions and natural disasters. 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 three years.

Workers' Compensation Consortium

The School District participates in a Workers' Compensation Consortium for its employees. Benefits are provided through self-funding by the individual participants through the purchase of insurance and through the purchase of "stop-loss" coverage. A member may withdraw from the Plan by submitting a notice of withdrawal by May 1 preceding the school year of withdrawal. Upon withdrawal, the Board will determine amounts owed by the member or amounts that may be due to the withdrawing member. The School District paid premiums to the Workers' Compensation Consortium which totaled \$106,418 for the year ended June 30, 2024.

Health Insurance Consortium

The School District participates in a non-risk retained public entity risk pool for its employee health insurance coverage. A member of the Health Consortium may withdraw from the plan by submitting a notice of withdrawal by May 1 preceding the school year of withdrawal. Upon withdrawal, the Board will determine amounts owed by the member or amounts that may be due to the withdrawing member. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities including additional assessments if necessary. Premiums paid to the health consortium totaled \$5,055,947 for the year ended June 30, 2024.

Financial statements for both risk pools are available at the OCM BOCES business office, 6820 Thompson Road, Syracuse, New York, 13221.

14. CONTINGENCIES AND COMMITMENTS

Potential Grantor Liability

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, Special Revenue Funds, and Capital Projects Fund. At June 30, 2024, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Encumbrances included in governmental fund balances are as follows:

	Assigned General
Encumbrances	
General Support	\$ 4,350
Pupil Transportation	1,876
Total Encumbrances	<u>\$ 6,226</u>

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

15. NET POSITION DEFICIT – DISTRICT-WIDE

The District-wide net position had an unrestricted deficit at June 30, 2024 of \$48,226,679 and a total net position deficit of \$27,308,351. The deficit is the result of the implementation of GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,” which required the recognition of an unfunded liability of \$49,868,437 at June 30, 2024. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

16. DEFICIT FUND BALANCE

The School Lunch Fund had a deficit fund balance at June 30, 2024 of \$175,773. The deficit is due to expenditures exceeding reimbursement revenue. The deficit will be funded in future years through budgeted transfers from the General Fund.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
Revenues					
Local Sources					
Real Property Taxes	\$ 8,144,215	\$ 8,356,938	\$ 8,356,938	\$	
STAR and Other Real Property Tax Items	1,192,910	980,187	979,640		(547)
Nonproperty Tax Items	24,000	24,000	30,209		6,209
Charges for Services	38,500	38,500	40,152		1,652
Use of Money and Property	126,028	126,028	261,271		135,243
Sale of Property and Compensation for Loss	16,000	16,000	54,715		38,715
Miscellaneous	249,010	249,610	343,358		93,748
State Aid	9,966,136	9,966,136	9,511,324		(454,812)
Federal Aid	20,000	20,000	25,073		5,073
Total Revenues	19,776,799	19,777,399	19,602,680		(174,719)
Other Financing Sources					
Appropriated Fund Balance	1,093,014	1,498,014			(1,498,014)
Total Revenues and Other Financing Sources	\$ 20,869,813	\$ 21,275,413	19,602,680		\$ (1,672,733)
Expenditures					
General Support					
Board of Education	\$ 19,656	\$ 24,575	\$ 24,632	\$	\$ (57)
Central Administration	231,073	228,527	242,129		(13,602)
Finance	345,368	338,203	339,083		(880)
Staff	130,384	166,015	174,217		(8,202)
Central Services	1,730,821	1,719,225	1,611,942	4,350	102,933
Special Items	155,644	149,748	149,184		564
Total General Support	2,612,946	2,626,293	2,541,187	4,350	80,756
Instruction					
Instruction, Administration, and Improvement	554,540	567,823	532,593		35,230
Teaching - Regular School	4,880,918	4,882,949	4,759,119		123,830
Programs for Children With Special Needs	1,450,907	1,495,747	1,496,984		(1,237)
Occupational Education	214,943	214,943	214,943		0
Teaching - Special School	78,549	90,577	77,766		12,811
Instructional Media	637,688	635,877	528,875		107,002
Pupil Services	1,122,110	1,073,677	916,171		157,506
Total Instruction	8,939,655	8,961,593	8,526,451		435,142
Pupil Transportation	1,462,506	1,427,821	1,346,791	1,876	79,154
Employee Benefits	6,477,683	6,457,052	6,238,300		218,752
Debt Service - Principal	810,000	830,000	813,147		16,853
Debt Service - Interest	356,462	357,093	332,068		25,025
Total Expenditures	20,659,252	20,659,852	19,797,944	6,226	855,682
Other Financing Uses					
Transfers to Other Funds	210,561	615,561	615,561		
Total Expenditures and Other Financing Uses	\$ 20,869,813	\$ 21,275,413	20,413,505	\$ 6,226	\$ 855,682
Net Change in Fund Balance			(810,825)		
Fund Balances - Beginning of Year			4,522,772		
Fund Balances - End of Year			\$ 3,711,947		

Notes to Required Supplementary Information:

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

The budget is 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.

See Independent Auditor's Report

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
SCHEDULES OF DISTRICT CONTRIBUTIONS
For the Year Ended June 30, 2024

ERS Pension Plan										
Last 10 Fiscal Years										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 270,594	\$ 212,337	\$ 303,492	\$ 268,331	\$ 269,396	\$ 272,898	\$ 276,018	\$ 266,839	\$ 303,378	\$ 328,452
Contributions in Relation to the Contractually Required Contribution	<u>270,594</u>	<u>212,337</u>	<u>303,492</u>	<u>268,331</u>	<u>269,396</u>	<u>272,898</u>	<u>276,018</u>	<u>266,839</u>	<u>303,378</u>	<u>328,452</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
School District's Covered-ERS Employee Payroll	\$ 2,199,791	\$ 1,938,679	\$ 1,969,492	\$ 1,927,369	\$ 1,884,980	\$ 1,873,411	\$ 1,834,328	\$ 1,757,597	\$ 1,670,770	\$ 1,647,367
Contributions as a Percentage of Covered-Employee Payroll	12.30%	10.95%	15.41%	13.92%	14.29%	14.57%	15.05%	15.18%	18.16%	19.94%
TRS Pension Plan										
Last 10 Fiscal Years										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 688,874	\$ 623,186	\$ 610,986	\$ 543,129	\$ 547,259	\$ 640,189	\$ 597,248	\$ 702,558	\$ 789,300	\$ 1,010,700
Contributions in Relation to the Contractually Required Contribution	<u>688,874</u>	<u>623,186</u>	<u>610,986</u>	<u>543,129</u>	<u>547,259</u>	<u>640,189</u>	<u>597,248</u>	<u>702,558</u>	<u>789,300</u>	<u>1,010,700</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
School District's Covered-TRS Employee Payroll	\$ 7,058,135	\$ 6,056,229	\$ 6,234,551	\$ 5,699,150	\$ 6,176,742	\$ 6,028,149	\$ 6,094,362	\$ 5,816,253	\$ 5,952,486	\$ 5,765,545
Contributions as a Percentage of Covered-Employee Payroll	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	12.08%	12.08%	13.26%	17.53%

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/ASSET
For the Year Ended June 30, 2024

ERS Pension Plan Last 10 Fiscal Years										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.00624	0.00604	0.00573	0.00548	0.00515	0.00563	0.00597	0.01000	0.00614	0.01000
District's proportionate share of the net pension (liability)	\$ (919,210)	\$ (1,295,933)	\$ 468,465	\$ (5,456)	\$ (1,364,877)	\$ (399,126)	\$ (192,534)	\$ (559,075)	\$ (984,844)	\$ (206,563)
District's covered-employee payroll	\$ 2,199,791	\$ 1,938,679	\$ 1,969,492	\$ 1,927,369	\$ 1,884,980	\$ 1,873,411	\$ 1,834,328	\$ 1,757,597	\$ 1,670,770	\$ 1,647,367
District's proportionate share of the net pension asset (liability) as a percentage of its covered-employee payroll	41.79%	66.85%	-23.79%	-0.28%	-72.41%	-21.30%	-10.50%	-31.81%	-58.95%	-12.54%
Plan fiduciary net position as a percentage of total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.2%

TRS Pension Plan Last 10 Fiscal Years										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset (liability)	0.036247	0.035896	0.036661	0.036391	0.036115	0.03741	0.03783	0.03836	0.03838	0.038557
District's proportionate share of the net pension asset (liability)	\$ (414,521)	\$ (688,801)	\$ 6,353,041	\$ (1,005,588)	\$ 938,265	\$ 676,548	\$ 287,532	\$ (410,798)	\$ 3,986,698	\$ 4,295,018
District's covered-employee payroll	\$ 7,058,135	\$ 6,056,229	\$ 6,234,551	\$ 5,699,150	\$ 6,176,742	\$ 6,028,149	\$ 6,094,362	\$ 5,816,253	\$ 5,952,486	\$ 5,765,545
District's proportionate share of the net pension asset (liability) as a percentage of its covered-employee payroll	-5.87%	-11.37%	101.90%	-17.64%	15.19%	11.22%	4.72%	7.06%	66.98%	75.41%
Plan fiduciary net position as a percentage of total pension asset (liability)	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

**FABIUS POMPEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICTS
TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2024**

	2024	2023	2022	2021	2020	2019	2018*
Service Cost	\$ 1,166,286	\$ 1,431,005	\$ 1,542,484	\$ 1,496,102	\$ 962,415	\$ 1,151,932	\$ 1,118,381
Interest	1,834,812	1,781,327	1,088,692	1,079,488	1,249,721	1,126,306	1,085,997
Effect of Plan Changes							
Effect of Demographic Gains or Losses	738,643		4,179,070		177,522		469,242
Effect of Assumptions Changes or Inputs	(1,985,802)	(1,135,855)	(5,072,673)	410,411	11,492,501	(2,724,865)	
Benefit Payments	(1,958,581)	(1,769,340)	(1,654,230)	(1,298,635)	(1,250,858)	(1,153,604)	(1,570,379)
Net Change in Total OPEB Liability	(204,642)	307,137	83,343	1,687,366	12,631,301	(1,600,231)	1,103,241
Total OPEB Liability- Beginning of Year	50,073,079	49,765,942	49,682,599	47,995,233	35,363,932	36,964,163	35,860,922
Total OPEB Liability- Ending of Year	<u>\$ 49,868,437</u>	<u>\$ 50,073,079</u>	<u>\$ 49,765,942</u>	<u>\$ 49,682,599</u>	<u>\$ 47,995,233</u>	<u>\$ 35,363,932</u>	<u>\$36,964,163</u>
Covered Employee Payroll	\$ 8,065,932	\$ 8,083,718	\$ 8,083,718	\$ 7,282,657	\$ 7,282,657	\$ 7,502,908	\$ 7,502,908
Total OPEB liability as a percentage of covered payroll	918.26%	619.43%	615.63%	682.20%	659.03%	471.34%	492.66%

Notes to Required Supplementary Information:

Changes of Assumptions: Discount rate increased from 3.65% to 3.93%.

Actuarial Assumptions: The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 9 to the financial statements.

Plan Assets: No assets are accumulated in a trust that meets all of the following criteria of GASB No. 75, paragraph 4, to pay benefits.

*Information is presented only for the years available.

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
For the Year Ended June 30, 2024

Change from Adopted Budget to Revised Budget

Adopted Budget	\$ 20,839,633
Add: Prior Year's Encumbrances	<u>30,180</u>
Original Budget	<u>20,869,813</u>
Add:	
Donations	600
Transfer from Capital Reserve	<u>405,000</u>
Total Amendments	<u>405,600</u>
Original and Final Budget	<u><u>\$ 21,275,413</u></u>

Section 1318 of Real Property Tax Law Limit Calculation

2024-25 voter-approved expenditure budget	<u>\$ 20,916,700</u>
Maximum allowed (4% of 2024-25 Budget)	<u><u>\$ 836,668</u></u>

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

Unrestricted fund balance:	
Assigned fund balance	\$ 643,826
Unassigned fund balance	<u>260,089</u>
Total unrestricted fund balance	<u>903,915</u>

Less:

Appropriated fund balance	643,826
Encumbrances included in assigned fund balance	<u>6,226</u>
Total adjustments	<u>650,052</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 260,089</u></u>
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Actual Percentage	1.24%
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FABIUS POMPEY CSD
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2024

PROJECT TITLE			Expenditures			Unexpended Balance	Methods of Financing				Fund Balance (Deficit) June 30, 2023
	Original Authorization	Revised Authorization	Prior Years	Current Year	Total		Proceeds of Obligations	Federal and State Aid	Local Sources	Total	
District Renovations 2000	\$ 14,410,000	\$ 14,425,865	\$ 14,425,160	\$	\$ 14,425,160	\$ 705	\$ 14,410,000	\$	\$ 5,907	\$ 14,415,907	\$ (9,253)
HVAC 2007	118,000	118,000	107,777		107,777	10,223		14,514	103,486	118,000	10,223
2011 Excel Project	2,415,000	2,415,000	2,415,000		2,415,000		1,915,000	250,796	215,741	2,381,537	(33,463)
2014 Emergency Tank Project	70,000	110,000	109,103		109,103	897			110,000	110,000	897
2017 District Renovations	7,500,000	7,500,000	7,403,486		7,403,486	96,514	5,680,000		1,820,000	7,500,000	96,514
2019 Emergency Building Renovatio	300,000	300,000	248,853		248,853	51,147			300,000	300,000	51,147
2021 District Renovations	1,000,000	1,000,000	942,417		942,417	57,583	895,410			895,410	(47,007)
2023 District Renovations	100,000	100,000	100,847		100,847	(847)			100,847	100,847	
2024 District Renovations	100,000	100,000		105,572	105,572	(5,572)			100,000	100,000	(5,572)
Capital Project 2026	19,100,000	19,100,000		45,689	45,689	19,054,311			405,000	405,000	359,311
Total Projects	45,113,000	45,168,865	25,752,643	151,261	25,903,904	19,264,961	22,900,410	265,310	3,160,981	26,326,701	422,797
Buses											
Buses- 2024	581,000	581,000		573,656	573,656	7,344	197,000	384,835		581,835	8,179
Buses- 2023	360,000	360,000	357,507		357,507	2,493	360,000			360,000	2,493
Buses- 2022	260,000	260,000	259,274		259,274	726	260,000			260,000	726
Buses- 2021	350,259	350,259	347,259		347,259	3,000	350,259			350,259	3,000
Buses- 2020	245,000	245,000	244,378		244,378	622	243,580			243,580	(798)
Buses - 2017	323,400	323,400	323,392		323,392	8	323,400			323,400	8
Total Buses	2,119,659	2,119,659	1,531,810	573,656	2,105,466	14,193	1,734,239	384,835		2,119,074	13,608
Totals	\$ 47,232,659	\$ 47,288,524	\$ 27,284,453	\$ 724,917	\$ 28,009,370	\$ 19,279,154	\$ 24,634,649	\$ 650,145	\$ 3,160,981	\$ 28,445,775	\$ 436,405

FABIUS POMPEY CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
June 30, 2024

Capital Assets, Net	\$ <u>24,607,853</u>
Add:	
Right to Use Leased Assets, Net of Amortization	<u>239,982</u>
	<u>239,982</u>
Deduct:	
Short-Term Portion of Bonds Payable	827,000
Serial Bonds Payable	5,675,000
Deferred Premium from Refunding of Debt	<u>932,879</u>
	<u>7,434,879</u>
Net Investment in Capital Assets	<u>\$ 17,412,956</u>

See Independent Auditor's Report

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
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**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on
an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Education
Fabius Pompey 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 Fabius Pompey Central School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Fabius Pompey Central School District's basic financial statements, and have issued our report thereon dated September 17, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fabius Pompey Central School District's financial statements are free of 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 school 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 school district's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

D'Arcangelo & Co., LLP

October 3, 2024

Rome, New York

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
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**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance
Required by the Uniform Guidance**

Board of Education
Fabius Pompey Central School District, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

D'Arcangelo & Co., LLP

October 3, 2024

Rome, New York

FABIUS-POMPEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing	Agency or Pass-through Number	Current Year Expenditures	Subrecipient
<u>U.S. Department of Agriculture</u>				
(Passed Through the State Education Department of the State of New York - Pass through Grantor's No. 250901060000)				
<u>Child Nutrition Cluster</u>				
National Breakfast Program	10.553	N/A	\$ 24,746	
Supply Chain Assistance	10.555	N/A	21,992	
National School Lunch Program	10.555	N/A	107,324	
Total Cash Assistance Subtotal			154,062	
Donated Food (Noncash)	10.555	N/A	15,942	
Total U.S Department of Agriculture and Total Nutrition Cluster			170,004	
<u>U.S. Department of Education</u>				
(Passed Through the State Education Department of the State of New York)				
Title I Grants to Local Educational Agencies	84.010A	0021-24-2110	128,973	
Title I Grants to Local Educational Agencies	84.010D	0016-23-2110	31,241	
Title I Grants to Local Educational Agencies	84.010D	0016-24-2110	1,937	
Total			162,151	
<u>Special Education Cluster(IDEA)</u>				
Special Education – Grants to States, (IDEA Part B)	84.027A	0032-24-0644	178,432	
COVID-19 Special Education Grants to States	84.027X	5532-22-0644	1,181	
Special Education - Preschool Grants, (IDEA Preschool)	84.173A	0033-24-0644	2,718	
COVID-19 Special Education Preschool Grants	84.173X	5533-22-0644	1,135	
Total Special Education Cluster(IDEA)			183,466	
Improving Teacher Quality State Grants, (Title IIA)	84.367A	0147-24-2110	14,388	
Small, Rural School Achievement Program	84.358A	0006-24-1305	80,830	
Student Support and Academic Enrichment Grant (Title IV)	84.424A	0204-24-2110	11,196	
<u>Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act</u>				
Universal Pre K Grant	84.425U	5870-24-9088	70,576	
COVID-19 American Rescue Plan-Elementary and Secondary School Emergency Relief(ARP ESSR)	84.425U	5880-21-2110	262,848	
COVID-19 American Rescue Plan-Elementary and Secondary School Emergency Relief(ARP ESSR)	84.425U	5884-21-2110	163,717	
COVID-19 American Rescue Plan-Elementary and Secondary School Emergency Relief(ARP ESSR)	84.425U	5882-21-2110	20,206	
COVID-19 American Rescue Plan-Elementary and Secondary School Emergency Relief(ARP ESSR)	84.425U	5883-21-2110	38,131	
Total Education Stabilization Fund			555,478	
Total U.S Department of Education			1,007,509	
<u>Total Federal Financial Assistance</u>			\$ 1,177,513	\$

**FABIUS-POMPEY CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024**

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all federal awards administered by the Fabius Pompey Central School District. The School District's organization is defined in Note 1 to the School District's basic financial statements.

Basis of Accounting

The expenditures in the accompanying schedule are presented on an accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

De Minimis Indirect Cost Rate

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Food Donation

Nonmonetary assistance is reported in the schedule at fair market value of the food commodities received. At June 30, 2024, the School District had food commodities totaling \$3,339 in inventory.

Cluster Programs

The following programs are identified by "OMB Compliance Supplement" to be part of a cluster of programs:

U.S. Department of Agriculture

Nutrition Cluster

AL #10.553	School Breakfast Program
AL #10.555	National School Lunch Program
AL #10.559	Summer Food Service Program

U.S. Department of Education

Special Education Cluster

AL #84.027	Special Education - Grants to States (IDEA, Part B)
AL #84.173	Special Education - Preschool Grants (IDEA Preschool)
AL #84.027X	COVID 19 Special Education - Grants to States (IDEA, Part B)
AL #84.173X	COVID 19 Special Education - Preschool Grants (IDEA, Part B)

FABIUS-POMPEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2024

Summary of Auditor's Results

(d)(1)(i)	Type of financial statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR Section 200,516 (a)?	No
(d)(1)(vii)	Major Programs (list):	<u>U.S. Department of Education</u> COVID-19 Education Stabilization Fund AL # 84.425U American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**FABIUS-POMPEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2024**

Findings - Financial Statements Audit

None noted in the current year.

Findings and Questioned Costs – Major Federal Award Program Unit

None noted in the current year.

FABIUS-POMPEY CENTRAL SCHOOL DISTRICT
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2024

Findings - Financial Statements Audit

No findings were noted in the prior year.

Findings and Questioned Costs – Major Federal Award Program Unit

No findings were noted in the prior year.

FORM OF OPINION OF BOND COUNSEL – SERIES A NOTES

June 26, 2025

Fabius-Pompey Central School District
1211 Mill Street
Fabius, New York 13063

Re: Fabius-Pompey Central School District
\$675,000 Bond Anticipation Notes, 2025 (Renewals) Series A CUSIP No. 302837

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$675,000 Bond Anticipation Notes, 2025 (Renewals) Series A (the "Notes") of the Fabius-Pompey Central School District, Counties of Onondaga, Cortland and Madison, State of New York (the "District"). The Notes are dated June 26, 2025 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District dated December 12, 2023 and a Certificate of Determination dated on or before June 26, 2025, 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 as to 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, 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

FORM OF OPINION OF BOND COUNSEL SERIES B NOTES

July 3, 2025

Fabius-Pompey Central School District
1211 Mill Street
Fabius, New York 13063

Re: Fabius-Pompey Central School District
\$10,000,000 Bond Anticipation Notes, 2025 Series B CUSIP No. 302837

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$10,000,000 Bond Anticipation Notes, 2025 Series B (the "Notes") of the Fabius-Pompey Central School District, Counties of Onondaga, Cortland and Madison, State of New York (the "District"). The Notes are dated July 3, 2025 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, a resolution of the District dated December 12, 2023 and a Certificate of Determination dated on or before July 3, 2025, 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 as to 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, 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