

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of WJ Marquardt PLLC, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. Bond counsel expresses no opinion 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 District will designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$4,000,000

MORAVIA CENTRAL SCHOOL DISTRICT

CAYUGA, ONONDAGA AND TOMPKINS COUNTIES, NEW YORK

\$4,000,000 Bond Anticipation Notes, 2024



Dated: July 25, 2024

Due: June 26, 2025

The Notes are general obligations of the Moravia Central School District, Cayuga, Onondaga and Tompkins 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 the Obligation" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity.

At the option of the successful bidder(s), the Notes will be registered in the name of the purchaser in the denominations of \$5,000 or multiples thereof, as determined by the successful bidder(s). Principal and interest will be payable in Federal Funds at maturity at such bank(s) or trust company(ies) located and authorized to do business in the State of New York, as may be determined by such successful bidder(s) with paying agent fees, if any paid by the successful bidder(s), or as stated below.

Alternatively, at the option of the successful bidder, 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. In such case, Noteholders will not receive certificates representing their ownership interest in the notes purchased. In such case, under this option, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry-Only System" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the unqualified legal opinion as to the validity of the Notes of WJ Marquardt, PLLC, Skaneateles, New York, Bond Counsel to the School District. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey, as may be agreed upon, on or about July 25, 2024.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on July 11, 2024 until 10:30 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June 24, 2024

THE SCHOOL 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 NOTICES OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE SCHOOL 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.

MORAVIA CENTRAL SCHOOL DISTRICT

CAYUGA, ONONDAGA & TOMPKINS COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2023-2024 BOARD OF EDUCATION

NEIL STEVENS
President



SHAWN BECKER
Vice President

JENNIFER BILINSKI
HEIDI MCNALL
EMILY PALMER
DIANA PLUE
JACKIE SCHNURR

* * * * *

ADMINISTRATION

JOHN P. BIRMINGHAM
Superintendent of Schools

JEFFREY LAWRENCE
School Business Administrator/Athletic Director

JODIE RUSAW
District Clerk



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

W J MARQUARDT PLLC
Bond Counsel

No person has been authorized by the School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. 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 School District.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT

of the

MORAVIA CENTRAL SCHOOL DISTRICT

CAYUGA, ONONDAGA AND TOMPKINS COUNTIES, NEW YORK

Relating To

\$4,000,000 Bond Anticipation Notes, 2024

This Official Statement, which includes the cover page, has been prepared by the Moravia Central School District, Cayuga, Onondaga and Tompkins Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the School District of \$4,000,000 principal amount of Bond Anticipation Notes, 2024 (the "Notes").

The factors affecting the School 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 School 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 School 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 School District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

DESCRIPTION OF THE NOTES

The Notes will be dated July 25, 2024 and will mature June 26, 2025. The Notes are not subject to redemption prior to maturity.

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 of and interest on the Notes 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 Obligation" hereunder and "TAX LEVY LIMITATION LAW" herein.

At the option of the successful bidder(s), the Notes will be registered in the name of the purchaser in the denominations of \$5,000 or multiples thereof, as determined by the successful bidder(s). Principal and interest will be payable in Federal Funds at maturity at such bank(s) or trust company(ies) located and authorized to do business in the State of New York, as may be determined by such successful bidder(s) with paying agent fees, if any paid by the successful bidder(s), or as stated below.

Alternatively, at the option of the successful bidder, 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. In such case, Noteholders will not receive certificates representing their ownership interest in the notes purchased. In such case, under this option, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry-Only System" herein.

Nature of the Obligation

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

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

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

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

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

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

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

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

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

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

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

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

Book-Entry-Only System

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

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

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

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

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

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 School 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 School 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 School 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 School District. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The School 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 School District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

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

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

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE SCHOOL 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

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the School District and discharging its responsibilities with respect thereto under applicable law, or the School 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 discontinued, the following provisions will apply:

The Notes will be registered in the name of the purchaser 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 by the School District.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution adopted by the Board of Education on January 11, 2023 authorizing a capital improvement project consisting of improvements, additions and upgrades to Millard Fillmore Elementary School and Moravia Junior/Senior High School and the sites thereof, at a cost not to exceed \$25,000,000, to be funded through the issuance of serial bonds or notes in an amount not to exceed \$23,000,000 and the use of \$2,000,000 capital reserve funds.

The proceeds of the Notes will provide \$4,000,000 in new monies for this purpose.

THE SCHOOL DISTRICT

General Information

The District covers approximately 155 square miles and is comprised of portions of the Towns of Locke, Moravia, Niles, Sempronius, Summerhill and Venice located in Cayuga County; Lansing located in Tompkins County; and Skaneateles located in Onondaga County. The District lies approximately 20 miles south of the City of Auburn, 25 miles north of the City of Ithaca and 15 miles northwest of the City of Cortland.

The Village of Moravia, the birthplace of President Millard Fillmore, serves as the commercial and residential hub of the District. Highways in close proximity to the District include Routes 20 and US Interstate 81. Gas and electric services are provided by New York State Electric & Gas as well as Niagara Mohawk Power Corporation. Sewer and water services are provided in the District by the municipalities located in the District. Police protection is provided by Village, County and State agencies. Fire protection is provided by various volunteer units. Banking services are provided by Community Bank, N.A., and First National Bank of Groton.

Source: District officials.

Population

The population of the School District is estimated to be approximately 6,907. (Source: U.S. Census Bureau, 2018-2022 American Community Survey 5-Year Estimates.)

Larger Employers

<u>Name of Employer</u>	<u>Nature of Business</u>	<u>Approximate Number Employed</u>
Cayuga Correctional Facility	Prison	430
Moravia Central Schools	Education	217
Alnye Trucking	Hauling	125
UPSCO	Manufacturing	70
Modern Market	Retail	35
Kinney Drugs	Retail	30

Source: District officials.

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>
Towns of:						
Locke	\$ 24,322	\$ 28,010	\$ 30,277	\$ 42,438	\$ 71,161	\$ 64,871
Moravia	14,989	21,379	25,792	60,650	71,042	85,313
Niles	32,800	36,511	45,301	72,500	83,906	95,833
Sempronius	20,946	33,885	38,589	54,375	70,714	66,250
Summerhill	21,396	40,810	48,152	56,620	76,250	85,489
Venice	24,285	32,579	36,750	65,161	84,583	92,778
Lansing	37,460	48,710	58,620	82,104	105,778	121,875
Skaneateles	47,154	57,615	69,957	88,640	105,000	137,888
Counties of:						
Cayuga	22,959	30,996	35,579	58,761	73,590	85,900
Onondaga	27,037	34,600	39,371	65,929	82,368	94,559
Tompkins	25,737	34,194	40,781	72,231	87,977	106,005
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

Note: 2019-2023 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2006-2010, 2016-20120 and 2018-2022 American Community Survey data.

Unemployment Rate Statistics

Unemployment statistics are not available for the School District as such. The smallest areas for which such statistics are available (which include the School District) are Cayuga, Onondaga and Tompkins Counties. The information set forth below with respect to Cayuga, Onondaga and Tompkins Counties is included for informational purposes only. It should not be inferred from the inclusion of such data in this Official Statement that Cayuga, Onondaga and Tompkins Counties are necessarily representative of the School District, or vice versa.

	<u>Annual Averages</u>						
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Cayuga County	5.0%	4.4%	4.1%	7.6%	4.8%	3.5%	3.6%
Onondaga County	4.6%	4.0%	3.8%	8.0%	5.0%	3.4%	3.5%
Tompkins County	4.3%	3.6%	3.5%	5.8%	3.8%	2.9%	3.1%
New York State	4.6%	4.1%	3.9%	9.8%	7.1%	4.3%	4.2%

	<u>2024 Monthly Figures</u>						
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>
Cayuga County	4.6%	3.4%	4.3%	3.8%	N/A	N/A	N/A
Onondaga County	4.1%	4.1%	3.9%	3.5%	N/A	N/A	N/A
Tompkins County	3.5%	3.4%	3.2%	2.9%	N/A	N/A	N/A
New York State	4.3%	4.5%	4.2%	3.9%	N/A	N/A	N/A

Source: Unemployment rates for May through July 2024 are not available as of the date of this Official Statement.

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

Form of School Government

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

Budgetary Procedures

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

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

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

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

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

Recent Budget Vote Results

The budget for the 2023-2024 fiscal year was approved by the qualified voters on May 16, 2023 with a vote of 293 to 102. The budget called for a total tax levy increase of 1.50% which was above the District Tax Cap of 1.54%.

The budget for the 2024-2025 fiscal year was approved by the qualified voters on May 21, 2024 by a vote of 251 yes to 78 no. The District’s budget for the 2024-2025 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.50% which was equal the District’s tax levy limit of 2.50%.

Investment Policy

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

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) certificates of deposit issued by a bank or trust company located and authorized to do business in the State; (2) time deposit accounts in a bank or trust company located and authorized to do business in the State; (3) obligations of the State; and (4) obligations of the United States Government. Funds may also be invested in: (1) obligations agencies of the federal government if payment of principal and interest is guaranteed by the United States; (2) with the approval of the State Comptroller, in revenue anticipation notes or tax anticipation notes of other local governments. Reserve Funds may also be invested in obligations of the School District.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2024-25 fiscal year, approximately 64.12% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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.

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.

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. 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.

Federal Aid Received by the State

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

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

Building Aid

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

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 2024-2025 preliminary building aid ratios, the District expects to receive State building aid of approximately 83.6% 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

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

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

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

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

School district fiscal year (2023-2024): The State’s 2022-23 Enacted Budget included \$31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year and included a \$1.5 billion or 7.7 percent Foundation Aid increase. The State’s 2022-23 Enacted Budget also included \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor’s Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students’ academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State’s 2022-23 Enacted Budget allocated \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State’s 2022-23 Enacted Budget increased federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

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

State Aid Litigation

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

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

A case related to the *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 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.

The foundation aid formula is being reviewed for potential revisions. Any revisions to the formula could result in less State aid to the District.

State Aid Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2018-2019	\$22,370,005	\$13,426,156	60.02%
2019-2020	22,906,596	13,670,234	59.68
2020-2021	23,920,813	14,378,490	60.11
2021-2022	25,387,793	15,443,444	60.83
2022-2023	26,486,406	16,391,291	61.89
2023-2024 (Unaudited)	28,851,774 ⁽¹⁾	18,502,075	64.12
2024-2025 (Budgeted)	27,766,482	17,077,382	61.50

⁽¹⁾ Includes appropriated fund balance.

Source: Audited Financial Statements for the 2018-2019 fiscal year through and including the 2022-2023 fiscal year, the adopted budget and unaudited figures for the 2023-2024 fiscal year, and the adopted budget figures for the 2024-2025 fiscal year. This table is not audited.

Note: The unaudited figures for the 2023-2024 fiscal year are based upon certain assumptions and estimates, and the audited results may vary therefrom.

School Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Reconstruction</u>
Millard Fillmore Elementary	K-5	650	1964, '91, 2010
Junior-Senior High School	6-12	650	1950, '64, '76, '82, '96, 2010, '18

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Total Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2019-20	963	2024-25	850
2020-21	961	2025-26	850
2021-22	950	2026-27	850
2022-23	925	2027-28	850
2023-24	853	2028-29	850

Source: District officials.

Employees

The District employs a total of approximately 235 employees with representation by various unions as follows:

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
95	Moravia Central School Teachers' Association	June 30, 2025
93	Civil Service Employees' Association of Cayuga County	June 30, 2026
7	Moravia Central School Educational Secretaries Association	June 30, 2026
7	Moravia Administrators' Association	June 30, 2025

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 five 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, which has since been changed to 5 years as of April 9, 2022.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Effective April 20, 2024, this final average salary calculation for ERS Tier VI members has been changed from five years to the three highest consecutive years of earnings. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

The District is required to contribute at an actuarially determined rate. The actual contributions for the fiscal years 2019-2020 through and including 2023-2024 and adopted budget figures for the 2024-2025 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2019-2020	\$ 263,041	\$ 679,079
2020-2021	281,705	749,294
2021-2022	298,431	790,324
2022-2023	244,958	923,674
2023-2024	309,792	925,570
2024-2025 (Budgeted)	402,330	937,845

Source: District records.

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

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

A chart of average ERS and TRS rates as a percent of payroll (2020-21 to 2024-25) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.02 ⁽¹⁾

⁽¹⁾ Estimated.

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

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

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

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

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

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

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established such a 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, 2017, 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.

The District contracted with Burke Group, an actuarial firm, to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2022 and 2023 fiscal years, by source.

	2021	2022
Balance beginning at July 1:	\$ 27,781,965	\$ 27,681,053
<u>Changes for the year:</u>		
Service cost	916,096	822,201
Interest	629,554	778,908
Differences between expected and actual experience	1,705,310	3,131,172
Changes in benefit terms	-	-
Changes in assumptions or other inputs	(2,387,449)	(3,416,604)
Benefit payments	(964,423)	(980,013)
Net Changes	\$ (100,912)	\$ 335,664
Balance ending at June 30:	2022	2023
	\$ 27,681,053	\$ 28,016,717

Source: Audited Financial Statements. The above table is not audited. For additional information see "APPENDIX – D" attached hereto.

The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the District's audited financial statements for the fiscal years ending June 30, 2022 and June 30, 2023.

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.

Under GASB 75, an actuarial valuation will be required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 members.

Other Information

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

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

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2023 and has been filed with the Electronic Municipal Market Access ("EMMA") website. It is also attached hereto as "APPENDIX – D" to this Official Statement. Certain summary financial information of the District can also be found attached as Appendices to this Official Statement.

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

Beginning with the fiscal year ending June 30, 2004 the School District has issued its financial statements in accordance with the Government Accounting Standards Board (GASB) Statement No. 34. The School District is in compliance with such reporting.

Anticipated Unaudited Results for Fiscal Year Ending June 30, 2024

The District anticipates ending the fiscal year ending June 30, 2024 with an unassigned fund balance of \$1,107,883.

Summary unaudited information for the General Fund for the period ending June 30, 2024 is as follows:

Revenues:	\$	28,851,774
Expenditures:		<u>27,935,198</u>
Excess (Deficit) Revenues Over Expenditures:	\$	<u>916,576</u>
Total Fund Balance at June 30, 2023:	\$	6,368,111
Total Estimated Fund Balance at June 30, 2024:	\$	5,103,777 ⁽¹⁾

⁽¹⁾ Does not include interest earnings from yield money market account.

Note: These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

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 December 6, 2019. The purpose of the audit was to determine whether District officials adequately safeguarded and accounted for fuel purchases for the period July 1, 2018-August 27, 2019.

Key Findings

- The District’s fueling area and tanks lacked adequate physical controls to safeguard fuel inventory.
- The Transportation Supervisor did not perform fuel reconciliations, and our reconciliations resulted in unaccounted-for fuel totaling \$8,034.
- Officials did not perform stick-measured readings to ensure fuel deliveries were accurate

Key Recommendations

- Install appropriate physical controls to safeguard the District’s fuel inventory.
- Perform periodic reconciliations to ensure fuel use is appropriate for District purposes.
- Perform stick-measured readings to ensure fuel deliveries are accurate.

The District provided a response to the report on November 6, 2019.

A copy of the complete reports and District’s responses can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

As of the date of this Official Statement, there are no recent State Comptroller audits of the District, nor are there any 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 accuracy of information therein.

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 to fiscal stress” or “no designation”. Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of “no designation.” This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity’s financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of 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>
2023	No Designation	3.3
2022	No Designation	20.0
2021	No Designation	13.3

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

TAX INFORMATION

Taxable Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Towns of:					
Locke	\$ 71,237,267	\$ 81,389,659	\$ 81,608,591	\$ 82,349,508	\$ 82,539,818
Moravia	148,306,641	148,982,008	149,564,640	148,475,952	244,828,588
Niles	230,991,683	231,784,870	234,648,006	233,880,251	233,038,945
Sempronius	63,609,583	65,281,466	65,261,110	64,550,248	65,122,775
Summerhill	7,672,886	7,681,439	7,609,936	7,742,461	12,249,720
Venice	9,597,616	9,577,326	9,585,211	10,077,282	14,513,784
Lansing	766,064	763,984	816,012	814,608	852,546
Skaneateles	2,571,175	2,598,163	2,574,340	2,573,170	2,627,901
Total Assessed Values	\$ 534,752,915	\$ 548,058,915	\$ 551,667,846	\$ 550,463,480	\$ 655,774,077
State Equalization Rates					
Towns of:					
Locke	96.00%	100.00%	100.00%	97.00%	86.00%
Moravia	83.00%	80.00%	74.00%	66.00%	100.00%
Niles	100.00%	100.00%	100.00%	92.00%	76.00%
Sempronius	100.00%	98.00%	92.00%	83.00%	76.00%
Summerhill	84.00%	80.00%	77.00%	69.00%	100.00%
Venice	96.00%	92.00%	90.00%	83.00%	100.00%
Lansing	100.00%	100.00%	100.00%	100.00%	100.00%
Skaneateles	91.00%	86.00%	85.00%	75.00%	63.00%
Total Taxable Full Valuation	\$ 570,212,888	\$ 589,812,819	\$ 613,684,880	\$ 669,456,774	\$ 764,910,495

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Towns of:					
Locke	\$ 15.05	\$ 14.38	\$ 14.16	\$ 13.72	\$ 13.73
Moravia	17.40	17.97	19.13	20.16	11.82
Niles	14.44	14.38	14.16	14.46	15.55
Sempronius	14.44	14.68	15.39	16.03	15.55
Summerhill	17.13	17.98	18.39	19.29	11.82
Venice	15.05	15.63	15.73	16.01	11.82
Lansing	14.44	14.38	14.16	13.31	11.82
Skaneateles	15.87	16.72	16.65	17.74	18.76

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge from September 1st through October 5th, but a 2% penalty is charged from October 6th to November 5th and from then until November 12th a 3% penalty, uncollected taxes are returnable to the Counties of Cayuga, Onondaga and Tompkins for collection. The School District receives this amount of uncollected taxes from said Counties on or before April 30th, thereby assuring 100% tax collection annually.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Tax Levy	\$ 8,236,672	\$ 8,482,676	\$ 8,690,352	\$ 8,907,851	\$ 9,041,469
Amount Uncollected ⁽¹⁾	428,044	386,438	411,054	409,761	438,788
% Uncollected	5.20%	4.56%	4.73%	4.60%	4.85%

Larger Taxpayers 2023 Assessment Roll for 2023-2024 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
New York Electric & Gas	Utility	\$ 9,947,446
New York State DEC	Government	9,695,950
Verizon, New York, Inc.	Utility	4,250,807
Core & Main LP	Manufacturing	3,598,800
Cayuga Estates, LLC	Real Estate	2,873,300
National Grid	Utility	2,055,412
Nm Power Corporation	Utility	1,889,968
Green, Gary R	Private	1,500,000
Speedway, LLC	Commercial	1,400,000
Terrance Lane Enterprise LLC	Commercial	1,266,300

The larger taxpayers listed above have a total taxable assessed valuation of \$38,477,983, which represents 5.87% of the tax base of the School District for the 2023-2024 fiscal year.

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

Source: Cayuga County Office of Real Property.

Additional Tax Information

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

Senior Citizens' exemptions are offered to those who qualify.

The total valuation of the School District is estimated to be categorized as follows: Residential-90%, and Commercial- 10%.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the School District is approximately \$2,850 including County, Town, 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. 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 \$93,200 or less in 2023-2024 and \$98,700 or less in 2024-2025, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$81,400 of the full value of a home for the 2023-2024 school year and the first \$84,000 of the full value of a home for the 2024-2025 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 the COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits, the most recent of such Executive Orders expired on July 5, 2021.

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

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

<u>Municipality</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Locke	\$72,240	\$25,900	4/9/2024
Moravia	84,000	30,000	4/9/2024
Niles	66,650	24,560	4/9/2024
Sempronius	63,840	22,800	4/9/2024
Summerhill	84,000	30,000	4/9/2024
Venice	84,000	30,410	4/9/2024
Lansing	84,510	30,180	4/9/2024
Skaneateles	54,330	20,200	4/9/2024

\$686,417 of the District's \$9,041,469 school tax levy for the 2023-2024 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2024.

Approximately \$703,576 of the District's \$9,267,491 school tax levy for the 2024-2025 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2025.

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 and Tax items.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes and Tax Items</u>	<u>Percentage of Total Revenues Consisting of Property Taxes</u>
2018-2019	\$22,370,005	\$8,170,248	36.52%
2019-2020	22,906,596	8,250,592	36.02
2020-2021	23,920,813	8,503,443	35.55
2021-2022	25,387,793	8,707,043	34.29
2022-2023	26,486,406	8,940,726	33.76
2023-2024 (Budgeted)	28,676,344	9,066,469	31.62
2023-2024 (Unaudited)	28,851,774 ⁽¹⁾	9,066,572	31.22
2024-2025 (Budgeted)	27,766,482	9,802,491	35.30

⁽¹⁾ Includes appropriated fund balance.

Source: Audited Financial Statements for the 2018-2019 fiscal year through and including the 2022-2023 fiscal year, the adopted budget and unaudited figures for the 2023-2024 fiscal year and adopted budgeted figures for the 2024-2025 fiscal year. This table is not audited.

Note: The unaudited figures for the 2023-2024 fiscal year are based upon certain assumptions and estimates, and the audited results may vary therefrom.

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.)

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, legislation has since made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year’s tax levy. Certain adjustments are permitted for taxable real property full valuation increases or 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.

On February 20, 2013, the New York State United Teachers (“NYSUT”) and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT’s causes of action but granted NYSUT’s motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT’s motion for a preliminary injunction and dismissed all causes of action contained in NYSUT’s second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution “does not require that equal educational offerings be provided to every student”, and further noted “the legitimate government interest of restraining crippling property tax increases”. An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York’s highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals.

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

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

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

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

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

See “THE SCHOOL DISTRICT – Budgetary Procedures” herein for additional information regarding the District’s Tax Levy.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

Except for certain short-term indebtedness contracted for non-capital purposes, 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 period of probably usefulness of the object or purpose determined by statute. Such period may be limited to a shorter maturity, however, by the proceedings adopted by the School District authorizing the obligations; no installment may be more than fifty per centum in excess of the smallest prior installment; unless substantially level or declining debt service is utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. The School District is required to provide an annual appropriation for the payment of interest during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and its obligations issued in anticipation of the issuance thereof.

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.

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 ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

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.

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.

Except on rare occasions the School District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel for bond issues, but it is not an absolute legal requirement.

The Board of Education, as the finance board of the School 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 School 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 School 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 Ended June 30th:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bonds	\$ 17,985,000	\$ 16,100,000	\$ 14,162,000	\$ 20,364,000	\$ 17,932,100
Bond Anticipation Notes	0	3,000,000	9,500,000	0	0
Leases	<u>0</u>	<u>0</u>	<u>0</u>	<u>462,180</u>	<u>696,559</u>
Total Debt Outstanding	<u>\$ 17,985,000</u>	<u>\$ 19,100,000</u>	<u>\$ 23,662,000</u>	<u>\$ 20,826,180</u>	<u>\$ 18,628,659</u>

Details of Outstanding Indebtedness

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

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount Outstanding</u>
<u>Bonds</u>	2024-2037	<u>\$ 15,327,000</u>
	Total Indebtedness	<u>\$ 15,327,000</u>

Debt Statement Summary

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

Full Valuation of Taxable Real Property	\$ 764,910,495
Debt Limit 10% thereof	76,491,049

Inclusions:

Bonds	\$ 15,327,000	
Bond Anticipation Notes (BANs):	<u>0</u>	
Total Inclusions prior to issuance of the Notes	<u>15,327,000</u>	
Less: BANs being redeemed from appropriations	(-)	
Add: New money proceeds of the Notes	<u>4,000,000</u>	
Total Net Inclusions after issuance of the Notes		\$ 19,327,000

Exclusions:

Building Aid ⁽¹⁾	\$ <u>0</u>	
Total Exclusions		\$ <u>0</u>

Total Net Indebtedness	<u>\$ 19,327,000</u>
Net Debt-Contracting Margin	<u>\$ 57,164,049</u>
The percent of debt contracting power exhausted is	25.27%

- ⁽¹⁾ Based on preliminary 2024-2025 building aid estimates, the District anticipates State Building aid of 83.6% 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.

Note: The above debt statement summary does not include energy performance contracts outstanding, which are subject to appropriation but do not involve a pledge of faith and credit of the District, and therefore do not technically constitute indebtedness of the District. Such obligations do however count towards the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations.

Bonded Debt Service

A schedule of bonded debt service may be found attached hereto as APPENDIX - B.

Capital Project Plans

The District generally issues serial bonds for bus purchases annually. The District presented a proposition for a bus purchase during the budget vote in the principal amount not to exceed \$418,000 to qualified voters on May 21, 2024, which was passed by a vote of 248 yes to 81 no. The District anticipates issuing bonds for the buses in the Fall of 2024.

On December 13, 2022, District voters approved a capital project in the amount of \$25,000,000. The project calls for upgrades to existing infrastructure and educational enhancements, as well as renovations that will benefit the fine arts, athletic programs and the community. The District will initially use \$2,000,000 capital reserve funds for the project with the remaining \$23,000,000 to be financed with the issuance of bond anticipation notes and serial bonds. The proceeds of the Notes will provide \$4,000,000 in new monies for the project.

The District's master capital improvement program contemplates additional improvements for District facilities in the future. The size of such project, scope of work and ultimate vote date are not known as of the date of this Official Statement.

As of the date of this Official Statement, there are presently no other capital projects authorized and unissued by the District.

Cash Flow Borrowings

The District, historically, does not issue tax and/or revenue anticipation notes, and does not reasonably anticipate issuing any such notes in the foreseeable future.

Estimated Overlapping Indebtedness

In addition to the School District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the School District. Estimated indebtedness of the respective municipalities is outlined in the table below:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Cayuga	6/29/2023	\$ 13,885,000 ⁽³⁾	\$ - ⁽³⁾	\$ 13,885,000	11.12%	\$ 1,544,012
Tompkins	1/25/2024	62,422,000 ⁽³⁾	6,242,000	56,180,000	0.01%	5,056
Onondaga	6/30/2023	669,178,512 ⁽³⁾	252,381,343	416,797,169	0.01%	33,344
Town of:						
Locke	12/31/2022	- ⁽⁴⁾	- ⁽⁵⁾	-	88.38%	-
Moravia	12/31/2022	423,316 ⁽⁴⁾	- ⁽⁵⁾	423,316	100.00%	423,316
Niles	12/31/2022	372,650 ⁽⁴⁾	- ⁽⁵⁾	372,650	92.50%	344,701
Sempronius	12/31/2022	- ⁽⁴⁾	- ⁽⁵⁾	-	84.03%	-
Summer Hill	12/31/2022	170,642 ⁽⁴⁾	- ⁽⁵⁾	170,642	11.55%	19,709
Venice	12/31/2022	- ⁽⁴⁾	- ⁽⁵⁾	-	10.24%	-
Lansing	12/31/2022	2,747,497 ⁽⁴⁾	- ⁽⁵⁾	2,747,497	0.05%	1,374
Skaneateles	12/31/2022	746,694 ⁽⁴⁾	- ⁽⁵⁾	746,694	0.16%	1,195
Village of:						
Moravia	5/31/2022	1,081,224 ⁽⁴⁾	- ⁽⁵⁾	1,081,224	100.00%	1,081,224
Total:						<u>\$ 3,453,931</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 indebtedness as of June 24, 2024:

	Amount <u>Indebtedness</u>	Per <u>Capita</u> ^(a)	Percentage of Full <u>Valuation</u> ^(b)
Net Indebtedness ^(c)	\$ 19,327,000	\$ 2,798.18	2.53%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	22,780,931	3,298.24	2.98

(a) The current estimated population of the District is 6,907. (See "THE SCHOOL DISTRICT - Population" herein.)

(b) The District's full value of taxable real estate for the 2023-2024 is \$764,910,495. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

a) See "Debt Statement Summary" herein for the calculation of Net Direct Indebtedness.

b) Estimated Overlapping Indebtedness is \$3,453,931. (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

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.

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 shall not exceed nine per centum per annum. 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 or interest on the Notes.

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.

The Federal Bankruptcy Code allows public bodies 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 to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While these provisions do not apply to School Districts, there can be no assurance that they will not be made so applicable in the future.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the School District.

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

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 School District will enter into a Material Event Notices Certificate, a summary of which is attached hereto as “APPENDIX – C.”

Historical Compliance

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

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial 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 of 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 in other jurisdictions of the country 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 operations of the school budget, its ratings and hence 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 Bonds 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 Bonds 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.

LITIGATION

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

The District was served on January 19, 2024, with a Notice of Claim from former employee Suzanne Selvage alleging various theories of liability for wrongful termination of her employment. After conducting an examination of the claimant, it appears that the District has strong defenses to any such claims such that the matter is expected to either resolve by a de minimis settlement or by defense to any lawsuit that is commenced. The District is also partially insured for the claim under a policy with Utica National Insurance Group that provides for defense and limited indemnification of any such claims. Accordingly, it is not anticipated at this time that resolution of this matter will have a material negative impact on the District's financial condition or operations.

The District is a defendant in the case of *Keith Blanchard v. Moravia Central School District, Cayuga County* Index No. E2021-0214, which was filed March 8, 2021 as a Child Victim's Act ("CVA") claim by a former student who attended school in the District approximately 40 years ago. The case is scheduled for trial in Supreme Court, Cayuga County, commencing on August 12, 2024. The District is insured for this matter under policies issued by the Hartford for policy years 1982-84 for at least \$2 million in indemnity coverage. As Plaintiff's current demand to settle the case is less than the policy limits, we believe that the case will either settle with no required contribution from the District or be tried. If it is tried and the District is found liable, it is unlikely that the District's share of any award will exceed the amount of its available coverage. In either instance, it is not anticipated that the outcome will have a material negative impact on the District's financial condition or operations.

TAX MATTERS

In the opinion of WJ Marquardt PLLC, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. The proposed form of opinion of Bond Counsel is set forth in "Appendix -E."

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 District has covenanted to comply with certain restrictions designed to ensure 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. 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

WJ Marquardt PLLC 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 information in this Official Statement.

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to request that a rating be assigned after the sale pending the approval of the District and applicable rating agency, and at the expense of the purchaser(s), including any rating agency and other fees to be incurred by the District, as such rating action may result in a material event notice to be posted to EMMA and/or the provision of a Supplement to the final Official Statement. (See "APPENDIX – C" herein).

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

Moody's Investors Service ("Moody's") has assigned their underlying rating of "A1" to the District's outstanding bonds. The rating reflects only the view of Moody's and an explanation of the significance of such rating may be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653.

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

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.

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 the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the School District management’s beliefs as well as assumptions made by, and information currently available to, the School 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 School District’s files with the repositories. When used in Dundee Central School District documents or oral presentation, the words “anticipate”, “believe”, “intend”, “plan”, “foresee”, “likely”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, “will”, or “should”, or similar words or phrases 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.

WJ Marquardt, PLLC, Skaneateles, New York, Bond Counsel to the School District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the School District for use in connection with the offer and sale of the Notes, including, but not limited to, the 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 School District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the School District, as to which no representation can be made.

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

The School 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 School 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 School District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the School 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 Notes. The District’s contact information is as follows: Jeffrey Lawrence, School Business Administrator, 68 South Main Street, P.O. Box 1189, Moravia, New York 13118 Phone: (315) 497-2670 x 2006 Fax:(315) 497-2260, Email: jlawrence@moraviaschool.org.

This Official Statement has been duly executed and delivered by the President of the Board of Education of the Moravia Central School District.

MORAVIA CENTRAL SCHOOL DISTRICT

Dated: June 24, 2024

**PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER**

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 3,635,248	\$ 3,670,044	\$ 5,536,489	\$ 4,878,940	\$ 3,932,722
Accounts Receivable	1,308,061	1,890,976	2,187,239	3,096,658	1,917,681
Due from Other Funds	2,138,890	2,767,699	537,316	559,947	1,297,910
Prepaid Items	-	-	-	-	-
TOTAL ASSETS	\$ 7,082,199	\$ 8,328,719	\$ 8,261,044	\$ 8,535,545	\$ 7,148,313
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ -	\$ 619,389	\$ 59,216	\$ 591,510	\$ 721,699
Accrued Liabilities	358,709	5,733	405,808	18,978	18,430
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	704,446	162,765	184,019	5,064
Due to Teachers' Retirement System	767,012	679,079	749,294	790,324	923,674
Due to Employees' Retirement System	84,464	70,558	81,767	74,599	95,751
Unearned Revenue	450	-	-	-	-
Compensated Absences	-	-	260,791	-	-
Other Liabilities	-	-	69,705	69,019	66,391
TOTAL LIABILITIES	\$ 1,210,635	\$ 2,079,205	\$ 1,789,346	\$ 1,728,449	\$ 1,831,009
<u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ -	\$ 29,499	\$ -	\$ -
Restricted	4,630,750	5,046,999	4,795,469	5,272,615	3,576,190
Assigned	301,567	232,960	641,000	677,575	594,060
Unassigned	939,247	969,555	1,005,730	856,906	1,147,054
TOTAL FUND EQUITY	\$ 5,871,564	\$ 6,249,514	\$ 6,471,698	\$ 6,807,096	\$ 5,317,304
TOTAL LIABILITIES and FUND EQUITY	\$ 7,082,199	\$ 8,328,719	\$ 8,261,044	\$ 8,535,545	\$ 7,148,313

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>
REVENUES					
Real Property Taxes & Tax Items	\$ 8,170,248	\$ 8,250,592	\$ 8,503,443	\$ 8,707,043	\$ 8,940,726
Non-Property Taxes	723	131	5,993	813	2,781
Charges for Services	117,803	27,025	-	5,265	21,621
Use of Money & Property	68,242	46,302	82,962	83,072	90,700
Sale of Property and Compensation for Loss	23,912	18,024	1,438	1,317	3,712
Miscellaneous	527,894	802,174	627,026	1,091,662	929,153
Revenues from State Sources	13,426,156	13,670,234	14,378,490	15,443,444	16,391,291
Revenues from Federal Sources	35,027	54,431	321,461	55,177	54,211
Total Revenues	<u>\$ 22,370,005</u>	<u>\$ 22,868,913</u>	<u>\$ 23,920,813</u>	<u>\$ 25,387,793</u>	<u>\$ 26,434,195</u>
Other Sources:					
Interfund Transfers	-	37,683	-	-	52,211
Total Revenues and Other Sources	<u>\$ 22,370,005</u>	<u>\$ 22,906,596</u>	<u>\$ 23,920,813</u>	<u>\$ 25,387,793</u>	<u>\$ 26,486,406</u>
EXPENDITURES					
General Support	\$ 2,753,691	\$ 2,859,432	\$ 2,794,221	\$ 2,999,301	\$ 3,220,006
Instruction	11,027,973	11,426,177	12,201,469	12,035,161	12,780,608
Pupil Transportation	1,173,973	1,205,971	1,487,311	1,378,562	1,427,441
Community Services	253	1,500	1,500	1,500	1,500
Employee Benefits	3,948,420	4,052,201	4,115,285	4,299,389	4,320,781
Debt Service	-	-	2,934,964	4,108,381	4,069,751
Total Expenditures	<u>\$ 18,904,310</u>	<u>\$ 19,545,281</u>	<u>\$ 23,534,750</u>	<u>\$ 24,822,294</u>	<u>\$ 25,820,087</u>
Other Uses:					
Interfund Transfers	5,076,172	2,983,365	163,879	175,082	2,156,111
Total Expenditures and Other Uses	<u>\$ 23,980,482</u>	<u>\$ 22,528,646</u>	<u>\$ 23,698,629</u>	<u>\$ 24,997,376</u>	<u>\$ 27,976,198</u>
Excess (Deficit) Revenues Over Expenditures	<u>(1,610,477)</u>	<u>377,950</u>	<u>222,184</u>	<u>390,417</u>	<u>(1,489,792)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	7,482,041	5,871,564	6,249,514	6,416,679	6,807,096
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 5,871,564</u>	<u>\$ 6,249,514</u>	<u>\$ 6,471,698</u>	<u>\$ 6,807,096</u>	<u>\$ 5,317,304</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:	2023			2024	2025
	Original Budget	Amended Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes & Tax Items	\$ 8,917,851	\$ 8,917,851	\$ 8,940,726	\$ 9,066,469	\$ 9,802,491
Non-Property Taxes	800	800	2,781	800	800
Charges for Services	600	600	21,621	10,000	600
Use of Money & Property	83,000	83,000	90,700	77,500	180,500
Sale of Property and Compensation for Loss	1,000	1,000	3,712	2,500	1,000
Miscellaneous	466,500	466,500	929,153	452,000	703,709
Revenues from State Sources	16,538,110	16,538,110	16,391,291	18,502,075	17,077,382
Revenues from Federal Sources	-	-	54,211	40,000	-
Total Revenues	\$ 26,007,861	\$ 26,007,861	\$ 26,434,195	\$ 28,151,344	\$ 27,766,482
Other Sources:					
Prior Year Encumbrances	\$ 52,575	\$ 50,111	\$ -	\$ -	\$ -
Appropriated Reserves	-	2,000,000	-	-	-
Appropriated Fund Balance	625,000	625,000	-	525,000	-
Interfund Transfers	-	-	52,211	-	-
Total Revenues and Other Sources	\$ 26,685,436	\$ 28,682,972	\$ 26,486,406	\$ 28,676,344	\$ 27,766,482
EXPENDITURES					
General Support	\$ 3,204,543	\$ 3,429,003	\$ 3,220,006	\$ 3,663,197	\$ 3,776,172
Instruction	13,404,852	13,155,074	12,780,608	14,374,902	14,517,415
Pupil Transportation	1,496,360	1,550,506	1,427,441	1,686,172	1,737,565
Community Services	1,500	1,500	1,500	1,500	1,500
Employee Benefits	4,537,861	4,320,781	4,320,781	4,897,950	5,161,895
Debt Service	3,855,320	4,069,997	4,069,751	3,852,623	2,391,935
Total Expenditures	\$ 26,500,436	\$ 26,526,861	\$ 25,820,087	\$ 28,476,344	\$ 27,586,482
Other Uses:					
Interfund Transfers	185,000	2,156,111	2,156,111	200,000	180,000
Total Expenditures and Other Uses	\$ 26,685,436	\$ 28,682,972	\$ 27,976,198	\$ 28,676,344	\$ 27,766,482
Excess (Deficit) Revenues Over Expenditures	-	-	(1,489,792)	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	6,807,096	6,807,096	6,807,096	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ 6,807,096	\$ 6,807,096	\$ 5,317,304	\$ -	\$ -

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	\$ 1,497,000	\$ 703,235.97	\$ 2,200,235.97
2026	1,490,000	642,022.50	2,132,022.50
2027	1,470,000	580,250.00	2,050,250.00
2028	1,240,000	516,196.88	1,756,196.88
2029	1,215,000	457,590.63	1,672,590.63
2030	1,175,000	399,750.00	1,574,750.00
2031	1,240,000	341,000.00	1,581,000.00
2032	1,295,000	281,650.00	1,576,650.00
2033	1,155,000	219,650.00	1,374,650.00
2034	1,025,000	164,800.00	1,189,800.00
2035	1,075,000	116,550.00	1,191,550.00
2036	1,115,000	65,950.00	1,180,950.00
2037	335,000	13,400.00	348,400.00
TOTALS	\$ 15,327,000	\$ 4,502,046	\$ 19,829,046

Note: As of the date of this Official Statement, the District does not have any further payments due on its indebtedness during the 2023-2024 fiscal year. The above chart includes future payments.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2014 Refunding of 2006 Bonds			2019 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 205,000	\$ 18,962.50	\$ 223,962.50	\$ 70,000	\$ 656.25	\$ 70,656.25
2026	215,000	13,325.00	228,325.00	-	-	-
2027	220,000	6,875.00	226,875.00	-	-	-
TOTALS	\$ 640,000	\$ 39,162.50	\$ 679,162.50	\$ 70,000	\$ 656.25	\$ 70,656.25
Fiscal Year Ending June 30th	2020 Buses			2021 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 75,000	\$ 1,582.50	\$ 76,582.50	\$ 70,000	\$ 1,850.00	\$ 71,850
2026	75,000	585.00	75,585.00	75,000	1,125.00	76,125.00
2027	-	-	-	75,000	375.00	75,375
TOTALS	\$ 150,000	\$ 2,167.50	\$ 152,167.50	\$ 220,000	\$ 3,350.00	\$ 223,350.00
Fiscal Year Ending June 30th	2022 Buses			2024 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 70,000	\$ 8,725	\$ 78,725	82,000	17,209.72	\$ 99,210
2026	75,000	6,656.25	81,656.25	85,000	12,331.25	97,331.25
2027	75,000	4,200.00	79,200.00	90,000	9,050.00	99,050.00
2028	75,000	1,425.00	76,425.00	95,000	5,521.88	100,521.88
2029	-	-	-	95,000	1,840.63	96,840.63
TOTALS	\$ 295,000	\$ 21,006.25	\$ 316,006.25	\$ 447,000	\$ 45,953.47	\$ 492,953.47

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2018A			2019			2022		
	DASNY - Capital Project			Refunding of 2012 Bonds			DASNY Series A		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 260,000	\$ 132,500	\$ 392,500	\$ 200,000	\$ 151,000	\$ 351,000	\$ 465,000	\$ 370,750	\$ 835,750
2026	270,000	119,500	389,500	205,000	141,000	346,000	490,000	347,500	837,500
2027	285,000	106,000	391,000	215,000	130,750	345,750	510,000	323,000	833,000
2028	300,000	91,750	391,750	230,000	120,000	350,000	540,000	297,500	837,500
2029	315,000	76,750	391,750	240,000	108,500	348,500	565,000	270,500	835,500
2030	330,000	61,000	391,000	250,000	96,500	346,500	595,000	242,250	837,250
2031	350,000	44,500	394,500	265,000	84,000	349,000	625,000	212,500	837,500
2032	365,000	27,000	392,000	275,000	73,400	348,400	655,000	181,250	836,250
2033	175,000	8,750	183,750	290,000	62,400	352,400	690,000	148,500	838,500
2034	-	-	-	300,000	50,800	350,800	725,000	114,000	839,000
2035	-	-	-	315,000	38,800	353,800	760,000	77,750	837,750
2036	-	-	-	320,000	26,200	346,200	795,000	39,750	834,750
2037	-	-	-	335,000	13,400	348,400	-	-	-
TOTALS	\$ 2,650,000	\$ 667,750	\$ 3,317,750	\$ 3,440,000	\$ 1,096,750	\$ 4,536,750	\$ 7,415,000	\$ 2,625,250	\$ 10,040,250

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 "Commission") 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 Note is 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 Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (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 School District, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

With respect to 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 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 District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

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

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

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

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

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

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

MORAVIA CENTRAL SCHOOL DISTRICT

GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2023

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.

FORM OF OPINION OF BOND COUNSEL

July 25, 2024

Moravia Central School District
68 South Main Street
P.O. Box 1189
Moravia, New York 13118

Re: Moravia Central School District
\$4,000,000 Bond Anticipation Notes, 2024

Ladies and Gentlemen:

In our opinion (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. 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,

WJ Marquardt, PLLC